

CAYMAN
ISLANDS
GOVERNMENT



Cayman Islands Government *Mid-Term Report*

2007

*'Making a difference:
delivering results'*



Introduction

It is with great pleasure that I present to the people of the Cayman Islands the 'Mid-Term Report' of the PPM Government. Serving as a record of this government's accomplishments between 2005 and 2007, this document can be compared against the promises that were made in the 2005 manifesto, providing a measure of achievement. The substantial plans that are in place for the future emphasise the many improvements that will be delivered over the remainder of this term.

By focusing and acting on strategic goals, this government has been able to deliver tangible improvements recognisable in the quality of every day life, as well as bringing about developments in policy that enhance the fabric of the society we all live in. Both the new Freedom of Information Law and the advances towards a new constitution are examples of an unparalleled commitment towards openness and transparency as well as a dedication to good and responsible governance.

Environmental concerns have received significant attention and strategies towards sustainable development have been accompanied by action on issues such as climate change and conservation. Legislative reform, meanwhile, has been conducted with the overriding intention to improve the processes and practices by which public services are delivered to the community.

Among the most visible changes so far during this term have been the long-needed upgrades to our national infrastructure. Among this range of initiatives is one of the largest road development plans ever seen in Grand Cayman, forming part of an overall longer term strategy to improve traffic conditions. With the launch of a full time hazard management agency and other measures as part of our promised all-hazards response and recovery plan, this country is now better prepared than ever to deal with any natural disaster.

The value of our consultative approach is clearly visible. An integrated effort towards public sector development has helped add true value to the accomplishment of our strategic goals in the delivery of public services. No longer following traditional practices of operating in silos, this government's agencies and units are working together strategically to make real differences on a wide spectrum of issues, whilst adhering to internationally recognised best practice principles.

The benefits of partnerships developed between the public and private sectors have been demonstrated on many levels by various initiatives arising out of our consultations with bodies such as the Cayman Islands Chamber of Commerce, for example the 'Mentoring Cayman' programme directed

towards our youth. This consultative approach is crystallised by many other initiatives with the private sector such as the work between Cayman's Contractors Association and the Department of Employment Relations, as well as sponsorship programmes within our schools.

We entered this term guided by the principle that education and the development of human capital are the cornerstones on which hinge the social, economic and cultural well being of our society. The nation told us by overwhelming consensus that education needed to change and the government's ensuing strategies to bring about that change have to-date delivered a comprehensive overhaul of the national curriculum, an entirely revitalised education department and governance model for education services, and the commencement of works on three new high school campuses. With special educational needs staff recently doubled and the establishment of a dedicated early childhood service to prepare children for school, parents can now be assured of the availability of an unprecedented level of support in schools. Among an array of productive education initiatives, these are all examples of your government's commitment to developing Cayman's human capital and providing opportunities for life-long development for everyone in all walks of our society.

All of these changes and improvements to the quality of life in this jurisdiction can be viewed in the context of Cayman's greater economic strength - backed by a world-class financial services industry and a robust, recovered tourism sector - against a background of sound fiscal management.

What follows in these pages is a report by the various sections of government, outlining their achievements and future plans within the context of a wider strategic agenda. As the various parts of the public sector become ever more entwined it has become clear that government in a 21st Century Cayman Islands demands this strategic service-based approach. Whether this is for the complex connected issues that affect our society today or for the individual issues requiring coordinated and focused attention, this government is committed to continuing in this vein to better serve the people of these islands.

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In the past two years the Ministry has overseen the delivery of government services in the Sister Islands and faced issues related to growth in the development and agriculture sectors across the Cayman Islands.

In the Sister Islands, several important capital works projects have been completed under our watch, including a paved runway for Little Cayman Airport, a daycare centre and a medical wing for the hurricane shelter in Cayman Brac. Besides these infrastructure improvements we've also supported the efforts of our fellow ministries including the Ministry of Tourism and the Sister Islands MLAs in their efforts to stimulate sustainable development on the Sister Islands.

Government understands that the development industry is a cornerstone of our economy and our ministry is doing its part to develop legislation and policies that are in line with international standards and practices. By ensuring that developers, business owners and residents have the support of modern and effective laws, we help maintain the world's confidence in the Cayman Islands as a reputable place to invest.

Amongst the legislative changes we've targeted are a number of planning laws that work to ensure developers have fair guidelines to operate and consumers are safeguarded. Since 2005 we've passed a new Builder's Law, conducted an Electrical Law review, and are working on new regulations for architects. We provided assistance to farmers after Hurricane Ivan, helping them recover, and have strategic plans to develop the future of the agriculture sector.

As government looks towards the future, the Ministry of DPAH will be there to help the Cayman Islands plan and grow. We are excited to have in hand several landmark projects including a Development Plan review for the Cayman Islands and a new, state-of-the-art government office building.

Honourable D. Kurt Tibbetts J.P., MLA,
Minister of District Administration, Planning, Agriculture and Housing

Ministry *of* District Administration, Planning, Agriculture and Housing

Highlights

Caymanians now receive a discount on Stamp Duty after our revision of the law in July 2006, assisting and encouraging home ownership by local people.

As promised in our 2005 manifesto, monetary assistance and other programmes helped farmers recover from Hurricane Ivan, including the sale of low-cost feed, assisting livestock farmers to import replacement stock and land clearing.

We passed the new Builder's Law in March 2007 to regulate the development industry and help safeguard the public from exploitation. This legislation looks to protect not only homeowners, but persons in the construction trade, by ensuring they are sufficiently qualified to undertake the work they have been contracted to perform.

Cayman Brac's main hurricane shelter, the Aston Rutty Centre, has been expanded with the addition of a new medical wing.

Over the past two years, the NHDT has maintained and managed 99 homes on three sites in West Bay and George Town. Improvements to the affordable housing communities have boosted the morale of residents and provided safe play spaces for children.



District Administration

Government services in the Sister Islands are managed through the District Administration office in Cayman Brac.

Achievements 2005 - 2007

- The level of services on the Sister Islands continues to improve. For example, the Brac's General Registry office can now issue birth, death and marriage certificates as quickly as on Grand Cayman.
- The Cayman Brac Daycare Centre was built on the Bluff in 2006 to meet the growing need for safe and effective childcare on the island.
- Cayman Brac's main hurricane shelter, the Aston Rutty Centre, has been expanded with the addition of a new medical wing.
- Bigger outdoor events can now be hosted on Cayman Brac, with the new site constructed on the Bluff for the 2007 Sister Islands Annual Agriculture Show.

Plans 2007 - 2009

- Our manifesto promised to develop the cruise ship industry in the Sister Islands on a small scale and we have already had the first day trips from Grand Cayman to Cayman Brac. We will also develop and promote eco-tourism in the Sister Islands and encourage more local tourism.
- Improve evacuation efforts if a storm threatens, with two new access ramps to the Bluff in the eastern districts.
- Continued improvements to the infrastructure will see the expansion of the roads network in the Sister Islands, the upgrade to Cemetery Pier and the deepening of Cayman Brac's inner reef waterway.
- Develop better sporting facilities, with a FIFA-certified field at the Sports Complex on the Bluff.

- Create new jobs by transferring some overflow public services from Grand Cayman to Cayman Brac. ●

Achievements 2005 - 2007

- Caymanians now receive a discount on Stamp Duty after our revision of the law in July 2006, assisting and encouraging home ownership by local people.
- We are tackling the non payment of Stamp Duty on commercial property with a lease chase-up exercise.
- We have taken precise readings of the contours and depths of the ocean floor around each of the Cayman Islands. This data will be used to develop various products to predict losses from hurricanes and produce the first detailed coastal and navigational maps of Cayman.
- Four Seismic Monitoring Stations (two on Grand Cayman and one each on the Sister Islands) are being built this year and are to be linked to a network of monitoring stations throughout the Caribbean.
- A guide to new road compensation explains to the general public how a claim can be made and we have settled 30 claims worth CI\$1.3 million.

Lands and Survey

The Lands and Survey division is one of the government's most technically advanced departments and one of the leaders in its field for the Caribbean region, attending various conferences. They provide a full range of high quality land, mapping, survey and valuation related services and products to the public.



Plans 2007 - 2009

- We will introduce a new, convenient document-tracking system in the land registry section, so the public can track the status of their documents.
- The department will also commence the electronic scanning of all Land Registry files to add into their database.
- We will further develop the TAOS Storm Model to assist the government in tracking hurricanes and their impact on our islands.
- The Valuation Office will re-value all the Crown Properties (some 725 parcels) for asset management and insurance purposes, providing a true asset-management database for the Crown Estate.
- A new aerial photographic exercise of the islands will add to the country's robust geo-database and help develop 3-D visualisation solutions for government and the private sector. ●

Mosquito Research Control Unit (MRCU)

The Mosquito Research and Control Unit has been in operation for over 40 years, protecting the health of the community from mosquito-borne disease. By controlling the population of nuisance-biting mosquitoes, the MRCU improves the quality of life for residents and visitors, thus benefiting Cayman's tourist economy.

Director of MRCU speaks with HE the Governor, Stuart Jack, CVO.

Achievements 2005 - 2007

- The number of mosquitoes in the Cayman Islands has been dramatically reduced over the past two years. The use of pellets to control the mosquito population (larviciding) has paid off much better than had been expected, reducing the need for spraying.
- The MRCU moved into its new Operations Building in 2005, giving its crews their first proper facilities in 10 years. This has improved all ground operations, workers' health and safety, staff morale and management supervision.
- Further investment has been made with the new laboratories and Administration Building occupied since October 2006.
- The purchase of two new, custom-built, state-of-the-art agricultural aircraft replaced those damaged in Hurricane Ivan, providing a bigger payload among other benefits.
- A modern approach is being considered to mosquito control for Little Cayman, with particular emphasis on protection of the environment.
- We will extend the successful Island-Wide Aerial Larviciding Campaign to reduce mosquitoes. Fine-tuning these operations will improve targeting of specific breeding areas and of particular species. ●

Plans 2007 - 2009

- Construction will start in 2007 on a new aircraft hangar and support facilities for Grand Cayman, providing proper protection of the aircraft for the first time.
- The new Cayman Brac facility begins construction in 2007, modelled after the new Operations Building on Grand Cayman, replacing the present facility that was built in 1969.

Project Management Unit

The top priority of the Ministry's project management unit is to oversee the construction of one of government's largest capital projects, the new government office building. This state-of-the-art, energy-efficient building is scheduled to be completed in 2009 and will provide offices for over 700 workers.

Government officials visit the James Manoa Bodden Civic Centre in Bodden Town.

Planning Department

Our 2005 manifesto made a commitment to manage overall development and growth, insisting on high standards and resisting development for development's sake. The Planning Department oversees many of these issues and we have made excellent progress.

Achievements 2005 - 2007

- We passed the new Builder's Law in March 2007 to regulate the development industry and help safeguard the public from exploitation. This legislation looks to protect not only homeowners, but persons in the construction trade, by ensuring they are sufficiently qualified to undertake the work they have been contracted to perform.
- In the spring of 2006, the Ministry conducted an audit of the Planning Department which resulted in more staff being hired and better training. Plans are now being reviewed much faster by examiners.
- Our Development Plan Review will increase standards of development, improving the quality of life for residents with a more comprehensive approach to planning on Grand Cayman. This will build on lessons learned from Hurricane Ivan, address traffic congestion, conserve the environment and support the economy.
- The Land Use Management System for the Sister Islands will ensure that development in the Sister Islands takes place in line with the vision of its population. Our manifesto promised that development plans in the Sister Islands would be made in consultation with the people.
- A full-time Building/Plumbing Inspector is now based on Cayman Brac to ensure that the Sister Islands benefit from professional advice on building codes.

- A new Strategic Planning section will ensure planning changes are compatible with the goals of national initiatives, such as the Freedom of Information Law (when enacted), the National Assessment of Living Conditions, and Hazard Management Cayman Islands.

Plans 2007 - 2009

- Staff levels will be increased.
- The community will be encouraged to join in discussions on an updated Development Plan, covering land use, zoning and other issues.
- A Residential Tenancies Bill is being drafted and the proposed new legislation will cover tenants, landlords and others involved in property development.
- Government is also developing minimum property standards for both residential and non-residential properties, including penalties for non-compliance.
- Similar to the Builders Bill, the Architects Bill aims to regulate those who practise architecture to ensure that the public obtains a high level of reliable service from them.
- Revision to electricity regulations and law are underway to ensure (among other matters) that electricians are capable of performing safely in designated categories. ●



The Hon. Kurt Tibbets with members of the Central Planning Authority in 2006.

Petroleum Inspectorate



Petroleum Inspectorate and Esso work together on an oil spill drill.

Achievements 2005 - 2007

- The Petroleum Inspectorate regulates the safety of the Cayman Islands petroleum industry.
- Over the past two years, an annual inspection cycle has been introduced to ensure that locations handling and storing hazardous substances are safe and well maintained.

Plans 2007 - 2009

- This year emergency fuel tanks are being installed in Bodden Town, North Side and East End.
- The Home Gas upgrade project will improve the safety of the propane terminal by burying the storage tanks in case of fire. Other important features are a new fire system, leak detectors and flow restrictors on tank exits.
- Price signs for petroleum products at retail sites are being installed in all districts and Cayman Brac to give the motoring public fuelling choices based on price. ●

Agriculture

The Ministry, under the guidance of the Hon. D. Kurt Tibbetts, has a special interest in the development of Agriculture in the Cayman Islands. Our new mission statement will be developed over the next year, with objectives for a new strategic direction for the agricultural sector.



Department of Agriculture employees at the Agriculture Hall of Fame.

Plans

2007 - 2009

- To expand and develop the facilities at the Lower Valley Agricultural station to incorporate an Agri-Tourism complex that will strengthen production, research, development and marketing prospects for the agricultural sector.
- Establish butcher shops in districts across Grand Cayman for the sanitary and hygienic processing of meat for human consumption.
- To establish a slaughter house and butcher shop in Cayman Brac.
- Expand the main building and complete the new fertilizer and feed storage facility at Lower Valley.
- Provide greater access to farms on Grand Cayman and Cayman Brac by clearing and improving farm roads. •

Achievements 2005 - 2007

- As promised in our 2005 manifesto, monetary assistance and other programmes helped farmers recover from Hurricane Ivan, including the sale of low-cost feed, assisting livestock farmers to import replacement stock and land clearing.
- After the discovery of Pink Hibiscus Mealybug (PHM) on Grand Cayman in the summer of 2006, the Department immediately put in motion an integrated strategy to combat the deadly plant pest on the island. For the last six months, the biological control methods have shown good results and PHM has not spread to other types of plants or trees.
- A new abattoir facility was opened in 2006 to provide state-of-the-art processing for local meats.
- Construction is underway on the new 6,500 square foot St. Matthew's University School of Veterinary Medicine's Surgical Clinic.



West Bay winners of the NHDT's 2006 Christmas contest.

Achievements 2005 - 2007

- The NHDT provides affordable housing for low-income Caymanians and their families. It is a non-profit organisation, owned by the Government of the Cayman Islands.
- Over the past two years, the NHDT has maintained and managed 99 homes on three sites in West Bay and George Town. Improvements to the affordable housing communities have boosted the morale of residents and provided safe play spaces for children.

Plans 2007 - 2009

- We are purchasing more land in West Bay, George Town and Bodden Town where affordable single-family and multi-family homes will be built, that qualified buyers can purchase.
- We are also launching a Government Guaranteed Mortgage scheme to further assist and encourage people to buy their own home.
- We will provide additional community services to the tenants within the affordable housing communities. There will be training opportunities and a youth club, neighbourhood watch and local clean-up groups. There will also be financial-counselling and personal-enhancement workshops.
- The NHDT will also continue to maintain and repair the many structural problems and defects of the current housing structures. •

National Housing Development Trust (NHDT)

Our manifesto made a commitment to provide assistance with affordable housing to those in need.



In keeping with the principal objective of this government, the Ministry of Education, Training, Employment, Youth, Sports and Culture is committed to improving the quality of life for the people of the Cayman Islands.

Education remains one of our key priorities and much has been accomplished in the transformation of the education system since the first National Education Conference, which defined challenges and identified solutions in a collaborative effort of unprecedented proportions.

The 'schools within a school' concept of small learning environments has proven to be a resounding success on the George Hicks campus. Plans for the construction of three high schools in George Town, West Bay and Frank Sound are well underway, and on schedule to be fully operational for the school year starting September 2009. The government is also in the process of acquiring land on which a new George Town Primary school will be built.

Increased provision for special educational needs (SEN) and enhanced funding for scholarships, 'A' level tuition and early childhood care are all components of the government's drive to ensure that our people are given every opportunity to grow, develop and achieve their potential.

Students, parents, teachers and the community will see a more responsive service designed to provide the support necessary for improvements in teaching from the new governance model for education services, which will be introduced along with four regional Learning Communities.

In its other areas, the Ministry's recently completed reviews in pensions, labour and sports have provided a strong focus for activities. Each of these reviews will inform this Ministry's active legislative agenda.

The development of new National Policies on Youth and Culture will follow on in this vein over the coming months. In the context of youth, this will provide a useful platform for a coordinated inter-ministerial approach to delivery of services to children and young people.

Under this Ministry, the Human Rights Committee has steadily grown as a direct result of a strong public awareness programme, and a Human Rights secretariat has been established to support the committee and its work in benefiting the community.

This Ministry enjoys the obvious advantages of consolidating key human development areas within a single portfolio. We are committed to leveraging this advantage and taking an integrated approach to our areas of responsibility in the delivery of the widest possible range of opportunities to the people of the Cayman Islands.

Honourable Alden McLaughlin, J.P., MLA,
Minister of Education, Training, Employment, Youth, Sports and Culture

Ministry *of* Education, Training, Employment, Youth, Sports and Culture

Highlights

A major national education conference brought together all facets of the community to define the challenges facing the education system.

An extensive review of the National Curriculum for schools.

First successful prosecutions of employers who failed to make pension contributions for their employees, or to cooperate with the National Pensions Office.

A dedicated Sports Office has been opened in West Bay.

Developed plans for three new cutting-edge high schools.



The 2005 National Education Conference.

Education

Achievements 2005 - 2007

- In September 2005, a major national education conference brought together all facets of the community to define the challenges facing the education system. The resulting National Consensus outlined 10 strategies for change which drive the widespread reforms delivering improvements in schools almost daily.
- Developed plans for three new cutting-edge high schools in George Town, West Bay and Frank Sound. Construction begins this summer.
- Improved the process for teacher recruitment with consolidated advertising of key roles within an enhanced local and international media plan. Teacher orientation, training and development have been addressed to raise morale, increase retention and ultimately enhance the learning experience for students.
- The Ministry's new 'student-centred' governance model for the education system ensures greatly improved service delivery to schools and students.
- An extensive review of the National Curriculum for schools with consideration given to a range of alternatives, international standards and Cayman's specific needs. The International Baccalaureate was identified as a strong option for further review.

- The underperforming George Hicks campus was transformed in summer 2006 into four smaller learning communities, following the model of the proven 'schools within a school' concept. Improvements in teaching, learning, behaviour and discipline have been significant.
- A review of provisions for Special Educational Needs created several key roles which have already had a positive impact on children with special needs.
 - An Information Technology unit has been established to satisfy all the IT requirements of schools throughout the islands.
 - Special projects initiated by the Ministry are tackling issues such as literacy, security and discipline.
- Highly successful collaborative links developed between schools in Cayman and the UK.

Plans 2007 - 2009

- The three new high schools are well on schedule to become fully operational by the academic year starting September 2009.
- The government is purchasing land and plans are well advanced for the construction of a new facility for George Town Primary.
- Four regional Learning Communities will be introduced with the new model of governance for the education system (the Education Department will restructure based around students' needs).
- The review of the National Curriculum will come to fruition over the coming months to satisfy the very particular needs of the Cayman Islands. The new schools will be designed with this in mind, with provisions for flexible learning and cross-curricular activities.
- Work continues with UCCI to develop much-needed Technical and Vocational Training (TVET) opportunities. ●

University College of the Cayman Islands (UCCI)



Announcing the appointment of Dr. Hassen Syed as President of UCCI.

Achievements 2005 - 2007

- A new president has been appointed to UCCI, providing fresh impetus to the institution.
- Numbers of students enrolling and the range of quality courses on offer have significantly increased at the university.
- A new board of governors will provide the college with the necessary support and guidance to take the institution forward in a strategic manner.
- Completed renovation of all buildings and pending repairs post Ivan.
- Partnering with the HEART TRUST NTS (TVET and Technical Training for Teachers) to improve technical and vocational offering for students.
- Campus-wide free wireless broadband service.
- Increasing the range of TVET course offerings such as Certified Technical Trainer, CompTIA® Applied ICT Diploma, Construction Technology Diploma-City and Guild and Applied ICT Diploma for High School Students.

Plans 2007 - 2009

- To work with public and private sector employers to ensure programmes and training are relevant to the human resources needs of the jurisdiction.
- Improve public awareness to attract more Caymanian students into higher education programmes and vocational training. ●



Early Childhood Unit

Achievements 2005 - 2007

- An Early Childhood Unit was established to support improvements in day-care centres, pre-schools and reception programmes.
- Worked towards draft legislation which will properly regulate the operation of Early Childhood institutions and fully protect young children.

Plans 2007 - 2009

- Further develop the Inspection Plan for Early Childhood Institutions to ensure high quality of services nationwide.
- Review of pre-school financial-assistance provisions.
- Review the early childhood curriculum, in line with the Cayman Islands National Curriculum.
- Better training for pre-school owners, managers and staff. ●

Sunrise Adult Training Centre



Achievements 2005 - 2007

- Started an outreach service for adults in the community who need service but were unable to attend the regular programme.
- A week of events to promote disabled persons in the community for the United Nations International Day of Disabled Persons. This will be repeated annually.

Plans 2007 - 2009

- Continue the wide-ranging review of the provision of services to persons with disabilities, with the assistance of specialist consultancy support.
- Continued training and development of staff.
- Increase employment rate of clients within the community.
- Bring in a speech and language Instructor and a social worker to assist in the development of the group. ●

Schools' Inspectorate



Achievements 2005 - 2007

- Building upon inspections to help schools implement changes to improve teaching and learning.

Plans 2007 - 2009

- Full review of the functions and responsibilities of the Schools' Inspectorate.
- Extend the inspections programme to include other organisations, such as the Young Parenting Programme.
- Initiatives to help schools analyse and use data such as exam results to drive decisions and raise standards. ●

Department of Employment Relations



The 2006 Investors in People Awards.

Achievements 2005 - 2007

- A Labour Tribunal has been established in Cayman Brac.
- An agreed safety policy has been adopted for the construction industry with the Cayman Contractors Association. Work continues to promote the importance of occupational safety and health.
- The results of the 2005 Occupational Wage survey were published as part of a continuing initiative to improve the quality and availability of labour market information.
- An experienced labour specialist, Mr. Samuel Goolsarran, was retained to report with recommendations for determining the strategic direction for the Department of Employment Relations

Plans 2007 - 2009

- Implement an improvement plan following recommendations of a recent strategic review aimed at improving the delivery of services.
- Utilise improved management information systems to enhance the process of job placements, which will reduce the time taken to match people with employment opportunities.
- This database will be extended to labour complaints and human resources, further improving service.
- A new employment law to be passed,

Informed by the labour report.

- A communications initiative to raise awareness of issues like workplace inspections and the responsibilities of employers. ●

Achievements 2005 - 2007

- First successful prosecutions of employers who failed to make pension contributions for their employees, or to cooperate with the National Pensions Office.
- Working with the private sector to develop the registration of offshore pension plans.

National Pensions Office



- A full review by pension expert Mercers has been completed which will form the basis of an updated Pensions Law and a development plan.

Plans 2007 - 2009

- Implement changes to the National Pensions Law in line with the jurisdiction's needs.
- Raise awareness among employers and employees of their roles and responsibilities.
- Formalise the inspection cycle for pension plans and employers.
- Establish a Caribbean Pension Regulators Association. ●

Youth



Achievements 2005 - 2007

- The Department of Youth and Sports was separated to give greater focus to youth-related issues as recommended by the National Youth Policy.
- Ensure quality youth programmes are available through collaboration with service providers.

Plans 2007 - 2009

- Implement the National Youth Policy.
- Establish the National Youth Assembly (Forum) and the Youth Passport as a mechanism to reward youth for positive involvement in a wide range of community activities. ●

Sports



Achievements 2005 - 2007

- Introduction of the Interscholastic High School competition, reducing the need to travel abroad for competition.
- UK sports consultancy firm, PMP Consulting, was appointed to undertake a national review on the development of strategic direction for sports.
- National Sports Symposiums in Grand Cayman and Cayman Brac provided key insight to aid the consultancy process.
- A dedicated Sports Office has been opened in West Bay.

Plans 2007 - 2009

- Implement the national strategic policy direction for sports.
- Pass a new Sports law, to be informed by extensive consultation and the PMP consultancy report.
- Construction of a boxing gymnasium.
- Redevelopment of facilities at George Hicks playing field.
- Sporting facilities across the country will benefit from an extensive capital works programme which includes:
 - The completion of the Jimmy Powell players pavilion in West Bay.
 - Repairs to the changing rooms, bathrooms and canteen at the Annex playing field.
 - Repairs to the bathrooms at the Old Man Bay playing field.
 - Repairs completed at the following locations:
 - o Old Man Bay playing field
 - o Donavon Rankine playing field and hard courts
 - o Haig Bodden playing field and hard courts
 - o Airport Park
 - o Lions pool
 - o Annex playing fields and hard courts
 - o John Cumber playing field and hard courts. ●

Libraries

Achievements 2005 - 2007

- District libraries have reopened in North Side and East End.
- Bodden Town library has expanded and reopened with a learning centre and internet access for the public.
- George Town library has been repaired and reopened, having operated out of temporary facilities.

Plans 2007 - 2009

- A state-of-the-art addition for George Town library.
- More staff at the department to raise the profile of the library services and expand community usage.
- Work with UCCI and other educational institutions to secure relationships with appropriate universities overseas for online access to their libraries.
- Establish West Bay's first library. ●

National Gallery



Achievements 2005 - 2007

- An aggressive fundraising campaign began to finance building the new National Gallery on the Esterley Tibbetts Highway.
- Bringing art to the community, with programmes in prisons, various homes and other venues.

Plans 2007 - 2009

- Raise the remaining \$2 million needed for building the new National Gallery by the middle of 2007/2008 fiscal year, for occupation by the middle of 2008/2009.
- Expand quality programming with outreach programmes for at risk youth across the districts and in Cayman Brac. ●

CI National Museum



Achievements 2005 - 2007

- Work to preserve artifacts housed at the damaged museum is complete.
- Continued production of cultural events, including the McCoy prize, despite the closure of the National Museum.

Plans 2007 - 2009

- The refurbishment of the Museum is scheduled for the end of 2007. ●

Human Rights Committee



Achievements 2005 - 2007

- The Human Rights Committee (HRC) has become established as the national body with responsibility for the promotion and protection of human rights.
- The HRC's reports have improved the recognition of human rights in the Cayman Islands.
- The HRC embarked upon a public awareness campaign, which place human rights in a local context, and produced a website that supports these efforts.
- The HRC now has greater independence from the government with the chair and two-thirds of its membership drawn from the private sector.

Plans 2007 - 2009

- The HRC will look to play a prominent role in the constitutional modernisation process.
- The public awareness campaign will be reinforced with promotions focused on human rights with a particular relevance to the Cayman Islands. ●





The Ministry of Tourism, Environment, Investment and Commerce and its agencies will work individually and collectively to enhance the economic development of the Cayman Islands by executing sustainable strategies aimed at growing tourism and investment and enhancing the management of the islands' fragile natural resources which underpin our current and future success.

The Ministry and its agencies have adopted a multifaceted approach to achieve sustainable development. This method invests in our people by offering scholarships and apprenticeship training, anticipates and caters for future infrastructural needs, seeks strategic alliances in the private sector and puts in place the laws needed to ensure smooth and effective governance for our local economy and the environment.

More specifically, in terms of growth strategies, my Ministry continues to focus on the enhancement of indigenous ownership and wealth. To this end we successfully launched the 'Go East' initiative to improve the distribution of visitors, so Caymanians in lesser developed districts can benefit from the tourism sector. Other growth strategies to boost national economic development include small-business development, infrastructural improvements such as the redevelopment of Owen Roberts International Airport and contributing to the development of the Sister Islands with particular emphasis on niche markets for tourism.

With tourism as one of the main economic pillars in our country, the Ministry plans on fortifying this industry by updating the National Tourism Management Policy to govern tourism over the next five years and by launching a National Customer Service Excellence Programme. Additional plans include conserving the natural environment by promoting responsible and sustainable development practices, and implementing necessary safeguards at our Wildlife Interaction Zones. We are committed to strengthening the partnership between the Department of Tourism and our national airline to ensure adequate airlift to strategic tourism markets.

Partnership is the key word behind all the Ministry's activities. While the Department of Tourism reaches out to attract visitors, Cayman Airways helps to transport them to our shores. The Port Authority, Airports Authority and the Public Transportation Unit ensure safe, reliable and efficient transport of our guests by sea, air and land. The Tourism Attraction Board and Department of Environment protect and enhance the invaluable assets that make for a unique and high quality experience, and the Investment Bureau and Development Bank help our local entrepreneurs serve visitors and local consumers alike. This spirit of partnership extends to other ministries and to the private sector as we work together for a better future for all our people.

Honourable Charles Clifford, J.P., MLA,
Minister of Tourism, Environment, Investment and Commerce

Ministry *of* Tourism, Environment, Investment and Commerce

Highlights

Despite the challenges faced by the sector following Hurricane Ivan, 2006 was a strong year for tourism in the Cayman Islands.

Completed construction of Boatswain's Beach and the Royal Watler Cruise Terminal.

Since 2005 the Cayman Islands Investment Bureau has provided technical assistance to more than 400 entrepreneurs across all three islands.

Customer service training provided to more than 200 taxi operators.

Efficiency audit for Cayman Airways conducted and turnaround plan implemented.

Ministry of Tourism, Environment, Investment and Commerce



Go East Meetings in North Side.

Achievements 2005 - 2007

- Commenced drafting of comprehensive new public transport legislation.
- Carried out a thorough efficiency audit of Cayman Airways.
- Enacted the Marine Conservation (Amendments) Law, 2006 and Regulations governing Wildlife Interaction Zones.
- Tabled the White Paper on the National Conservation Law.
- Initiated review of the Five-Year National Tourism Management Policy.

Plans 2007 - 2009

- Implement new Five-year National Tourism Management Policy.
- Introduce amendments to laws governing Sunday music and dancing and liquor licensing and public transport and introduce legislation governing national conservation and the regulations of dolphin facilities. •

Achievements 2005 - 2007

Tourism Performance and Marketing

- Despite the challenges faced by the sector following Hurricane Ivan, 2006 was a strong year for tourism in the Cayman Islands. Air arrivals rose 59.3% compared with 2005. Cruise arrivals were up 7.3% against the previous year.
- Overall, in 2006 significant increases were achieved in all of our key source markets (US, Europe and Canada) when compared

to 2005. (US Northeast arrivals up 94.6%, US overall up 82.9%, Europe up 31.5% and arrivals from Canada up 42.3%.)

Tourism Product Development Programmes

- Audits have been completed of all accommodations and attractions post Hurricane Ivan.
- The department hosted an inspection/licensing Seminar for the accommodation sector, which will raise standards.
- The strategic audit of the inspection and licensing process was completed and amendments to the Tourism Law reviewed.

- Developed the 'Go East' brochures.

Cruise Tourism Management

- Peak cruise volumes have been better managed with cruise overflow events such as the promotion of Pedro St James' Family Heritage Days.
- In collaboration with the Ministry of Tourism and the private sector, successfully hosted the 13th Annual FCCA (Florida-Caribbean Cruise Association) Conference which attracted some 1,200 cruise delegates to Grand Cayman.

- Facilitated additional information to two small luxury cruise lines, (Hebridean International Cruises and Sea Cloud II Cruises) which are interested in visiting the Sister Islands.



Opening of the FCCA Conference.

Cayman Islands Department of Tourism

Education Programmes

- Developing human capital in the tourism industry is an important strategy for our growth and economic development.
- Boosted awareness of tourism careers, with promotional activities for over 400 local and visiting students.
- Organised information and training sessions for teachers and administrators to provide specific teaching tools on tourism concepts.
- Provided 25 Ministry of Tourism scholarships in seven different programme disciplines.
- Introduced five customer service training programmes.
- Hosted 29 tourism and hospitality training sessions for public transport workers, housekeepers and immigration officials.
- Selected a regionally accredited Certification Scheme for the Tourism apprenticeship training programme (CARIBCERT).

Plans 2007- 2009

- The government will continue to support Cayman Airways, especially the recently launched service to New York which is a major accomplishment for the destination.
- Greater focus will be given to the Islands' tourism products including human capital and service delivery. Both the National Service Standards and the Tourism Apprenticeship programmes will provide the industry with a highly trained, competent and motivated workforce.
- Promote and pursue sustainable practices in the tourism sector by hosting training programmes and community awareness district days.
- Continue to promote tourism awareness activities to students through our curriculum infusion programme and our scholarship programme.
- Enhance Cayman Islands promotional campaigns in Europe and Canada, while maintaining a focus on North America in a strategic move to increase the number of stayover visitors from those regions and mitigate potential softening of US policies toward Cuba. •



Traditional rope making.

Tourism Attraction Board (TAB)

Achievements 2005 - 2007

- Developed a Three-Year Business Plan for Pedro St. James that sets out goals and objectives for the attraction into 2010.
- Launched new website for the TAB, Botanic Park and Cayman Weddings.
- Reopened and redeveloped Pedro St. James following Hurricane Ivan with various product enhancements including wedding facilities.
- Completed construction of the Cayman Craft Market which opened in September 2005.
- Adjusted the timing of Pirates Week to minimise weather-related cancellations and to create a shoulder period for travel demand.

Plans 2007 - 2009

- Secure long-term office accommodations for both the TAB and Pirates Week offices
- Continue to improve financial performance and product enhancements.
- Develop the Botanic Park's nursery income and a new palm garden.
- Organise the 30th anniversary celebrations for Pirates Week by featuring 30 individuals who have made valuable contributions to the festival.
- Conduct market research to better pursue destination weddings and increase business from the cruise industry.
- Constantly monitor business operations to maximise opportunities arising from 'Go East' and other business developments. •

The Public Transport Board



Taxi drivers graduate from customer service training programme.

Achievements 2005 - 2007

- Conducted a market assessment study.
- Introduced standardised uniforms for taxi operators.
- Customer service training provided to more than 200 taxi operators.

Plans 2007 - 2009

- The regulatory capacity of the Public Transport Unit will be increased.
- The new Public Transport Law will be implemented. •

- Purchased, renovated and moved into new CAL headquarters. This allows consolidation of eight physical locations by accommodating the majority of staff with the exception of maintenance and engineering staff, who will remain at the airport hangar and the Airport staff. Obvious benefits include greater coordination of activities, fiscal savings greater efficiency.
- Developed a profit/loss cost model to evaluate current and future routes.

Plans 2007 - 2009

- Work continues on the two-year turnaround plan to achieve efficiencies and gradually lessen dependency on government subsidies and loans.
- Improve revenue management and data control through the new reservations system.
- Continue to put a premium on safety and security.
- Modernise and standardise the fleet.
- Improve 'on-time' performance.

Cayman Airways Ltd. (CAL)



Cayman Airways fleet at Owen Roberts International Airport.

Achievements 2005 - 2007

- Service to the Sister Islands has been improved with two new Twin Otter aircraft and 32% more roundtrip seats (from 2,400 per month to 3,167 per month).
- Launched non-stop service to New York's JFK airport. Other routes are under review.
- Highly qualified executives half of whom are Caymanians, have been recruited for seven senior level positions.

- Create a system operations control centre that will be able to offer in-flight assistance.
 - Improve fuel performance with an integrated fuel management policy to aid sound decisions on fuel use.
- Expand interline agreements with European and North American carriers and negotiate code share opportunities with key US and Caribbean airlines.
- Develop a profit/loss cost model to evaluate current and future routes.
- Increase use of technology to integrate systems and increase efficiency.
- Improve frequent flier programme. •



Aerial view of Royal Water Cruise Terminal.

Cayman Islands Port Authority

Achievements 2005 - 2007

- Completed construction of the Royal Water Cruise Terminal.
- Improved management of higher cargo volumes.
- Leased commercial spaces.

Plans 2007 - 2009

- Ensure the safe and efficient handling of increasing cargo volumes through continued investments in fixed assets and human capital.
- Embrace the growth in cruise tourism by improving cruise facilities in George Town and Spotts.
- Ensure Cayman's long-term competitiveness as a cruise destination by developing berthing facilities for four cruise ships. ●

Achievements 2005 - 2007

- Completed US\$7.5 million post-hurricane renovations in February 2006.
- Completed tender documents and engineering design work for the airport in Little Cayman.
- Began Phase 1 of the multi-million dollar redevelopment of Owen Roberts International

Airport (ORIA) on 15 January 2007. The total redevelopment project will result in a 60% increase in airport capacity.

Plans 2007 - 2009

- Phase I of the Owen Roberts redevelopment will be complete by December 2007, including relocating various facilities and the redesign of roadways leading in and out of the airport.
- Commence Phase 2 in January 2008. This includes extensions to the ticketing lobby, customs and immigration halls and construction of a domestic terminal and greeters lobby. This will be completed by December 2008.
- Prepare works for the final phase of the ORIA redevelopment which will continue through 2010.
- The government's commitment to ensuring high aviation-infrastructure standards in the Sister Islands also continued with the planning for a new airport in Little Cayman. Phase one of the airport development, which consists of filling, grading and leveling the proposed runway, is projected to be completed in June 2009. The second phase includes sealing of the runway and other infrastructure works and is slated for completion in February 2010. ●



New short-term parking facilities.

Cayman Islands Airports Authority (CIAA)

Boatswain's Beach/ Cayman Turtle Farm (1983) Ltd.



New Boatswain's Beach facility.

Achievements 2005 - 2007

The Boatswain's Beach cultural and educational park was completed in March 2007, featuring the world-renowned turtle farm, the Caiman exhibit and the Cayman Street Show. The four water features are a 1.3 million gallon saltwater snorkel lagoon, a predator reef exhibit, a themed freshwater pool and tidal pool nursery.

Plans 2007 - 2009

- Focus on achieving the financial potential of the facility.
- Develop education and research programmes to educate visitors and elevate the international profile of the park.
- Develop a strategic marketing plan in partnership with both the private and public sector to capture 20% of cruise visitors, 40% of stayover visitors and 20% of all residents to visit the facility. ●



Monitoring our Green Sea Turtle population.

Department of Environment (DOE)

Achievements 2005 - 2007

- Hosted a Climate Change Workshop for Overseas Territories. The Cayman Islands has also ratified the United Nations Framework Convention on Climate Change and Kyoto Protocol.
- Establishment of a Sustainable Development Unit in the DoE to work on a national strategy and implementation of the National Conservation Law.
- Design of Wildlife Interaction Zone Regulations to protect, preserve and promote our natural environment, and in particular Stingray City and the Sand Bar.
- Completed an assessment of Cayman's flora, providing a baseline for the conservation status of all Cayman's indigenous plants.
- Establishment of a red mangrove nursery to help preserve our reefs and mangroves.

Plans 2007 - 2009

- Endangered species will be protected by the full implementation of Cayman Islands CITES legislation and the Endangered Species Trade and Transport Law.
- Consult with the UK Sustainable Development Commissioner and complete a draft framework for a national Sustainable Development Strategy.
- Construct a DoE office and workshop facility in Little Cayman using sustainable development design work.
- Complete climate change adaptation strategy.
- Consult with key stakeholders on the National Energy Policy to promote renewable energy.

Cayman Islands Investment Bureau (CIIB)



Promoting small-business development.

Achievements 2005 - 2007

- Since 2005 the CIIB has provided technical assistance to more than 400 entrepreneurs across all three islands.
- Facilitated the launch of the Cayman Angel Investors Network, which serves as an alternative source of funding for small business owners.
- Successfully attracted more than 120 foreign investors over the past two years.
- Developed an inward investment promotion strategy, with greater emphasis on improving the investment climate of the Cayman Islands.

Plans 2007 - 2009

- Serve as a valuable resource for foreign investors seeking to do business in the Cayman Islands and facilitate inward investment.
- Stimulate economic development in Grand Cayman and Cayman Brac through growth of the small-business sector.

- Compile a national Biodiversity Action Plan within the context of Cayman's Darwin Initiative grant. This plan will set out specific actions to safeguard critical habitats and species. •
- Provide direct support within the districts and in particular for the 'Go East' initiative.
- Invest in professional certification of staff and volunteers as business advisors and encourage involvement of local professionals to assist with the bureau's initiatives. •



Facilitating Caymanian home ownership.

Cayman Islands Development Bank (CIDB)

Achievements 2005 - 2007

- The CIDB granted 337 loans worth \$14.3 million between July 2005 and February 2007. There were 107 business loans worth \$6.3 million, 84 mortgages worth \$5.1 million, 76 student loans worth \$1.2 million and another 70 loans valued at \$1.8 million.
- As at 28 February, 2007, the total assets of the CIDB were \$20.9 million (up 9.8% on June 2005).

Plans 2007 - 2009

- Continue to grow the loan portfolio and acquire additional funds for onward lending to meet its mandate of facilitating nation building.
- Continue to provide financial assistance to its traditional clients as well as small-business and property owners who remain vulnerable following Hurricane Ivan.
- Acquire own office accommodation downtown to achieve savings and increase the bank's asset base.
- Continue regular visits and open a branch in the Sister Islands in recognition of the economic conditions that exist there. •



This Ministry continues to be guided by the broad strategic goal of ensuring a healthy resident population of the Cayman Islands. This will be pursued by the development of policies and legislation and the provision of services which will enable people to enjoy a state of complete physical, mental and social wellbeing.

This government is committed to improving the health of the nation, ensuring that healthcare in the Cayman Islands is characterised by good clinical outcomes and professional standards. The government also seeks to ensure that healthcare services remain affordable. The restructuring process has been difficult but it is important to learn from past mistakes and Caymanians can now be proud of their Health Services Authority. Its aim is to ensure that people of all nationalities are treated with the dignity and respect they deserve every time services are provided. The authority will also build on the improvements that have been achieved in diagnostic capabilities with the acquisition of the appropriate and required equipment that befits the status of the Cayman Islands.

The Ministry will also continue to place the needs of the most vulnerable of our society at the top of the agenda, particularly the needs of our elderly and our children. The government's National Assessment of Living Conditions is probably the most important social study ever undertaken in the Cayman Islands and will provide the basis for further improvements in the quality of life for all our residents.

Significant achievements have also been made across the Ministry's agencies, notably the work of the Women's Resource Centre and the provision of services to vulnerable sections of society, including the development of a child protection strategy. Education and training opportunities also play an important role, as do counselling services and efforts to rehabilitate offenders.

In addition to improving the quality of life in the Cayman Islands, your government is equally committed to providing support to strengthen family units across all districts, as well as giving the required support for single-parent families, recognising the important role that women play in our society and developing policies to improve the lives of the young and elderly.

Ministry *of* Health and Human Services

Highlights

The Health Services Authority will build on the improvements in diagnostic capabilities with the acquisition of the appropriate and required equipment.

In collaboration with the Attorney General's department, a modern DNA lab was commissioned.

Young Parents Programme Education and training targeted towards young girls and women who did not complete their high school education due to early pregnancy.

The Health Practice Commission expanded the registration process to include inspections of healthcare facilities.

Ministry commissioned National Assessment of Living Conditions in the Cayman Islands.

Department of Probation and Aftercare



Parolees work under supervision.

Achievements 2005 - 2007

- Reducing incidences and the impact of crime through supervision.
- Assisting clients to function in the community without involving themselves in further criminal activities, through supervision, education and rehabilitation of offenders.
- In addition to the supervision of our clientele, both in the community and the prison system have covered anger management, domestic violence (specific to the perpetrator), stress management, change management, parole support, life skill, and support services to young offenders.

Plans 2007 - 2009

- Ensure high quality services will meet the needs of the clientele. Future plans include the continuous evaluation of programmes, organisational enhancements, improve staffing capabilities to enhance existing programmes and develop new ones.
- Promote public awareness and education through Probation and Parole Week activities.
- Expand and enhance the Probation and Aftercare Programme in Grand Cayman and Cayman Brac, to include new services such as witness services, drug treatment court services and new supervision options under the Alternative Sentence Law. ●

Cayman Islands National Insurance Company (CINICO)



Risks can change daily.

Achievements 2005 - 2007

CINICO is a government-owned insurance company formed to provide health insurance coverage to civil servants (employees and pensioners) and other residents of the Cayman Islands who historically have had difficulty obtaining coverage through their employer or the private insurance market.

- Great strides have been made by implementing and improving organisational process.
- In 2006 CINICO renegotiated reinsurance coverage that provided significantly increased coverage, as well as drastically reducing cost. Furthermore, CINICO overseas and administrative costs continued to decline significantly.

Plans 2007 - 2009

- CINICO aims to continue building its good reputation in the community to deliver the government's vision for medical care in the Cayman Islands as a high-performing agency delivering national health and other programmes. CINICO will also aim to ensure that healthcare is positioned to support development and implementation of government policy as required. ●

Health Practice Commission



Meeting at Health Practice Commission.



Doctors in surgery room.

Health Services Authority

Achievements 2005 - 2007

- Expanded the registration process to include inspections of healthcare facilities.
- Ensured public access to information regarding all registered healthcare practitioners.

Plans 2007 - 2009

- Develop and strengthen present links with international counterparts.
- Develop standards for all healthcare facilities in the Cayman Islands.
- Regulatory functions will be given priority including the enforcement of the Pharmacy Law. ●

Achievements 2005 - 2007

- In collaboration with the Attorney General's department a modern DNA lab was commissioned. The Forensic DNA Laboratory service will provide an increased scope of local forensic DNA service and expertise to law enforcement and the court in a timely manner at a lower cost.
- Expansion of the dialysis service to six days weekly, allowing more patients to get life-saving treatment.

Plans 2007 - 2009

- Cost-containment will be of paramount importance without sacrificing the quality of service.
- Close attention will be paid to controlling the escalating costs of healthcare, by re-examining the uses of public funding, and its compatibility with private health insurance coverage.
- A new model for healthcare delivery will be implemented in January 2008. This will involve a new Public Health Department, established under central government; a new governance model; and a consistent management structure for the Health Services Authority.
- Implement a national strategy to promote wellness. ●

Department of Counselling Services

Department of Counselling Services employees plan family day.



Achievements 2005 - 2007

Community-based counselling services are provided to residents of Grand Cayman at the Counselling Centre in George Town and at Brac Haven for residents of the Sister Islands. Residential, intensive substance abuse treatment is provided at the Caribbean Haven Residential Centre in Breakers, Grand Cayman.

- A comprehensive review to improve the quality of the treatment offered, more effectively addressing clients' needs, as well as increasing the number of clients and reducing dropouts.
- Based on the recommendations of the strategic review, assessments and treatment planning are client driven, relying on the input of the client to determine the most meaningful goals for treatment.
- For those who misuse drugs and/or alcohol, a comprehensive substance abuse assessment is also completed in order to determine what level of service the client requires within the continuum of care.
- The 'Driving Under the Influence' Programme provides awareness combined with alcohol and drug screening for first-time DWI/DUI offenders in order to reduce the rate of DWI/DUI within the Cayman Islands.
- Outreach services are provided to assist clients, including inmates at H.M. Prisons Northward and Fairbanks and young persons resident in Eagle House

Rehabilitation Centre.

Additionally, counsellors provide services to all students referred by John Gray High School who required intervention for a variety of issues.

- Public education initiatives aimed at promoting healthy lifestyles including, pre-release parole presentations for inmates, initiatives to prepare children in the community for the onset of hurricane season and workshops with adolescents through the West Bay Department of Children and Family Services.

Plans 2007 - 2009

- For the residential counselling services at the Caribbean Haven Residential Centre, the review identified that women's unique treatment needs were going unmet. A proposal was accepted to build a stand-alone facility allowing gender-specific treatment services to be developed in line with best practices in the field. In the interim, women's treatment needs are being addressed through collaboration with partner agencies and services at The Counselling Centre.
- After the comprehensive review, significant strides have been made in addressing issues identified as critical to improving the quality of treatment provided to our clients. In the coming years, changes will continue to be implemented which further support the strategic direction outlined in the report. ●

women who did not complete education due to early pregnancy, as well as young fathers. Specific emphasis is on parenting training and life and vocational skills.

- Provision of facilities for residential and day care services for elderly indigent persons.
- Advice, guidance, accommodation and financial support to young persons who have reached the age of 17 and are leaving care, preparing them to live independently.

Plans 2007 - 2009

- Recruit, train and support foster care families with assessments conducted in a similar manner to those who wish to adopt children.
- Fund and carry out repairs to the homes of indigent persons.
- Parenting workshops within the National Parenting Programme to develop positive and effective parenting skills and to enhance father-child relationships (Fatherhood Theme for 2007).
- Build elderly homes in each district in line with community desires and needs.
- Construct a remand facility for child offenders, to provide therapeutic services in a secure setting for severely troubled children.
- Implement the 2003 Children Law and provide training for users of the law.
- Particular attention will be focused on the needs of vulnerable children through training and education. ●

Achievements 2005 – 2007

- Social services programmes including the STARSS Programme (Support Towards Autonomy, Retraining and Self Sufficiency), the Young Parents Programme and the National Parenting Programme.
- Education and training targeted towards young girls and



Department of Children and Family Services

Health Insurance Commission (HIC)



Health Insurance...like a good friend, when you're in need!

Achievements 2005 - 2007

- The Health Insurance Commission ensures that the provision of health insurance in the Cayman Islands is well regulated and that assistance is provided to the general public in resolving complaints relating to the provision of health insurance.
- In March 2006 the HIC introduced a computerised complaints database to log and monitor the complaints/inquiries received. A total of 524 complaints/inquiries were received and 433 (83%) of the complaints were resolved; 225 (43%) of the complaints were against employers.
- The first Standard Health Insurance Fees document came into effect in August 2005, detailing monies eligible for reimbursement by approved health insurers to healthcare providers, for healthcare benefits provided to compulsorily insured persons.
- In January 2006, the HIC took over the administrative responsibility of the Segregated Insurance Fund (SIF) from the Cayman Islands Monetary Authority.
- The HIC undertook a successful public education forum to improve understanding of health insurance in the Cayman Islands. The campaign continued with commercials targeting employers and employees, as well as an appearance on Radio Cayman's Youth Flex programme to inform Cayman's youth about the importance of health insurance.

Plans 2007 - 2009

- To maintain a public education campaign on health insurance in the Cayman Islands.
- To resolve disputed complaints and queries arising from the provision of health insurance.
- To carry out the regulatory functions of the Health Insurance Commission as prescribed under the law and regulations.
- To effectively collect the Segregated Insurance Fund payments and monitor the number of insured persons. •

Achievements 2005 - 2007

- Educational workshops, programmes and training are offered throughout the year to help people make decisions that will bring about positive changes in their lives or to better understand their circumstances.
- To commemorate the one-year anniversary of Hurricane Ivan, the WRC partnered with the Department of Counselling Services to co-facilitate a Relaxation and Stress Management workshop. Other workshops, training and information sessions were conducted, covering topics such as holiday stress, relationship skills, healthy lifestyles, domestic violence and breaking gender barriers.
- One of the recent highlights was the introduction of the Journey to Freedom Group, a 12-week educational and support group for female victims of domestic abuse.

- Events were organised in recognition of Honouring Women Month and International Women's Day in the Cayman Islands. The theme for the 2006 Honouring Women Month was "Inspire Vision - Awaken Possibilities". To capture this theme, the WRC released a historical poster on International Women's Day depicting a time line of significant events in women's history in the Cayman Islands.

Plans 2007 - 2009

- The WRC's Take Our Daughters and Sons to Work Day, to inspire the youth of the country and awaken career possibilities without the boundaries of traditional gender barriers, is planned to be an annual event.
- Through an ongoing collaborative approach, the Women's Resource Centre will coordinate the Domestic Violence Intervention Training Programme for police officers, social workers and other front line professionals. •



Hon. Anthony Eden speaks at the Silent Witness march in 2006.

Women's Resource Centre (WRC)



During the two years since my election as a Cabinet member, while there may have been many challenges, I am nevertheless proud of the accomplishments of my Ministry and the government.

In the following pages I will give brief updates on projects spearheaded by the Ministry of Communications, Works and Infrastructure, as well as those that are still pending.

Ongoing projects include our negotiations with Caribbean Utilities Company Ltd., building the new Savannah Post Office and completing the Water Authority's pipeline expansion project in North Side and East End. Also underway is the completion of the coastal protection wall in East End and the rest of the country, the Cayman Islands landfill reorganisation efforts and developments with the Recreations, Parks and Cemeteries Unit.

In accordance with the government's policy of keeping the public informed of its proposals, this report has been prepared to keep you abreast of the Ministry's strategic goals and initiatives. Importantly, it underscores my commitment to the economic, social and political development of the Cayman Islands.

Honourable V. Arden McLean, J.P., MLA,
Minister of Communications, Works and Infrastructure

Ministry *of* Communications, Works and Infrastructure

Highlights

The Ministry and the National Roads Authority have undertaken one of the largest road development programmes ever in the Cayman Islands.

Post offices across the three islands reopened for Saturday business in October 2006, in response to customer feedback gathered by the Postal Service's survey.

Ongoing projects include our negotiations with Caribbean Utilities Company Ltd., building the new Savannah Post Office and completing the Water Authority's pipeline expansion project in North Side and East End.

A Strategic Waste Management Committee has been formed to investigate options to reduce, reuse and recycle landfill waste.

The Recreation, Parks and Cemeteries Unit will focus on repairing beach facilities and the provision of first-class recreational facilities.

Utilities Regulation



Digicel renews its contract.

Achievements 2005 - 2007

- The negotiating team continues its discussions with the Caribbean Utilities Company (CUC). The aim is to replace CUC's exclusive licence to supply electricity to Grand Cayman, which expires in January 2011, with a non-exclusive one. This will allow other interested energy production companies to enter the market and create competition. It is expected that the negotiations will be mostly completed by July 2007.

Plans 2007 - 2009

- The Electricity Regulatory Authority is working closely with the Ministry in setting up a public utilities authority, as well as opening up the electricity generation market.
- The Office of Telecommunications will be restructured as a department, with technological improvements to enhance public safety.
- With the help of the Information and Communications Technology Authority (ICTA), a law will be developed to regulate the distribution of spam, also known as unsolicited electronic messages.
- Other regulations, with input from the ICTA, the Cayman Amateur Radio Society, and the broader community, will support HAM (amateur) radio operations. ●



Greater protection for coastal roads.

Achievements 2005 - 2007

- In various parts of East End, coastal-defence walls are under construction. The design for the Savannah Gully is also well underway.

Plans 2007 - 2009

- The development of flood-protection measures for flood-prone areas, Island-wide will continue. ●

Coastal Roads and Flood Protection



Road Safety and Traffic Management

Achievements 2005 - 2007

- The Ministry and the National Roads Authority (NRA) have undertaken one of the largest road development programmes ever in the Cayman Islands. Work continues on the Esterley Tibbetts Highway and the East-West Arterial: two three-mile stretches of roadway, the first from the Galleria roundabout to Raleigh Quay, and the second from Hirst Road in Newlands to Selkirk Plaza on Shamrock Road. These two roadways will provide much-needed relief for all residents.
- Hot-mix pavement overlays have either been completed or are underway for all of central George Town; Queens Highway in East End; and in North Side, Bodden Town and West Bay.
- These and other smaller, but equally important, traffic and infrastructure improvements make up the short-term component of our long-term national roads plan. Your government has always said that addressing traffic congestion requires a multi-faceted approach. It is clear that while these roads were urgently required, a broader, longer term vision is essential.
- Our other road safety initiatives include amendments to the traffic law and regulations to improve road safety. Ministry representatives have met with various stakeholders to gather feedback on proposed changes.
- Plans for a Graduated Drivers' Licensing Programme. Testing procedures and guidelines for driving examiners and instructors are being finalised, with a tentative launch date of June 2007.
- Vehicle inspection reforms and inspection guidelines developed for private garages, with inspection manuals already complete.

Plans 2007 - 2009

- Various items of traffic legislation are under review for recommendation to Cabinet including: speed limits for school zones, construction zones and for school bus overtaking.
- New speed limits, such as 15 mph zones for residential areas, school zones and commercial areas; and 35 mph on select roads.
- Increasing traffic fines, with automatic disqualification where the speed is excessively high (e.g., 20 mph over the designated speed limit), or in certain restricted zones, such as school zones.
- Introducing a drivers' licence points system. Points will be deducted for traffic offences with automatic disqualification after a certain number of points.
- Restricting the use of hand-held devices,

including cell phones, while operating a motor vehicle and treating this as an offence.

- Reviewing vehicle-safety standards and vehicles' year of manufacture before importation is permitted.
- Reviewing traffic regulations to allow vehicle inspectors/constables to fail vehicles which have been modified from the original manufacturer's specifications.
- Our road development plan for 2009 and beyond will likely include: widening the Harquail Bypass to four lanes; developing an airport expressway (Harquail to Owen Roberts); improving Elgin Avenue in George Town; and extending John McLean Drive to High Rock Drive in East End. ●



The Solid Waste Management Committee tours the George Town landfill.

Solid Waste Management and Landfill Reorganisation

Achievements 2005 - 2007

- A Strategic Waste Management Committee has been formed to investigate options to reduce, reuse and recycle landfill waste.
- Reorganisation has started at all three landfills. For Cayman Brac a new grab truck has already been acquired while a residential rear-loading collection truck and Caterpillar D5 bulldozer are expected to arrive shortly.
- An environmental impact assessment, to determine the feasibility of relocating the Cayman Brac landfill, will commence shortly.
- Additionally an air-curtain burner and a Bobcat fitted with attachments for solid waste management is expected soon for Little Cayman.
- A car and metal bailer, two grab trucks and an excavator were recently added to the equipment at the Grand Cayman landfill.

Plans 2007 - 2009

- The Strategic Waste Management Committee will develop a long-term strategy to design and construct a facility to create energy from waste.
- The anticipated relocation of the Cayman Brac Landfill to a location on the Bluff. ●

Green and Open Spaces



The Recreation, Parks and Cemeteries Unit is responsible for all parks, docks and ramps.

Achievements 2005 - 2007

- The Recreation, Parks and Cemeteries Unit (RPCU) was established in July 2006 with the aim of maintaining beach facilities, ramps and jetties; and also providing clean, aesthetically pleasing recreational facilities.

Plans 2007 - 2009

- The RPCU will focus on repairing beach facilities, and providing first-class recreational facilities.
- Public-private partnerships will also be developed to improve the aesthetics and cleanliness of the central business district.
- Additional staff recruitment is expected to commence shortly. ●



The Hon. Arden McLean receives World Postal Day stamp issues.

The Postal Service

Achievements 2005 - 2007

- Post offices across the three islands reopened for Saturday business in October 2006. This was in response to customer feedback gathered by the Postal Service's survey.
- Postcodes, considered a key international indicator of a country's postal-infrastructure development, were launched in August 2006. There is an ongoing education campaign on postcode use, as well as properly addressing mail.
- It has been pleasing that less than one year since the start of the post code system more than 50% of all mail uses the proper address.

Plans 2007 - 2009

- The new Savannah Post Office should be open in early 2008, offering around 2,000 more post boxes for public rental than the current facility.
- Customer service will be improved through new services to refill postage meters and track bar-coded mail via the website. ●

Radio Cayman



A four of Radio Cayman.

Achievements 2005 - 2007

- Radio Cayman continues to offer the population an outlet to express their opinions on its lunchtime talk show, Talk Today. The station is also completing office and equipment upgrades, which will provide better service for listeners and an improved working environment for staff.

Plans 2007 - 2009

- All Radio Cayman frequencies in Cayman Brac and Little Cayman will shortly change to match those in Grand Cayman; that is, Radio Cayman One 89.9 and Breeze FM 105.3. ●



Water Authority's trencher at Queen's Highway.

Water Authority

Achievements 2005 - 2007

- The Water Authority's pipeline extension project in North Side and along the Queen's Highway in East End is progressing well.

Plans 2007 - 2009

- The Water Authority's pumping facility and reverse-osmosis plant in North Side should be complete by the summer of 2008. This will dramatically increase water production by 2.2 million US gallons per day.
- The Water Authority will also upgrade the East End wellfield and reservoir site; and install additional sewer mains. Piped water supply will also be extended in Cayman Brac and the pumping facility and reverse-osmosis plant will be relocated to the Bluff. ●

Cabinet Office

The Cabinet Office is responsible for a growing portfolio of subjects in addition to its original core mandate of secretariat support services to the Cabinet, strategic policy analysis and development, and coordination and support on regional and international issues for the Leader of Government Business. The Cabinet Office is headed by the Cabinet Secretary, Mr. Orrett Connor MBE, J.P., MLA.



FOI Coordinator Mrs Carole Excell with the Leader of Government Business and the Cabinet Secretary.

Cabinet Office: Achievements 2005 - 2007

Freedom of Information

- An FOI unit has been established under the Cabinet Office with a mandate to coordinate and lead government's comprehensive readiness efforts to successfully implement the new FOI regime.
- The Freedom of Information Bill, tabled in 2005, begins a new era of openness and transparency in government.
- The new FOI Law will cover all public entities and allow access to records regardless of the age of the documents. A dedicated FOI unit has been established at the Cabinet Office to coordinate and lead implementation.
- An extensive public awareness and education campaign has taken place to outline the benefits of the FOI Bill.

- After widespread consultation and revisions to the bill, it will be brought to the LA for approval.
- The Cayman Islands has been publicly congratulated by both the Commonwealth Human Rights Initiative and the Commonwealth Parliamentary Association for the inclusive and participatory process used in developing the FOI legislation.

Protocol Services

- The Cabinet Office has established a small central Protocol Office with greater government activity at regional and international levels. A Caymanian has been appointed as Chief of Protocol.
- The office is principally involved with developing protocol policies, planning official visits, diplomatic and consular relations, ceremonial occasions and public relations.

United Nations (UN) system - Resident Coordinator in Jamaica

- In April 2007 the government hosted a mission visit of the Jamaica-based Resident Coordinator of the UN System of Operational Activities for Development to discuss forming a programme and development for 2007 for the Cayman Islands.
- Also on the agenda for discussion were vulnerability to disasters, rising energy needs, crime and violence. Cooperation

is currently focused on the new Cayman Islands 'hazard agency' Hazard Management Cayman Islands.

Overseas Country and Territory (OCT) Affairs

- The Cabinet Office administers the Cayman Islands OCT Affairs Programme, in consultation with Cabinet ministers and members, to promote development cooperation.
- One of the main projects with the European Commission since 2005 has been the administration of the Cayman Islands Government's request for seven million euros in post-hurricane Ivan aid from a special reserve (the C-reserve).
- Importantly, the ceiling on the special reserve was removed after a declaration by the 25 member states of the European Council this year. The government's perseverance and commitment to the original request meant the Cayman Islands could access the full amount that had been requested.

Ministerial Support

- The Cabinet Office participated in a number of special committees, such as the Solid Waste Strategic Management Committee and the steering committee for the National Assessment of Living Conditions.



Constitutional Review materials at the Bodden Town library.

London Office

- The Cayman Islands office in London enjoys a higher profile which helps government relations with Her Majesty's Government and the UK Parliament.
- The London Office helped achieve a major breakthrough this year which will benefit students from Overseas Territories studying in the United Kingdom. From September 2007, Citizens of the Overseas Territories will only pay the home student fee rate at all British universities.

Computer Services

- The Computer Services Department (CSD) has upgraded the government's disaster preparedness and resilience, with the main hub in place at the hurricane-resistant Citrus Grove building. A remote data centre on Cayman Brac will back up the government and Cayman Prepared websites.
- Remote access allows access to government systems without needing to travel into George Town.
- Implemented an online system for vessel name searches and reservations for the Maritime Authority of the Cayman Islands. Customers can also pay their invoices online and soon will be able to register vessels and view accounts.
- A revolutionary customs online declarations system is ready for piloting. Future plans include screens for entering duty information at the passenger terminal,

entry of parcel post information and the electronic capture of cargo manifests.

Cabinet Office: Plans 2007 - 2009

Constitutional Review Secretariat

- Government has embarked on a programme to recommence the constitutional modernisation process. A Constitutional Review Secretariat (CRS) has been established at the Cabinet Office.
- There will be extensive public consultation and eventually a national referendum. The results will provide a starting point for negotiations with the UK for a new, more modern Cayman Islands Constitution.

Temporary Housing

- An elevated, secure holding site is being prepared to safely store trailer homes used after Hurricane Ivan, in case of another disaster.

European Commission

- The Cayman Islands will chair the Association of Overseas Countries and Territories Forum in 2008, which monitors EU actions and looks to improve EU programmes.
- Contact with the European Commission has centred on the development of EU relations with OCTs and the allocation of resources from the European Development Fund.

Overseas Country and Territory (OCT) Affairs

- A new study will look at the role of the private sector in OCT community development.
- Government continued its contribution to the National Recovery Fund and remains committed to housing reconstruction. Government is confident in the National Recovery Fund being able to spend the aid that the European Commission is providing on government's behalf.

Caribbean Catastrophic Risk Insurance Facility

- The Cayman Islands Government will participate in the Caribbean Catastrophic Risk Insurance Facility which has been set up by the World Bank.
- This insurance facility provides an additional risk-management strategy to ensure more speedy recovery following natural disasters by providing immediate liquidity to participating countries following significant hurricanes and earthquakes.
- The pay out increases in accordance with the intensity of the event and this allows participants, in this case small island states, to receive immediate financial assistance to help speed recovery and maintain economic stability without delays for lengthy damage assessments to be conducted. ●

Portfolio *of* the Civil Service

The Portfolio of the Civil Service is responsible for the oversight, monitoring and strategic development of human resources management within the Civil Service. It provides HR policy advice, Strategic HR support and HR audit and operational services. The Portfolio is also responsible for facilitating the implementation of the public sector reform processes within the government, and works with agencies in order to improve their performance. The Portfolio provides services to the Governor, Cabinet and the Head of the Civil Service, as well as to the various government agencies.



The Hon George McCarthy and Dr Syed establish the Civil Service College.



Head of Civil Service and POCs staff say farewell to outgoing POCs Chief Officer Mr. Colin Ross.

Civil Service: Achievements 2005 - 2007

- Restructured Personnel Department to create Portfolio of the Civil Service.
- Led a process to reform human resources management within the Civil Service, moving away from a centralised, administratively focused environment, to one that is decentralised and managerially focused.
- Established processes, templates and training to support the new responsibilities of chief officers, heads of department and other senior officers for HR management delegations.
- Developed and implemented a new Public Service Management Law (2006) and Personnel Regulations.
- Established HR policy and procedure manuals for all Ministries and Portfolios.
- Established a Management Support Unit, to provide free internal consultancy support to agencies on management issues.
- Established an HR audit function, to provide assurance of compliance with the PSML Law and Regulations.
- Established the Civil Service Appeals Commission to provide an independent appeals process for Civil Service HR decisions.
- Established partnership with UCCI, with signing of Memorandum of Understanding, as part of an implementation plan for a Civil Service College.

Civil Service: Plans 2007 - 2009

The focus will continue on improving the Civil Service's performance, with activities that include:

- Establishing the Civil Service College.
- Assisting Ministries and Portfolios to establish robust succession plans.
- Developing the HR profession within the Civil Service, to ensure managers are provided with the best advice available on HR management matters.
- Strengthening its HR advisory capabilities and HR systems to better support HR professionals. ●

Portfolio *of* Legal Affairs

The Portfolio of Legal Affairs strives to consistently honour the mandates outlined in its mission statement. It aims to help improve the administration of justice, with continued transparency, timely legislative reforms and proposals. It also provides quality training to our law students, article clerks and counsel.

The Portfolio worked on several initiatives in the fight against crime. These included partnering with the Ministry of Health and Human Services towards the commissioning of a DNA Laboratory to be formally opened in mid 2007. Legislation was also enacted to give courts wider sentencing options, including the establishment of a Drug Rehabilitation Court with emphasis on the rehabilitation of drug abusers.

The Law Reform Commission was established in 2005 with the broad function of systematic development and reform of the laws of the Cayman Islands.

In tandem with the police the Chambers has been working to review the Police Law, concentrating on areas such as the codes for taking caution statements and interviewing suspects.

In November 2005, criminologist Yolande Forde of Barbados was retained by the Portfolio on behalf of the government to examine the causes of crime in our society with particular emphasis on serious gun and gang-related crimes.

The Cayman Islands Government Legal

Department:

Achievements 2005 - 2007

- Greater efficiency in carrying out its required duties.
- More focus in meeting the training needs of its staff.

The Cayman Islands Government Legal

Department: Plans 2007 - 2009

- Continue to represent government and provide quality legal advice.
- Continue to provide quality legal training to a number of Articled Clerks each year.



Formal opening of the Grand Court.

Law Reform Commission: Achievements 2005 - 2007

- The Law Reform Commission was established in 2005 to study and keep under constant review the statutes and other laws of the Cayman Islands, with a view to development and reform.
- Began consultation on the Companies (Amendment) Bill. This bill seeks to reform the parts of the law which deal with corporate insolvency. A second report will be made to the Attorney General following the consultations on the subject with the judiciary as well as other interested parties.
- The Commission started the review of the Legal Practitioners Bill and the Residential Tenancies Bill – both in final stages and has also started reviewing legal aid legislation.

Law Reform Commission: Plans 2007 - 2009

The Law Reform Commission will look to develop and reform the laws of the Cayman Islands in such ways as:

- Modifying branches of the law.
- Simplifying the law by removing anomalies and repealing obsolete and unnecessary enactments.
- Developing new areas in the law, becoming more responsive to the changing needs of Cayman Islands society.
- Introduce new and more effective methods for law administration and the dispensation of justice.

Cayman Islands Law School (CILS) Highlights 2006

- CILS received its best set of undergraduate results to date in 2006, with four First Class LL.B (Honours) degrees and 11 Upper Second Class (Honours) degrees awarded by the University of Liverpool to a graduating class of 24.
- Strong postgraduate results with three out of four graduates from the Professional Practice Course awarded Passes with Distinction.

- The September 2006 intake was the largest to date with 46 new students registering on the full-and part-time degree programmes.
- Staff and students can now access electronic teaching and administrative support programmes maintained by the University of Liverpool.
- In March 2007 CILS successfully hosted the Caribbean Law Clinic with seven regional law schools taking part.

Cayman Islands Law School (CILS): Plans 2007 - 2009

- In September 2007 CILS will introduce two new optional courses to the LL.B curriculum, Jurisprudence and Human Rights Law.
- It is hoped that by September 2008 CILS will have introduced a part-time Master in Laws degree, awarded by the University of Liverpool.

Financial Reporting Authority: Achievements 2005 - 2007

- The FRA's third reporting period.
- Work completed on 170 out of 221 cases received and 33 out of the 49 cases carried over from 2004/2005.
- Significant progress in the three strategic priorities identified at the outset of the year.
 - o *Enhance reporting of information* -- Embarkation upon an outreach programme with financial service providers in an effort to meet staff members and discuss issues of mutual interest.
 - o *Produce insightful and relevant intelligence reports* -- Ensuring that current issues and developments in countering anti-money laundering and terrorist financing strategies are brought to bear in our domestic and international reporting efforts.
 - o *Appropriate dissemination of intelligence* -- To strengthen our ties with local and overseas law enforcement agencies.



Financial Reporting Authority: Plans 2007 - 2009

- Enhancing efficiency of the organisation.
- Maintain public and private sector partnership.

Legislative Drafting Department

The government's legislative programme for its first two years in office has been remarkably ambitious both in nature and scope. The period saw the preparation of miscellaneous pieces of far-reaching substantive legislation, most of which have been enacted. Numbered among these are the following:

1. The Penal Code (Amendment) Law, 2005
2. The Firearms (Amendment) Law, 2005
3. The Criminal Procedure (Amendment) Law, 2005
4. The Court of Appeal (Amendment) Law, 2005
5. The Police (Amendment) Law, 2005
6. The Drug Rehabilitation Court Law, 2006
7. The Bail (Amendment) Law, 2006
8. The Immigration (Amendment) (No. 2) Law, 2006
9. The Marine Conservation (Amendment) Law, 2006
10. The Alternative Sentencing Law, 2006
11. The Mutual Funds (Amendment) Law, 2006
12. The Banks and Trust Companies (Amendment) Law, 2006
13. The Proceeds of Criminal Conduct (Amendment) Law, 2007
14. The Builders Law, 2007
15. The National Archives and Public Records Law, 2007
16. The Merchant Shipping (Amendment) Bill, 2007
17. The Maritime Authority of the Cayman Islands (Amendment) Bill, 2007
18. The Tobacco Bill, 2007
19. The Freedom of Information Bill, 2007
20. The Private Security Services Bill, 2007

This is in addition to subordinate legislation, which is not reflected in this report.

Portfolio *of* Internal and External Affairs

Since 2005 the Portfolio of Internal and External Affairs has implemented a structured and focused programme with respect to key areas of responsibility. The Portfolio continues to focus on public order and safety issues, improved immigration and border security legislation. It also created an agency responsible for hazard management.

Royal Cayman Islands Police Service (RCIPS): Achievements 2005 - 2007

- The RCIPS has focused all its resources to deliver the wishes of the people of the Cayman Islands. In particular serious crime and drugs offences have received their utmost attention. This focus has seen a steady and welcome reduction in serious crime over the past 18 months.
- Overall serious crime is down 25% with almost 300 fewer victims.
- A 5% reduction in crime.
- Burglary is down 32% with almost 300 fewer victims.
- Theft is down 20% with 101 fewer victims.
- Prosecutions of unlicensed firearms offences are up from 18 to 32.
- The RCIPS has many more staff to address matters of concern to the public, with more police officers on the streets.

Royal Cayman Islands Police Service: Plans 2007 - 2009

- RCIPS will upgrade police facilities with a new Marine and Drugs Task Force base as well as four new vessels and a helicopter

to protect our borders. New police vehicles are present on all the Islands.

- Neighbourhood policing will ensure a closer working relationship with our communities, with local problems addressed by officers dedicated to specific areas all over the three islands.
- Deaths and serious injuries on our roads remain a real concern. More offenders have been detected and the Streetskill campaign reinforces the road safety message, highlighting speeding, drunk driving and reckless driving. We will introduce more new technology to address errant drivers.

Immigration: Achievements 2005 - 2007

- Your government ordered a comprehensive review of the Immigration Law, following public consultation. The revised legislation protects Caymanians, provides clarity and certainty for employers and work permit holders, and promotes inward investment better than before. The



key features include:

- Strict limits on the ability of the Governor-in-Cabinet to grant the right to be Caymanian.
- Changes to the term limit provisions.
- Relaxation of the rules relating to retired persons of independent means.
- Increased flexibility for employers to apply for key employee status.
- Revised rules concerning the designation of certain categories of occupation as key employees.
- Introduction of a number of new immigration offences.

- Overhaul of the points system for permanent residency to create a more level playing field.
- The Department of Immigration has also made significant improvements in customer service, including improved reception facilities and a new call centre. The hard work of staff and improved processing systems have cleared the huge backlog of outstanding work permit applications.

Immigration: Plans 2007 - 2009

- Immigration policy will remain an important priority for the government in the next two years and beyond both in terms of its critical role with respect to border security and its effect on the economy of the Islands.
- At policy level, the government remains committed to the term limit policy on work permits to reduce the number of people who are able to stay here indefinitely. The government is also committed to extending this policy to non-Caymanian government employees.

Fire Service: Achievements 2005 - 2007

- In accordance with the government's commitment to public safety the Fire Service was provided with 14 new fire vehicles, including two new fire vehicles for Cayman Brac and a 27-foot Boston Whaler Rescue Boat for Owen Roberts International Airport.
- The Fire Service has also been provided with a new training facility which has been recognised as one of the best in the region.

Fire Service: Plans 2007 - 2009

- To address the increasing development in the outer districts, approval has been granted for a new sub station in Bodden Town with construction expected to begin in late 2007.

The National Archive: Achievements 2005 - 2007

- Introduced the National Archive and Public Records Law to control the management of public sector records, a preparatory step for the forthcoming Freedom of Information Law.
- Recovered almost 6,000 cubic feet of records damaged by Hurricane Ivan. The process took two and a half years and was complete by the end of March 2007.
- Upgrade of records management system

The National Archive: Plans 2007 - 2009

- The long-needed new National Archive facility, which will be built to withstand extreme weather conditions, is expected to be completed before the end of the current administration.

Her Majesty's Cayman Islands Prison Service (HMCIPS): Achievements 2005 - 2007

- To improve rehabilitation work a new post of Commissioner of Corrections and Rehabilitation was created and the first commissioner appointed in August 2006.
- Persistent overcrowding running at an average of 20% has been absorbed by HMCIPS within existing staff and financial resources.
- Educational and groupwork programmes continue to be well attended.
- The safety record of HMCIPS, for both staff and prisoners, is good with no escapes or absconds nor any incidents of serious violence in the past three years.

Her Majesty's Cayman Islands Prison Service: Plans 2007 - 2009

- A strategic plan sets out key strategies to strengthen sentence planning and better prepare prisoners for their eventual return to the community.



- Groupwork programmes and improved educational opportunities for prisoners are under development to support sentence planning as part of the key strategy to reduce re-offending.

Hazard Management Cayman: Achievements 2005 - 2007

- To fulfill the government's commitment to disaster preparedness and mitigation, a full-time hazard management agency, Hazard Management Cayman Islands, was launched in January 2007.
- The National Strategic Framework for Disaster Risk Management sets out the goals, strategies and benchmarks for our national hazard management programme.
- The agency held an Earthquake Awareness Day on the anniversary of the 2004 December earthquake.
- A major incident simulation exercise was carried out, which identified strengths and weaknesses of the emergency responders.

Hazard Management Cayman: Plans 2007 - 2009

- A National Emergency Operations Centre and offices will be built on land recently acquired.
- Shelters are being upgraded with new generators across the country. The redevelopment of the John Gray Memorial Church hall in West Bay, which is largely complete, provides an additional shelter.
- Hazard Management legislation is being developed by the Legal Drafting Office. •

Portfolio *of* Finance and Economics

The Portfolio of Finance and Economics has two main areas of responsibility: to maintain sound macroeconomic and budgetary policies and measures for the prudent management and control of government finances, and to foster the development and continued international competitiveness of the financial services sector, the latter now benefiting from the involvement of the Minister for International Finance Policy. In both of these areas there is close consultation and collaboration with the whole of Cabinet.

In financial services, we have maintained competitiveness (with yet more product enhancements in the pipeline) and we have also significantly enhanced our PR/media/government relations activities. The Portfolio has been an active participant in the Financial Services Council, the public-private sector policy and issues workshop chaired by the Minister for International Finance Policy. The regime for the reporting of EU savings income information, which was critical to get right for the Cayman Islands, has been operating smoothly since the first reporting period in 2005.

The Portfolio also provides services to the general public – for example, we administer the first-time Caymanian homebuyers' scheme, under which more than 1500 Caymanians have been afforded stamp duty waivers on the purchase of their first home property.

The Portfolio family of organisations is committed to professionalism, efficiency and excellence and we work to achieve this in everything we do.

Honourable Kenneth Jefferson, J.P., MLA,
Financial Secretary



CSX rules.

CSX:

Achievements 2005 – 2007

- Hit profitability in FY 2004-2005, two years ahead of target.
- Broke the 1,000 listings mark in 2006.
- 1,487 listings projected for year end 2006-2007.
- 10th anniversary celebrated in 2007.

CSX:

Plans 2007-2009

- Continuing and increasing profitability.
- Local and international marketing efforts to attract new business.



Cayman Islands Monetary Authority (CIMA): Achievements 2005-2007

- Total number of active financial services entities authorised by CIMA across all sectors for the period May 2005-May 2007 grew by 37% to over 12,000, inclusive of approximately 8,000 investment funds.
- Implemented electronic reporting system for all funds regulated under the Mutual Funds Law.
- Concluded six MOUs and other information-sharing agreements with regulators in Brazil, Canada, Jersey, the US, Bermuda and the Isle of Man.
- Implemented business continuity plan that includes two off-site disaster recovery locations and issued a statement of guidance for all licensees on standards for business continuity planning.

CIMA: Plans 2007-2009

- Continue preparations to implement the Basel II capital adequacy framework.
- Increase efforts to engage constructively with international standard setters and overseas regulators and with local government agencies and private sector interests on the regulatory aspects of international initiatives.
- Redesign the CI banknotes; implement a new vault management system for the currency and review the level of currency reserves required to ensure ongoing statutory compliance.
- Implement a new IT governance framework, upgrade the database management system, and extend the e-reporting system to other regulatory divisions.

Maritime Authority of the Cayman Islands (MACI): Achievements 2005-2007

- Events held commemorating the existence of the Cayman Islands Shipping Registry since 1903.
- Launch of redeveloped website including client services via a Virtual Office Environment (VOE).
- Established presence in North America (Ft.

Lauderdale) to provide vessel registration services.

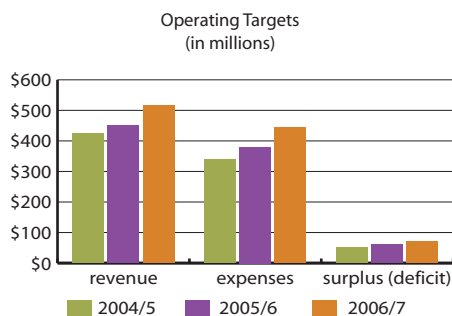
- Participated in the IMO's Flag State Voluntary Audit Scheme (VAS).
- The Cayman Islands received 'Qualship 21' status from the US Coast Guard.
- MACI on track to achieve an end-of-year surplus of \$1.59 million in its second year of operation.

MACI: Plans 2007-2009

- Establish survey and audit representation in Singapore, which will complement the vessel registration services already in Japan.
- Establish full vessel and mortgage registration services in London.
- Introduce full manning/crew compliance services in Ft. Lauderdale and Antibes.
- Obtain associate membership in the IMO
- Relocate MACI headquarters to a more suitable building.

Surplus/(Deficit) After Extraordinary Items

The government significantly surpassed the budgeted Surplus after Extraordinary Items for 2004/5 and 2005/6, by \$79.3 million and \$75.2 million respectively. The forecast Surplus after Extraordinary Items for the period 2006/7 is expected to be more than budgeted by \$34.6 million.



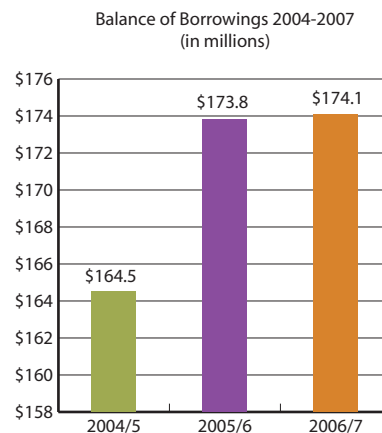
Borrowings

During the financial years 2004/5, 2005/6 and 2006/7, new government borrowings were:

- \$15 million in 2004/5, compared to a revised budget of \$15 million.
- \$24 million in 2005/6, compared to a revised budget of \$63 million.

- \$23 million in 2006/07 (forecast).

The unaudited balance of borrowings as at 30 June 2005 and 30 June 2006 was \$164.5 million and \$173.8 million respectively. The projected balance of borrowings as at 30 June 2007 is anticipated to be \$183.8 million.



Cash Position

The estimated actual cash position as at 30 June 2005 and 30 June 2006 is better than budget by \$7.6 million and \$18.8 million respectively, due primarily to increases in revenue and decreases in Executive Capital Investment Expenditures.

The forecast cash position as at 30 June 2007 is expected to be better than budget by \$16.6 million. The ending cash position at each year end represents both unrestricted funds available for operational use and restricted funds requiring legislative approval before use.



Compliance with Principles of Responsible Fiscal Management

There has been full compliance with the Principles of Responsible Financial Management for each of the periods ended 30 June 2005, and 30 June 2006 and forecasts for 30 June 2007 (see table below).

The government recognises that a major part of the Cayman Islands' economic success is due to prudent economic management. The government remains committed to the Principles of Responsible Financial Management and understands that this underpins investor confidence in these Islands.

Principle of Responsible Financial Management	Degree of Compliance
Operating Surplus: Should be positive (Operating surplus = core government operating revenue - core government operating expenses)	Complies in all years 2004/5: \$91.0 million 2005/6: \$77.9 million 2006/7: \$68.3 million
Net Worth: Should be positive (Net worth = core government assets - core government liabilities)	Complies in all years 2004/5: \$545.0 million 2005/6: \$442.8 million 2006/7: \$545.6 million
Borrowings: Debt servicing cost for the year should be no more than 10% of core government revenue (Debt servicing = interest + other debt servicing expenses + principal repayments for core government debt and self financing loans)	Complies in all years 2004/5: 4.8% 2005/6: 5.4% 2006/7: 4.6%
Net Debt: should be no more than 80% of core government revenue (Net Debt = outstanding balance of core government debt + outstanding balance of self financing loans + weighted outstanding balance of Public Authorities guaranteed debt - core government liquid assets)	Complies in all years 2004/5: 25.0% 2005/6: 37.6% 2006/7: 24.6%
Cash reserves should be no less than estimated executive expenses for : 30 days 2004/5 45 days 2005/6 60 days 2006/7 (Cash reserves = core government cash and other liquid assets)	Complies in all years 2004/5: 105 days 2005/6: 95 days 2006/7: 93 days
Financial risks should be managed prudently so as to minimise risk	Complies in all years - Insurance cover exists for key assets and major potential liabilities - Hurricane preparedness strategy in place

HM Customs: Achievements 2005 - 2007

- The new Customs Courier facility, providing a 'one-stop shop' to clients, was opened in May 2006.
- A website for the Customs Department was launched (www.caymanislandscustoms.com).
- Import duty revenue for the period May 2005 – May 2007 was 29% over budget, primarily due to post-Hurricane Ivan imports.



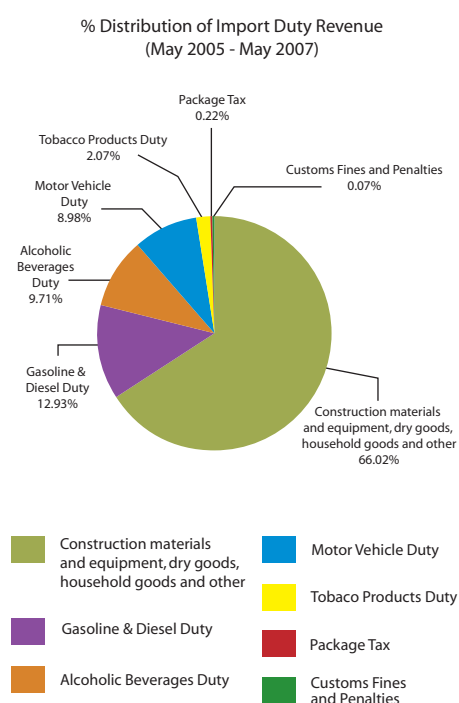
Customs training course.



Signing of EU grant contract.

HM Customs: Plans 2007 - 2009

- Implementation of a description and coding system which will help in the production of trade statistics, previously not produced in the Cayman Islands, assist Customs with examinations and provide greater transparency and consistency to importers.
- The new online processing system should be functional by December 2007.



General Registry: Achievements 2005 - 2007

- In March 2006 the General Registry moved into new secure offices following the loss of the previous offices due to Hurricane Ivan.
- Users of the Registry's Online Registry Information System (CORIS) increased to 50 active subscribers.
- An Arabic language facility has been introduced to enable registration and other certificates to bear the company name in English and Arabic. This makes Cayman a more attractive domicile to the significant Islamic finance market.
- In February 2007 the Registry introduced secure certificate paper for all registers.
- In 2005, new company registrations were up 15% over 2004; and the 2006 figures up 20% over 2005. New registrations to May 2007 are tracking 16% higher than 2006.

General Registry: Plans 2007 - 2009

- Establish a website to improve customer service to the general public.
- An electronic storage/enterprise content management system will be implemented. ●

