



TURKS AND CAICOS ISLANDS GOVERNMENT

CITIZENS' GUIDE TO THE BUDGET

2023-2024



DELIVERING ON THE CITIZEN'S CONTRACT:

Achieving Social, Economic, and Environmental Progress for All



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HON. E. JAY SAUNDERS

Minister of Finance, Investment and Trade

MAJOR ACHIEVEMENTS 2022/2023

- Increased the National Minimum Wage by over 20 percent from 6 dollars and 25 cents to between \$8 and \$9 per hour.
- Introduced a new (6%) Pension and Gratuity Programme for persons employed after 1992 and re-instated a 25% gratuity for persons employed before 1992.
- Deposited \$8.4 million into the public service pension fund with an additional \$2 million annually.
- Gave a 4% across the board salary increase to Public Servants and 14% increase in Police salaries.
- Increased the NIB Pensions and changed the rules so that persons at 60 years or older can work full-time and receive their retirement pensions.

Dear fellow Turks & Caicos Islanders, It is my pleasure to present to you the Financial Year 2023/2024 Citizen's Guide to the Budget.

Through these budget guides, our Government demonstrates our continued commitment to good governance and inclusive policymaking. They allow for a deeper understanding of the yearly revenues earned by the TCIG, the sources of revenues, how expenditures are allocated to the benefit of our residents, and our Government's policy priorities. We encourage you to utilize the budget guides to track the progress of our initiatives, and most importantly, to hold us accountable for delivering on our promises.

This year's budget guide is a summary of our Government's Budget of Revenues and Expenditure for the period 1st April 2023 to 31st March 2024 (FY2023/24). It includes summaries of our policies, programmes, expenditures, and revenue projections.

In summary, our Citizen's Guides to the Budgets serve as an important resource to help every Turks & Caicos Islander stay informed about our Government's fiscal plans and priorities.

By enhancing transparency and promoting engagement, we hope to foster a sense of shared responsibility and partnership between our Government and our citizens, as we continue:

Delivering on The Citizen's Contract: Achieving Social, Economic, and Environmental Progress for All.





ATHENE E J. HARVEY-BASDEN, OBE

**Permanent Secretary in the
Ministry of Finance, Investment and Trade**

My fellow Islanders and Residents, In keeping with the Government's continued commitment to transparency and accountability, the Ministry of Finance and Trade presents The Citizen's Guide to the Budget for 2023/2024.

The guide gives an overview of the programmes and policies of the Government in a format that is easy to read. Our aim is to equip all our citizens with information on how funds are allocated for public services and priority projects.

We believe that the more you know about the policies and programmes, the better you can make decisions about your future. With up-to-date and accurate information, you can participate more fully in discussions about the state of our economy and hold the Government accountable.

The 2023/2024 Guide focuses on spending by ministries, budgetary priorities, development projects on each island, and most importantly, where the money is coming from to pay for everything.

I encourage you to share this guide with family and friends and let us work together to build on the economic and social advancements of the Turks and Caicos Islands.

IMPORTANCE OF THE ANNUAL BUDGET

The budget is a clear plan for how the Government spends your money and how it pays for all the various activities. Cabinet and the House of Assembly estimate how much money will come into the coffers and how that money will be allocated.

If revenues are greater than spending, the Government runs a surplus. That surplus can be used for development projects or Citizens Empowerment Fund. If spending is greater than revenues, we run a deficit. The deficit can be made up from surplus or borrowing.

UPDATING THE BUDGET STRUCTURE

As we continue to modernize our economy and implement the strategic reform programmes, we must better align budget allocation with long and medium-term planning.

Ministries, Departments and Agencies, (MDAs) must ensure that the longer-term implications of their programmes are in line with Government policy priorities.

The Budget document which you can find at www.gov.tc aligns the MDAs' mission, strategic priorities, programmes and performance information to the UN Strategic Development Goals indicators and targets and TCIG Vision 2040 Strategic Planning Document.

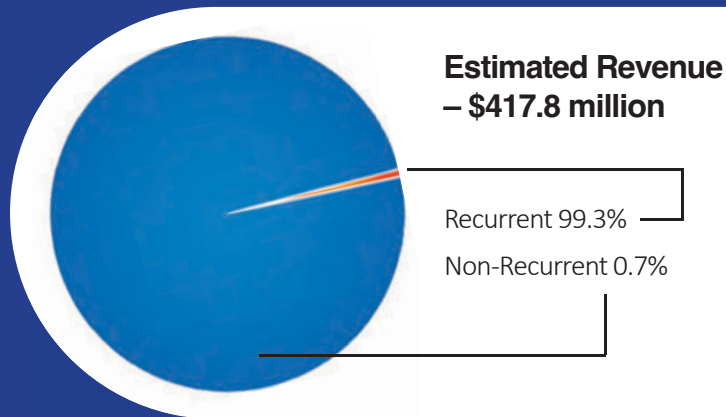
For the first time, MDAs will report on the gender and green impacts of their programmes as the Government continues to integrate climate, environmental and gender considerations into planning and decision making.

The Turks and Caicos Islands, with the support of CARTAC, is the first country to implement this important public financial management reform in the Caribbean. Our approach is expected to be used as a guide by other countries in the region.

FINANCING THE BUDGET

The money that the TCIG spends comes mostly from the tourism, construction, real estate and immigration sectors as well as customs and stamp duties.

REVENUE – What we expect to earn.



- Recurrent Receipts- \$414.9 million
- Non-Recurrent Receipts - including Grants from External Donors - \$2.9 million

Major Revenue Sources (Projected)

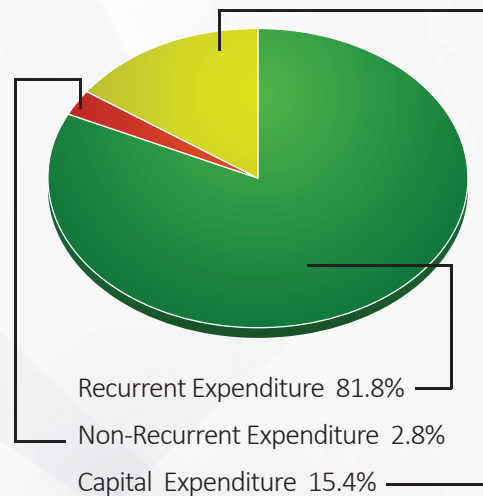


- Accommodation Tax = \$106.5 million
- Import Duties = \$98.5 million

Major Revenue Sources (Cont'd)

- Stamp Duty on Land Transactions = \$58.3 million
- Work Permit = \$36.7 million
- Other Customs Duties = \$35.0 million
- Ports and Sea Travel Taxes = \$17.4 million
- Fuel Tax = \$8.5 million
- Vehicles and Driver's License Fees = \$6.8 million
- Business and Banking Related Receipts = \$6.5 million
- Other Receipts = \$40.4 million

What We Plan To Spend Total Expenditure – \$424.1 million



- Recurrent Expenditure – (Salaries and Wages and Goods and Services) – \$346.8 million
- Non-Recurrent Expenditure – (Special Investigation Prosecution Team (SIPT)), and land Acquisitions etc. – \$11.8 million
- Capital Expenditure (Infrastructure projects such as Schools, Ambulance, etc.) – \$65.5 million

OPERATING DEFICIT

Projected Operating Deficit- \$6.3 million. This will be funded from the reserves.

MANAGING INFLATION AND EXTERNAL PRESSURES



- Reduced Customs Processing Fees from 7.5 to 5-per cent
- Removed all Customs Processing Fees from bread-basket items and essential home products
- Reduced the Fuel Tax from 85 to 64 cents per gallon
- Increased Social Assistance to \$500 monthly per child for up to 3 children per household. For adults, it moves from \$120 to \$1,000 monthly per household
- Moved Foster Care Assistance from \$120 to \$300 weekly per child for up to three children per household

BUDGETARY PRIORITIES

Economic Affairs – \$87.8M - 21%



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

Public Order and Safety – \$86.4M – 20%



- Police Services
- Law Courts, AG Chambers, Director Public Prosecution, Judicial Administration, and the Labour Tribunal
- Public Order, Customs and Border Protection, Immigration and Repatriations
- Correctional, and Rehabilitation Services
- Fire and Rescue

Health – \$84.6M – 20%



- Public health and hospital services
- Mental health
- Research
- Health emergencies
- Dental
- Laboratory services
- Promotion of healthy lifestyles, and
- Policy planning

Public Services – \$71.5M - 17%



Public service operations, including the following offices:

- Governor
- Deputy Governor
- Premier
- House of Assembly
- Financial and Fiscal Affairs

Education and Recreation – \$48.9M – 12%



Creating modern schools that are well positioned and equipped to give our people the skills, knowledge, experience, and confidence to lead productive, meaningful lives and to help drive sustainable development across all islands.

- Free Community College to all TC Islanders
- Policies to support early childhood education and safeguard children
- Improvements to school infrastructure
- More scholarships and school support for students at all levels
- Recreation and Sports

Social Protection – \$19.1M – 20%



- 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

Housing and Community Amenities

– \$18.4 – 4%



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

Defense – \$3.3M – 1%



- National Security Secretariat and the Contingent Forces
- Patrol vessels and motor vehicles for the Defense Forces
- Disaster Management

Environmental Protection – \$2.8M – 1%



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

Culture and Religion – \$1.4M – 0.5%



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

GOVERNMENT PRIORITIES

Living Wage/Supporting Families



The Government is determined to ensure that all Islanders can meet their basic needs.

Effective April 1, 2023, the Turks & Caicos National Wage Index was increased from \$6.25 to \$8.00 per hour, and \$9.00 per hour for sectors such as Security, Manufacturing, Construction and Banking.

The Government will implement two programmes to help families in need.

- \$687K has been allocated to the National Day Care Programme to subsidize the cost of care giving for Turks and Caicos Islanders with children up to three years old
- 770K has been allocated to the National After School Programme. Teachers who provide guidance with homework, club services and other structured programmes will receive \$500 monthly



Digitization and E-Governance



Approximately \$8.0 million is being spent to improve and expand our IT platforms to support the migration to e-Government services, including the rollout of a National ID programme and revenue systems. The priority of the Government is on high quality service delivery to the people.

Primary Sector Development



\$800k has been allocated for maritime, fisheries, and agricultural services.

This will finance detailed studies of the maritime and fisheries sectors including stock assessment, maritime risk assessment, small craft policy, enforcement, and implementation of the Merchant Shipping Bill, and supporting regulations.

It will also:

- Enhance agricultural development and overall farming capacity
- Develop the Kew Farm, including increasing and diversifying the product mix (livestock feed and livestock)
- Manage the Farmers Market on Providenciales, and
- Rollout out a Dog Control Strategy

Public Service Compensation/Expansion



In 2022/2023 work started on a general pay and regrading exercise for the Public Service. An initial \$2.5M has been allocated in this budget to implement the pay and regrading exercise.

New critical positions are being introduced, including Managers, Mathematics Specialists for primary schools, Special Needs and Behavioural Specialists, Energy Utility Officers, Serious Crime Prosecutors, Mental Health Officers, Social Workers, and additional Marines to strengthen the Regiment.

Privatization of Janitorial Services



The Government intends to privatize janitorial services in this coming year. \$1M has been allocated for the process to begin.



ISLANDS IN FOCUS



Projects Across Multi Islands – \$28.9M

They include:

- \$3M for the Housing Project Initiative
- \$2.75M for remedial works to ponds and bridges
- \$2M for the National ID System
- \$2M for digitization of the Inland Revenue Department
- \$1.1M for drainage improvement works
- \$1M to purchase backup generators and house them
- \$500K to construct Ambulance Terminals
- \$500k to purchase patrol vessels for Maritime and Fishing



Grand Turk – \$6.8M

- \$2M for bridges, ponds and roads
- \$1.5M for construction of Hangar
- \$1.5M for drainage and site works at HJRHS
- \$500k to renovate local GTT Village
- \$250K to refurbish the Sylvia Melhado Aged Care Centre
- \$200K for the Veterinary Clinic



Providenciales – \$10.4M

- \$900K Special Needs School
- \$800K Sapodilla Bay Development
- \$750K Furniture and Equipment for Primary Schools
- \$650K to upgrade Bight Park
- \$650K to renovate Fuller and Clementia Walkin Park



South Caicos – \$2.8M

- \$1.5M for enhancement and restoration of Conch Grounds XSC
- \$500K for refurbishment of Sports Field
- \$500K for redevelopment of Regatta Beach
- \$300K for furniture, equipment and wheelchair accessible vans for the Eliza Basden Aged Care and Special Needs Centre



Middle Caicos – \$750K

\$750 for the renovation of Bambarra Beach



North Caicos – \$2.4M

- \$1M for the construction of the Bottle Neck Creek Community Centre
- \$850K to repair the RGHS High School Block
- \$500K for the refurbishment of the Horse Stable Complex
- \$117K to purchase DDME equipment



SPECIAL FEATURES

DIRECT FLIGHTS FROM LONDON TO PROVIDENCIALES

To attract new and diverse visitors and to make our islands more accessible, the TCIAA has advanced discussions with Virgin Atlantic Airlines to commence service to Providenciales International Airport twice weekly in November 2023.

This will be the first and only direct service between London and the Turks and Caicos Islands.

Virgin Airlines is expected to operate a Boeing 787-9 aircraft from London Heathrow to Providenciales and onto Montego Bay, Jamaica.

The new flights will give us a greater reach into the United Kingdom and European markets.

The Turks and Caicos Islands Airport Authority, TCIAA will provide Virgin with direct financial support and concessions on some fees for up to three years to help lower the cost of operating the flights. In addition, the Ministry of Tourism and the Tourist Board have agreed to provide Virgin Airlines with Route Development and Marketing support.



Howard Hamilton (Providenciales) International Airport



The development of modern and resilient airports to facilitate international travel into and throughout the Turks and Caicos Islands is a priority of the Government.

To expand our Tourism industry and promote economic development seamless travel throughout our islands is critical. The Government is making steady progress on the redevelopment of the Howard Hamilton International Airport, formerly the Providenciales International Airport.

The TCIAA has recommended that redevelopment takes place over two distinct construction phases to increase the airport's capacity as quickly as possible:

- **Quick Wins Phase:** to be completed under two years includes the implementation of a new turn pad (airside); increasing the apron size by over 280,000 square feet and expanding the existing passenger terminal by nearly 27,000 square feet to capacity.
- **Short/Mid-Term Developments:** to be completed over 3–4 years include adding an airside taxiway for departures and a separate taxiway for arrivals. This will nearly double the airfield capacity, increase the apron by over 110-thousand square feet, constructing a new passenger terminal building and adding parking capacity.

PORTS



Our ports are critical to domestic and international trade and the growth of the TCI economy. Their modernization and expansion are a critical component of the **VISION 2040** plans.

Millions have been spent on the rebuilding, rehabilitation, and expansion of ports on all islands and introducing modern systems and procedures.

The Bellefield Landing Welcome centre is fully operational.

A contract for Phases 1 and 2 of the South Dock Port Redevelopment has been signed and construction should begin shortly and last for about 30 months.

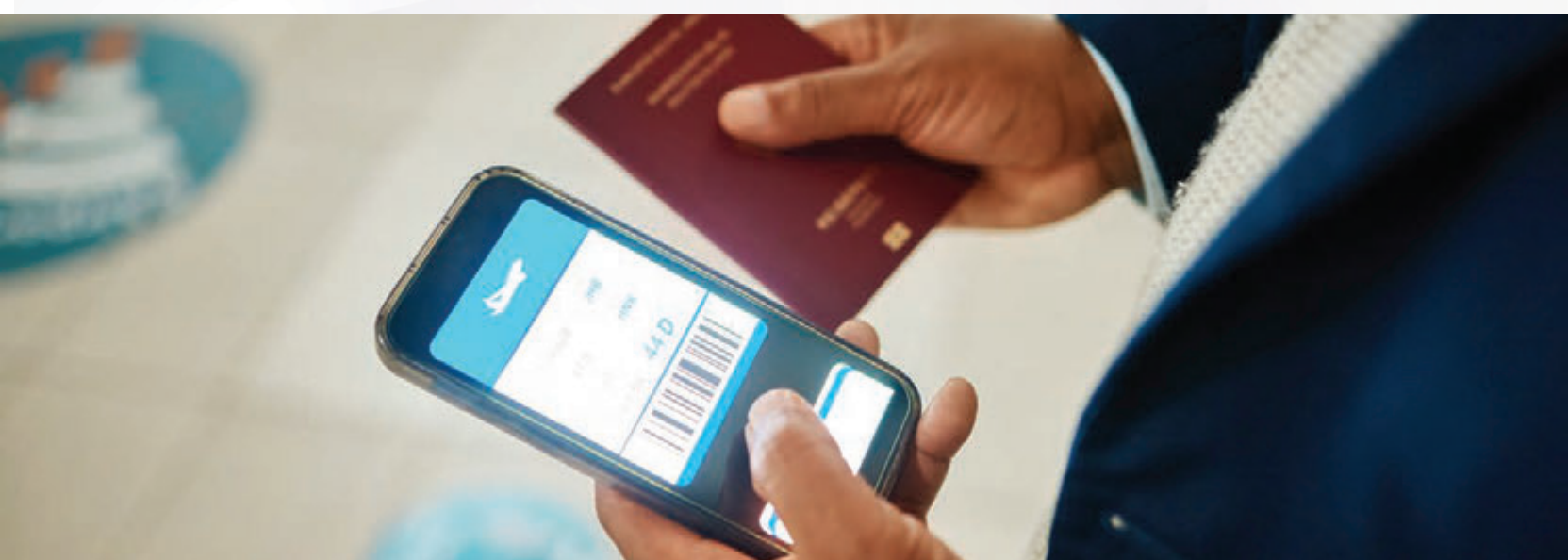
The redevelopment of South Dock is a game changer and will significantly increase economic benefits as vessels with larger loads will be able to berth. This will reduce the cost of shipping, goods and doing business.

The works include:

- Construction of a new general cargo terminal with 2 berths to accommodate up to 3 vessels at the same time.
- Construction of a massive container yard for general cargo and bulk materials.
- Construction of internal roads and installation of a new scale.
- Construction of a safe-water drainage system.
- Construction of a second 410 feet long berth.
- Dredging a larger turning basin to a depth of 18 feet.

A new Port logistics and Data Intelligence Platform is being introduced to digitize port operations and improve service delivery.

IMMIGRATION AND BORDER SECURITY



As the Government moves to make our borders more secure and improve the experience of our people and visitors to the islands, \$12.5 million will be allocated over three years to support the digitization of our immigration services and create a digital border.

The Ministry of Immigration and Border Services will introduce new technology and processes for an end-to-end border management system. This will integrate information from all ministries and allow the storage of all immigration data in one place. Law enforcement officers will be able to check the status of persons at the touch of a button. Integrating existing data into the new system will alert authorities to those who overstay.

The second step towards establishing a digital border is to create a biometric identity from the electronic immigration records. Once the system is operational, the biometric data of all migrants (lawful and otherwise) will be recorded. This will allow the authorities to quickly identify persons in the TCI illegally and prevent them from easily acquiring lawful status.

The third step is to introduce automated border controls or E-Gates. This will transform the customer experience for the majority of our low-risk passengers who will be able to seamlessly and securely travel through our international airport.



REHABILITATION AND COMMUNITY SERVICE



The Government believes in restorative justice and giving second chances especially to non-violent offenders. To support this, Probation Services has been transformed into the Rehabilitation and Community Services Department and is no longer a part of the prisons.

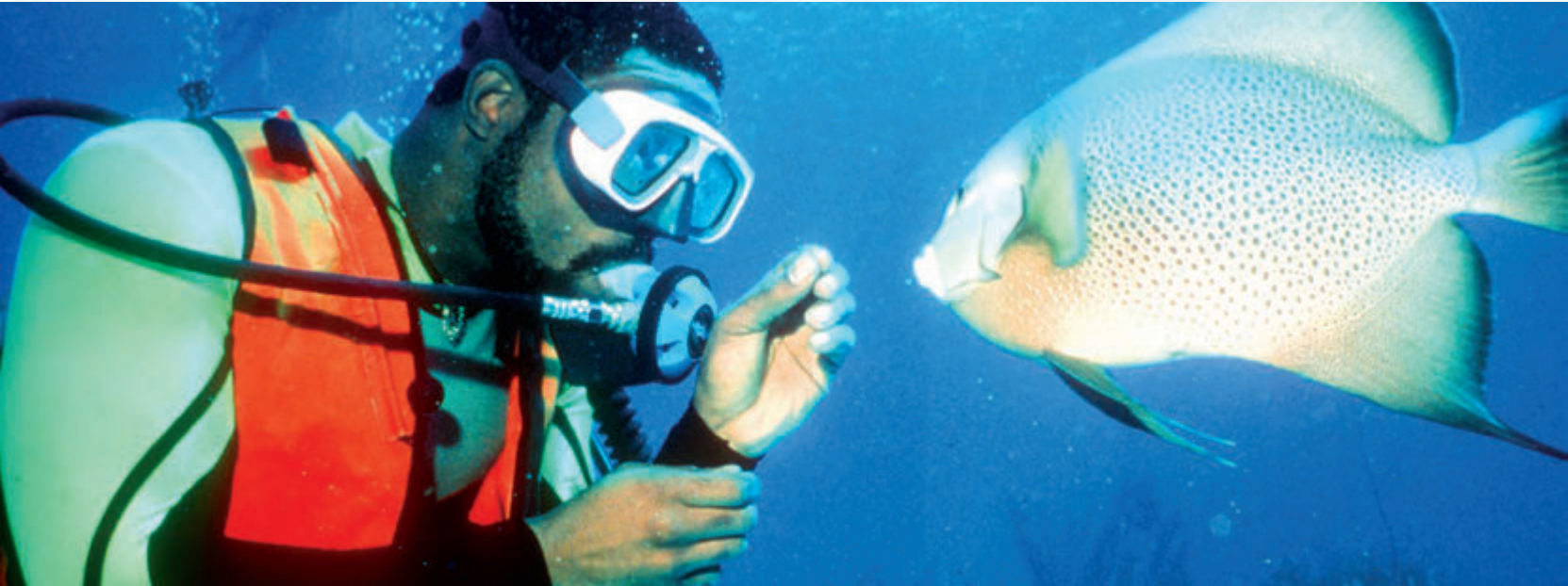
Rehabilitation and community service are alternatives to imprisonment and provide options for the Court. Offenders are able live and work in their community, support their family, participate in rehabilitative programmes, and pay restitution.

Probation and Parole supervision is a legal requirement enshrined in our laws. During the supervision period, the Probation Officer formulates a mandatory case plan for the offender including control and support activities, such as mandatory treatment for drugs and alcohol, behavioural interventions, drug testing, curfew, employment, community service, and other psychosocial needs.

The overall goal of the Rehabilitation and Community Service is to reduce the risk of re-offending and promote behavioural change.



DESTINATION MANAGEMENT ORGANIZATION



Tourism is the main economic driver for the TCI. This industry must be managed carefully to maintain the highest standards and sustainability as one of the most desired destinations, with timeless appeal and a superior visitor experience.

The Government wants to ensure that earnings from tourism are distributed in an equitable manner and benefit all our people.

To achieve this, we are transitioning the Tourism Board into a Destination Management Organisation (DMO) and establishing a Department of Tourism Regulations (DTR) to coordinate and manage all aspects of the Turks and Caicos Islands tourism. Our primary goal is to keep the TCI ahead of the competition by

developing attractions, showcasing our culture and promoting the best of our islands and our people.

The DMO will be a non-profit organization (NPO) forging partnerships and improving the synergy between private and public stakeholders.

\$2.5M has been allocated to set up the DMO office and hire staff.

The Department of Tourism Regulations (DTR) will have regulatory oversight of the tourism sector, including developing regulations, mandatory standards and guidelines to ensure the highest quality service delivery. \$1M has been allocated to set up the DTR in this budget.



NATIONAL DELIVERY UNIT



The National Delivery Unit, NDU will monitor and ensure that projects especially those that are a priority for national development are completed in a timely manner and within budget.

The NDU which was established in July 2022, will benefit from consultancy oversight for another year. \$2.3 million has been allocated to finance staff costs for five team members and the operationalization of thirteen (13) priority projects. The projects include:

- Development of the Communications Directorate
- South Dock Development
- National IDs

- Comprehensive Housing Development; and
- Digitization of Border Services.

Every project, 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 National Delivery Unit will provide continuous monitoring of projects to ensure that clear goals and critical milestones are met. It will facilitate efficient use of resources, better communication among project stakeholders, and foster knowledge-sharing to improve project delivery.





Congratulations

- Order of the British Empire -

The Ministry of Finance, Investment and Trade congratulates our Permanent Secretary, Mrs. Athenee Harvey-Basden and Permanent Secretary for Health, Mrs. Desiree Lewis who were conferred with the Order of the British Empire, OBE, for their excellent contribution to the Government and people of the Turks and Caicos Islands by *His Majesty, King Charles III*.

We are proud of you!



