

Baroness Anelay Speech to the Legislative Assembly

Introduction

Your Excellency the Governor, Honourable Premier,
Honourable Madame Speaker, Members of the Legislative
Assembly.

It is indeed a delight to be here in the Cayman Islands and have this opportunity to speak to you. It is my first visit to an Overseas Territory since assuming responsibility for them in July this year. I couldn't have chosen a more beautiful starting point. And yesterday I visited Little Cayman and Cayman Brac, and I saw for myself the stunning scenery, the enchanting wildlife and the impressive facilities that attract visitor after visitor.

I also met a number of local residents and experienced firsthand the '*Cayman Kindness*' that I have read so much about. I would like to thank Premier McLaughlin and Deputy Premier Kirkconnell for their welcome, and all the other members of this Assembly who have given me such an excellent insight into life on the Sister Islands. When Premier McLaughlin and his team come to London next month for the

Joint Ministerial Council meeting, I look forward to reciprocating your warm welcome.

We greatly value the JMC as an opportunity for all the Heads of the UK Overseas Territories and UK Ministers to meet and discuss areas of mutual concern and interest.

EU Referendum

A new item on the agenda this year will of course be the implications of the UK's recent referendum result. As the UK prepares to leave the European Union, we are determined to forge a bold, new, positive role in the world. This will present opportunities, including for the Cayman Islands, and we will work closely with you to ensure that your interests are protected.

We will protect your interests because the United Kingdom and the Cayman Islands share a close bond, thanks to our common history, our linked economies, our shared values, and our personal ties. And of course our relationship isn't preserved for posterity - it's very much a modern relationship which is evolving with the times. The Cayman Islands themselves are changing too, thanks to a well-managed and strong economy.

Cayman Islands Economy

Your GDP is growing; employment is rising; debt levels are within target; and visitor numbers are up.

Of course your financial services sector is the driving force behind much of this impressive performance. As a leading international hub for pension fund investment and raising capital, the Cayman Islands bring real benefits to the global economy and onshore economies.

The UK and Cayman Island economies also enjoy mutual benefits from our respective financial services sectors. The expertise of the City of London and the financial services providers on this island are second to none.

The sector as a whole is often in the spotlight and a subject of discussion amongst world leaders, but the Cayman Islands' track record of cooperation and transparency speaks for itself. The need to make changes to counter serious and organised crime has been embraced by your financial sector, with the support of the Cayman Islands Government.

We welcome this willingness to adapt in response to new and evolving challenges.

LGB&T

Today I would like to raise another issue in which we have seen gradual change in recent years. That issue is equal rights for all. In particular I would like to address the issue of equal rights for people from the Lesbian, Gay, Bisexual and Transgender communities.

I know this is a sensitive matter in the Cayman Islands, and has been the subject of much debate here. We had similar debates ourselves not very long ago, including in my own place of business, the House of Lords. It took some time for changes to equality legislation to be agreed in the UK - so I do understand the need for time, the need to reflect and to adjust. I have no wish to preach or lecture.

What I do want to do is to set out today the UK Government position and explain why I strongly believe that it is in everyone's interests to ensure LGB&T equality and freedom from discrimination.

First, and most importantly, I want to make clear that the British Government has no plans, no plans to impose same-sex marriage in the Cayman Islands. However, I also want to be clear that continued discrimination puts the Cayman Islands in

breach of its international obligations, so there is a legal imperative to change.

There is also an economic imperative. Evidence has shown that it is only when countries are able to draw on all their available talents, and make all their citizens feel included, that they can fulfil their true potential.

The people of the Cayman Islands are famous for offering a warm welcome to a diverse range of people from all over the world, whilst retaining their special Caymanian culture and heritage. I hope they can begin to offer the same welcome to their own LGB&T communities.

Civil cooperation

As I said earlier, change takes time, and success does not come automatically, it takes hard work. The Cayman Islands have shown that they have what it takes to succeed. Your dedicated and professional civil service is the envy of many in the region.

The excellent work of the Royal Cayman Islands Police Service has helped ensure one of the lowest crime rates in the Caribbean. Your values of public service and respect for the rule of law – values that we very much share - offer a bright

future for the Cayman Islands, and one which the UK is keen to support.

Disaster preparedness

We already provide support in the important area of preparedness for natural disasters. We have a naval vessel in the Caribbean 365 days a year ready to respond to any crisis in the Overseas Territories. Yesterday, I visited a hurricane shelter on Cayman Brac, and heard about the excellent work of the Hazard Management Department, police, fire service and other agencies to ensure that the population is protected.

Environmental protection

Protecting the environment is also fundamental to these islands. Another thing I learned about yesterday was the important work on Little Cayman to protect and restore reefs. Your unique environment is vital to your tourism industry – indeed, the bio-diversity of the Overseas Territories is globally important. Protecting it will remain a key priority.

That's why the UK Government is making additional funds available to the Overseas Territories, and the Governor's Office is working closely with the Government to develop projects that will protect the environment, together with others that will

strengthen security and good governance, improve child safeguarding and support hazard management.

Conclusion

These new projects show that, while the partnership between the United Kingdom and the Cayman Islands may be rooted in the past, it is one that will continue into the future.

I look forward to welcoming your leaders to London next month and to working closely with you in the months and years ahead. Working together for the best interests of the Cayman Islands and all their people. I felt that strongly before I came here. The opportunity to meet you and the people of the islands makes me sure this is how we will continue. Thank you.

2016-2017 Budget Policy Statement

By Premier Hon. Alden McLaughlin, MBE, JP, MLA

Monday, 30 May, 2016

Madam Speaker, I deliver this final budget policy statement of this term with a sense of fulfilment and pride that this Government has done what we were mandated to do in the 2013 election; return stability to the country and its economy, stabilise Government finances, restore the good name of the Cayman Islands - both here at home and internationally - and improve employment opportunities for our people.

This is a remarkable achievement in just three years and one of which the entire Cayman Islands can be justly proud.

To quote Winston Churchill – “The truth is incontrovertible. Malice may attack it. Ignorance may deride it. But in the end, there it is.”

The budget that will be delivered today highlights this truth. It also highlights a determination by us to continue the programme of positive change we began in 2013, and doing so with the same determination that has characterised the spirit of ‘getting things done’ that we have shown over these past three years.

Today, the economy is moving again. People are investing in Cayman again. Businesses are growing again. Caymanians are finding work again. Government finances are back on track, again. And tax cuts are benefiting everyone.

The work is not over by any means and there is still much to be done, but without question, Cayman is in a much better position now than when we assumed office three years ago.

We have restored confidence in the government and by so doing we have the confidence of our people, of investors and of the United Kingdom Government. We have succeeded in doing so through methodical and careful planning and disciplined execution.

As a result Madam Speaker, I am pleased to be able to report to this Honourable House and the entire country that the Foreign and Commonwealth Office has approved the 2016-2017 budget quickly and on the first submission. This has been the case for each and every budget this Administration has delivered. To all involved, I say congratulations and well done.

Madam Speaker, please allow me to read the letter from the United Kingdom's Overseas Territories Minister James Duddridge congratulating us on this newest budget.

"Dear Premier,

Thank you for your letter dated 18 May outlining the Cayman Islands 2016-17 Budget revenue and expenditure levels.

Firstly I would like to congratulate you on the success of the 2015-16 Budget, which will now bring the Cayman Islands into full compliance with the agreed limits as defined in the Framework for Fiscal Responsibility. This step you have taken to manage the public finances is important for securing sustainable economic growth for the Cayman Islands.

I was also pleased to see that you have presented another strong Budget for 2016-17 consistent with the forecast set out in Strategic Policy Statement. I note this Budget will be 18 months long in order to transition to calendar year budgets in the future. My officials inform me your decision in part reflects the advantage of having a more informed view of the revenue position at the start of the year in order to manage the budget more effectively.

Finally, thank you as always for continuing to work closely with my officials in the Foreign and Commonwealth Office. I value the close partnership between our governments and look forward to maintaining this in the future.”

And it's signed James Duddridge, MP, Minister for Africa, the Overseas Territories and the Caribbean.

Before I get too far along in my presentation I wish to thank Her Excellency for presenting the Throne Speech and for her wise counsel and continued support of the Government. We have an excellent working relationship and I was pleased to learn that she will be staying through the balance of this term and beyond.

I also wish to thank the Minister of Finance and his team for their tireless efforts in preparing the 2016-2017 budget, which he will present shortly. When he does, Madam Speaker, this House will appreciate that this budget continues what has been a hallmark of this Administration; a prudent and pragmatic approach to spending and minding of the public purse.

Indeed the Minister of Finance will again present a budget for economic growth, for jobs and prosperity.

A budget that continues this Administration's commitment to no new borrowings and no new taxes;

A budget that continues the tax concessions previously granted by this Administration;

A budget that benefits families and businesses;

A budget that shores up government cash reserves and repays debt;

A budget that continues to fulfil the ambitious plans we set for ourselves three years ago; plans to:

Stabilise Government finances;

Restore confidence in Cayman and in the Government;

Strengthen the economy;

And improve employment and opportunities for our people. The latter goal that speaks to opportunities for our people is not an add on. It is the primary reason we do all the other things.

Indeed each of these goals is important and interlinked.

Prudent money management, coupled with honest and transparent government and honest procurement systems, give investors confidence in government and the country. And investor confidence is central to any plans to grow the economy.

Investors, including Caymanian investors, who are confident that their investments in the Cayman Islands are safe:

Start businesses here,

Develop properties here, and

Import products and equipment.

Madam Speaker, they attract tourists and international financial services business and provide employment for our people.

The economic activities they create benefit Caymanian businesses and the people they employ. And this economic activity also provides the fees and import duties that Government relies on for revenue. Solid Government revenues, coupled with sensible money management create useful surpluses.

Surpluses that can be used to pay for Government services, to top up cash reserves and save for rainy days, to repay debt and provide benefits for our people - such as education, healthcare, and policing, as well as to build infrastructure such as roads, docks, hospitals, airports, schools and waste management plants.

Surpluses also allow for tax reductions that put money back into the pockets of families and businesses; money that may help a family to save for a home or a business or to afford a new delivery van.

And as government finances and the economy continue to improve, this encourages even more investment in Cayman. The virtuous cycle continues, bringing even more economic and employment opportunities for our people.

This is not rocket science, but it does take ability, discipline, credibility, integrity and loads of hard work. These are qualities for which this Government has become

known. And, which is why we are - as the Deputy Premier likes say - a Government that gets things done.

Let us reflect on what this Government is getting done.

The restoration of Government finances – When the Minister of Finance speaks he will address this at length and will point out that we have met all the targets needed to bring us back into full compliance with the requirements of the Public Management and Finance Law.

He will also show that we have maintained firm control over expenditures and delivered strong revenues and surpluses. He will highlight that this Administration continues to operate from cash rather than an overdraft, and that this is a budget that continues to reduce debt and to make provision for matters like Government's past service liability to pensioners.

This has not happened by chance but is the direct result of this Administration's sound planning and disciplined implementation of those plans. We were determined to deliver and keep our promises to bring government finances back under control.

We understand that a Government with the discipline to use its available funding wisely is a Government that does not overtax its people. And this Government has used the peoples' money wisely.

Over our last three budgets we have generated net surpluses totalling almost \$400 million dollars. We did this despite giving up about \$30 million dollars annually in tax reductions and correcting inequalities in civil servants' salaries. Effectively, this represents a \$30 million dollar annual economic stimulus.

By comparison, the UDP's last three budgets created net surpluses totalling only \$41 million dollars.

So how are we using these surpluses?

In a number of ways, including returning cash reserves to the levels required by the Public Management and Finance Law.

We are also using surpluses to repay Government debt. Over the past three years surpluses have given us the ability to pay down debt by \$71 million dollars. As the Minister of Finance will no doubt mention, the current budget will have sufficient surpluses to reduce the debt burden even further.

And we have set aside \$17 million dollars in a debt service sinking fund, which can be used to repay debt in future years as needed.

Paying down debt, as we have done, reduces the burden of financing costs to government and also frees up funds for other uses, such as improving education, funding the cost of a proper waste management system, or providing needed infrastructure.

Surpluses also allowed us to lower taxes over the past two budgets, thus reducing the cost of living.

The duty paid by licensed traders was reduced from 22 per cent to 20 per cent during the last budget. This cost Government \$4 million dollars per annum in lost revenues but also reduced the import duty costs to businesses and allowed them the ability to provide better pricing to local customers, helping to reduce the cost of living to households and businesses.

Duty on fuel used by Caribbean Utilities Company to produce electricity was also reduced under this Administration from a high of 75-cents per gallon to 25-cents per gallon. This cost Government some \$17 million dollars annually in foregone revenue but represents money that will be retained by families and businesses. And these reduced duty costs will continue to benefit families and businesses regardless of what happens to the price of diesel in the future.

To assist micro businesses and entrepreneurship, fees were reduced or waived, at a cost to the Government of \$1 million dollars annually. This has allowed new businesses to start up and others to become qualified to bid for Government contracts. These concessions have been successful and we have seen the number of small business applications dramatically increase over the past year.

Surpluses have also been used to bolster our cash reserves. For 2015-2016 there is sufficient cash in reserves to fund more than the required 90 days under the PMFL.

And because we have had good surpluses, during last year's budget we were able to announce an across-the-board cost of living increase of 4 per cent for civil servants that became effective July 1st, 2015. The cost of this was about \$7.5 million dollars per annum but represents money that is spent here at home and put right back into this economy. This was in addition to a 2.5 per cent gratuity payment provided to civil servants in June 2014 in recognition of the hard work done to help improve Government efficiencies.

Madam Speaker, I am pleased to be able to announce that given the continual improved performance of the budget over this past year, Government will this year pay a one-time gratuity of 2.2 per cent of annual salary to all civil servants. This will

be paid with June salaries and amounts to about \$3.7 million, which will be paid from the 2015-2016 surplus. It therefore will not impact expenditure in the upcoming budget. Again, this is to recognise the valuable contributions that civil servants have made over the past year.

And as we announced during the Strategic Policy Statement delivered in November, Government will also start to address pay stagnation for some of our longest serving employees by making provision in the upcoming budget. Some of these hardworking and dedicated staff have had their salaries frozen for as long as seven years and yet they see new entrants to the service being able to negotiate higher salaries when they are employed. We will begin the work to correct this in the 2016-2017 budget.

As I have noted before, the surpluses are a consequence of both prudent financial management and sound policies by this administration as well as the recovery of the global and local economies.

Cayman's economy is continuing to expand with economic growth of about 2 per cent annually since 2013 - far exceeding the 0.81 per cent economic growth experienced during the first three years of the UDP's administration. So yes, since we took office there has been a tremendous economic boost.

Today we have an economy buoyed by increased investor confidence where private sector investment is growing and is set to grow further with major initiatives that are under way or in the planning stages.

The Kimpton's Seafire hotel on Seven Mile Beach is expected to open in November. The plans for the upcoming development of Ironwood where Golf Legend

Arnold Palmer will design and build a golf course are currently with the Central Planning Authority. Approval is expected soon.

Camana Bay continues to expand, the old Hyatt hotel site is being redeveloped, Treasure Island is being refitted as a Margaritaville Resort and things are progressing for a resort at Beach Bay in the District of Bodden Town.

Madam Speaker, the developments I mentioned are just part of the 1,269 applications the Department of Planning has received since May 1st, 2015. So far 934 of those applications have been approved with an estimated project value of \$451 million dollars. Applications pending carry an estimated project value of \$300 million dollars.

Tourist arrivals by air are at record numbers, with about 383,000 visitors arriving in 2014 and 385,000 in 2015. These are the highest arrivals by air in more than two decades. And so far this year's arrivals are doing very well, with 113,000 visitors in the first quarter of this year.

Cruise arrivals also tell a good story, with about 1.61 million cruise visitors in 2014 and 1.72 million in 2015. These are the best cruise arrival numbers we have seen since 2006.

The cruise numbers for 2016 are off to a good start with 612,000 arrivals in the first quarter – this is up by 68,000 visitors compared to the first quarter of 2015.

This hasn't happened by accident. It is a result of sound policy measures and of this Government rolling up its sleeves and showing our willingness to work with our industry partners and the private sector.

Very early in our term the Minister of Tourism and Deputy Governor met with the cruise industry to persuade them to include Grand Cayman in more of their itineraries. The aim was to get more ships arriving here. When we took office tour and taxi operators, as well as business owners, were crying out because of reducing numbers of cruise visitors. Our efforts have been successful and the cruise tourism numbers have been on the upswing.

Similarly we worked with local tourism partners in an effort to encourage increasing air arrivals during the slower tourist season. I am sure the Deputy Premier and Tourism Minister will speak more on this during his contribution to the debate.

To accommodate increasing air arrivals we have pushed the redevelopment of the Owen Roberts International Airport. The first phase of this project involving the construction of a new baggage hall and related amenities is almost complete. This past week we signed a \$42.5 million contract with McAlpine to build the second phase of the Owen Roberts International Airport arrival and departure areas. This project is expected to create about 100 new construction jobs and ground breaking will be in just a few weeks. The entire airport redevelopment is expected to cost approximately \$60 million. It is being built without any borrowing and is expected to be completed by mid-2018. When opened, the redeveloped airport will be capable of accommodating the throughput of 2.5 million visitors a year, much more than the optimum volume of the current airport.

Cayman Airways has also launched a modernisation plan to replace its aging fleet of jets with four new state-of-the-art aircraft over the next four years, with the first new jet arriving later this year. The airline has been able to negotiate for

competitive lease pricing for the new aircraft and no Government guarantee will be required to secure these new planes.

The airline will get the benefit of newer aircraft with lower maintenance costs, and increased seating and cargo capacity. It is a win-win situation. The Progressives promised in our Manifesto to ensure that airlift from our source markets stays in step with demand. This Government is delivering on our promise. A modern and efficient fleet of planes for Cayman Airways will benefit both residents and locals as well as improve the image of the flag carrier of the Islands.

Dialogue between Government and the tourism sector will continue to ensure that our own Caymanian people are trained for and get the tourism-related jobs that are available to them; another promise we are delivering upon.

To this end Madam Speaker, it was this Government that helped institute the Hospitality Training School, which had been talked about by the previous administration. It took this Government to get the job done. We are proud of the school and the achievements of its graduates.

We are also making headway on a cruise berthing facility and an expanded cargo port. The assessment on how best to minimise any potential environmental damage is ongoing. It is planned to move the cruise piers into deeper water, which will doubtless drive up the cost of the project, but will provide greater protection of the near shore marine environment. This next step, which will include civil engineering design works and full costing, represents significant progress and is needed for the financing model for this project.

We will continue to grow our tourism business for both cruise and stay over visitors within our targeted market segment. Again, the Deputy Premier and Minister for Tourism will speak more to this when he rises to make his contribution.

While I am on the subject of tourism, Madam Speaker, I want to highlight the Cayman International Film Festival, which will draw film stars and film industry professionals to our shores from 1-4 July. Included in that mix will be Anthony Daniels, better known as C-3PO from Star Wars, who will be arriving having just completed the wrap-up of the newest Star Wars Episode 8.

But more importantly, Madam Speaker, we welcome home our own son of the soil, Frank E. Flowers, who is bringing back to the Islands the cast and crew of his debut feature film *Haven*. I am happy to see that this annual film festival continues to grow from strength to strength and to encourage a community of young local artists who are taking Cayman movie making to the next level.

As this film festival grows it will not only bring in more tourists, but will serve as an incubator for a niche film sector that could help diversify our economy and create opportunities for Cayman.

We will continue to work with the private sector to enhance Cayman's offerings. Private sector businesses, Madam Speaker, like the Dart organisation, which earlier this year announced plans to build another resort which, when complete, will create unique experiences for not only tourists but also residents.

And speaking of Dart Madam Speaker, early on in our term we engaged with the Dart Organisation to renegotiate what is known as the 'Dart and NRA Agreement'. There were aspects of the UDP negotiated agreement that in our view were not good

for Cayman. It has been a long journey but I am happy to announce that the third amendment to the Dart/NRA Agreement has now been executed.

It commits Dart to certain levels of development sooner rather than later, including the completion of needed enhanced road networks. Some of that work is already under way in the form of the ongoing expansion of lanes on the Esterley Tibbetts Highway. Government is partnering with Dart to construct a further two lanes of the Esterley Tibbetts Highway from the roundabout at Galleria south to the Butterfield Roundabout near AL Thompson's Home Depot.

The NRA Third Amendment also removes the concessions on tourism room tax, which had been given away by the UDP administration. This amended agreement is good for Cayman. The new terms will guarantee construction jobs once the Kimpton is complete. Jobs working on the roadways that Dart will build and jobs that will come once Dart starts to build out Camana Bay as well as new resorts.

And local business will also benefit from this increased economic activity. Local contractors, trucking companies and heavy equipment operators will have business. And of course once the developments are complete the businesses will provide employment. And this economic activity will also bring in revenue to Government that will benefit all of Cayman.

Madam Speaker, these developments, along with Government works on key infrastructure projects like the airport and road works have created jobs for Caymanians. In the strengthened economy under this Administration unemployment for Caymanians, which peaked at 10.5 per cent in 2010, has decreased to 6.3 per cent; the lowest Caymanian unemployment rate since 2007.

And as the economy continues to expand, and more businesses of all sizes open their doors and create jobs, Caymanian employment will continue to improve.

In terms of the cost of living, the Consumer Price Index has been falling consistently. The most recent survey indicates that it has fallen again by 2.8 per cent in March 2016 compared to March 2015. Undoubtedly, lower oil prices are helping drive this, but decreases have been aided by the reductions in import duty on consumable goods and on the diesel used by Caribbean Utilities Company to generate electricity. The fuel duty decrease has also helped lower the cost of desalinated water. Consumers would have seen their utility rates falling since last year.

We have been able to provide these cost reductions because we continue to present sensible, realistic budgets with sound financial projections that underpin good policies. The 2016-2017 budget continues this trend, but is for a period of 18 months rather than the customary 12 month cycle.

In this respect, this is a first for our country. It sets in motion this Government's plans to move toward two-year budgets, which will make the budget process more efficient – saving thousands of hours annually in budget preparation by civil servants and Ministers.

It will also enable better strategic planning for the physical and socio-economic development of these Islands for the benefit of both ordinary people and businesses. It will give both households and businesses the ability to plan their affairs with greater certainty in accordance with government's fiscal and social policies.

This change will also move the budget year-end to December. With May elections, this allows six months after an election for incoming governments to prepare new budgets with their priorities in mind. It avoids the current mad scramble to get a temporary budget in place in just a few weeks following the swearing in. Since the greatest percentage of Government revenue is received in the first quarter of the year, it will also provide the advantage of having a more informed view of the revenue position at the start of the year, allowing better management of the budget.

The Minister of Finance will provide more detail when he presents the actual budget.

This budget, like all of our past budgets, does not focus on numbers for the sake of numbers. Rather the numbers reflect this Government's policies aimed at continuing sound financial management, creating solid economic growth, and further improving opportunities for Caymanians.

This budget also continues our promise of no new taxes, with tax concessions continuing to help hold down the cost of living and to leave money in the pockets of families. It is a budget that supports business and assures a prosperous future for Cayman and our people.

A prosperous future for our islands will depend on maintaining a robust and diverse business sector that includes tourism and financial services. While we still depend on our two main economic pillars we know that for this country to continue to prosper, we need other economic drivers to help ensure we maintain a robust and sustainable economy.

So we are helping small businesses develop and they are reporting good growth and confidence in this Government. We also work constantly to encourage burgeoning business sectors such as medical tourism, sports tourism and attracting tech and other niche business sectors to Cayman.

This Administration has worked closely with Cayman Enterprise City to help ensure the growth of businesses within the Special Economic Zone. In addition, we work with them to promote Cayman. An example of this was my attendance at an Internet Marketing Association Conference in Las Vegas in 2014. This has led to that association holding a mini conference here in early 2015 and a very successful larger conference earlier this year. This brought to Cayman leaders from large tech companies such as Google, Microsoft and Evite.

This partnership should bear good fruit in the years to come as the IMA intends to host these conferences in Cayman on an annual basis where leaders in tech businesses will be exposed to the Cayman Islands and see the benefits of doing business here.

I can also add, Madam Speaker, that the IMA itself has set up in the Special Economic Zone, further showing its confidence in Cayman, which undoubtedly will give its member businesses the confidence to do the same, where a Cayman entity makes sense to their business plans.

We also renegotiated the Special Economic Zone agreement with Cayman Enterprise City to allow for certain types of tech companies to enter Cayman without the need to use the zone but as a trade-off we also allowed the zone to expand to other areas such as a maritime park.

This already appears to be paying dividends as the recently-held Cayman Islands Shipping Summit is a positive sign that we may be able to expand the types of business we do in the maritime sector.

Health City is also continuing to grow and expand and its reputation as a world-class medical facility has spread throughout the region. And the value of this facility to local healthcare has proved itself over and over. This venture, Madam Speaker, is one that members of this Government supported from the inception. Our support continues.

Government also remains committed to keeping up to date our legislative and regulatory framework to ensure we maintain our enviable spot in the global economy. We made a promise to nurture our Financial Services Industry, attract new business and encourage more financial service providers to set up shop in Cayman. We are delivering on our promise.

We have consistently worked with the industry to create or amend legislation regarding financial services products. For example last August this Honourable House approved amendments to the Mutual Funds Law and the Securities Investment Business Law, which aim to assist the Cayman Islands in qualifying for the “third country passport” under the European Union directive. The passport allows Cayman funds to be marketed to professional investors across the EU rather than through private placement in each EU member state individually.

Additionally the Limited Liability Company Law 2015 was unanimously passed to provide for the formation of a new type of business vehicle that is a hybrid between a company and a partnership. We created the law in conjunction with the private

sector and we are confident its passage will generate new business, keeping Cayman at the forefront of offshore services.

We have also proved our willingness and ability to fight on the international stage to defend Cayman's business model and reputation; whether at Chatham House in London, on BBC's HardTalk, in Brussels where the Minister of Financial Services recently faced down a room full of hostile Members of the European Parliament, or more recently at the Anti-Corruption Summit in London. We will go where we need to go to fight our case.

But much of the defending, negotiating and arguing our case occurs outside of the public's eye. When necessary we remind those on the other side of the table that we will not roll over and we will defend ourselves at all costs, even going to the courts if necessary.

There are those who believe that it is better to shout and stomp your feet and threaten. Despite these tactics failing, they still refuse to accept that firm diplomacy beats idle threats and useless noise.

We prefer firm diplomacy. Successful negotiations with the United Kingdom on beneficial ownership and the positive outcome at the Anti-Corruption Summit help prove our point.

The letter of 10 May, 2016, from the UK Chancellor, the Exchequer George Osborne, speaks volumes. He says, and I quote:

"Thank you for your letter of 6 May setting out the Cayman Islands' commitment to the recently launched initiative for the development and subsequent

implementation of a new global standard for the exchange of beneficial ownership information.

“I very much welcome your joining this initiative at this early stage. As you say, exchange of such information on a global basis will make a marked difference to the ability of law enforcement authorities to tackle the abuse of corporate structures and other arrangements as a cloak to criminal activities, including money laundering, illicit finance and tax evasion.

Cayman has taken a lead on global transparency as a cooperative jurisdiction, including through your early commitment to the Common Reporting Standard, your joining of the Multilateral Convention and the important role that you have played and continue to play in the Global Forum for Tax Transparency. This has been influential in helping achieve rapid global uptake to these standards and a step-change in global tax transparency.

“I have asked my officials to ensure that arrangements are put in place so that the Cayman Islands, along with other committed jurisdictions, will be able to participate in discussions as the global standard is developed. It will be important, as you say, to ensure that the new standard respects the confidentiality and security of data and that appropriate legal gateways are in place. I also very much agree with your comments about the importance of a level playing field and hope that we can work together to convince all countries and jurisdictions to join this important initiative.

“I hope that your Premier will be able to attend the Anti-Corruption Summit in London on 12 May, which will provide an opportunity to set out how this initiative, together with the Common Reporting Standard and other enhancements to global

transparency arrangements, will make a real difference in tackling crime and corruption.”

This coupled with Prime Minister Cameron’s defence of the Overseas Territories and Crown Dependencies represents an extraordinary shift in the conversation. Under this Government, Cayman is in the best position it has ever been in dealing with these matters. I give this House and this country the assurance that we will be confident and we will be bold in the defence of our interests, but we will not be reckless.

This Government is also creating new opportunities for the growth of the Financial Services Industry through the ongoing modernisation of our intellectual property regime. Immediate focus is on trademark reform and the implementation of new copyright protection locally.

Madam Speaker, preparations for international assessments are of critical importance in the 2016-2017 budget. The first is an effectiveness assessment under the Financial Action Task Force standards, which will focus on the anti-money laundering and counter financing of terrorism regime of the jurisdiction. Next comes an assessment of the Cayman Islands Monetary Authority conducted by the International Monetary Fund.

The third is an assessment of the Cayman Islands under the International Maritime Organization Instruments Implementation Code. This assessment will focus on port and coastal state responsibilities and a broader requirement for Government to develop and maintain a clear strategy to achieve, maintain and improve overall organisational performance and capability as a flag, port and coastal State.

Enhancements to mechanisms to exchange beneficial ownership information will also be of significance, especially with a June 2017 deadline to implement a centralised platform as agreed with the United Kingdom. We have confirmed to the United Kingdom that Cayman will join the initiative for the development of a global standard for the sharing of beneficial ownership.

I wish to be clear Madam Speaker that this Government has signed no agreement for the automatic sharing of beneficial ownership information. What we have done, as the letters by the Minister of Financial Services and the response by Chancellor Osborne plainly indicate, is to agree to participate in discussions regarding the development of a new global standard. As is indicated in Mr. Osborne's letter, the Cayman Islands will have a seat at the table as these standards are developed.

Other measures Madam Speaker that we are taking include the repeal by this September of the Confidential Relationships (Preservation) Law, which often has been misrepresented as Cayman's 'secrecy law'. It will be replaced with the Confidential Information Disclosure Law, which will better clarify the mechanisms through which confidential information may be shared with appropriate authorities. Furthermore, acknowledging privacy as a basic human right, in September this Government will introduce new data protection legislation that is on par with what is in place in the European Union. While bearer shares in the Cayman Islands have been immobilized since April 2000, Cayman recently passed legislation to completely abolish bearer shares by 13 July this year.

Madam Speaker, the Portfolio of Legal Affairs will continue to partner with the Ministry of Financial Services and other relevant Government Departments and

agencies to prepare the jurisdiction for the fourth round of mutual evaluations scheduled for the second quarter of 2017.

In this regard, there will be strategic focus on key legislative changes and the creation of the necessary administrative framework to achieve the desired results. The key legislative changes include but are not limited to the enactment of a new Non-Profit Organisations Law and amendments to The Proceeds of Crime Law (2014 Revision), The Money Laundering Regulations (2015 Revision), The Terrorism Law (2015 Revision), The Proliferation Financing (Prohibition) Law (2014 Revision) and The Monetary Authority Law (2013 Revision).

This Government has not only been legislatively and fiscally responsible, successful in stimulating the economy and creating greater economic and employment opportunities for our people, but we have also practiced – and not just talked about – good governance.

We have demonstrated our commitment to good governance, not just with the way we operate the business of Government, but in more tangible ways such as the passage of the Standards in Public Life Law in 2014. We also made further amendments this year to improve the operations of the Anti-Corruption Law.

Madam Speaker, good governance is also about the efficiency and effectiveness of the public service. That is why we have initiated Project Future. In November last year Government unveiled 51 projects selected by Cabinet to take forward as part of the five-year Project Future initiative.

As I said at the launch of Project Future, it establishes a comprehensive and far-reaching programme of public sector reform that will drive efficiency and improve the effectiveness of public services.

Madam Speaker, I will make a separate statement on the status of Project Future during this meeting of the House. The process is following best practice standards of project management, which though not speedy, should bring about successful outcomes. I can say there are several projects in the pipeline including the establishment of the new Office of the Ombudsman, a review of the postal system and a review of the National Roads Authority, among others.

Good governance also requires that the technology Government uses is not only fit for purpose, but is also secure. To that end, Government has developed an E-Government strategy that will be released to the public shortly. A pilot project that will include enabling infrastructure, which covers all government entities, should be functional within nine months of Cabinet approval. The approach being proposed - while very advanced - is extremely economical and based on the proven model developed by Estonia.

A concerted effort to encourage the growth of E-Government was a Progressives manifesto promise – so here again we are continuing to deliver on our promises.

In parallel with the wider E-Government implementation we are nearing completion on a project to automate the process for Tax Exempt Certificates, which generates about \$10 million dollars per year in revenue. When complete this will free up considerable staff time to focus on other areas. This is all part of making Government more efficient and cost effective.

We have reached an agreement with Deloitte for business process re-engineering and technical writing support in preparation for digitizing processes within Government. Under this arrangement business processes for the Department of Commerce and Investment are being re-engineered and a business case is being developed for an online system for the Department of Planning.

Over at Lands and Survey an Online Forms System will be introduced by July this year to improve the experience of our customers. This new product will significantly reduce turnaround times for registration, improve accuracy and customer service and reduce the burden on Lands and Survey staff to allow greater efficiencies in other areas.

Madam Speaker, we are considering moving to an Electronic Vehicle Registration System. It is anticipated that this system will improve work flow at the Department of Vehicle and Drivers Licensing to better serve the public. It will also allow better tracking of unpaid vehicle licensing fees and will assist law enforcement in the ticketing of traffic offenders.

Good governance is also about communication. To that end this Government will continue to enhance Government's internal communications. Following last year's review of our communications by a group from the UK Government Communications Service, the Cabinet Office is implementing that report's recommendations.

One major focus will be to modernise Government's internal communications to better engage staff and connect them with the Government's priorities and promote collaboration within all ministries and departments. This is being done with the support of a UK Government communications professional whose service is being provided at no cost to the Cayman Islands Government.

There are further plans to appoint a Director of Communications within the Cabinet Office to coordinate and improve overall communications across the public sector.

Madam Speaker, while good governance means sound financial management, ethical leadership, community engagement and long-term development and planning, it is also about providing value for money and providing a responsive service to the people of these Islands.

With regards to value for money, Government will soon create a Public Utilities Commission, which will regulate the provision of electricity, water, telephony and Internet broadband services. It is expected that changes to accommodate the new commission will provide several economic and social benefits throughout the Cayman Islands, including the possibility to attract additional investment thereby ensuring the Cayman Islands continues to have modern, competitive and reliable utilities services.

Good governance also relies on an honest and transparent procurement system and so the Ministry of Finance and Economic Development will lead the full implementation of a new Procurement Law, which will lay the foundation for all future public sector procurement in these Islands, enable a strengthened process with increased transparency and provide a greater focus on value for money and improved opportunities for local suppliers to be successful. It will give comfort to Caymanians and residents that their tax dollars are being spent honestly and in their collective interests and not to the benefit of a select few as has happened in the past.

The Ministry of Finance and Economic Development will also enhance the robustness of economic impact studies through the preparation of a System of National Accounts “supply and use table”, which will show the value of major goods and services supplied and used across all economic sectors of the Cayman Islands.

Madam Speaker, good governance also means a level playing field for each and every voter in our jurisdiction. Following the next dissolution of this House, the Elections Office will administer the first general elections in these Islands to be conducted on the basis of 19 single-member electoral districts with the One Person One Vote system. This is one more illustration of a fulfilled commitment as set out in the Progressives Manifesto.

Good governance is also being carried forward through the newly developed Civil Service five-year Strategic Plan, which spans from 2016 through to 2021. This is being led by the Deputy Governor who is championing the ‘Civil Service Re-imagined’ campaign. As part of the campaign, upwards of 300 employees and external stakeholders were consulted. It was from that consultation that the strategic plan was formed. It focuses on five strategic areas: leadership; customer service; talent development; as well as communications; and governance. Over the next five years the Civil Service will focus on improving capabilities and performance in these key areas so that it is better poised to deliver on the policy mandate of the elected government and demonstrate how its work is positively impacting outcomes within Cayman society.

Madam Speaker, in this next fiscal year the Portfolio of the Civil Service will systematically work to promote accountability at all levels of the organisation. As headcount within the Civil Service has been mostly constrained and the work that

needs to be delivered on behalf of the community continues to increase, it is important that every employee performs to a high standard. Staff who consistently underperform cause more work for fellow employees and threaten the achievement of results.

The Deputy Governor is also leading the change on this and is committed to tackling poor performance in the Civil Service, which unchecked, can cause reputational damage and equally concerning can stifle the morale and productivity of high performing staff.

During the coming year Government will also modernise the terms and conditions of the civil service by bringing legislation to increase the retirement age within the civil service, progress considerations to introduce cost sharing for health care and correct the longstanding pay inequities that resulted from mandatory policies that stifled pay progression for long serving staff.

While we are righting the terms for public servants, we are also cognisant of the need to address employment issues, education and the overall health of everyone in this community.

I spoke earlier of the falling unemployment rate amongst Caymanians. As will be obvious to anyone who has listened so far, this Government has been working and will continue to work to create opportunities, including employment, for our people.

So while Caymanian unemployment is at its lowest since 2007, we in this Honourable House know full well that there are good, honest members of our community who need some additional help to obtain and keep employment.

The Ready-2-Work Cayman programme is a partnership between Government and the private sector whereby private sector firms provide jobs and training and Government provides some human resource assistance and also assists prospective job holders with counselling and other soft skills needed to get and retain employment.

Individuals who are feeling down and out may not always present their best efforts in the workplace, which can be a hindrance to getting as well as keeping employment. Many times all they need is someone to talk to, someone they can trust, someone who can provide the proper guidance and some reassurance.

This approach has never been tried before. But this Government and this Minister of Employment remain committed, as we have always been, to ensuring that every willing and able Caymanian without a job has access to one.

We believe that the best social programme is a good job. For some the Ready-2-Work programme will be their best chance to regain and to keep employment

There are currently 33 active participants in various phases of the programme, which is growing each month, with the goal being to place 175 people in jobs by February next year. The results so far have been promising and I thank the public servants heading this up as well as the private businesses that have come on board to provide jobs and training. Thanks too to the many private sector individuals who volunteered for the Taskforce and work with Government to guide this important initiative.

This is not all the Ministry of Education, Employment and Gender Affairs is doing to ensure that our people are trained.

In September this year the Ministry of Education and the Department of Education Services will launch the second annual Education Plan of Action. The plan was developed through collaboration between the Ministry, Department and all Government school principals and will focus on nine targets in the areas of literacy, numeracy, technical and vocational education training, special education needs and disabilities, science and behaviour. The plan demonstrates a cohesive framework for improvement for education leaders in the public education system.

The Ministry and Department will also build upon the work started in 2015-2016 to implement a positive behavioural intervention in all Government schools. The initiative is a prevention-oriented way for school personnel to organise evidence-based practices, improve their implementation of those practices and maximise academic and social behaviour outcomes for students.

A Strategic Outline Case has been approved for the continuation of the building of a new John Gray High School. The Ministry of Education has started the tendering process with the intention to pre-qualify potential contractors to be selected for the process. Construction is expected to begin within the next few months with the first phase, the school's gymnasium to be completed in May 2017. Madam Speaker, we chose to start with the gym because that building is a central part of the school's infrastructure, it is the closest structure to the current John Gray site and it is already 60 per cent complete. Also, it will provide an improved sporting facility for school and community use. This is yet another Manifesto promise being kept. And it is an important promise that is being kept because those who benefit are Caymanian youngsters who are the future of these Islands. They deserve to be educated in facilities that assist their education process and help them succeed.

We also promised in our Manifesto to implement a national minimum wage, which we introduced in March this year. We said from the beginning that the implementation of a minimum wage was a priority. We have delivered on that promise.

Madam Speaker, we are also the Government that has had the political will to tackle the archaic National Pensions Law. I am proud to say that we were able to get the legislation approved in this House just a few weeks ago. Firstly, the new Law sets Cayman's normal private sector retirement age at 65 instead of 60 and it requires higher earners to put more into their retirement savings each year. With this change we are giving employees and employers the option of keeping on staff workers who are capable and willing to work past the age of 60.

Madam Speaker, the Ministry of Education, Employment and Gender Affairs will continue to build upon its work to create a culture of compliance through its legislative reform. Now that the National Pensions (Amendment) Bill 2016 has been approved, it is anticipated that the Pensions Investment Regulations and its General Regulations will be finalised during this financial year.

We also anticipate that the current Labour Law will be repealed and replaced with the Labour Relations Bill 2016. This legislative reform will clarify the law for the benefit of all users, employees and employers and other stakeholders; institute a more effective deterrent to non-compliance by introducing an administrative fine regime; and introduce efforts to lessen the opportunities or loopholes for structural discrimination against Caymanian employees.

Madam Speaker, we know that the country is badly in need of a proper mental health facility. We are spending tens of thousands of dollars to send people overseas

for treatment and the number of people in need continues to rise. Here at home some of our residents with mental illness are homeless, some go in and out of our inpatient unit, some live with family and friends while others are in prison.

With that in mind, this Government has determined that we need to find a way to correct this. As such, an Outline Business Case has been prepared, which Cabinet has approved. The 2016-2017 budget contains funding to start this work in earnest so that we can provide a modern, humane environment for the treatment of mental illness in our community.

A modern Disabilities Law has also been long overdue and I am pleased to advise the House that in the coming year this will be corrected.

We have also funded and continue to fund the Mosquito Research and Control Unit in the fight against mosquito-borne illnesses.

MRCU has partnered with biotechnology company Oxitec to eradicate the Aedes Aegypti mosquito, which carries diseases such as the Zika, chikungunya and dengue viruses. MRCU has done an extraordinary job over the years to protect our community from these diseases and Government is committed to providing the funding for them to continue their good work.

At the forefront in the fight of all ailments are our doctors and nurses. During this next year the Department of Health Regulatory Services will review the registration process for healthcare practitioners with a view to introducing an electronic system to file applications. They will also work with the Health Insurance Commission to investigate the feasibility of a national health insurance plan for retirees and senior citizens.

Madam Speaker, I also wish to advise the House and the country that after carefully considering the merits and demerits of legalising the use of medical cannabinoid oil to treat those in our community with a debilitating disease, whether cancer, glaucoma, or perhaps even severe epilepsy, Government is persuaded that it is better to favour hope and compassion over fear. Thus Cabinet has issued instructions to the Legal Department to draft a Bill that will allow medical doctors to prescribe cannabinoid oil to patients who may benefit. We are treating this as a matter of urgency for we are keenly aware that time is not a luxury for many of those whom this drug may benefit.

Madam Speaker, for those who may doubt the wisdom of this decision, I wish they could have been present when a young Caymanian, who in making a case for his very sick wife to be able to access the oil that they believe will help defeat her illness, said that his wife's choice currently is 'death or death'. That is their reality for there is no standard medication or treatment available that gives them hope.

I want to add, Madam Speaker that I am speaking here about an oil extract from the cannabis plant that has been prepared for medical purposes and that will be imported into the Cayman Islands in a fashion similar to medical morphine. I am not talking about legalising the use of the cannabis plant itself for medical or other uses.

Good nutrition is also important to health. This government has long understood that a healthy agriculture and farming community is necessary for a healthy community. The Progressives Manifesto promises to support agriculture and farming and to encourage the use of modern farming techniques and technology. This we have been doing and we have seen an increase in both the quantity and quality of available local produce and livestock. And as farming is becoming more attractive

there are more commercial farms starting up. All of this is good for farmers and for consumers.

Indeed given the growth and popularity in the Market at the Cricket Grounds there will be a second phase built on the same location to accommodate the demand.

Next year will be the 50th anniversary of the Agriculture Show and plans are to celebrate this auspicious occasion in the manner benefitting it. As a farmer myself I am certainly looking forward to that happy occasion.

Also in October this year, the Cayman Islands will be host to the Caribbean Week of Agriculture where 400 delegates from the region will gather to discuss agriculture and exchange ideas. In conjunction local merchants will host a trade show to highlight and sell their products.

All of this is should come as no surprise to anyone. Agriculture has always advanced with the Progressives in Government. And we will ensure that this continues to be the case in the future.

Physical and mental health go hand in hand with the health of our society, from the youngest to the oldest among us. The Ministry of Community Affairs, Youth and Sports is continuing its work to develop a National Policy of Older Persons and is completing the Poor Persons Relief Regulations to streamline the processing of the applications of those most in need.

The Ministry will continue to advocate for and strengthen child safeguarding measures and therapeutic rehabilitation for the protection of all children in the Cayman Islands.

Counselling and family services will be expanded and enhanced to more effectively address a broader range of emerging needs in our society with a goal to improve the lives of those who access those services.

When the family unit does break down, they often turn to the Courts. In June the Courts will be ready to introduce mediation within the context of family proceedings in both the Grand and Summary courts. This is going to be a completely different role for judges and magistrates who, as mediators, will encourage and facilitate parties to arrive at settlement. This should expedite family proceedings and avoid expensive, protracted legal battles.

Just as we have to look after the health and wellbeing of our people and our citizens, we also have to employ vigilance when taking care of our environment. We all know, Madam Speaker, that it is our pristine environment – our clear emerald waters and our powder white sandy beaches that draw visitors to our shores day after day, year after year.

As you will recall, Madam Speaker, it was this Administration – not even one full year in office – that in December 2013, after 10 years of talk and in the face of significant resistance from all sides and nooks and crannies, was able to pass the National Conservation Law. The Department of Environment will continue to work with the National Conservation Council to realise the full implementation of that Law.

Conservation of the beautiful waters and its inhabitants is not just a Cayman concern, but a regional one. As such the Department of Environment will host the 69th Gulf and Caribbean Fisheries Institute conference in November this year with the theme “Fishing for fun, food and the future: fitting recreational fisheries into Marine Protected Areas management”. About 250 people from countries throughout

the region and beyond are expected to attend this conference. It will be another opportunity for the Cayman Islands to showcase its pristine environment and prove that we care for all that is above and below the water.

Our waters provide so many sporting opportunities for pleasure and fitness and it is incumbent on us to make sure that our land lovers also keep physically fit.

The Ministry of Community Affairs, Youth and Sports has developed preliminary recommendations for the improvement of physical education and school sports. Madam Speaker, we believe physical education and school sports are important to our community as a whole to increase physical competence, health-related fitness, self-responsibility and just plain old enjoyment of physical activity. I firmly believe that most youngsters who are physically active and fit throughout their school years will keep up the practice during their adult years, helping them ward off the non-communicable diseases that are prevalent in Cayman's society, particularly diabetes and heart disease. We vowed to put an emphasis on the improvement of our sports regime and we are delivering on that promise.

As such we have built a track at the Bodden Town Primary School for the use of school children, to give another venue for sports tourism and to provide exercise opportunities to the broader community.

And because our young people are so important to the future of the Cayman Islands, the Ministry will continue to partner with non-governmental entities to deliver a wide variety of youth programming throughout the districts.

If we do not enable our young people to grow up to be good responsible citizens they may turn to a life of crime and that is not what any of us in this House desires.

But we know that crime does exist in Cayman, just as it does in any jurisdiction. However even though someone may have broken the law, they still need to be dealt with humanely.

In March this year we opened the new Cayman Islands Prisoner Detention Centre. With the opening of this facility this Government addressed the deplorable conditions of the holding cells at the police stations in West Bay and George Town. The suites can hold up to 24 individuals. It is safe, secure and well-monitored.

Over at Northward Prison a comprehensive business case is in the works to either refurbish or rebuild that prison's B-Wing. This Government also plans to develop a livestock and agriculture programme at the prison, which will not only assist with feeding the prison population, but will hopefully give inmates the skills and interest to continue in these endeavours when they leave prison.

Those who do find themselves afoul of the law often end up in our courts system, Madam Speaker.

Once again Madam Speaker the Hon. Chief Justice, in his Grand Court Opening Speech, identified relevant statistics concerning the growth of court work and the need for enhanced facilities in order to adequately administer justice in the Cayman Islands. This Government has engaged Price WaterhouseCoopers to produce an outline business case for new court house facilities. That business case is expected to cover the existing and future needs of the court, which include appropriate security features, adequate facilities to accommodate mediation and other tribunal services and complex large scale trials. The design also reflects the needs of third party court house users, which include jurors, counsel, other government agencies and members of the public.

Madam Speaker, over the next 18 months the Office of the Director of Public Prosecutions will continue work on the implementation of the recommendations of the Criminal Justice Adviser, including in particular work on refining its electronic case management system, to enable more reliable collection of performance data and interface with the Police and Courts. Work has begun and will continue on the development of a system of cautioning of offenders to divert them from the criminal justice system in appropriate cases. Such a system will be beneficial to those accused of minor offences, and may have the effect of reducing public expenditure in the criminal justice system as a whole. The Office also hopes to explore the possibility of developing a witness care unit to better cater to the needs of victims and witnesses.

While members of the Royal Cayman Islands Police Service continue their efforts to identify and confront crime, the public and members of this House should at all times ensure that they have our full support. That said, we are all aware of recent incidents that have given members of this Honourable House, and the public, concern around aspects of policing.

I know that members of this House would have been pleased to hear the Governor confirm earlier that it is her intention to have the incoming Commissioner of Police review the service and make any changes that may be necessary to improve policing in these Islands.

As we have seen, the Governor has already convened a recruitment panel to select the new commissioner of police. The panel includes two prominent private sector individuals, Dr. the Hon. Linford Pierson, a former member of this House and former speaker, and Mr. Don Seymour. I am sure that all Members of the

Honourable House would wish the Governor and the panel every success in filling this key leadership role within the RCIPS.

As members of this House would have also learned through the press, after a comprehensive local recruitment process, Chief Superintendent Kurt Walton has been selected for promotion to the rank of Deputy Commissioner of the Royal Cayman Islands Police Service. On behalf of the Government and this Honourable House I take this opportunity to congratulate him and wish him well.

We have to be mindful of the security of the country as a whole and do our best to keep our borders free of illegal activity. That, Madam Speaker, involves our Customs Department and our Immigration Department.

This Government will see the completion of the construction of a new 3,000-square-foot facility to house the Customs Department's \$2.1 million dollar mobile X-ray machine and provide offices for both the Freight Security Initiative Section and the Container Processing and Inspection Unit. That building is being constructed adjacent to the Port Authority's Cargo Distribution Centre off Portland Road in George Town.

Our Immigration department will seek to strengthen business processes by automating the submission of documentation with regard to services such as permanent residency, work permits, visas and border control. This is part of an ongoing focus on improving customer service, and these efforts will continue in other areas such as service quality and speed.

Madam Speaker, we have also been working toward making Cayman a more attractive place for ultra-net worth individuals to visit and, more importantly, to live

and invest here. I expect Cabinet to receive and consider the various proposals to reach this goal in the coming weeks

The House would be aware that following the judicial review decision last year that highlighted concerns regarding the Permanent Residency 'points system', the Government engaged local law firm Ritch and Conolly to conduct a thorough legal review of the matter. An extensive report was received from the firm last Friday.

Once an analysis of the report has been done, I expect to be able to make a statement with respect to the matter later in this meeting of the House. This is too important an issue for us not to get it right.

We also have to look inward at Government when it comes to security Madam Speaker. A multiagency approach has been adopted to address cybersecurity with participation from IT leaders across the public sector coordinated by the Cayman Islands Government Cyber team consisting of the director of E-Government, the assistant chief officer in the Ministry of Home Affairs and the managing director of the Information Communications Technology Authority. Assistance was also received from United Kingdom cybersecurity experts.

In December 2015 Cabinet tasked the team to address known IT security vulnerabilities. The team subsequently presented its plan, which aims to address people, process, technology and governance challenges. The team has completed two requests for proposals, one for new firewalls and modern network architecture for the core government network and the second for consultancy support with the implementation of the National Institute of Standards Cybersecurity Framework, which government has adopted as its standard. Additionally, cybersecurity

awareness education and training support will be instituted across the public sector. There will be a continued focus on cybersecurity in the coming year.

Madam Speaker, notwithstanding all of the above, without addressing critical infrastructure needs the quality of life in these Islands will suffer. Cognisant of this, this Administration has striven to take on issues, which have been dodged or ignored by governments in the past.

I'll begin, Madam Speaker, with the George Town Landfill. We knew even before we were elected that taking on the issue of the George Town Landfill was going to be an arduous and complex task, but we campaigned on the promise that we would find a viable long-term solution for the processing of our refuse. We do not need stopgaps or temporary measures. We need a modern International Strategic Waste Management System that uses several options in managing waste. Madam Speaker we all know that the landfill didn't just develop overnight; neither will the resolution. But we are well on our way.

The Strategic Outline Case has been finalised and published, and the draft Outline Business Case is under review. The Outline Business Case will be made available to the public for comment when it is released. After approval, it is anticipated that the procurement of a waste management system will take place later this year and a suitable request for proposals will be advertised seeking private sector partners. The construction and commissioning of the project will follow.

I can also confirm that in addition to any private sector partner, sources of funding are being identified to meet government's ongoing financial contribution to the project over the next 25 years. This is a further indication of our seriousness and

commitment to provide a modern, sustainable waste management solution for the Islands.

While we will not have a system in place by the end of this term, I do believe Madam Speaker, that we will see shovels in the ground next year. I admit that I smile wryly when I hear some in the press and elsewhere repeating over and over – ‘Just fix the dump’. I smile because if the fix was that easy then past governments would have fixed it already. The path we are on is the closest that the country has ever been to having a waste management solution that will not only help solve the problem that we now call Mount Trashmore, but will ensure that there are no more Mount Trashmores. We are identifying the best way forward as well as finding funding sources.

Given the list of accomplishments under our belt, we have proved our determination to finish what we start. The same applies here and ‘the dump will get fixed.’

We are also making progress on other aspects of waste management. Cabinet has already approved funding for the contract for the removal and shredding of the hundreds of thousands of old tyres at the landfill in George Town and Cayman Brac. The shredded tyres will be recycled for use by two local companies as what is called tyre derived aggregate. Once gone, the area taken up by the tyres will be used as a composting site for organic matter, further reducing the trash that goes into the landfill.

Following the recent announcement by the private sector company Junk that it would close its collection depots on 1 June the Department of Environmental Health has stepped into the breach and has temporarily taken over the seven recycling

depots located at local supermarkets. This Government did not wish to see the recycling initiative end and lose the momentum that has been achieved so far. The private sector will have the opportunity to bid to take over recycling efforts once the request for proposals for the entire waste management solution for all three Islands is advertised.

A review of the Environmental Health Laws and associated regulations will also be undertaken in the course of the year to more effectively regulate all of environmental health and waste management functions.

Madam Speaker, as our economy grows, so will our population. As such it is important for the country to ensure that we have the necessary road infrastructure to cope. In addition, the success of the George Town Revitalisation Project depends heavily on improving the road network in and out of the city centre.

During this Administration many road work projects have been completed while others are scheduled. We have already seen the widening of Godfrey Nixon Way and Smith Road. Humber Lane now joins to Smith Road, connecting Smith Road to Elgin Avenue. Red Gate Road has been extended so that it now connects to the Airport Road. All of these improvements are helping to take traffic congestion out of the town centre and will ultimately allow some roads to be pedestrianised. Work is under way to make Esterley Tibbets a four-lane carriage way, which is a joint project between Government, the National Roads Authority and Dart; and improvements are slated for Thomas Russell Way, Edward and Fort Streets. Bobby Thompson Way and Linford Pierson Highway will both be expanded to four lanes over the course of the coming year. Work will shortly commence on these projects. Work is also currently being done to improve the road between Bodden Town and Breakers.

All of these road works are paving the way for the much-needed revitalisation of George Town, an initiative on which this Government campaigned. Again, Madam Speaker, we are implementing our promises and motorists, whether visiting Cayman or living here, will benefit. Improved road networks mean less time spent in traffic, which leads to less gasoline consumption, time saved and reduced stress.

All of the public infrastructure projects, as well as the private sector development I spoke of earlier strengthen our economy and create employment for our people.

This includes employment for our people on the Sister Islands where we will continue to facilitate the creation of jobs in the tourism sector and its other related sectors.

Madam Speaker, in this next fiscal year we will also see completion of the construction of the 25-metre swimming pool at the Brac playfield as well as the internal works of the multi-purpose hall on the Bluff.

We are attracting more visitors to the Brac with the improvements that were made to the Charles Kirkconnell International Airport and Cayman Airways has increased flights to that destination. Because of the increase in tourists, the Department of Tourism has been licensing private villas to accommodate our visitors.

As I am sure you are aware, Madam Speaker, the Cayman Brac Beach Resort has expanded, offering visitors a unique experience that can only be found in the Sister Islands.

We made a promise to stimulate development and encourage sustainable growth on the Sister Islands and we are delivering on our promise.

All of these efforts collectively create a platform to diversify our economy and provide opportunities for Caymanian entrepreneurship to thrive, for Caymanian businesses to grow, and for Caymanian workers to have good jobs to support their families and live good lives.

As has been our practice in years past, Madam Speaker, in a few days this Government will present to this House our annual report. In it we will highlight our many accomplishments and once again the country will note that we are continuing to keep our promises. This is a Government that gets things done.

While that report will be thorough, I want to summarise some of the highlights and progress that this Government has made in the past three years. It will be apparent that we are delivering on our promises and that we have gotten a lot done.

- George Town revitalisation project and road improvements – STARTED;
- Reducing fees for small businesses and assistance for entrepreneurs – DONE;
- Introduce a National Minimum Wage - DONE
- Review the Public Management and Finance Law and make required changes - STARTED;
- Support agriculture and farming community, promoting modern farming techniques and technology - STARTED;
- Modernise the Owen Roberts International Airport– STARTED;
- Upgrade the Charles Kirkconnell airport to international airport status – DONE;
- Plans to improve the cargo port and build a cruise berthing facility - STARTED;
- Create a long term waste management solution – STARTED;
- Review and improve the education system - STARTED;
- Plans to complete the John Gray High School – STARTED;

- Review the Labour Law – STARTED;
- Introduce single member constituencies and concept of One Person One Vote – DONE.
- Update the Pensions Law, including increasing the retirement age – DONE;
- Increasing the retirement age for Civil Servants – STARTED;
- Plans for civil servants to contribute to their health care costs – STARTED;
- Approve amendments to the Trade and Business Licensing Law - DONE;
- Approve an updated Builders Law – DONE;
- Approve a National Conservation Law – DONE;
- Approve a new Liquor Licensing Law – DONE;
- Create local jobs through tourism development in the Sister Islands – DONE;
- Improve air service to and from both Cayman Brac and Little Cayman – DONE.

This is an impressive resume and track record of achievements by this Administration. It shows clearly that we do what we say and what we do is for the benefit of the Caymanian people and the Cayman Islands – it is not for personal gain or for ego.

Madam Speaker, whilst I am pleased with all that we have achieved, I cannot close today without recognising that we on this side have had our challenges.

Amongst the challenges has been the reduction of our majority in this House. It has increased the burden of work for those on this side and created logistical difficulties. It has caused delays, including the delivery of this budget.

But over the past six months Madam Speaker, the loss of the three members has made the remaining 10 of us even stronger and more committed. We who still

remain believe our principal duty is to keep our promises and complete the work our people sent us here to do. We who still remain place the ambitions and interests of our people above personal ambition or conviction.

I am proud Madam Speaker of this team as we enter the home stretch. We have shown mettle and determination. We will not be distracted or intimidated. We will fight on for those who elected us and the Cayman Islands as a whole. And we will complete the work we set out to do. We will close out the term delivering on our promises and showing that we are indeed a Government that gets things done.

We started our term with ambitious goals. And we remain ambitious for the future of our Islands and our people. We have accomplished much and have put in place the platform from which to achieve even more. This is a government that does not plan in four year terms, but for the long term.

The budget that we will present today is one that provides benefits for our people today, tomorrow and beyond. We will not gamble with the future of Cayman. Neither do we intend to fight the wearisome political battles of yesterday.

As we have seen as the events around beneficial ownership have played out, these times require a new kind of politics. Bravado and bluster may be amusing at times, but there is too much at stake for mere entertainment. This is a government of responsibility, of honour, of dignity and integrity. We have proven our worth, both here at home and on the global stage. We have delivered on the promises we have made.

In the words of former New Mexico Governor Bill Richardson, "We as a people, as a state, and as a community have too much promise, too much potential and too

much at stake to go any other way than forward. We are too strong in our hearts, too innovative in our minds and too firm in our beliefs to retreat from our goals”.

In closing it only remains for me to thank my team, Ministers and Councillors, for their commitment, dedication, and discipline in adhering to our philosophy of fiscal responsibility and caring government.

Thanks also to the team in the Office of the Premier that provides support to me and the Government Caucus.

I also wish to thank the Deputy Governor and the Attorney General as well as the Cabinet Secretary for all their hard work and support.

And I thank you, Madam Speaker, for your commitment and for the wisdom and patience you display as you chair meetings of this Honourable House.

As I did last year, I urge the House to remain focused on those things that are good, those things that are right, and those things that are in the best interest of the people of the Cayman Islands. After all, that is why they accorded us the great privilege of being here.

Thank you, Madam Speaker.

###