

MINISTERS OF THE CABINET

| | |
|---|--|
| Hon. G. Wayne Panton, JP, MP | <i>Premier</i> , Minister for Sustainability and Climate Resiliency — “MSCR” |
| Hon. Christopher S. Saunders, MP | <i>Deputy Premier</i> , Minister for Finance and Economic Development <i>and</i> Border Control and Labour — “FEDBCL” |
| Hon. Juliana Y. O’Connor-Connolly, JP, MP | Minister for Education <i>and</i> District Administration and Lands — “EDAL” |
| Hon. Bernie A. Bush, MP | Minister for Home Affairs, Youth, Sports, Culture and Heritage — “HAYSCH” |
| Hon. Kenneth V. Bryan, MP | Minister for Tourism and Transport — “T and T” |
| Hon. André M. Ebanks, MP | Minister for Financial Services and Commerce — “FSC” <i>and</i> Investment, Innovation and Social Development — “IISD” |
| Hon. Sabrina T. Turner, MP | Minister for Health and Wellness — “MOH” |
| Hon. Johany S. “Jay” Ebanks, MP | Minister for Planning, Agriculture, Housing, and Infrastructure — “PAHI” |

EX OFFICIO MEMBERS OF THE CABINET

| | |
|--|---|
| Hon. Franz I. Manderson, MBE, Cert Hon, JP | <i>Deputy Governor</i> , ex officio Member responsible for the Portfolio of the Civil Service |
| Hon. Samuel W. Bulgin, QC, JP | <i>Attorney General</i> , ex officio Member responsible for the Portfolio of Legal Affairs |

ELECTED MEMBERS GOVERNMENT BACKBENCHERS

| | |
|------------------------------------|---|
| Hon. Katherine A. Ebanks-Wilks, MP | <i>Deputy Speaker</i> , Parliamentary Secretary to FSC and EDAL |
| Ms. Heather D. Bodden, JP, MP | Parliamentary Secretary to T&T and IISD, Elected Member for Savannah |
| Mr. Isaac D. Rankine, MP | Parliamentary Secretary to HAYSCH and PAHI, Elected Member for East End |

OPPOSITION MEMBERS

| | |
|------------------------------------|---|
| Hon. Roy M. McTaggart, JP, MP | <i>Leader of the Opposition</i> , Elected Member for George Town East |
| Mr. Joseph X. Hew, MP | <i>Deputy Leader of the Opposition</i> , Elected Member for George Town North |
| Hon. Alden McLaughlin, MBE, JP, MP | Elected Member for Red Bay |
| Mr. Moses I. Kirkconnell, JP, MP | Elected Member for Cayman Brac West and Little Cayman |
| Ms. Barbara E. Conolly, JP, MP | Elected Member for George Town South |
| Mr. David C. Wight, JP, MP | Elected Member for George Town West |

INDEPENDENT MEMBER

| | |
|-------------------------------|-------------------------------------|
| Mr. Dwayne S. Seymour, JP, MP | Elected Member for Bodden Town East |
|-------------------------------|-------------------------------------|

OFFICIAL HANSARD REPORT
FIRST MEETING 2021/22 SESSION
FRIDAY
26 NOVEMBER 2021
9:30 AM
Second Sitting

[Hon. W. McKeeva Bush, Speaker presiding]

The Speaker: Good morning.

I call on Reverend Stanwyck Myles to grace us with prayers.

PRAYERS

Rev. Stanwyck Myles: Good morning. Shall we pray?

Eternal God of creation, we thank you for this beautiful day in the Cayman Islands. We acknowledge your lordship over all creation and affirm that you are the manufacturer and we are the product of your hand.

Thank you for these Cayman Islands, our homeland that you have founded upon the seas and established upon the waters. Thank you for protecting us through a pandemic and also through the 2021 hurricane season. We solicit your continued protection in the months and years to come. We pray that you would bless Her Majesty the Queen, the royal household and all the members of the royal family. We also pray for the British government, for many decisions that they make directly affect the Cayman Islands.

Eternal God, we ask you to bless the proceedings of this Parliament. We pray for the Honourable Speaker, the Deputy Speaker and the staff of this honourable House. We pray for the Honourable Premier, the Deputy Premier, and all the Members of Cabinet. We pray also for the Honourable Leader of the Opposition and the Deputy.

We pray for every Member of this Parliament, that they will fear the Lord and strive to serve and honour you in all their deliberations. May they put you first and seek first the Kingdom of God and his righteousness and all things shall be added unto them.

We pray that they may put the people of the Cayman Islands next; may they serve the people graciously, honestly and honourably. We pray for His Excellency the Governor, the Deputy Governor and their staff, the Chief Justice and the Judiciary, the Commissioner and the Constabulary.

Bless every citizen of the Cayman Islands, protect us from disease and poverty; from anxiety and greed; from deception and violence, and strife. Help us to grow in the knowledge and the grace and the love and the mercy of Almighty God.

Through our Lord Jesus Christ in whose name we pray. Amen and Amen.

The Speaker: Thank you, Pastor [Myles].

Please be seated.

Honourable Members, I rise just to offer a word of welcome and on some housekeeping matters. Let me trust that you had a wonderful thanksgiving; we have much to be thankful for.

In relation to the work of the House, and in light of the fact that we are living in challenging and difficult times, let us all confirm and adhere to the COVID-19 Regulations within this building. As we all can see, Members continue to wear masks. I appeal to everyone to please keep your face masks on, particularly when speaking to an individual and within six feet of each other. Those are the regulations. Utilise the hand sanitisers that are installed at the building's entrances. All of this is for your own good.

To our visitors: there is staff strategically placed in the building who will give the necessary directions and guidance throughout this Sitting. Please follow their instructions.

MOTION FOR THE SUSPENSION OF THE HOUSE

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton, Minister for Sustainability and Climate Resiliency, Elected Member for Newlands: Good morning Mr. Speaker. Thank you very much.

Mr. Speaker, I beg to move that this honourable House do rise to await the arrival of His Excellency the Governor, Mr. Martyn Keith Roper, OBE, to receive a gracious message from the Throne.

Thank you.

The Speaker: The question is that this honourable House do rise to await the arrival of His Excellency the Governor Mr. Martyn Keith Roper, OBE, to receive a gracious message from the Throne.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

This honourable House will be suspended for a few minutes. I ask all Honourable Members to remain in their seats, except those stated in the programme.

Agreed: That the honourable House rise to await the arrival of His Excellency the Governor to receive a message from the Throne.

Proceedings suspended at 9:48 am

[Pause]

ARRIVAL OF HIS EXCELLENCY THE GOVERNOR

His Excellency the Governor, Mr. Martyn Keith Roper, OBE: Please be seated.

THRONE SPEECH

**Delivered by His Excellency Governor
Mr. Martyn Keith Roper, OBE**

His Excellency the Governor, Mr. Martyn Keith Roper, OBE: Honourable Speaker, Members of Parliament, it is a great honour for me to stand before you today to deliver my third Throne Speech as Governor of the Cayman Islands, and my first, since the Government's formation following their success in the 2021 General Election. As I have done since arriving, it will not be the traditional Throne Speech setting out the Government's agenda. That is properly a matter for the Elected Government, in line with our modern and mature constitutional relationship. I will focus my comments on how we are handling the global pandemic, on climate change after Conference of the Parties (COP26) and on the excellent state of the UK/Cayman relationship.

The months since the formation of the new Government, with Premier Panton at the helm have seen great challenges, but he and his colleagues in Cabinet have ably steered Cayman through these and set the jurisdiction on a clear path of recovery from the worst health crisis in a century. It is a fact that every government in the world has found this an incredibly difficult time in which to govern.

In recent weeks, we have had to deal with widespread cases of community transmission of Covid. My thoughts and prayers are with those in hospital and their families. Let me also pay tribute to our brave nurses, doctors and support staff at HSA and Public Health.

I understand why the spike in cases feels unsettling for our community that had lived for so long in one of the safest bubbles anywhere in the world. Yet the outstandingly high vaccine take-up gives us confidence and is a major achievement of this Government. It has enabled significant numbers of people to take not only first and second doses of the vaccine, but also boosters, and together with implementation of lateral flow policies, help us all live as normally and safely as possible, whilst the virus moves amongst us.

The Government has worked tirelessly and effectively with the Civil Service under the leadership of

the Honourable Deputy Governor, and also with industry representatives, to prepare for the reopening of our borders to tourists on 20 November. I understand how difficult a decision that was, but it was the right decision as we learn to live with COVID. It is a significant step forward on the road to recovery, and I just want to pay tribute to Travel Cayman in its various guises over the last 18 months for their outstanding work enabling travel and keeping us safe. The revenues tourists bring, and the jobs their presence creates, will be a relief to many. The Government's plan to test COVID protocols for a one-off cruise ship visit on 28 December is also a welcomed step forward.

Of course, the recent news about this variant discovered in Southern Africa is a matter of great concern for all of us. The UK has already suspended flights from six Southern African countries, but there is a great deal that we do not yet know, so whilst a matter for great concern, it is not yet a matter for undue alarm.

I am pleased to confirm that the UK's commitment to support Cayman and other Overseas Territories during this global pandemic remains steadfast. The UK will continue to provide Cayman with vaccines against COVID, including boosters for everyone currently eligible to receive the vaccine, including soon to all adults, not just those over 40.

I am pleased to announce that two Epidemiologists from UK Health Security Agency (formerly Public Health England) will shortly visit Cayman for two weeks to support us on health data and statistics. The UK is also committed to providing Cayman with access to the UK's limited supply of COVID-19 therapeutics and antivirals. These are exciting new developments which will help us better protect people who get COVID-19 and they will be new tools in helping us to live with this terrible disease.

Now, as many of you are already aware, our excellent Chief Medical Officer Dr. John Lee will soon be vacating the post he has filled most effectively throughout the pandemic. I would like to pay tribute to him for his outstanding service, for which I know he will always be fondly remembered in Cayman. His voice of calm and reason was reassuring to many of us during the pandemic and government has continued to benefit from his advice throughout.

I am delighted to have supported Cayman in recruiting Dr. Autilia Newton, previously the UK Health Security Agency's Overseas Territories' Advisor, to take on the CMO role temporarily until a permanent successor can be identified. She visited Cayman in March 2020 and brings a wealth of experience and expertise.

Two weeks ago, the Honourable Premier represented Cayman at the 26th Conference of the Parties on Climate Change in Glasgow, [Scotland]. By prioritising his time to attend this event, the Premier demonstrated leadership to show the world that he is dedicated to doing what he can to tackle issues around climate change [which are] of particular significance to

low-lying islands such as ours; that he has created a Ministry for sustainability and climate resiliency with himself as responsible Minister shows that, domestically, Cayman means business. Although our global impact is small, I salute the Premier's and this Government's intention to ensure that Cayman can put its own house in order and set a good example to the region.

In Glasgow, His Royal Highness, the Prince of Wales, personally congratulated the Premier on Cayman's newly established Commonwealth Climate Growth Fund. The Prince has taken an interest in the fund since his highly successful visit to Cayman in 2019. The fund will contribute to raising private sector finance for the region and the Commonwealth for investment in Blue/Green projects. Through the projects financed by the fund, Cayman has the potential to make a significant global contribution to combating climate change. That is potentially quite an achievement for these Islands, and one that should be applauded.

In addition to the Honourable Premier, it was wonderful to see how well Cayman was represented at COP including youth delegates such as Caymanian Dejea Lyons, who spoke on the global stage about our ocean health during the nature day panel—a real moment of pride for Cayman.

Continuing to strengthen the UK/OT Cayman Corporation post COP26, will remain a top priority for my Office. We have a number of Cayman/UK projects underway as part of the Cayman Islands/UK Partnership Agreement on Climate Change and the Environment, the Cayman Islands will benefit from the UK Government's Seabed Mapping programme. This aerial survey of the waters around all three Cayman Islands is currently ongoing. The information provided by this £1 million cross Overseas Territory project will enable policymakers to ensure risks to the environment, life and vessels are addressed and to support compliance with international maritime obligations and support development of blue economies.

The UK will also fund to the value of £110,000, a Cayman-specific climate change risk-assessment. This important initiative, led by the Honourable Premier, will provide the scientific analysis needed to update the 2011 National Climate Change Policy, and both projects will help Government design and implement policies to build climate change resiliency for our Islands.

A year ago, under the previous Government, Cayman expanded our Marine Park area to just under 50 per cent of our coastal waters and I am delighted that the Premier has indicated to Ministers in the UK, his desire to join the UK's Blue Belt Programme which will help Cayman protect and sustainably manage our marine environments.

As follow-up to COP26, I believe Cayman can set ambitious climate change targets like the rest of the world. I know the Premier is committed to that, and I offer my full support and that of the UK.

Just last week, I was in the UK for the Ninth Annual Joint Ministerial Council where Cayman was very ably represented by Minister André Ebanks. The Joint Ministerial Council—the first in person since 2018—celebrated the UK-OT partnership and your place in the UK family. The Duke of Cambridge and the Foreign Secretary both attended. In a pre-recorded address by the Prime Minister, he reiterated unequivocally his strong commitment to the Overseas Territories and I quote, *"We will stand with you now, and through whatever comes our way."* UNVERIFIED

Over the two ensuing days, the discussion covered the impacts of climate change and safeguarding biodiversity; the UK-OT relationship; building resilient economies, policing and law enforcement; COVID-19 response and mental health; domestic violence and children's rights, including inclusive societies. The resulting joint communiqué highlighted the breadth of the relationship and committed the UK to champion OT interests.

Another tangible example of the UK's support for the Overseas Territories has just been announced. Overseas Territory students starting their studies in England in the 2022 to 2023 academic year will now be eligible, if they wish to take advantage of it, for tuition fee loans, just like their British counterparts.

Caymanian students studying in the UK already benefit from being charged the same as British students for their tuition, as opposed to the more expensive overseas student fees. Now, they will also be eligible to apply for a loan to help them pay those fees, which could benefit those from lower income families. This decision makes it even more attractive for Caymanians to further their education in one of the great English universities and in doing so, strengthen the UK's links with Cayman. There are currently 300 Caymanian students in the UK; I hope to see many more.

The UK continues to give support to the Cayman Islands Regiment. A mere 18 months since the start of their first recruitment campaign, there are now over 90 men and women whom we have already come to rely on to augment our crisis response. I feel certain that you will have seen these young men and women in action, for example, distributing food to those in need whilst in isolation, helping rebuild the field hospital for COVID patients or clearing debris from the Queen Elizabeth Botanic Park and the Mastic Trail after Tropical Storm Grace. Despite some naysayers, I believe the Regiment is already a great asset to these Islands. Next summer, the UK will once again send a team of trainers to put the newest batch of recruits through their paces and we are exploring what additional UK support we can offer to help ensure the Regiment can thrive.

I would also like to commend all the uniformed services of the Cayman Islands. The brave men and women of our Royal Cayman Islands Police force continue to do their utmost to keep us safe from the

scourge of organised and violent crime. Our hardworking officers at Customs and Border Control who secure our border.

Our relatively new, yet increasingly impressive Coast Guard, operating now under the Coast Guard Act of 2021, works hard to protect our maritime boundaries from unlawful incursions and save lives at sea. The Fire Service put their own lives at risk unflinchingly when tackling blazes and extricating people from the far too frequent car crashes we see in these Islands.

Prison Service staff strive every day to work with offenders not only to keep them safe in prison, particularly during a serious outbreak of COVID there currently, but also by seeking to show them a different path to follow upon their release. At this point, I would just like to offer my heartfelt thanks to our outgoing and outstanding Prison Director Steve Barrett, for all that he has done during his time to build a strong and dedicated team. He is a model civil servant and we have much to thank him for.

On the subject of departing public servants, I would also like to acknowledge the work of the Ombudsman, Sandy Hermiston, who has done excellent work to support the public in ensuring fairness when dealing with government agencies, and assisting the jurisdiction in upholding standards of transparency and accountability. She will be much missed and I wish her well in her new role in Canada.

Mr. Speaker and Honourable Members, next year will mark the 70th Anniversary on the Throne of Her Majesty, Queen Elizabeth II. I am sure we can all agree that Her Majesty is a truly extraordinary monarch admired throughout the world for her selfless service. I know there is great affection for Her Majesty in Cayman. The UK, Commonwealth countries and the Overseas Territories will mark Her Majesty's Platinum Jubilee next year, and I am therefore delighted to announce that Cabinet has agreed that we will have a long holiday weekend next June with public holidays on Friday, the 3rd and Monday the 6th June to hold a wide range of activities to celebrate this momentous milestone.

Amongst other activities, a committee established by our excellent Cabinet Secretary is already planning a concert, fireworks display, district events, a beacon lighting for Her Majesty, the return of the much-loved Air show and a car show. I will host the Queen's Birthday Party and the parade will be outside Government House, an innovation and great success last year.

I am also excited that we are planning a 'Plant-a-Tree-for-the-Jubilee' initiative across the Islands involving our school children. I know, Mr. Speaker, that you also have plans to ensure Parliament marks this occasion in a suitable manner. I feel confident that we will enjoy a wonderful long weekend and show our respect and admiration.

Mr. Speaker and Honourable Members, let me end by saying that I have the utmost respect for Cayman its people, its rich culture and heritage. It remains a truly inspiring privilege to be your Governor. As I enter

what will be my last full year as Governor, I will continue to do my utmost for the people of these wonderful Islands that I have come to greatly admire, and I will continue to fight your corner to the best of my ability.

The Government has an ambitious agenda to deliver on its promises to the electorate, and as you examine the programme in detail over the coming days, let me just say how much I very much welcome this Government's unflinching commitment to the framework for fiscal responsibility. The pandemic is far from over; prudence and caution are extremely important going forward and we must strive to maintain Cayman's strong reputation over recent years for fiscal responsibility.

I look forward to working closely with Premier Panton and his team in the remaining time I have left as Governor. They have my full support and that of the UK. Cayman has so much to be proud of. It has a well-deserved and strong reputation regionally and in the UK. I am convinced that the future is incredibly bright as we come out of this global pandemic.

Thank you.

[Desk thumping]

DEPARTURE OF HIS EXCELLENCY THE ACTING GOVERNOR

Procession departed in the following order:

Acting Serjeant-at-Arms

The Honourable Speaker

His Excellency the Governor

The Governor's Aide-de-Camp

Justice David Doyle, CBE

Reverend Stanwyck Myles, Cert. Hon.

Proceedings resumed at 10:20 am

The Speaker: This honourable Parliament is now in session. Please be seated.

VOTE OF THANKS TO HIS EXCELLENCY THE GOVERNOR

The Speaker: Honourable Members, this Honourable Parliament does record its grateful thanks to His Excellency the Governor, Mr. Martyn Keith Roper, OBE, for the gracious address delivered at this Sitting.

MOTION FOR DEFERRAL OF DEBATE ON THE THRONE SPEECH

The Speaker: The Honourable Premier.

The Premier, Hon. Wayne G. Panton: Thank you Mr. Speaker.

Mr. Speaker, I rise to move the following motion: BE IT RESOLVED THAT the debate on the address delivered by His Excellency the Governor, Mr. Martyn Keith Roper, OBE, be deferred until Monday 29th November, 2021.

The Speaker: The question is, BE IT RESOLVED THAT the debate on the address delivered by His Excellency the Governor, Mr. Martyn Keith Roper, OBE, be deferred until Monday 29th November 2021.

All those in favour, please say Aye. Those against, No.

Ayes.

The Speaker: The Ayes have it.

Agreed: That the debate on the address delivered by His Excellency the Governor, Mr. Martyn Keith Roper, OBE, be deferred until Monday 29th November, 2021.

PRESENTATION OF PAPERS AND OF REPORTS

PLAN AND ESTIMATES FOR THE 2022 AND 2023 FINANCIAL YEARS

BUDGET STATEMENTS FOR THE 2022 AND 2023 FINANCIAL YEARS

PURCHASE AGREEMENTS FOR THE 2022 AND 2023 FINANCIAL YEARS

OWNERSHIP AGREEMENTS FOR THE 2022 AND 2023 FINANCIAL YEARS

The Speaker: The Honourable Minister of Finance and Economic Development.

Hon. Christopher S. Saunders, Deputy Premier, Minister of Finance and Economic Development, and Border Control and Labour, Elected Member for Bodden Town West: Thank you, Mr. Speaker.

Mr. Speaker, I beg to lay on the Table of this honourable House, the following documents with respect to the Government's 2022 and 2023 Financial Years:

- the Plan and Estimates of the Government of the Cayman Islands
- Budget Statements for Ministries, Portfolios and Offices
- Purchase Agreements with Statutory Authorities and Government Companies, and Non-Governmental Output Suppliers; and
- Ownership Agreements for Statutory Authorities and Government Companies.

Mr. Speaker, may I also seek your indulgence so copies can be circulated to the Members, please?

The Speaker: So ordered.

[Pause]

The Speaker: I suspect as is normal, you will not be making a statement at this time?

Hon. Christopher S. Saunders, Deputy Premier: Correct.

[Pause]

Hon. Christopher S. Saunders, Deputy Premier: Mr. Speaker, if that is okay with you, can we suspend for just five minutes so we can get everything distributed to the Members?

The Speaker: We will take a five minute suspension and I will ask the Members to remain in their seats.
The Member for Red Bay.

Hon. Alden McLaughlin, Elected Member for Red Bay: I was only standing for the suspension.

[Laughter]

The Speaker: Oh, you wanted to make people know you were here.

[Laughter]

The Speaker: Thank you. The Honourable Deputy Speaker—or are you doing the same?

[Inaudible interjections]

The Speaker: She arose too.

[Long pause]

The Speaker: Honourable Members, we need to take a little bit longer suspension due to some technical problems, so I will suspend proceedings for 15 minutes; fifteen minutes.

Proceedings suspended at 10:32 am

Proceedings resumed at 10:58 am

The Speaker: Please be seated. The House resumes its business.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: The Honourable Premier.

The Premier, Hon. Wayne G. Panton: Mr. Speaker.

The Speaker: The Member for Red Bay.

Hon. Alden McLaughlin: Mr. Speaker, sorry. I was wondering if, as customary, Members could have a courtesy copy of the statement to follow along as the Premier speaks.

The Speaker: Premier.

The Premier, Hon. Wayne G. Panton: Mr. Speaker, I was hoping to have copies available. If you could give me a couple minutes I will try to see where they are at. I am not sure why they have not been brought over yet.

[Pause]

The Premier, Hon. Wayne G. Panton: Mr. Speaker, I will certainly undertake to give the copies to the Members immediately afterwards. They should be available at that time.

The Speaker: As soon as you receive them, because you have not gotten them.

The Premier, Hon. Wayne G. Panton: Yes, sir.

The Speaker: Honourable Members, as soon as the Premier receives copies he will. This would not be the first time, so.

Honourable Premier.

The Premier, Hon. G. Wayne Panton: Thank you, Mr. Speaker and good morning to all.

It is an honour and a privilege to stand here today, addressing the Members of Parliament and the country, as we chart our recovery from the effects of the COVID-19 pandemic, create opportunities for shared prosperity, and prepare our people to avail themselves of those opportunities.

I would like to begin by expressing my sincerest appreciation to His Excellency the Governor for the Throne Speech today and for his support of our new Government these past seven months. In addition to the Governor, I give special thanks to the Deputy Governor and the entire public service for their service to our Islands.

[Desk thumping]

The Premier, Hon. Wayne G. Panton: A heartfelt thank you to each and every community across our

three Islands as well. Thank you for your support and patience, especially these past few months as we prepared for the reopening of our border. Preparing for the reopening of the border after nearly two years has consumed a fair amount of the Government's time and attention since we were elected. Throughout it all, my colleagues and I remain steadfast in our vision.

Our vision, Mr. Speaker, is of a Cayman Islands that is held up as one of the most sustainable countries in the world, a trio of Islands where all its citizens can thrive; a peaceful and prosperous place known for its resourcefulness, its diligence, its excellence and its innovativeness and for us, Mr. Speaker, prosperity without sustainability is not an option.

This Government is determined to prepare and assist Caymanians to avail themselves of the opportunities to live their best lives and allow future generations to have the same opportunities. As you will see in our budget, the next two years of our priorities and projects reflect a very clear statement of the change that the people of the Cayman Islands voted for and demanded in April this year.

Our guiding principles reflect the approach to governance that the PACT will represent. It of course begins with People-centred, Accountability, Competence and Transparency. We intend to approach our mandate with resourcefulness and diligence while striving for excellence.

Mr. Speaker, it is evident that the Cayman Islands has enjoyed decades of prosperity. With a budget about to be tabled that estimates revenue just shy of CI \$1 billion in the next two financial years, we are blessed and truly fortunate. In the eyes of many, ours is a most incredible story.

We have for some time being able to tell the world our success story which boasts of a strong economy, an enviable Gross Domestic Product with relatively low debt, a world leading financial services industry that is strong and growing, and a galloping real estate development industry. That story, Mr. Speaker, also included an unemployment rate that many countries would envy. Certainly, based on the numbers of work permit grants, there still remained more jobs available in the economy than the local population could fill, and up until the pandemic hit, that narrative also included a tourism industry reporting record air and cruise arrival numbers.

At an individual level, we all share various versions of a vision of what the Caymanian dream looks like. Caymanians have always proudly striven to own their own home. For many, the Caymanian dream was to complete their education, find employment, buy a piece of land, build a home and raise a family; save and invest for some and start their own business. We were diligent savers and the prudent approach to a family's finances often allowed families to travel overseas for a summer holiday or buy a little watercraft to enjoy our

beautiful waters with family and friends; remain connected to our community, retire someday and live out our sunset years surrounded by friends and family.

It was a point of pride, to leave behind a legacy for our children and grandchildren, and if you were fortunate enough, leave them assets in the form of savings or land to give a head start towards their Caymanian dream. For the most part Mr. Speaker, that has always been attainable, until recent years. Those with even greater ambitions and a larger vision, were able to advance in education, climb the corporate ladder or start-up businesses, build an investment property and compete on a level playing field in a vibrant market. That is perhaps a snapshot of the Caymanian dream and way of life we have painted for the world, but more importantly, that many of us have collectively accepted as a way things ought to be. In other words, that was a picture we had of ourselves.

If we accept that this is close to the truth, let us pause for a moment and ask ourselves another important question, is this picture reasonable? Are these expectations fair? Should all Caymanians reasonably expect to be able to enjoy a high quality of life?

Mr. Speaker, the world looks upon us and sees the beautiful property developments, the many symbols of modernity and technology, wide availability of luxury items and experiences, countless philanthropic and charitable efforts, the general peace and safety of the community and for the most part, a harmonious society. This paints an idealistic picture to the world of three idyllic islands brimming with confidence and optimism, and enjoying an economic miracle. We boast about many things, including having one of the most beautiful beaches on the planet—not just in the Caribbean, on the planet—being the culinary capital of the Caribbean and being perfect for the ultra-wealthy.

This is what we tell the world in glossy magazines, social media posts, YouTube videos and advertisements for real estate and relocation services. All of these things are true, Mr. Speaker. However, a closer examination of what lies beneath sadly tells us a different story; but in order to hear the story we must listen carefully and maintain a close connection to the growing numbers who are suffering in silence.

Mr. Speaker, as I begin this national conversation, I am compelled to explore some uncomfortable truths, so before I go any further, I want to start off by making one thing abundantly clear: this is not intended to give the impression that those of us on this side of the Chamber love this country any more than our colleagues on the other side of the Chamber. We all share a burden for this country and a passion for service.

Many of us have been privileged to work together in the past and I know, as a collective unit of Members of this honourable House, we all make many sacrifices on a daily basis as we seek to serve our people. So as I expand, I am certain that all of the Members and indeed the listening public will be able to identify

with what I am about to say in some way, shape or form.

Mr. Speaker, one does not have to be engaged in a conversation for a very long time with a Caymanian or someone who has resided here for many years before the discussion turns to the recitation of a list of concerns. Oftentimes, these concerns are not pitched at a personal level, but speak to a growing fear for the future of our children, grandchildren and the community as a whole. People openly wonder:

“How we can afford to live here?”

“Will my children or grandchildren be able to afford a piece of land or a modest home when they grew up?”

“Will my children even want to live here when they grow up?”

“What will Cayman look like for them in the future?”

“Ole boy, if you got anything now, try so hold on to it, God knows your children will not be able to afford anything.”

“Are we going in the right direction?”

“Who are we developing for?”

“We talking about all this prosperity, but I am not seeing it, or I do not recognise the people who are benefiting from it.”

“I know so and so is struggling to make ends meet, and they can't seem to get any help.”

“Cayman gone.”

We hear all these things, Mr. Speaker. These are but a few of the regular topics that come up in conversations across all three Islands amongst average Caymanians, and many long term residents. Even those who are doing well express concerns, not just about their own offspring, but about the general condition of our community.

Therefore, Mr. Speaker every one of us in this hallowed Chamber, especially those of us who have had the privilege of serving more than one term as Parliamentarians, know when government pay day is. Without making light of the situation Mr. Speaker, every last one of us receives phone calls, texts, WhatsApp messages around government pay day with a growing list of heart-breaking stories. Likewise for the normal time for CUC disconnections, Water Authority disconnections, all that sort of stuff. Any time there is a schedule we know it, and they know it better than us.

Yes, amongst the genuine situations there are always a few questionable requests, like when we figured out that the one individual has made the same request of several, if not all of us, in here; but if we are being frank, this growing trend is cause for concern and sometimes alarm. The warning signs have been there and we chose to balm it over with temporary relief. Too many of our people are facing a growing crisis. Too many cannot cope, let alone adapt. Too many are getting left behind.

Mr. Speaker, it is obvious that in the years leading up to April 2021, Caymanians saw a rapid free fall in the one thing we all proudly shared whether we came from well to do or humble means, and that has been an equal access to a high quality of life. That was the Caymanian way. There was our pull towards the common good and a shared prosperity and well-being, or perhaps it was simply more accessible to a wider number of us.

Our great Caymanian poet, Mr. Leonard Dilbert, described Caymanians in this way:

*"We are a people culturally encoded
to watch the weather,
To eke a living from rocky ground
and uncertain sea,
To endure and to seek peace."*
UNVERIFIED

Mr. Speaker, the narrative that you and I know is that Cayman was not an easy place, but somehow by sheer grit and God's grace, our ancestors made it. There was not a lot, but it was enough and when more came, there was still enough for everyone. Contentment and happiness accompanied the patience and so, we continued to exist peacefully, each with their own "cultivated" as it were, from these three Islands.

As the quality of life was declining for many, their shared experience has led to a sense of unhappiness and discontent. Traffic, especially in the Eastern Districts, made a daily gridlock not only during the morning commute, as had often been the case, but also in the evenings. Many hardworking business owners and employees found themselves one medical bill or one pay check away from financial ruin.

Housing and land prices have soared out of reach for most Caymanians, including our well educated young professionals. Even Seven Mile Beach, a beautiful natural attraction that had been accessible to us all, has been altered and disfigured.

In recent years, Caymanians started relocating overseas because they simply could not afford to live here any longer, especially once they retired and reached their golden years. Families, too, were leaving, at times because the cost of services for children with special education or medical needs was out of reach here at home and there was too little, if any, practical support. Unsupported, they felt compelled to pursue a new life elsewhere.

If they had not already relocated, many Caymanian families engaged in difficult conversations and gave serious consideration to their long term future here and for the first time ever, in our modern history, many Caymanian university graduates face a stark realisation that despite 22,000 work permits, there was no jobs and no future for themselves at home. Despite prosperity all around them, Mr. Speaker, a growing number of Caymanians felt anxious and marginalised and at times unwelcome in their own homeland. Our

beloved Isles Cayman did not feel like home to them anymore.

Against this backdrop Mr. Speaker, the COVID-19 pandemic hit us like a category five hurricane and ripped off our roof, laying bare the dramatic inequality hidden underneath the impressive statistics of record-breaking economic growth and opulent prosperity. Where was the sweet spot now?

The pandemic exposed just how fragile and ill-equipped our social systems were to protect our people. Increasing numbers of Caymanian families were reliant on local NGOs and charities to meet their basic needs, and while we applaud those NGOs and charities for their stellar work, are we not shocked by the staggering levels of need that exists? A very clear, yet sad picture was beginning to emerge. Too many of our people have been left behind.

Mr. Speaker, I will once again reiterate, while we are grateful to the previous administration for their hard work in keeping our community safe during the lockdown of the border, countless numbers of Caymanians were locked out of opportunity for economic prosperity and entrepreneurship. One example of this, is the alarming number of waivers under the local Companies Control Act and uncompetitive concessions to large-scale developers, which seemingly became the norm.

The LCCA, formerly known as the Local Companies Control Law, was there to ensure Caymanian participation in businesses, but waivers have seemingly become expected, a minor inconvenience, easily overcome.

The problem is, this has the real effect of keeping Caymanians on the outside, looking in at a society that is quickly drifting out of their reach. At a time when the investments were pouring in, we opted to exclude Caymanians. For too long we have been satisfied with the measures that inflate the success of the few, while narrowing the pathway to prosperity for the many. The socially corrosive issues like income inequality and wealth disparity, must be tackled head on. We must work together to find solutions for these problems, as that is the way to build stronger communities and a stronger country.

[Desk thumping]

The Premier, Hon. Wayne G. Panton: We have to implement policies to assist and protect our middle class, while continuing to encourage investment and a global outlook.

Mr. Speaker, it would be easy to conclude that the challenges we discovered upon taking Office in April of this year are both common in other countries and insurmountable at home. Certainly, if one looks at the world we live in today and compare it to the nostalgic Cayman of yesteryear, you might very well concede that there is no hope and that our best days are behind us.

Well, Mr. Speaker, I am proud to say that I am joined by 11 individuals as part of the PACT Government who collectively share a vision for a sustainable Cayman where all people can thrive. A country that balances the needs of the society, the economy and the environment. We are committed to making a meaningful and measurable difference by 2030. It will not be easy, yet I am optimistic that working together with the private sector, non-governmental organisations, and the various likeminded communities across our three Islands, we can become—we can become—we can become, Mr. Speaker, a modern model of sustainability as a small Island developing state. We have to get to the root cause of some of these complex issues and start there.

Mr. Speaker, the story of our country, of our people, is one that says we are too rich to be poor, too talented to be denied opportunities, too blessed to have the daily stresses we do and too proud to be disheartened without pursuing solutions. The PACT Administration has had the opportunity to align our individual perspectives and priorities in order to develop a shared vision for a better, socially and economically fairer Cayman.

[Desk thumping]

The Premier, Hon. Wayne G. Panton: From the day we took Office, it has been our mission to protect our people while promoting economic resilience and diversification.

Mr. Speaker, with this first budget, my colleagues and I are here to deliver on our promise to put our people first, to strengthen our communities and to ensure that all Caymanians can live their best lives. We believe it is our duty to prepare our people to participate in and benefit from the prosperity all around them. This is our main promise and the anchor point of my address today, so I repeat: It is our duty to prepare our people to participate in, and benefit from, the opportunities to achieve sustainable prosperity that still exists here in these three beautiful Cayman Islands that we call home.

As Eric Liu and Nick Hanauer, outlined in their essay entitled, 'The True Origins of Prosperity', we should, **"...remember the old ways; the truth that lasting growth and shared prosperity come from the middle out, not from the top down. Now we are joined in a battle of ideas to see whether middle-out economics can dethrone trickle-down."**

We intend to preserve a middle class because we believe it is better for sustainability. That is our duty, as leaders, to prevent the disappearance of the middle class. We are small enough and resourceful enough to avoid a future Cayman characterised by extreme inequality.

Mr. Speaker, anyone who studies the history of the Cayman Islands will know that the first plan that pre-

pared our people for prosperity involved the employment of the majority of our able-bodied men to work on large merchant marine and shipping vessels around the world. This was a prosperity that was shared by all in the community. It was as remarkable as it was transformational. Virtually, every family across these Islands benefitted when their turn came. Receiving one's call to sea meant a real change in fortunes for your family.

Perhaps no one has captured the impact of our men going to sea like Mr. Brainard Watler, one of our finest citizens. If you have ever had the privilege of a conversation with Mr. Brainard, you will quickly recognise him as a wellspring of history and information. When interviewed by the Celebrate Cayman team for the celebration of our seafaring heritage, he shared the following reflection—many people who know me Mr. Speaker, particularly people who I enjoy listening to, know that I can imitate them very well. I will not be doing that this time but I want all of you, because I know everybody has probably heard Mr. Brainard speak, I want you to hear these words in that rhythmic beautiful Caymanian roll that we love and that he reflects:

"Things were hard back in those days. (You can hear him). The very ground was hard like cement. very little would even grow, but when the men started going to sea and money started coming back home, it was like somebody had spread fertiliser all over the place. People started to build, businesses started to spring up, the people really started to live" and I am guessing with all that fertiliser the place must have looked a lot greener too!

This is such a vivid description Mr. Speaker, and captures the incredible economic miracle that took place in Cayman starting back then.

So, Mr. Speaker, from the very beginning, Cayman's journey to prosperity was driven by the establishment and sustenance of a vibrant Caymanian middle class. We should never forget that the amount of remittances sent back by seafarers to their families here created the demand for the first commercial bank to be established. Then, as more and more men returned from sea in the 1970s they were able to parlay their earnings into business opportunities. I want to say here too, Mr. Speaker, that if memory serves me, that same bank financed some operations for the government back then.

Some of these men were able to transfer the skills they acquired while at sea into tourism, real estate development, and even financial services, as these new economic drivers began to take off. As I reflect on this point I cannot help but think of my own father, now of blessed memory, and fondly recall the profound impact seafaring had on his life and how that experience changed the trajectory for so many Caymanian families, including ours.

Mr. Speaker, as we exited the 1970s and entered the 1980s, our now established middle class was thriving. For the first time, some of the children of seafarers were going off to college overseas and returning

home to take up professional jobs. Small businesses were flourishing. Many Caymanians were able to enjoy the fruits of their labour. Prosperity meant that the average family was able to buy a piece of land, build a home, take an annual vacation overseas and, more importantly, find meaningful, fair-paying work; and do not forget the most popular flower of that period - the satellite dish, dotting almost every yard and garden from North West Point to Spot Bay.

There were, of course, social issues and challenges. No period of human existence is without its challenges, but opportunity was within reach of a greater percentage of people. It was grasped and diligently pursued by the majority of Caymanians, not the few. There was a sense of hope and people aspired to experience their own Caymanian dream. Frankly, if you were willing to work, success was expected. If you did not achieve it, people said, "*Cheh, you do not have no ambition.*" It is amazing to think that just a few years ago diligence, ambition, and confidence in your own ability to succeed in your own country was imprinted in the national psyche of every Caymanian family. We nudged each other forward to it. It was a collective expectation and we celebrated each other's accomplishments.

However, the realities of globalisation and the digital revolution began to close in on Cayman and as the 1990s wrapped up and the 2000s rolled around, a clear shift began to occur. New strains were placed on the middle class. Our people began to lose pace as a number of new factors were introduced into the economy. Educated Caymanians increasingly felt pressure from above as they struggled to overcome glass ceilings and increasing structural biases. New terms started to creep into our conversations such as, 'over-qualified', 'no global experience', 'competitive edge', 'outsourced', 'downsized'.

At the other end of the spectrum, labour costs plummeted owing to the introduction of a growing number of skilled and unskilled workers willing to work for far lesser wages than their Caymanian counterparts. This became increasingly common without the balance of a minimum wage and resulted in Caymanians in the skilled and unskilled categories who found that they could not work for the same wages that new arrivals on work permits were willing to accept.

This was arguably the beginning of the crisis facing the Caymanian middle class. A crisis that has been papered over and ignored by the staggering success of select groups and exacerbated by other factors, including a reliance on low paid workers, whether by employers who prefer the ease, convenience or control of a permit or from successive governments who enjoyed the revenue generated by work permit fees. And yes, while I understand that there are not enough Caymanians to fill every job created by this economy, meeting the demands for more and more work permits or government revenue cannot come at the expense of the middle class and opportunities for Caymanians.

The growing inequality is an existential threat to a prosperous future for all of us who call these islands home.

Mr. Speaker the Government has to take action in light of this changing situation. As Kate Raworth, a Senior Associate at Oxford University puts it, "*Do not wait for economic growth to reduce inequality, because it won't. Instead, create an economy that is distributive by design.*"

[Desk thumping]

The Premier, Hon. Wayne G. Panton: That is precisely what we are experiencing now. We have staggering growth. Today, we are considering a budget of almost CI \$1 billion per year. We are steadily attracting investment. Cayman is still a very attractive place to live, work and play, but Mr. Speaker, our eyes and ears are not misleading us. The truth is staring us in the face. The gap is widening. Lower income Caymanians are sleeping in their cars, unable to afford rent. Our middle class is under assault. I have yet to read an economic theory or encounter a successful policy that espouses shrinking the middle class.

Mr. Speaker, the question we should ask ourselves is: If our middle class is disappearing, where are the people going? Sadly, I strongly suspect the majority are sliding into the lower income level of the spectrum. The sad fact is that economic growth alone is not the solution. It is not working for our people, not when a two bedroom apartment costs upwards of \$400,000 today. How many people making \$3,000 a month can afford that? I pause right here to say that this issue of inequality is what keeps me up at night when I am not thinking about COVID-19 and I hope, with the help of God and the help of all of our people working together, I will be thinking about that less in the future.

Our people need hope, Mr. Speaker. That is one of the core issues that drove me to get back into the political arena. The Caymanian success story should not become an exception or be relegated to history. Access to opportunities and being prepared to succeed must be the norm for Caymanians. Inequality threatens that norm, but the PACT Government stands united and unified in our determination to break the cycle for our people.

[Desk thumping]

The Premier, Hon. Wayne G. Panton: That is why the people elected us. That is what the voters demanded when they voted and asked for change.

At the heart of this matter is restoring the dignity and self-image of our people. Caymanians are proud people—we know that, Mr. Speaker, but we have a right to be proud. We come from good stock, people who struggled to create a bright future for the generations that came after them.

I hear echoes of Dr. Martin Luther King, Jr.'s reflection when he stated, **"I want young men and young women who are not alive today to know and see that these new privileges and opportunities did not come without somebody suffering and sacrificing for them."** And yes, Mr. Speaker, while Dr. King's words were in relation to an entirely different inequality struggle, there is a recognition that those who came before us made tremendous sacrifices. In honour of our forebearers, we should not discard their efforts, neither should we allow them to disappear.

Mr. Speaker, there is no shortage of literature on this issue of inequality. Research by the World Bank indicates that when markets are imperfect (in credit, insurance, land and human capital), inequalities in power and wealth turned into unequal opportunities, leading to wasted productive potential and inefficient allocation of resources. Unequal power is found to lead to the formation of institutions that perpetuate inequalities in power, status and wealth, which typically are also bad for the investment, innovation and risk taking that underpins long term successful growth.

Our approach to strengthening our country and creating a more sustainable future will be informed by the United Nations (UN) Agenda for Change and the Sustainable Development Goals. Reducing inequalities and ensuring that no one is left behind are integral to achieving the sustainable development goals and that is the subject of Goal 10.

The UN puts it this way Mr. Speaker: "COVID-19 has deepened existing inequalities, hitting the poorest and most vulnerable communities the hardest. It has put a spotlight on economic inequalities and fragile social safety nets that leave vulnerable communities to bear the brunt of the crisis. At the same time, social, political and economic inequalities have amplified the impacts of the pandemic.

On the economic front, the COVID-19 pandemic has significantly increased global unemployment and dramatically slashed workers' incomes.

COVID-19 also puts at risk the limited progress that has been made on gender equality and women's rights over the past decades. Across every sphere, from health to the economy, security to social protection, the impacts of COVID-19 are exacerbated for women and girls simply by virtue of their sex."

Mr. Speaker, there are many wins for our people in this budget, which has been Tabled. In 2022 we have budgeted to enhance food security for children through the school meals programme, with a further increase in 2023 to expand the programme to all public secondary schools.

Ministry of Education

There is an increase for primary and secondary education in 2022 and a further increase in 2023, while we have budgeted more for tertiary education through scholarships, bursaries and continued funding of UCCI,

as well as grants to ICCI over the two-year budget period.

While education will remain the primary focus for this Administration, we know that students and their families must have decent housing and a place to lay their heads at night. For those families that need help, we have budgeted for housing repairs assistance and for initiatives administered by the National Housing Development Trust (NHDT) and Sister Islands Affordable Housing Trust and for the construction of affordable housing options over the two year budget.

Mr. Speaker, we have budgeted for the expansion and enhancement of healthcare services including treatment of persons older than 59 who are underinsured or not insured and persons with chronic ailments. Our youth also feature in this 2022-2023 budget with the expansion and enhancement of youth services and development.

There will be an annual increase for public safety personnel (Police and Fire), and extraordinary relief payments in 2022 to continue to assist workers displaced by the COVID-19 pandemic.

Funding for technology through support services by the Computer Services Department's Cyber Security, increased digitisation of public services, and a further capital investment in a submarine cable are also accounted for in this budget.

You will see an important investment in infrastructure, such as funding for roads and technology and completion of a number of school projects. It is impossible, to have a sustainable country especially a country such as ours, made up of three low-lying islands in the middle of the sea, without a commitment to preserve and protect the environment as well.

Mr. Speaker, climate change is no longer debatable. We must responsibly engage with the natural environment. For this reason, I have made it my priority to address climate resiliency and ensure all of our plans are designed for long term sustainability.

We need to set targets for becoming carbon zero, for the electrification of transportation, and to adopt a robust plan to make up for doing hardly anything to achieve our renewable energy targets under the current National Energy Policy. We are ambitious Mr. Speaker, in relation to protecting the environment. We plan to make up for the years of inadequate funding of environmental needs.

The Government has developed 10 Strategic Broad Outcomes and specific actions aimed at achieving these outcomes through the delivery of government programmes, Cabinet policy actions and legislative changes.

The first of these is improving education to promote life-long learning and greater economic mobility.

The second is ensuring an equitable, sustainable, and successful healthcare system.

Third, providing solutions to improve the well-being of our people so they can achieve their full potential.

Mr. Speaker, our fourth broad outcome is strengthening good governance for more effective government.

The fifth is supporting climate change resilience and sustainable development, while the sixth is increasing social justice in the workforce.

Mr. Speaker, the seventh is utilising sports to enhance the lives of our people, while the eighth is building a modern infrastructure to ensure a successful future for our Islands.

Our ninth broad outcome is to improve our financial services as an industry, product and economic driver for our islands; and number ten is to improve our tourism as an industry, product, and economic driver. Keeping these broad outcomes in mind Mr. Speaker, each Ministry's budget has been tailored to meet those outcomes while delivering on our vision, mission, and guiding principles.

In the Ministry of Education, this budget commits to plans to design and construct halls at the Theoline McCoy and the Joanna Clarke Primary Schools. Additionally, there are plans to expand the Lighthouse School and to design and build a new building for the Layman Scott High School on Cayman Brac. Then there is the free lunch programme, Mr. Speaker. We learned a sad but important lesson last year, during the COVID lockdown that many of our children depend on the meal they get at school to sustain them every day. Again, this is further evidence that the gap has been widening and too many of our people are being left behind. Our precious children, some of whom will become our future leaders, were not getting the nutritious meals at home that they need to survive, sustain and grow, because their parents or guardians have a challenging time making ends meet. We identified this need sir, and this Government, through the passion and commitment of the Minister of Education, stepped up to the plate and made a real investment in our future.

[Desk thumping]

The Premier, Hon. Wayne G. Panton: The Honourable Minister of Education decided no child should go hungry, so our free meal service began with the Primary Schools. We all know how hard it is to concentrate on something important when our bellies are aching from hunger—and I hope not to keep us too long here so that we feel that, sir.

We also know from assorted studies that hungry students make poor students, Mr. Speaker. Getting our students fed is a basic step, but one that is critical to give them a foundation to earn the education that we owe them and they deserve. Our approach with this programme is to maintain the dignity of all families attending our schools. Requiring assistance, Mr. Speaker, should not come with a stigma attached.

I again wish to acknowledge the passion and care with which the Honourable Minister and her Ministry team, led by Chief Officer Cetonya Cacho, carry out

their work. We often hear the Honourable Minister refer to 'her children', because that is the affection and duty of care she feels for all of our students.

It is impossible for me to forget the presentations by Chief Officers after our April swearing-in, Mr. Speaker. When Chief Officer Cacho laid out for us in plain but passionate terms, the issue of inequality as it relates to education, that lady sat in front of us delivering her views and I watched the tears well up in her eyes. That moment left us all deeply moved and confirmed that the Ministry is in good hands between the Honourable Minister and her passionate and caring Chief Officer. Hands that care; hands that will work tirelessly to give our children the best learning environment possible.

She pointed out to us the error that is often made by judging and mischaracterising our children when we were not aware of the disadvantages many of them face before the bell rings. Beyond hunger and poor nutrition, many face neglect, some experience verbal, physical or other types of abuse at home and others have been traumatised by witnessing abuse. Some have started to use alcohol and drugs in their homes or witnessed the same at home. Some lack supervision or supportive parenting, others have undiagnosed learning disabilities and even emotional and mental health issues.

Many have no father or positive male figure in their lives. Others are bullied. Some very unfortunate souls have been through most, if not all of the experiences I just listed, yet we expect them to be focused on their school work and worse, we misjudge them as being less worthy of our very best efforts.

This is what inequality Mr. Speaker, looks like at its core. Not all inequalities are because of decisions of previous administrations or competitors, but we have an obligation to support those children who are disadvantaged in their ability to focus and learn due to home environment or personal circumstances. Those children deserve our assistance to get to the same starting line rather than being left on their own, several steps behind their peers who come to school each day from a safe, stable, peaceful and loving home where they are loved, supported and prepared to thrive at school.

Mr. Speaker, each child is of equal value and they are worth our very best effort. That is why we have all agreed to prioritise education. Quality education is Goal 4 of the Sustainable Development Goals, equal access to quality education enables upward socio-economic mobility. It is part of preparing our people to avail themselves of the opportunities all around them in the booming Cayman Islands.

I also wish to applaud a programme that is pushing back against the forces destroying our young men—The Boyz 2 Men Programme—and I am proud to say some Members of our Government have participated in that programme assisting with the mentoring in the past. It is a programme that was started by school counsellor Mr. Christopher Murray at John Gray High

school and is an example of bridging the gap of inequality.

The socialisation of our young men has proven to be a struggle due to the lack of positive male figures, but for 11 years this programme has helped to provide role models and teach life skills, self-awareness and self-development. It is another great example of the wonderful people in our education system who partner with many others in our public sector, private sector and our communities at large, to make a difference in the lives of our school children.

District Administration and Lands

The Minister's other area of responsibility is District Administration and Lands where improvements will be made in the innovation and efficiency in Lands and Survey, by modernising its legislative framework, policies and procedures as well as increasing the staff complement. The Ministry will support the growth of the Sister Islands through new programmes such as special needs adult learning while also enhancing existing programmes and infrastructure such as roads. Beach access will be enhanced through the acquisition of land, and amenities at public beaches such as restrooms will be enhanced.

Ministry of Health and Wellness

The pandemic has placed one Ministry in the spotlight above all. Mr. Speaker, what can I say about the Minister of Health? When she speaks, the people listen. Mr. Speaker, my Minister for Health came to me not long after we were in Office and said, *I do not want this Ministry*. In fact, within days, I believe. She said, *"I do not want this Ministry to be just about health. Our people expect more. We need an equal emphasis on wellness."* So because of her clear vision and advocacy, today we have our Ministry for Health and Wellness.

I commend our Minister, who without hesitation has taken on the single greatest threat to our community in recent times. She takes her nursing training and applies it on a regular basis, educating people in her constituency and offering guidance, especially to caregivers. This is her passion, Mr. Speaker.

Given that the public regularly hears us discuss the COVID-19 pandemic, I will not spend an extraordinary period of time today speaking about our ongoing efforts. However, I want to take a moment or two to applaud and salute all of our healthcare professionals. They have shown up every day since the pandemic began. Our HSA Public Health Department, our Faith Hospital team at the HSA in Cayman Brac, our one nurse in Little Cayman, all of the testers, lab workers, the incredible vaccination team, our physicians and nurses, porters and administrative staff, our cleaners and contractors in both the public and private sector.

[Desk thumping]

The Premier, Hon. Wayne G. Panton: Mr. Speaker, they are doing some cutting edge work conducting genomic sequencing right here in Cayman, led by our own Caymanian people. If ever there was an example of innovation and the importance of Caymanians succeeding in Science, Technology, Engineering, Arts, and Mathematics (STEAM) subjects, it is this. We should all be proud of Mr. Jonathan Smellie and all of his colleagues in the HSA laboratory.

I wish to offer this message to all of our healthcare workers in both the public and private sector: Thank you—and I say it again, thank you. Your response, your sacrifice, your dedication, has saved countless lives and yes, your belief and your support of your mission to drive vaccinations to 80 per cent of a higher figure, as well. We applaud all of you today.

[Desk thumping]

The Premier, Hon. Wayne G. Panton: And for those who I insist on speaking to late at night before I go to sleep, to understand what the picture looks like: I apologise for calling, but I thank them for answering and giving me an understanding and clarity, and a sense of peace most of the time.

Mr. Speaker, let me expand a bit further on health care. We believe that health care is a basic human right and that all citizens should be able to reasonably access quality health care and preventative services regardless of their employment, income or age. Goal 3 of the Sustainable Development Goals (SDGs) is to ensure healthy lives and promote well-being for all, at all ages.

In the Ministry of Health and Wellness, our aim is to train and educate more Caymanians so that they can enter the health care industry. The Minister of Health and Wellness is keen to have our health care facilities and services enhanced to beautify the premises and grounds and provide more efficient service and less waiting time; but Mr. Speaker, we also have to address some of the burgeoning issues around health insurance costs and coverage.

Finally, anyone who knows me knows that the area of mental health, is something that is very near and dear to my heart. I also know that our colleagues share a deep personal passion for addressing mental health, so I wish to reassure the public that we will continue to advance the Mental Health Care Facility. That will be in place and fully operational and fully operational in the not too distant future. Mr. Speaker, we are judged by how we care for our most vulnerable, and it pains my heart when I see some of the beautiful souls out there struggling with mental illness and we still do not have the facility available, but it will be. Soon come.

We need to equally and urgently address the mental health of our children and youth. We cannot truly measure prosperity and success when are our

people cannot be near their families and loved ones when they experience a mental health crisis.

Minister of Finance & Economic Development and Border Control & Labour

I turn now to the work of the Deputy Premier, the Honourable Minister of Finance and Economic Development. We will hear from him shortly as he presents today's budget, but Mr. Speaker, let me begin with his other Portfolio, that being the Ministry of Border Control and Labour.

We are going to address inequality, but if we are going to address inequality then we have to maintain our commitment to protect all workers in this economy. That is why we have agreed to reconvene the Minimum Wage Committee early in the New Year to amend advertising requirements for work permits and increase the visibility of job vacancies that will not require login, registration or any personal details. We will also review the point system to ensure that they fairly recognise the contributions of many residents that called the Cayman Islands home.

A Pensions Committee will be set up to review the pension system and make recommendations to increase adequacy. Yes, Mr. Speaker, we have hesitated to immediately discontinue the pension moratorium, especially as tourism businesses get back on their feet. However, while this relief has supported businesses and employees in crisis, we cannot for one moment take our eyes off the fact that many people had to borrow against their future in order to survive today. Given the circumstances the country faced at the time, I think we all supported the decision of the previous Administration. We can see the wisdom of their approach, but it cannot be lost on any of us that this came at a tremendous cost down the road. Therefore, strengthening our private sector pension system is something we must address, or else we will face another crisis when people retire.

Mr. Speaker, there would be a thorough review of all customs tariffs to ensure fairness and equity while protecting our local industries and most of the services provided by Customs and Border Control will be automated to free up resources, to focus more on compliance and enforcement, which will result in increased revenues in Customs and increased job opportunities for Caymanians through Work Opportunities Residency Cayman (WORC).

The Ministry of Finance and Economic Development will continue to keenly monitor expenditure levels throughout the public sector and review and expand the operations in scope of the Cayman Islands National Insurance Company (CINICO) and the Cayman Islands Development Bank (CIDB) to increase product offerings. We are taking the bull by the proverbial horns. CINICO has tremendous untapped potential which I am certain the Honourable Deputy Premier will expand upon.

As we think of the issues surrounding inequality, we recall that one of the hallmarks of Caymanians accessing their dreams is via financing through banks. Well, again, we will re-examine how the Cayman Islands Development Bank can support Caymanians seeking to meet their needs to manage debt and access opportunities.

Mr. Speaker, the PACT Government stands for transparency. We are the first Government to publish summaries of decisions taken during Cabinet's weekly meetings. We have also implemented a Ministerial Code of Conduct for the Members of Cabinet. The Governor followed suit Mr. Speaker, by publishing a brief summary of National Security Council meetings. We expect also to present a Code of Conduct for Parliament very shortly.

There is another area for which the public has been crying for transparency, and that is around concessions. The Minister for Finance will talk about our plans around providing a clear and transparent policy around concessions for developers, new ventures, and new industries. Decisions on concessions and waivers, Mr. Speaker, and the policies which inform those decisions need to be out in the open. The Ministry, under the prudent stewardship of the Financial Secretary, will also update the accounting and budgeting systems and look into the possibility of debt refinancing.

Already the Government, through the Ministry of Finance and Economic Development, Border Control and Labour, has approved the reduction of duty on baby food, baby diapers, baby strollers, adult undergarments and sanitary napkins for women. We are confident that retailers will pass the savings on to their customers. If not, I am sure we will hear about it, Mr. Speaker; and if we hear about it, they are going to hear about it too. "They" being the retailers.

Ministry of Tourism and Transport

Mr. Speaker, our border has reopened. The Ministry of Tourism and Transport has much work to do, and our Minister for Tourism has ambitious plans and boundless energy to deliver on the plans reflected in his budget. We believe that one of the most important aspects of the border reopening is that it should allow Caymanians to return to their tourism jobs and should create new employment opportunities within the industry. There is no stronger advocate on this point Mr. Speaker, than the Minister for Tourism and I want it to be clear that the Minister has the entire PACT Government and most of this country behind him.

People wanted and want to see change. 'Normal' really was not working, especially when it comes to see Caymanian employment in the tourism industry. In fact Mr. Speaker, some of these battles harken back way beyond us, even back to your days as Minister for Tourism.

The Speaker: Battles.

The Premier, Hon. G. Wayne Panton: The battles, yes. I have heard some of the war stories. Again, sir, it is about ensuring that our tourism product reflects our society so Mr. Speaker, while the industry has undoubtedly come a long way, there are still many miles to go. Administration after administration has identified the recruitment, retention and promotional Caymanians within the industry as an issue.

Mr. Speaker, I revisit the comments I made at the Chamber luncheon earlier this year: If we can have Caymanians conducting genomic sequencing on one of the most dangerous diseases in the world; if today we can find Caymanians running some of the largest firms on the Island or conducting brilliant work as we see in our Civil Service every day, then we can certainly find a Caymanian capable of bartending or working at the front desk at—

[Desk thumping]

The Premier, Hon. Wayne G. Panton: Many, if not all of these tourism-related businesses and facilities.

The pandemic gave both industry and government an opportunity. We had almost two years to design and implement improvements in key areas. The industry has already been put on notice that we will not support the wholesale granting of tourism-related work permits while thousands of Caymanians remain unemployed.

Now that the border is open and residents and visitors are making good use of Owen Roberts International Airport, it is time to turn our attention to the General Aviation Terminal which handles private and chartered aircraft. A newer, more modern facility is envisioned to enhance the travel experience and bring the Cayman Islands more in line with similar facilities worldwide. The Cayman Islands Airports Authority is working on a business case which will evaluate the benefits and anticipated cost, and work out the most suitable procurement model.

Mr. Speaker, the Ministry of Transport is cognisant that traffic congestion is a serious problem that is negatively impacting our quality of life, particularly for commuters travelling from the eastern districts. The Ministry will undertake legislative reforms to strengthen and amend laws pertaining to public transportation and will collect necessary data to underpin future decision making. Plans are to identify options for a National Transport System to help alleviate traffic and bring relief to consumers and Mr. Speaker, the PACT Government is committed to using technology and greener solutions in addressing our public transport system. This area is ripe for innovation. If we are going to improve the quality of our people's lives, then we must do it in a sustainable and impactful way.

Let me say Mr. Speaker, I have been going through some of the Ministries and people might wonder why I have not mentioned anything about the Parliamentary Secretaries and the incredible work that

they do alongside the Ministers but I will get to that, because the work that they do...I just want to talk about them and have a focus on them. I can talk about their contributions.

Ministry of Home Affairs

Mr. Speaker, my dear colleague, the Honourable Minister of Home Affairs stepped forward to accept responsibility for the Ministry under which the Department of Community Rehabilitation, the Prison Service, Public Safety Communications, Fire services and the Cayman Islands Regiment fall. All of these Departments provide for public safety, national security; the well-being of the community through effective emergency communications; the detention and rehabilitation of offenders, Fire and Rescue Services, disaster relief and security to the country as well as youth and leadership development within a disciplined military-looking structure. We do not call it *military* because that is not what we want to suggest that it is.

Some of the highlights that the Minister of Home Affairs will discuss includes personnel development at the Fire Service to further enhance the professional standards of the Fire Department, improve response times and ensure sufficient coverage and compliance with international airport standards so that domestic and international travel is not hindered.

Northward Prison's estate, quite frankly, Mr. Speaker, is not fit for purpose. It is a statement of fact Mr. Speaker, that most politicians would prefer to choose funding other areas over improving a prison estate, but Mr. Speaker, if we are truly to value all of our people, then we cannot turn a blind eye to the state of conditions facing the inmates and the hardworking staff. This is a matter of decency, human rights and, again, ensuring that our people can work in safe and dignified conditions and that we treat our inmates with dignity.

The Government is determined to provide a modern and secure correctional facility. Fortunately, significant progress has already been made with an Outline Business Case. We will advance the said Full Business Case and anticipate construction to begin next year.

Mr. Speaker, we must have this kind of commitment. We talk about recidivism, we talk about creating second chances and reincorporating people who have served their sentences back into society. It has to start with having a decent prison and a decent facility which allows them to learn all the skills they need in order to achieve this.

Ministry of Youth, Sports, Culture and Heritage

Anyone who knows the Minister, Mr. Speaker, will recognise his lifetime of work in the areas of youth,

sports, culture and heritage and he has some enthusiastic plans for the 2022 to 2023 budget year. Perhaps there has never been another Minister who embodied their subjects like him. Rumour has it, Mr. Speaker, that he was once known to be a young, fit and quite proficient athlete. I heard that rumour so many times. I know a little bit of it to be true.

Proposed projects, Mr. Speaker, include a Youth Empowerment Symposium. The designation as National Treasures for people who are 90 and older, a youth committee to ensure that the voice and views of our upcoming future leaders are heard on all subjects. The reintroduction of district and family fairs in collaboration with schools, to refocus the detention programme to better engage students in positive and mindful practices.

Mr. Speaker, I wish to pause here because preparing our people for prosperity means developing our creative economy. Culture, heritage, and the arts lift our national psyche and our sense of connection to each other. It is also healing and soothing to the soul, Mr. Speaker. Cayman is oozing the talent across the full creative spectrum. The creative economy is getting ready to skyrocket, offering our people an opportunity to work and earn a living in areas for which they are passionate. The Minister is committed to seeing Caymanians reach their full potential in the creative industries, especially as tourism now returns.

Mr. Speaker, Broad Outcome number 7 speaks to using sports to enhance people's lives. The Ministry will promote the benefits of regular participation in sports, some of which include improving physical and mental health, learning the values of teamwork, perseverance and the pursuit of excellence. We will raise the profile of sports in the Cayman Islands and improve standards of instruction and performance through accountability. The Ministry will also facilitate healthy competition to improve performance.

Mr. Speaker, that Minister has even been promoting having football competitions between the elected Government and—

[Inaudible interjections]

The Premier, Hon. Wayne G. Panton: No, not the Opposition. We can do that when we get to that maybe, but I have been focusing on the Civil Service.

[Inaudible interjections]

The Premier, Hon. Wayne G. Panton: I am really happy to say that we have an excellent Minister of Health who cautions those of us who are perhaps a little more fragile and she would ensure that our exuberance and our interest in participating in these things reflect the appropriate risk.

[Inaudible interjections]

The Premier, Hon. Wayne G. Panton: Good. Some of them are good footballers, apparently.

Mr. Speaker, I know that the Minister and I share a dream of seeing a Caymanian athlete medal at a major international event. We are overdue. I know that we have the talent, and if some of the up and coming juniors are any indication, we will soon be hearing Beloved Isles Cayman playing as our flag is raised during a medal ceremony, so we must continue to invest in our elite athletes.

I offer sincere congratulations to our Olympic team. Each member performed brilliantly and lifted our collective spirits during the Summer Games in Tokyo. Our hearts surged with pride when we saw our flag on their uniforms as they gave their all for their country. I am also excited that a Caymanian basketball player has reached Division One of the National Collegiate Athletic Association putting us one step closer to having our first Caymanian NBA player. We really want to continue to invest in the grass roots programmes so that we can push our young people who are gifted athletically to the next level.

Ministry of Planning, Agriculture, Housing and Infrastructure

Turning now to the Ministry of Planning, Agriculture, Housing and Infrastructure. The Honourable Minister has ambitious plans some of which I will highlight. Initiatives that will help improve the quality of life for all in the Cayman Islands include the provision of affordable housing through Government-Guaranteed Assisted Mortgages (GGAM); funding for land acquisition for agricultural purposes; the creation of a National Infrastructure Fund and provision of funding for the implementation of a new Subsidy Communications Cable to ensure Cayman remains connected to the world. Again, the Minister will go into more detail when he stands to make his contribution in the budget debate.

Access to an affordable home, Mr. Speaker, remains too great a challenge for many of our people. When the Minister set out his goal of around 100 homes per year, I knew he meant business. With a newly appointed board for the National Housing Development Trust, we believe we can make this dream attainable for a much larger number of Caymanians.

During the course of the next two years, we will update the National Development Plan and the community can rest assured that we will listen. We will take on board the input and perspectives of a wide range of stakeholders and then we will ensure our physical development planning is part and parcel of a sustainable plan which is inextricably linked to the social and economic plans for our future.

Mr. Speaker, if we have learned anything from the pandemic, [is that] the global supply chain is fragile. Food production and agriculture production have all suffered. While Cayman has been fortunate, we have been forewarned. That is why the time to invest in our

food security is now. Sustainability means reducing the distance between the farm and the fork. We encourage our farmers and local entrepreneurs to grow more products domestically. We are also improving the quality of food available in the local restaurants and supermarkets. It is simply a win-win scenario and I am grateful to the Minister for his passion in this area, amongst others.

Ministry of Investment, Innovation and Social Development

Moving on, Mr. Speaker, in 2022 and 2023 the Ministry of Investment, Innovation and Social Development will carry out critical work to retool the departments that deliver government's financial assistance and services to meet people's current and future needs and demands. The Ministry will draft and propose modern legislation that will transform the Government's delivery of financial assistance intended to protect the elderly, disabled and others who lack the wherewithal to protect themselves, and replace existing legislation and regulations.

This Ministry is near and dear to the Minister's heart Mr. Speaker, as he was instrumental in social development when he served as Deputy Chief Officer in the Ministry of Community Affairs in a past period. He has a passion and drive for ensuring that Caymanians are treated fairly and equally, and brings to the table many innovative ideas to improve life situations for our people.

Next year, Mr. Speaker, the Ministry will bring legislation to this House to create a legal framework for the national and digital identification system that will streamline how the government works. This is an important first step towards using technology to reduce expensive complexity, lower the cost of doing business and create platforms to innovate at scale.

The Ministry is also tasked with promoting the Cayman Islands, and fostering global opportunities for our people. This will be done by increasing the viability and sustainability of Caymanian entrepreneurs and small businesses, fostering Caymanian creativity and investment, and attracting appropriate inward investment. The Cayman Islands is internationally renowned as a jurisdiction of choice and a centre of excellence for innovation across industries.

Financial Services and Commerce

The Minister's other Ministry is Financial Services and Commerce, which has necessary and ambitious plans 2020 to 2023 in line with its vision of the Cayman Islands being a globally respected centre of excellence. To achieve this vision Mr. Speaker, it will continuously improve Cayman's platform for competitive, transparent and compliant financial services.

In terms of the commencement of the Legal Services Act, we acknowledge the previous Administration passed the legislation; this Government wanted to review the legislation before issuing a commencement order. We expect to work around that to commence early next year and be finished within a period of weeks.

No doubt they continued work to defend our financial services industry on the international stage; certainly, the Minister was engaged in that during his recent trips to Brussels and the UK. Further engagement with the private sector will be expected of the Minister and the Ministry. However, before I move on, I want to once again acknowledge the importance of this industry to our economy, Mr. Speaker.

We have gone through a global pandemic. The technology, the innovation and the competitive structure of our stakeholders meant that work continued almost without missing a beat. The quality of service our industry continued to offer clients during the pandemic was first class as usual, and this is a testament to the dedication, commitment and professionalism of all who work in the industry. Our ability to keep our economy going for almost two years without tourism is owed much in part to the strength and robustness of our financial services industry.

Ministry of Sustainability and Climate Resiliency

Mr. Speaker, turning to my own Ministry of Sustainability and Climate Resiliency, the budget includes funds for the ongoing remediation work at the George Town Landfill. It also includes the National Weather Service's new headquarters on Grand Cayman and the expansion of the automated weather observation system.

We plan a Cayman Brac Workshop for the Department of Environment and renovations to their offices on Grand Cayman; the establishment of a Flood Sensor Network and the creation of a contingency site for the National Emergency Operations Centre. The public will be pleased to know that we are ready to move forward with the ban of single use plastics as well. We do not believe in reinventing the wheel, and therefore we will resurrect the work previously done on that and move forward.

As mentioned earlier, the tragedy of Seven Mile Beach was a failure of successive governments to be led by science and, while substantial damage has already been done, we remain hopeful that beach renourishment will prove to be successful. Again, we will let science guide us, as we are committed to saving the beach.

Mr. Speaker, I recently returned from COP26 held in Glasgow, Scotland; it was a deeply sombre yet inspiring experience. The world is facing another major crisis, and that is the urgent need to take collective ac-

tion in respect of climate change. Despite the Caribbean's combined efforts at COP26, the bottom line is this: Developed nations are not cutting emissions fast enough.

More than 100 countries signed a pledge at the summit to cut Methane emissions by 30 per cent by 2030. The world needs to take immediate action to ensure the continuity of our marine and terrestrial ecosystems. To this end, the broad themes of our action plan include the integration of adaptation and resilience into our national planning, consistent with Goal 13 of the Sustainable Development Goals—SDGs—which speaks to climate action. The timing could not be better. The lessons learned with Seven Mile Beach, with traffic, with the expectation for perpetual growth, all speak to the importance of weaving sustainability into everything we do.

One of the ministry's first steps in the new financial year will be to commence revision of the National Development Plan in conjunction with the Planning Ministry. While the Department of Planning and Central Planning Authority (CPA) fall within the Ministry of Planning, Agriculture, Housing and Infrastructure, I undertook to carry forward the long-awaited update of the National Development Plan and thus the policy side of that sits within my ministry.

Mr. Speaker, please allow me to clarify one important point; that sustainability cannot be pigeonholed in this ministry alone. If we are truly to be successful, which I absolutely believe we can be, then we all have to share the commitment to approach all decisions and actions through the lens of sustainability. As you would have heard this morning, this Government intends to reference and use the United Nations' Sustainable Development Framework and the 17 SDGs, to help shape and measure our own approach to sustainability.

While the Government will set national priorities and targets, and facilitate the implementation of actions, achieving the targets will require both public and private sector commitments. Fortunately, many organisations in the private sector are already on the path towards greater sustainability.

As Premier, I have responsibility for the Office of the Commissioner of Police's budgets, which include the Royal Cayman Islands Police and the Cayman Islands Coast Guard.

In 2022 and 2023 Mr. Speaker, the goals of the Police Service include supporting neighbourhood-watch programmes in our communities, working with the National Security Council to improve oversight and accountability of the Royal Cayman Islands Police Service; improved responsiveness, increased law enforcement visibility and crime deterrence in vulnerable communities.

Over the next two years Mr. Speaker, the Cayman Islands Coast Guard will seek to enhance the maritime safety and security of our Islands through the continued development and delivery of coastguard services.

An important element in any budget is addressing the security concerns of our community, Mr. Speaker. We have had our fair share of challenges since taking up office, and today I wish to pay tribute to all the members of our uniformed branches who have served through thick and thin. This pandemic has stretched our resources beyond measure and this particular group of public servants has borne a disproportionate level of exposure throughout it.

The pandemic has also brought to light a number of other issues, some directly related to the safety of families. Lockdowns, quarantines and isolation have arguably had a profound impact on domestic violence issues.

The Cayman Islands Child Safeguarding Board reported that the total number of referrals to the Multi-Agency Safeguarding Hub unit (MASH), increased by 67 percent between the first six months of 2020, and the first six months of 2021. In real numbers, there was a jump from 554 to 826 reports. Even more worrying: for the same January to June period, the number of referrals of a sexual nature went from 60 in 2020 to 158 in 2021. That is an increase of 163 per cent.

Mr. Speaker, a just and fair society cannot stand aside and allow this to happen. Sexual grooming, drug use, lack of social norms or boundaries are all risks, particularly for young females. The children of the Cayman Islands are looking to us to protect them. That is why my government will be considering bills that will strengthen the protection of our children and increase the penalty provisions for sexual abuse of children. There can be no room for tolerance of this sort of behaviour in our society. The need is clear and dire, Mr. Speaker.

We also wish to tackle the alarming road safety issues. It is quite frankly, unacceptable. We will start by lowering the blood alcohol threshold. We are not in line with the modern world Mr. Speaker. We are too tolerant of drunk driving. People can have their fun, but they need to be responsible. We will also continue to work with the Royal Cayman Islands Police Service, the National Roads Authority and the National Security Council to strengthen road safety measures.

Mr. Speaker, I mentioned earlier that I wanted to reserve special thanks for the Members of our Government who are Parliamentary Secretaries. I want to start by thanking the Deputy Speaker of this honourable House Mrs. Katherine Ebanks-Wilks, who represents West Bay Central, for her dedication, engagement, commitment and contribution to the work of the Ministry of Financial Services, working with the Honourable Minister. Together they make a formidable team and they are doing excellent work; she is multi-talented and has also been doing excellent work assisting the Honourable Minister in the Ministry of Education.

All of the Members who are Parliamentary Secretaries have now served as Acting Ministers in Cabinet

at various times. I think perhaps on one occasion it might have been two, so I want to thank them.

I want to thank Ms. Heather Bodden who represents—I call it my “Sister Constituency,”—for her dedication in assisting the Minister for Tourism in all the great work that they have been doing; and our dedication to ensuring that our communities function and our people’s needs are being addressed.

She pays particular attention to beautification and the beautiful ladies that end up representing the Cayman Islands as Ms. Cayman. She has a very significant agenda going forward in this budget, Mr. Speaker, which will see significant efforts across all of our constituencies to turn them into beautiful places to live, work and play.

The Member for East End has also put his efforts, strength and skills into assisting the Minister for Home Affairs in particular. Even in the short period of time that we have been in office, all of them have contributed significantly Mr. Speaker, and I am extremely proud of their contributions to the team and the work that they do with the various ministries that they work with. They are to be congratulated for the efforts that they put in and the way in which they assist their ministries to deliver successfully.

Governance, Accountability and Commitment to Excellence

Mr. Speaker, the budget we present for the 2022 and 2023 fiscal year was honed on the back of good governance. We believe that the people elected to lead our country need to be held accountable. As Thomas Jefferson said, “**When a man assumes a public trust, he should consider himself as public property.**” That is a premise I strongly agree with and as such, Mr. Speaker, we have adopted a Code of Conduct for the Cabinet and have one ready to be approved by Parliament either by the end of the year or in January. As you know Mr. Speaker, various events have caused our Parliamentary Council meetings and agenda in respect of that to be rescheduled.

Mr. Speaker, this is a serious part of adhering to good governance and being transparent. People outside of Cabinet do not know what Cabinet deals with. They do not understand the standards. This helps build a framework of the conduct they can expect from us and that we expect of ourselves. Likewise, this will be reflected in the Code of Conduct for Members of this honourable House.

The better we are at transparency Mr. Speaker, the better we will get at decision-making and resource allocation. Other governments have *talked* about transparency, but we can demonstrate it. We can move forward and make significant inroads in dissolving public mistrust and speculation about what happens in Government. We must conduct ourselves honourably. I expect both my colleagues and the public to hold us to that, and there is more that we can do.

One thing that has always bothered me about the makeup of government committees, national boards, tribunals, commissions and other public bodies is the lack of diversity. I am glad that I am now in a position to do something about it across the board. It is now our policy, Mr. Speaker, to ensure all people are represented in these groups including women, older persons, youth, and those who are differently abled. This shows that all people across the country are represented and that diverse views are reflected.

[Inaudible interjections]

The Premier, Hon. Wayne G. Panton: Yes sir, to the extent possible.

The Cabinet Office Mr. Speaker, will continue to support the implementation of this policy. Staying within the Cabinet Office, the Gender Affairs Unit has been moved to my portfolio as Premier. In collaboration with stakeholders, we will make efforts to publish a Sexual Harassment Act and review the National Policy on Gender Equity and Equality.

[Desk thumping]

The Premier, Hon. Wayne G. Panton: This is with a view to identifying where gender related disparities still exist in legislation, policy and practice, and seeking to address them. It is indeed an appropriate time to update it, Mr. Speaker.

[Inaudible interjections]

The Premier, Hon. Wayne G. Panton: I believe, that as we look at our people’s quality of life Mr. Speaker, we must recognise that their expectations are now different. Priorities have changed. People desire a greater work-life balance. The pandemic has taught many of us the importance of valuing those we love and those who are charged to our care. However, there is one area in which we still lag behind the world and that is maternity and paternity leave. A fair and just society means that we must support families; there is no time a child requires greater support than as a new-born therefore, I will work closely with the Minister for Labour during this administration to revisit maternity and paternity leave.

I wish to commend the Civil service for leading the way in this area and—speaking about the Civil Service—I am pleased to once again confirm that we will be able to provide civil servants who are on or below Grade E an honorarium at the end of the year. You have gone above and beyond the call of duty, and served our country well.

[Desk thumping]

The Premier, Hon. Wayne G. Panton: Further, you are the heart of the Caymanian middle class. You are the ones who get up every day to make a difference so

all of us wish to thank you; and we hope that this hon-
orarium will be accepted as a small token of our appre-
ciation for all that you continue to do.

Recovering from the pandemic

Mr. Speaker, any student of history will recog-
nise that throughout humanity's existence there have
been tectonic shifts, cycles of ups and downs and ma-
jor events such as natural disasters, global wars, or
more recently pandemics, that force governments and
countries to completely re-evaluate and even reset
their policies, priorities, and the direction of travel.

The end of both World War I and the Spanish
Flu global pandemic saw the arrival of a period known
as the Roaring Twenties, between the years 1921
1929. It was a great period of technological advances
and increased demand for consumer goods. This boom
in the United States was fuelled by easy credit and
stock market speculation but soon proved to be short-
lived and unsustainable. In fact, it was followed by the
Great Depression as a result of the 1929 stock market
crash.

After declaring victory, which ended World War
II, America sought to capitalise on its victory by secur-
ing its new-found global leadership role. This required
re-skilling, retooling and access to credit for returning
soldiers. The new deal was struck by President Frank-
lin D. Roosevelt and the transformation of the American
economy began in earnest. This ushered in a period of
unparalleled growth in America and the firm establish-
ment of a vibrant middle class.

Likewise, Germany and Japan, two of the pow-
ers that surrendered to the allied forces at the end of
World War II, faced economies and communities that
were literally shattered. However, with the support of
the US, they focused on restoration, reconstruction and
reintegration. They leaned into transformation and
placed their people and their respective nations on
paths to achieving greater heights.

Mr. Speaker, even here in the Cayman Islands,
we have seen remarkable resilience displayed by our
people where we have had forks in the road throughout
our history. In his notes on the history of the Cayman
Islands written in 1910, then Commissioner George
Hurst wrote, "*After each hurricane, the inhabitants lost
no time in pulling themselves together; and I am in-
formed, that on no single occasion did they seek arms
from abroad. This speaks highly for the independence
of the people and I believe the same characteristics
would be found in their dependence today.*" [UNVERI-
FIED QUOTE].

I do not think any of us disagree. We have that
same characteristic of independence. There is no
doubt that after Hurricanes Ivan and Paloma in 2004
and 2008 respectively, our islands once again were
given a golden opportunity to reconsider our approach
and potentially reposition ourselves in a number of ar-
eas. However, it can be argued that the changes made

were not significant enough to be considered transfor-
mational. While we continued to strengthen our building
codes we had a golden opportunity to address issues
like high water marks; cease the wanton removal of
mangroves and the filling in of wetlands; lower the de-
pendence on work permits and developing opportuni-
ties for the advancement of our people.

Alas, we find ourselves as a people standing
once again today at the proverbial fork in the road.

The global COVID-19 pandemic has brought
with it many trials and tribulations. It has been the single
biggest crisis impacting humanity in over a century. At
this critical juncture, we are once again presented with
a choice. Along one path, we can resume the pursuit of
things just as they were before the pandemic. That may
be fine if you accept that everything was more or less
okay, but to do that ignores the rapidly disappearing
middle class and burgeoning inequality, whether it was
gender, income or social. Unsustainable practices and
poor stewardship of our natural resources were also
along this pathway. Out of control cost of living, less
transparency and accountability in government were
the same.

Mr. Speaker, the PACT Government shares
the view that there is another way; a better path. It will
involve resourcefulness, innovation and diligence. It will
involve a willingness to change and adapt. Things that
human beings invariably resist, but change and inno-
vate we must. We believe this is the direction that those
who went out to vote in April 2021 were seeking.

Our recovery from the pandemic must prepare
all of our people to participate in a modern economy; to
protect their health and well-being and to thrive in a
safe and healthy environment. This path ensures we
open up greater opportunities for our people to live their
best lives; one that closes the widening gap between
the haves and the have-nots; a direction that gives our
people hope for their future; a direction that our young
people living and studying abroad desire to be a part of
someday.

Before I close, Mr. Speaker, I want to quickly
touch on where we are with the COVID-19 pandemic.
As of yesterday, the total number of active cases was
4,132. There were 27 patients in hospital and 4,610
people in isolation.

The good news is, Mr. Speaker, that the Na-
tional Lateral Flow Test Policy and the utilisation of lat-
eral flow tests is working and people, maybe not every
single person, but people are generally being honest
about the results. As of Thursday, there had been 1728
positive lateral flow tests since their introduction here.
Over in the sister islands, Faith Hospital confirmed yes-
terday that there were 19 active cases.

In total, there have been 123,277 COVID-19
vaccinations given in the Cayman Islands, of which
57,918 or 81 per cent, have received one dose of the
vaccine, while 55,819 people or 79 per cent of a popu-

lation of 71,106 received a two dose course. Additionally, 9,984 people or 14 per cent of the population had gotten the third dose or booster of the vaccine.

While our COVID numbers have spiked, Mr. Speaker, this was not necessarily unexpected. We live in the Cayman Islands, which had the luxury of living in a safe bubble for so long that we took for granted our safety and some of us stopped doing the things that keep us safe.

As I said earlier, our border is now open, we are welcoming vaccinated visitors without any quarantine requirements. Of course, these requirements will fall away when we eventually enter the final phase of reopening, where we will welcome everyone to our shores. That remains to be determined in terms of timing Mr. Speaker, but I would like to reiterate what I have said many times before in press conferences and other occasions: Please practice social distancing. When you are out in public wear your masks and, if you are able to, get vaccinated.

When I say “able to”, I do not mean that you just decided you do not want to do it. I mean if you have a legitimate reason. If you have a medical reason not to do it then you are ok, but other than that, go and get vaccinated because it will save people’s lives. It may not stop you from getting COVID, Mr. Speaker, but it reduces the chances that you will. It will also absolutely decrease your risk of getting very ill and obviously, consequently, your risk of death. Do it for yourself. Do it for your family. Do it for your co-workers. Do it for your community. Please. I ask people, Mr. Speaker.

Let me just say, Mr. Speaker, that we have had many examples of families with children who are by definition “unvaccinated”, who are also resilient, who pick up a COVID infection through their interactions with other students and families where adults in the house are all vaccinated. We have loads of examples, loads of anecdotal evidence of situations where those children are cared for by the adults, by their parents who are vaccinated, until they recover; until they test negative and those parents and the other adults in the house, do not get infected.

It says a lot for how effective the vaccinations are, Mr. Speaker, so go out and get vaccinated if you have not done it. If you are beyond the six months from your double dose, go and get the booster shot. It will help you, your family and your community.

Mr. Speaker as I said at the opening of this address, it is an honour and a responsibility to lead the way in charting our recovery from the effects of COVID-19; creating opportunities for shared prosperity and preparing our people to avail themselves of those opportunities.

Our vision is of a Cayman that is held up as one of the most sustainable countries in the world; a trio of Islands where ALL its citizens can thrive; a peaceful and prosperous place known for its resourcefulness, its diligence, its excellence and its innovative-

ness and for us, Mr. Speaker, prosperity without sustainability is not an option. There is no binary choice between prosperity and sustainability. We need both and we must demand and achieve both. Some of the windows of opportunity for our people are closing, so today we stand here as a new political Administration in this third decade of the 21st Century to declare a new day and a new way forward.

In his book, *“the Cayman Islands in Transition,”* author, educator and former Member of this honourable House, Mr. J.A. Roy Bodden ends his landmark work with his haunting message:

“Today the (Cayman Islands) faces a myriad of intractable problems, but has made no attempt to arrive at a politics of inclusion and engagement that should enable the many nationalities who make up the society to feel a closer affiliation - to feel ‘Caymanian’. As a result, the society is an agglomeration of various ethnic, national and social groups with little in common except a thriving economy in the background and an increasing drive toward materialism. Crime, including sophisticated criminal conspiracies, is becoming increasingly widespread, yet there is no sustained, coherent attempt to address family and community issues, as if societal breakdown and combating crime have nothing to do with one another. No solid foundation can be built on such unstable ground. The environment is being stripped, economic shocks are ignored, and there are precious few attempts to come to grips with a sustainable development policy in any sphere. In this writer’s opinion, this is a formula for problematic development, if not abject failure.”

Mr. Speaker, he continues, **“It is a moot question as to where it all went wrong, since ‘progress’ is still being measured on a faulty report card. Small wonder, then, that what seems a rhetorical question is becoming ever more relevant: For whom are we developing the Cayman Islands?”**

Mr. Speaker, we are here today because the people made a choice in April to elect a government that cares about community and country; a Government that cares about them. The work we have done to create the budget that you will get details on from my colleague shortly, has been crafted with our people foremost in mind. It includes a new inclusive approach filled with hope and optimism for the people and residents of the Cayman Islands. The overall budget demonstrates my Government’s commitment to managing public finances responsibly. It also reflects our top priorities—the recovery of the Cayman Islands’ economy and the safety of our people.

Mr. Speaker, I believe, as does my PACT Government, that we have a responsibility to ensure the quality of life for this and future generations of Caymanians. The values that have and will continue to guide our decision making are the four values that

make up the PACT acronym, which I repeat: People-driven, Accountable, Competent, and Transparent.

Each of us has pledged to be driven by and held accountable to these guiding values which help us align our objectives and shape our policies. It was these values that came into play when we had to make the tough decisions on resource allocations.

Mr. Speaker, as Thomas Paine said, **“A body of men holding themselves accountable to nobody ought not to be trusted by anybody.”**

The road ahead will be challenged and challenging—challenged by many issues. It will be a challenging road without a doubt.

It is our mission to stabilise our approach. You see Mr. Speaker, whether you are flying a plane or piloting a vessel, especially a large vessel through the channel or narrow passage, a stabilised approach usually makes for a much smoother and safer landing. We cannot promise all smooth sailing ahead; we are still likely to experience some global, economic and social shocks, yet there is also more opportunity.

Mr. Speaker, this Government is accountable and trustworthy. The budget which we will present today reflects our government being People-Driven, Accountable, Competent and Transparent.

I wish to thank the Deputy Governor, the Attorney General and the Cabinet Secretary for their support and helpful advice, and I thank you, Mr. Speaker for your commitment to this honourable House.

In closing Mr. Speaker, I thank my team, Ministers and Parliamentary Secretaries, for their commitment and dedication and for adhering to the values we collectively adopted after being sworn in following the election, which was a collective voice of the people of the Cayman Islands.

People were looking for leadership to create a more sustainable future for these islands; leadership that would balance the needs of society, the economy and the environment. To quote my friend, Mia Mottley, the Prime Minister of Barbados, **“If our existence is to mean anything, then we must act in the interest of all of our people who are dependent on us and if we do not, we will allow the path of greed and self-selfishness to sow the seeds of our common destruction.”**

Mr. Speaker, I pray God's continued blessings on these beautiful Cayman Islands and His guiding hand, as we discuss and debate the budget for 2022 and 2023.

Thank you very much, sir.

[Desk thumping]

The Speaker: Honourable Members, we will now suspend proceedings until 2:45pm.

Honourable Members we have to take our official photograph at this time. We have tried, and because of different people's commitments, they could

not be here at that time, but it is customary and appropriate that we take that official photograph.

[Inaudible interjections]

The Speaker: I think all Members were notified that we would be doing the official photograph today. We have put it off but we have to do it at this time and I appreciate Members coming to the front. The photographer is here and has waited really quite a while. Let us get that done, then have our lunch and get back here for 2:45pm.

The House is now suspended until 2:45.

Proceedings suspended at 1:19 pm

Proceedings resumed at 2:47 pm

The Speaker: Proceedings are resumed. Please be seated.

GOVERNMENT BUSINESS

BILLS

FIRST READING

THE APPROPRIATION (FINANCIAL YEARS 2022 AND 2023) BILL, 2021

The Speaker: The Bill has been read a first time and is set down for a second reading.

SECOND READING

THE APPROPRIATION (FINANCIAL YEARS 2022 AND 2023) BILL, 2021

The Speaker: The Honourable Minister of Finance.

Hon. Christopher S. Saunders, Deputy Premier: Mr. Speaker, I beg to move the second reading of a Bill entitled The Appropriation (Financial Years 2022 and 2023) Bill, 2021.

The Speaker: So ordered.

Is the Member speaking thereto?

Hon. Christopher S. Saunders, Deputy Premier: Yes Mr. Speaker, briefly.

Mr. Speaker, in the interest of good governance, do you want us to pause so that somebody from the Opposition will be here, or do you want us to start?

The Speaker: Honourable Minister, I would think they might be in the precinct; I did speak to the Leader of the Opposition and asked him if he could return earlier and he said, since notice was given for 2:45, I should try to

keep that. Now we have passed that. At least the Member for George Town West is present.

[Inaudible interjection]

Hon. Christopher S. Saunders, Deputy Premier: Perfect. They are here now, they are coming.
Thank you, Mr. Speaker.

The Speaker: Yes, as I said, I think they were in the precinct.

Hon. Christopher S. Saunders, Deputy Premier: Mr. Speaker, it is indeed an honour to rise today to present the Appropriation (Financial Years 2022 and 2023) Bill, 2021.

[Inaudible interjection]

Hon. Christopher S. Saunders, Deputy Premier: No, Mr. Speaker. Well, we originally had copies made Mr. Speaker, but overnight I made some material changes, so my team will be circulating them afterwards. We will be emailing it to other Members at least they can have it, but since I made material changes to the document, I didn't want to put the wrong thing in the public domain.

The Speaker: Understood.

Hon. Christopher S. Saunders, Deputy Premier: Thank you for understanding, Mr. Speaker.

The Speaker: Continue, Honourable Member.

Hon. Christopher S. Saunders, Deputy Premier: Thank you, Mr. Speaker.

Mr. Speaker, just over seven months ago our Honourable Premier, Wayne Panton, in his inaugural address, reminded us of the words from Reverend Peter Raible when he said:

**“We build on foundations we did not lay,
We warm ourselves on fires we did not light,
We sit in the shade of trees we did not plant,
We drink from wells we did not dig,
We profit from persons we did not know.”**

Mr. Speaker, it is in that vein that I want to start this Budget Address by first and foremost thanking the Lord above for his continued blessings on our beloved Cayman Islands, our Caymanian people and all those who call the Cayman Islands home.

Mr. Speaker, I want to use this opportunity to thank the people of the Cayman Islands for their continued confidence in this PACT Government. It is only through their support, encouragement and consent that we are here today.

Mr. Speaker, I also have to use this opportunity to thank the good people from my home district of Bodden Town West who have been very patient and understanding with me over the past seven months as I focused my attention on the two Ministries that were entrusted to me by the Honourable Premier, namely the Minister of Finance and Economic Development and the Ministry of Border Control and Labour.

I want to say Mr. Speaker, as I look at the works produced, I want the public to understand...

Stefan, do me a favour: please zoom in on this for me. I want people to see what the collective efforts of many dedicated and hardworking civil servants produced over the last seven months.

These documents combined are more than 3,500 pages. This is a lot of work. A lot of effort went into this and I want to thank the many people who produced this and made this day possible. Thank you, Mr. Speaker.

Mr. Speaker, with that said, you of all people know what it takes to run the Ministry of Finance, but I must say that I am pleased to have a talented and dedicated team led by Financial Secretary and Chief Officer in the Ministry of Finance, Ken Jefferson. Likewise, I am also blessed to have a talented and dedicated team in the Ministry of Border Control and Labour, led by Chief Officer Wesley Howell.

Mr. Speaker, those two Ministries, led by those two dedicated, committed and very competent Chief Officers have made the load to carry much lighter and I want to thank their families, especially their wives Fariida and Renee for imposing on your family time late at nights, on weekends and on public holidays.

Mr. Speaker, as I said earlier, we build on foundations we did not lay and as such, I want to take this opportunity to thank the various Ministers of Finance who went before me, starting with you. More than 12 years ago on the 6th November, 2009 when our current Constitution came into effect, you became the very first Minister of Finance of these beloved Islands.

Back then, Mr. Speaker, you took the reins of the public purse in the aftermath of the 2008 global financial crisis and had to steer the good ship Cayman through troubled waters. I can assure you, Mr. Speaker, that I now know first-hand what it feels like, and on behalf of the Caymanian people, I would like to thank you for your steady and decisive actions taken at that time. You reminded us all back then that it was not the time for the Cayman Islands to retreat, but rather time for us to be bold and audacious.

Again, Mr. Speaker, thank you.

Mr. Speaker, I must also pay a tribute to my colleague, the Honourable Minister of Education, who also previously served as Minister of Finance and has been the only woman to do so to date. It was on her watch that she continued with your policies and returned the country to a surplus position of \$44.6 million in 2013, which was a turnaround of \$194 million from the deficit position of \$149.4 million that you inherited

in 2009. Again, Mr. Speaker, I commend you and your government of 2009-2012 for returning the Cayman Islands economy and the government's finances back to the right track.

Equally, Mr. Speaker, to give Jack his jacket, I must also give credit to former Ministers of Finance Marco Archer and the current Leader of the Opposition, the Honourable Roy McTaggart for maintaining the surpluses that you and Minister Juliana O'Connor-Conolly created. Like I said before, we build on foundations we did not lay, now it is time for this PACT Government, Mr. Speaker, to build on the foundations that successive governments before us have built.

Mr. Speaker, the budget presented to this honourable Parliament for the 2022 and 2023 financial years is a budget that is investing in the wellbeing, resiliency and sustainability of the Caymanian people and the Cayman Islands. It is a budget that my colleagues and I are proud to present to this country.

Mr. Speaker, this budget extends support to our people through investments in education, healthcare and various social programmes, while simultaneously defending and growing our existing economic pillars of financial services and tourism, to ensure the resiliency and continued success, all while protecting our environment to ensure a sustainable future for all Caymanians and those who call the Cayman Islands home. Simply put Mr. Speaker, this is a people-driven budget.

Mr. Speaker, this budget delivers on many of the promises made during the campaign to invest in our people and their well-being; from free school lunches for our children, to removing the duty on day-to-day essential items, such as baby food, baby diapers and sanitary products for women, as well as geriatric under garments for our elderly (namely diapers).

Mr. Speaker, I must pause here to inform this honourable Parliament that the Government intends to bring a Consumer Protection Bill and if needs be, take the additional steps to ensure that many of these savings are passed on to consumers.

[Desk thumping]

Hon. Christopher S. Saunders, Deputy Premier: Mr. Speaker, time and time again we have seen so many items on which there is no customs duty, being the most expensive on the shelves.

Just recently, Mr. Speaker, we noticed it with the Lateral Flow Test kits where the Government made the decision to make the kits duty free and some of the prices that are being charged are borderline immoral. Additionally, we also recently expanded the number of international markets where cement, which is vital to our construction industry, may be sourced at lower prices—and again, in many instances the savings were not passed on to consumers.

Again, Mr. Speaker, I want to put everyone on notice that if the savings are not being passed on to

consumers, this Government will take the necessary steps to ensure that they will be, even if we have to partner with others or import the items ourselves. It is that important to us. Too much money is being taken out of the pockets of our people and they are not receiving value for their hard work.

[Desk thumping]

Hon. Christopher S. Saunders, Deputy Premier: Broad Outcome Number 3, in the Government Strategic Policy Statement is a commitment to providing solutions to improve the well-being of our people so that they can achieve their full potential. My colleagues and I, in this PACT Government, take that commitment very seriously and it cannot be business as usual, where many people are being taken advantage of with some of the prices being charged on essential items.

Mr. Speaker, this budget also reflects our commitment to modernise our infrastructure through investments and partnerships, as well as an increase in funding to automate many government services. We believe that this is necessary to free up resources so they may focus more on enforcement and compliance to ensure that Caymanians are protected both in their homes and in the workplace.

In short Mr. Speaker, we have increased funding to ensure that our laws are enforced so that Caymanians will have greater opportunities and advancement in the workplace so that we may close the dignity gap.

Mr. Speaker, I want to highlight a point that the Premier made in his inaugural address when he reminded us all that while we cannot guarantee equal outcome, we can guarantee equal opportunity for our people. That is what it is about Mr. Speaker, and I really want to pause here and thank the Premier for his Policy Statement this morning. It was passionate and well delivered and it was well received; I can tell you, I was moved by it.

Mr. Speaker, this budget is about providing our people with the opportunities and tools necessary to build the best life that they want for themselves and their families. I am not going to tell you that this is going to be an easy process, as I know that you know better. The process was even more challenging because of the strain on our finances as a result of the ongoing global pandemic. Putting this budget together consisted of many long hours, arguments and disagreements but, ultimately, compromise in the best interest of our people and I want to commend my colleagues on this side for making the hard but necessary decisions to ensure that we have a budget that invests in the wellbeing, resiliency and sustainability of our people and our country.

Mr. Speaker, the Appropriation set out in the Bill now before Parliament, along with the budget documents that I Tabled earlier, collectively form the Government's 2022 and 2023 budgets. On July 14th 2021,

the PACT Government presented its 2022 to 2024 Strategic Policy Statement, otherwise known as the SPS, which sets out in macro terms, the Government's medium term fiscal policies and financial forecasts for the next three financial years, starting from 2022 to 2024.

The 2022 and 2023 Budgets are consistent with the policies and forecasts that are set out in the SPS. As is frequently the case, Mr. Speaker, the amounts in the budgets will differ from the SPS, but the direction and trend remains the same. The changes made to the SPS results and position reflect the more accurate and up to date information now available on which to base these estimates.

Mr. Speaker, before I provide details of the 2022 to 2023 budgets and the Government's plans in those years, let me first summarise some of the key fiscal policies and headline figures that are contained in the 2022 and 2023 budgets.

Commencing 2022, the Government will return to full compliance with the Principles of Responsible Financial Management as prescribed by the Public Management and Finance ACT or PMFA. These principles are the same as those specified in the Framework for Fiscal Responsibility, otherwise known as the FFR, which is also part of the PMFA. In this budget, over the next two years, there are no new fees or taxes levied on the public.

Mr. Speaker, in order to meet all of the Government's planned capital investments over the budget period, the 2022 and 2023 budgets show borrowings of up to \$349.1 million—\$299.1 million in 2022, and a further \$50 million in 2023. Therefore, none of the Government's day-to-day operating expenses are met by borrowings; such costs are met entirely by the Government's operating revenue.

Mr. Speaker, Core Government is forecast to earn operating revenues of \$940.9 million in 2022 and \$978.1 million in 2023; together, operating and finance expenses are forecast to be \$921.5 million in 2022 and \$950.4 million in 2023.

Another highlight Mr. Speaker, is that core government operating surpluses are forecast to be \$19.4 million in 2022 and \$27.7 million in 2023. Closing cash balances will be \$404.8 million at the 31st of December 2022 and \$312.2 million at the 31 December 2023; and core government capital investments are forecast to total \$170.1 million in 2022 and \$133.4 million in 2023.

Moreover, Mr. Speaker, the Government plans equity investments in the Statutory Authorities and Government companies, of \$30.4 million in 2022 and \$28.9 million in 2023. Additionally, Government will make loans of \$26.9 million in 2022 and \$12.1 million in 2023 to public entities as further financial support to those entities' ongoing operations.

Mr. Speaker, let me move next to the Government returning to compliance with the Principles of Responsible Financial Management. When the PACT Government took Office in May of this year, we were

already facing an uphill battle given the impact and uncertainty that the COVID-19 response and recovery had on the country's economic activities and the Government's finances.

As reported in the 2021 Pre-Election Economic and Financial Update, otherwise known as the Pre-FU which was prepared in March 2021, Core Government was forecast to achieve an operating deficit of \$98.3 million at the end of this year and an operating deficit of \$59.6 million at the end of 2022. Later in my address, Mr. Speaker, I will provide a detailed breakdown of how primarily, due to better than expected operating revenues performance, the forecast operating deficit for the 2021 financial year is now re-forecasted to a much improved \$29.7 million, which is approximately \$69 million better than where it was first forecasted when we arrived in Office.

Additionally, Mr. Speaker, the budgeted surplus for 2022 of \$19.4 million presents \$79 million better than when we first arrived in Office, which is a combined improvement. When taking 2021 and 2022 forecast in the Pre-FU, we have actually turned around, based on our budget and our now revised forecast, \$147.6 million over those two years, Mr. Speaker.

[Desk thumping]

Hon. Christopher S. Saunders, Deputy Premier:

Again, I want to thank my colleagues on this side for creating the environment for our operating revenues to improve the way that they have done. The confidence in the Cayman Islands still remains very high.

Mr. Speaker, I want to thank our very caring and competent Premier for making the hard, but necessary decisions.

Mr. Speaker, as you would imagine, starting on the prospect of an operating deficit is not the most preferable financial result to be facing a new government. I know [that] you know first-hand how this feels, as you and your government faced a similar challenge back in 2009 after the elections. Admittedly, it has posed some challenges for the PACT Government and has required us to refocus some of our planned goals and commitments.

Mr. Speaker, an operating deficit is a breach of the principles of responsible financial management under the PMFA, as the PMFA requires the government to achieve an operating surplus. Compliance with this principle is a requirement, it is not optional. Failure to comply means that we will have to surrender control of our budget to the United Kingdom, stripping us of the most basic privilege of deciding for ourselves how to spend our own money.

The United Kingdom government is aware of the likely deficit for the 2021 financial year but has not sought in any way to control Government's budget because it understands a deficit for 2021 is realistic in a global pandemic and has given its support to the PACT Government's SPS return of the Cayman

Islands Government to the full compliance with the principles. In 2022 and 2023 we will be in full compliance with the principles. The PACT Government is committed to ensuring that the Cayman Islands maintains its financial independence and ability to control its own budget.

Having said this Mr. Speaker, one of the first challenges and fiscal policies of the PACT Government is to return the government to full compliance with the principles of responsible financial management under the PMFA. The PACT Government is pleased to report, that although the government is forecast to achieve an operating deficit in 2021, core government will achieve operating surpluses in the 2022 and 2023 financial years and therefore return to full compliance with the principles of responsible financial management under the PMFA.

Over the next two years, Mr. Speaker, the PACT Government intends to continue manoeuvring through the uncertainties of the COVID-19 pandemic, while at the same time being financially prudent in order to deliver the programmes that we promised the people of these Islands. Mr. Speaker, another fiscal policy of the Government is that no new taxes or fees will be levied on the public.

Again, I want to use this opportunity to underscore the PACT Government's commitment to Broad Outcome number 3 in our Strategic Policy Statement, where we are determined to improve the well-being of our people so that they can achieve their full potential. This PACT Government is committed to ensuring that our citizens and residents not only have the opportunities to earn a living, but can also afford to live in the Cayman Islands while at the same time, being able to save for a rainy day.

Mr. Speaker, this PACT Government is committed to implementing measures that are aimed at lowering the cost of living, and one way of doing so is not to impose any new fees or taxes on residents and businesses and the 2022 and 2023 budgets, again, contain no new fees or taxes. I want to emphasise that, because it is important for business people, and residents in the community, to recognise that the Government is aware of the challenges right now and has made the hard decision not to raise any fees.

There are many fees in government that have not been raised for the last 20 to 30 years Mr. Speaker, and we have decided to keep it that way because things are already hard as it is.

Mr. Speaker, it is the Government's fiscal policy to minimise the extent of borrowings undertaken for any financial year. The longer term aim is to expand operating surpluses to the extent that such surpluses can fund capital expenditures and investments. Operating surpluses for the 2022 and 2023 financial years are not sufficiently large to fund capital expenditures and investments in those years and as such, we have to borrow during that period. Again, I want to highlight that Government does not borrow to fund its day-to-day

operating expenses and will only borrow to fund capital expenditures and investments. The 2022 and 2023 budgets encompass borrowing that will not exceed a total of \$349.1 million and I will provide further details on the borrowing later in my address, Mr. Speaker.

I now want to provide the details for the 2022 and 2023 budgets and the Government's plan in those years, but before doing so, let me provide a brief update on the current state of public sector finances and the forecast to the end of this financial year which ends on the 31st December, 2021.

Mr. Speaker, I am pleased to say that operating revenues for this year are forecast to be \$932.3 million which is 10 per cent higher than estimated in the original 2021 budget. I must also add, Mr. Speaker that the forecasted revenues for 2021 are \$70 million better than 2019—before the COVID-19 global pandemic hit.

In short, Mr. Speaker, the confidence to do business in the Cayman Islands remains at an all-time high. Again, I want to thank my colleagues on this side for creating a positive environment for the economy to continue to grow.

Mr. Speaker, this better than expected performance is primarily attributed to strong growth in other stamp duty, stamp duty on land transfers, private fund fees, other company fees and proceeds from liquidated entities. Overall, revenues for core government are forecasted to be higher than the original budget, largely due to the impact of higher volumes of dutiable transactions, along with the continued growth of local real estate markets and a solid reliable performance of the financial services sector.

Revenue stream for private funds which came online in 2020 has also brought in strong revenues for the 2021 financial year. These critical revenue streams ultimately mitigated the significant shortfall in revenues from the tourism sector, which was understandably suppressed due to the impact of COVID-19.

Mr. Speaker, I want to pause here and thank the many members in the financial services industry who pushed for the implementation of the private fund fees. It really became a beacon of light in meeting some of our challenges and I know there were some people in the industry who were against it but some were for it.

I also want to give credit where credit is due and thank the previous Government for actually implementing it. We do not want to say that we are not mindful of what they did. As I said, we build on foundations, we did not lay.

Mr. Speaker, other stamp duty is forecasted to be \$8 million better than budget and stamp duty on land transfers are forecasted to be higher than the 2021 original budget by \$54 million. Revenue from private funds is forecasted to bring in \$52.4 million in 2021. Other revenue sources with likely significant positive variances are mutual fund administration fees, \$6 million, and other company fees also \$6 million, in terms of a positive variance.

Mr. Speaker, the response and recovery of the COVID-19 pandemic has adversely impacted the Government's finances. Operating and financing expenses for core-government are forecasted to be \$962 million for 2021, which is 24 per cent or \$188 million greater than the 2021 original budget of \$774.4 million. Of the \$962 million that is forecast for operating and financing expenses for 2021, 12 per cent or \$115 million, is comprised of COVID-19 related expenses, which were not budgeted in 2019 when this year's budget was first prepared. Some of these COVID-19 expenses include:

- \$60 million for the stipend given to displaced workers in the tourism industry;
- \$47.7 million for testing, supplies and operating costs for Travel Cayman to combat COVID-19;
- \$3.4 million to support business initiatives;
- \$2 million for micro and small business entities support;
- \$1 million for financial assistance to the vulnerable; and
- \$800,000 to assist members of the public to maintain healthcare coverage by meeting their premium obligations.

Mr. Speaker, a further \$10.5 million was provided as supplementary budgetary funds with respect to Tropical Storm Grace's response and recovery, which was also not budgeted in 2019. Tropical Storm Grace related expenses include:

- \$3 million in assistance to farmers;
- \$3 million for housing assistance;
- \$4 million for support for the business initiatives; and
- \$500,000 to assist in clean up and repairs.

Mr. Speaker, outputs from non-governmental output suppliers, otherwise known as contributions and donations made to NGOs and charitable organisations doing valuable social work, are anticipated to be approximately \$23 million higher than budgeted due to increase assistance provided to the community. These programmes include:

- Tertiary health care at local and overseas institutions for seamen;
- Care of the indigent, elderly and disabled;
- After school support programmes for children; and
- Food support services for the elderly and other similar programmes.

Mr. Speaker, on behalf of my Government colleagues, I want to pause here and thank the many organisations that do great work in our communities. To borrow a tagline from the Honourable Premier and Parliamentary Secretary Ms. Heather Bodden, "Community creates Country."

[Desk thumping]

Hon. Christopher S. Saunders, Deputy Premier: Mr. Speaker, output from public authorities and government companies are also projected to be \$34 million more than originally budgeted, primarily due to increased funding to the Health Services Authority.

Transfer Payments are forecasted to be \$103 greater than the original budget, and this again, Mr. Speaker, is due to support given to displaced workers formerly employed in the tourism sector.

Other operating expenses are also expected to result in an increase of \$34 million over budget, which is also a direct result of COVID-19 related expenses.

Mr. Speaker, Statutory Authorities and Government Companies are forecast to have a net operating deficit of \$54.3 million for the year ending 31st December 2021; the original budget actually estimated a deficit of \$16.9 million. The major loss leaders are expected to be the:

- Cayman Islands Airports Authority, \$28 million
- Cayman Turtle Conservation and Education Centre Ltd., \$10.7 million
- Health Services Authority, \$7.5 million
- Port Authority of the Cayman Islands, \$7.2 million
- Cayman Islands National Insurance Company (CINICO), \$3.5 million; and
- Cayman Airways, \$3.1 million.

Mr. Speaker, I want to take time out to remind the public and all the Members of this honourable House, that even though these government companies and statutory authorities are losing money, these entities actually provide essential services to our people. They are economic enablers and, in the case of Cayman Airways, even economic accelerators.

Simply put, Mr. Speaker, they are necessary for the magic of what we have or the Cayman miracle to work, and it is important for us to recognise that some of these entities will always have challenges. Take Cayman Islands National Insurance Company (CINICO), for example: while we made medical insurance mandatory for everyone, we did not make it mandatory for many insurance companies to sell it, and as a result, we had to go out and create our own insurance company to do that.

As the Minister responsible for CINICO I want to take this opportunity [to say], Mr. Speaker, that we will be looking at expanding its offerings in the next year by getting into other insurance products. As we work through the process and get the necessary regulatory approval, it is going to be good.

I also want to say to the Honourable Deputy Governor [that] we are actually looking to use members of the Civil Service for the pilot programmes of some of these. We think they will definitely save money for many public servants in terms of where we are looking to go.

We will get into that later on, but I think he is going to be happy.

[Inaudible interjection]

Hon. Christopher S. Saunders, Deputy Premier: No, no, well, public servants, for everybody—as a pilot programme. I know there are exciting stuff coming up for Cayman Airways too, Mr. Speaker; I will leave the very are able Minister of Tourism to tell that story, but I can say that there are exciting days ahead.

Mr. Speaker, while the accumulated results of all of these changes is that core government is now forecast to achieve an operating deficit of \$29.7 million, which is \$105 million drop from the original budget, let us not forget that this position is still \$69 million better than forecasted in March of this year.

Again, I want to thank my colleagues for maintaining the confidence, and for the support given to manage Government's finances because this not a one man job; this took much team effort. We had many Ministers who really stood up, where we put our foot down in many cases. In fairness, even the Premier, so I really want to thank the Government for that. As a result Mr. Speaker, I can say that the cash balances at the 31st December 2021 are forecast to be \$304.5 million, which is \$20 million better than the assumed budget of \$284.7 million.

Mr. Speaker, as I mentioned earlier, the forecast for 2021 indicates that Government will not be in full compliance with just one of the principles of responsible financial management and the FFR being met. We are going to miss the target by having an operating deficit, but again Mr. Speaker, that was something beyond our control. As I said, I am pleased to report that we did not do as badly as the forecast said we would, and I want to thank my colleagues for that.

What I can say for this year Mr. Speaker, is that we will be compliant with the other principles of the FFR, which are net worth, debt-service ratio, net-debt ratio and cash reserves. We are going to be compliant in the other sectors and I will speak about them later on in my address, Mr. Speaker.

I want to turn our attention right now to our economic forecasts and say that, while world economies have struggled to cope...

[Pause]

[Inaudible interjection]

Hon. Christopher S. Saunders, Deputy Premier: We are getting there man, we are getting there. You are going to be happy. This is just introducing the budget you know, Mr. Speaker? All of the sweet stuff are to come, you know. I do not want to take away from the other Members. We are just getting started and I am just laying the stuff now.

Mr. Speaker, world economies have struggled to cope with the COVID-19 pandemic. All economies were affected as global economic activity contracted by 3.1 per cent in 2020, compared to a relative growth rate of 2.8 per cent in 2019, prior to the pandemic. Global economic activity is projected to expand to 5.9 per cent in 2021 before decelerating to 4.9 per cent in 2022 and 3.6 per cent in 2023.

The success of vaccination programmes worldwide has reduced uncertainty in global demand as most countries gradually return to routine economic activities. However, Mr. Speaker, the fast pace of recovery in the US and other advanced economies have created a short-term mismatch in the labour market and supply chain—challenges which have increased pressure on global inflation.

In the United States of America, inflation is projected to accelerate to 4.3 per cent in 2021 from 1.2 per cent in 2020. Cayman's Gross Domestic Product (GDP) is estimated to have contracted by 6.7 per cent in 2020 as a result of reduced activities associated with the pandemic. The impact of the global lockdown, the closure of Cayman's air and seaports and curfew measures, were partly mitigated by the stimulus measures which were established to increase construction, increase disposable income and provide liquidity funding for affected businesses.

Mr. Speaker, the economic contraction in 2020 impacted all sectors, with the exception of the health and social work sector, which increased by 15.7 per cent and the financing and insurance services sector which increased by a modest 0.3 per cent.

In 2020:

- the hotels and restaurants sector is estimated to have contracted by 76.6 per cent
- Transportation contracted by 31.5 per cent
- Transport storage and communications fell by 14.4 per cent
- The wholesale and retail sector contracted by 4.3 per cent
- Construction contracted by 4.4 per cent due to lack of activity during the shutdown period; and
- The business services sector fell by 4.7 per cent—the industry showed resilience with some employees able to work remotely.

In 2020 Mr. Speaker, the average Consumer Price Index (CPI) increased by 1 per cent compared to 6 per cent in 2019. Food and non-alcoholic beverages rose by 5.1 per cent, while communications rose was by 5.9 per cent and education by 4.4 per cent.

The contraction of the local economy in 2020 contributed to a reduction in the demand for labour during the year, with total employment declining by 12.1 per cent to reach 41,644 in the fall 2020 Labour Force survey. The overall unemployment rate rose to 5.2 per cent in 2020.

Mr. Speaker, the domestic economy is expected to recover partly with a growth of 1.2 per cent in

2021. Economic activity is expected to accelerate further by 5 per cent in 2022, and an average of 3.2 per cent between 2023 and 2025.

The hotels and restaurant sector is expected to contract further by 88 per cent in 2021, but is expected to recover partially with an average annual growth of 224.9 per cent per year between 2022 and 2025. That growth will be accelerated with the reopening of our borders, thus the reason why the number is that high.

Mr. Speaker, the transport sector is also projected to contract by 26.9 per cent in 2021 due to the Islands' border closure and Cayman Airways operating on a restricted schedule, before recovering an average annual growth of 12 per cent in the next four years. The wholesale and retail sector is projected to rise by 2.2 per cent in 2021, with an average increase of 3.7 per cent per year between 2022 and 2025. The financial services sector is expected to continue its robust performance with a projected expansion by 1.9 per cent in 2021 and an average goal of 1 per cent per year between 2022 and 2025.

With planned construction projects including high-end apartment complexes, the NCB Hilton hotel, the Hyatt hotel, the Mandarin hotel at Beach Bay, the Indigo hotel, John Gray High School, the construction of a Mental Health Facility and continued road expansions, the construction sector is projected to expand by 9.4 per cent in 2021 and an average of 5.3 per cent per year between 2022 and 2025.

In addition Mr. Speaker, the business services sector is projected to expand by 3.7 per cent in 2021 and grow at an average rate of 2.2 per cent between 2022 and 2025.

Due to the relatively stable rental prices and declines in transport and electricity, inflation is projected at 1.3 per cent in 2021, increasing to 3.4 per cent for 2022 and an average of 2.2 per cent for the next three years.

Mr. Speaker, given the increase in employment opportunities from planned construction projects and the government's policy to prioritise integration of displaced Caymanians in the workforce, the unemployment rate is forecast at 5 per cent of the labour force in 2021, improving to 4.4 per cent in 2022 and averaging 3.6 per cent in the remaining three years.

Mr. Speaker, turning now to the 2022 and 2023 budgets, it is important to repeat that they do not include any new taxes or fees.

Operating revenue for 2022 is forecast to be \$940.9 million with \$897.9 million being coercive revenues and the balance of \$43 million in sales of goods and services, investment revenue, donations and other operating revenue.

In 2023, operating revenues are forecasted to be \$978.1 million with \$934.6 million in coercive revenues and \$43.5 million in sales of goods and services, investment revenue, donations and other operating revenue. Operating expenditure in 2022 is forecast to be \$921.5 million and \$950.4 million in 2023.

Mr. Speaker, during the debate my colleagues and I will provide further details on each Ministry and the planned operating expenditure levels in 2022 and 2023 but at this point, with your permission, I want to outline major cost drivers.

Mr. Speaker, one of the first cost drivers in the 2022 to 2023 budget is personnel costs, which are budgeted to be \$437.2 million in 2022 and \$459.3 million in 2023. These costs are primarily to fund recruitment activities for additional teachers; bolstering of public safety resources in the Royal Cayman Islands Police Service, the Prison Department and the Fire Department and Border Control; increased resources for the promotion and regulation of the financial services industry and increased civil servants' health insurance premiums.

Supplies and consumables is another category where we actually budgeted \$149.4 million in 2022 and \$149.2 million in 2023.

Depreciation is budgeted at \$45 million for 2022 and \$47.5 million for 2023, and reflects the increase in the value of the Government's assets as various capital projects are completed. Mr. Speaker, it is important to remind Honourable Members and the general public that depreciation is a non-cash expenditure item, which recognises the cost of assets through the operating statement in a systematic way over the expected useful life of the asset.

Financing costs, as I mentioned earlier Mr. Speaker: the 2022 and 2023 budget allowed the Government to borrow up to \$299 million in 2022 and a further \$50 million in 2023 for a total of \$349.1 million over the next two financial years.

New borrowing should not be a surprise to the Opposition, Mr. Speaker. In June 2020, the PPM Government established a Stand-by line of credit of CI \$330 million. The purpose of the line of credit was to provide additional financial resources in the event that such resources are needed, and to mitigate the effects of Government's loss of revenue and increased expenditure related to COVID-19. In June 2022, any amount advanced and unpaid under the line of credit will be converted to a 15-year fixed rate, amortising loan.

Again, Mr. Speaker, I want to thank the previous Government, then led by the Leader of Opposition as Minister of Finance, for taking the necessary steps to secure this line of credit; it was the right thing to do. As I said before, we build on foundations we did not lay, and I want to thank them for putting that line of credit in place for this Government, because the country would have needed it if things had gone sideways so, Honourable Leader of the Opposition: I want to say thank you, once again.

Mr. Speaker, the Government has been fortunate thus far that we have sufficient cash reserves to fund all of its expenditures, including unbudgeted costs resulting from COVID-19 and Tropical Storm Grace.

Again, we are able to do this because of stronger revenues than previously expected however, Mr. Speaker, the time has come where the Government can no longer afford to deplete its existing cash reserves and there is a possibility that the Government may need to access the line of credit established by the previous Administration to ensure that the minimum number of cash days remain compliant with the PMFA.

Mr. Speaker, over the budget period, the Government will continue to keenly monitor its cash reserves and cash needs and will only draw down on the loan funds *if and when* it is absolutely necessary to do so. Of the \$349.1 million of intended borrowings, with respect to the 2022 and 2023 financial years, \$303.5 million will be used to fund capital investments by core government and \$59.4 million will be invested in statutory authorities and government companies of which \$45.6 million will be met by borrowings.

As a result of existing and new borrowing, the Government is expected to incur financing costs of up to \$14.7 million in 2022 and \$16.9 million in 2023. These expenses cover the interest payments and other financing costs associated with core government's portfolio of debt, which would increase the \$485.4 million in 2022 and decrease to \$482.1 million in 2023.

I just want to note, Mr. Speaker that [although] the increased borrowings over the 2022 and 2023 financial years will result in a debt to GDP ratio of 9.3 per cent in 2022 and 8.7 per cent in 2023, it will still be one of the lowest debt to GDP ratios anywhere in the world. I can tell you that you will find very few countries Mr. Speaker, with a debt to GDP ratio below 10 per cent and I challenge anyone to google that. If you can find 10 countries, you are good.

Mr. Speaker, I want to inform this honourable Parliament that the Government is conducting an exercise to determine whether its existing debt can be re-financed at low interest rates in order to lower the forecasted financing costs.

Another area that is affecting the 2022-2023 budget is outputs from Statutory Authorities and Government Companies (SAGCs). Mr. Speaker, those are expected to be a total of \$161.9 million in 2022 and \$164.8 million in 2023. The budget in this category will be used to fund most of the following:

- \$50.1 million in 2022 and \$51.6 million in 2023 to CINICO for the provision of health insurance benefits to civil service pensioners and qualified veterans and seamen;
- \$42.4 million in 2022 \$42.2 million in 2023 to the Health services Authority for the provision of various medical services to the community;
- \$18.6 million per year in 2022 and 2023 to Cayman Airways Limited for the provision of international airlift to the Cayman Islands from strategic tourism markets and domestic airlift between these three Islands; and
- \$31.8 million in 2022 and \$33.5 million in 2023 to the Cayman Islands Monetary Authority

(CIMA) for enhanced regulatory capacity to keep abreast of the ever-changing international regulatory requirements.

Another area that will also be impacted in the 2020 and 2023 financial year is outputs from non-governmental output suppliers, which are expected to be \$42.5 million in 2022 and \$50.8 million in 2023. Some of the major items in this category, Mr. Speaker are:

- \$20.9 million in 2022 and \$21.6 million in 2023 for tertiary medical care at various local and overseas providers for uninsured, underinsured and indigent persons;
- \$2.7 million per year for 2022 and 2023 with respect to legal aid services;
- \$7.4 million in 2022 and \$14.9 million in 2023 for the public schools' meal programme; and
- \$2 million per year in 2022 and 2023 for care of indigent and disabled elderly persons.

Mr. Speaker, I want to pause here and thank the Honourable Minister of Education and her team, which includes the Parliamentary Secretary for West Bay Central, for their commitment to this programme. I have had many parents and families come to me to say that they can now send their children to school and do not have to worry if they are going to be fed so Madam Minister, Madam Parliamentary Secretary: Thank you very much.

[Desk thumping]

Hon. Christopher S. Saunders, Deputy Premier: Mr. Speaker, one of the last items that will have a material impact on the 2022 and 2023 financial year are the transfer payments which are forecast to be \$61.5 million in 2022 and \$52.9 million in 2023. These funds will be used to deliver critical social programmes that support our young people in achieving their educational goals and provide vital financial support to the most vulnerable in our society. I will go through some of the major transfer payments in a bit.

Mr. Speaker, we have \$10 million per year in 2022 and 2023 for local and overseas scholarships to more than 2,500 students per year to enable them to pursue advanced studies and acquire the skills necessary for our modern Cayman job market. Also included in the transfer payments are \$13.7 million in 2022 and \$14.5 million in 2023 for temporary and permanent financial assistance to support the most vulnerable in our community; \$11.1 million per year in 2022 and 2023 for Ex-gratia payments to our retired seamen and veterans, and \$10.3 million in 2022 for extraordinary relief stipends, which will be in respect to assistance for persons in the tourism sector.

Mr. Speaker, I just want to quickly turn to the net operating performance of public entities or statutory authorities which are forecasted to incur a net debt of \$35.2 million in 2022 and \$19.1 million in 2023.

Most notably, Mr. Speaker the Cayman Islands Airports Authority is forecasting operating deficits of \$14.9 million in 2022 and \$3.2 million in 2023. The Cayman Turtle Conservation Education Centre Ltd. is forecasting operating deficits of \$8.8 million in 2022 dropping to \$7.1 million in 2023, and Cayman Airways is also forecasting operating deficits of \$7.2 million in 2022 and \$6.5 million in 2023.

For 2022 Mr. Speaker, when considering the forecasted operating revenues of \$940.9 million and the forecast operating and financing expenses of \$921.5 million, core government is forecast to earn an operating surplus of \$19.4 million. When factoring in the forecasted \$35.2 million operating deficit of public entities, the entire public sector is forecast to have an overall net deficit of \$15.8 million for 2022, Mr. Speaker.

For 2023, Mr. Speaker, when considering the operating revenues of \$978.1 million and operating and financing expenses of \$950.4 million, core government is forecast to earn an operating surplus of \$27.7 million. When factoring in the forecast \$19.1 million operating deficits of public entities, the entire public sector is forecast to have an overall net surplus of \$8.6 million for 2023.

Turning now to capital investments and loans to public entities, this Government recognises that public sector capital investments are a necessary and important economic catalyst for the continued economic development of our Islands. The Government intends to make capital investment into Ministries, Portfolios and Offices totalling \$170.1 million in 2022 and a further \$133.4 million in 2023. These planned capital investments will be funded from borrowings. The major investments in this category include \$74.5 million for education, primarily for the completion of the new John Gray High School and the upgrade and refurbishment of other school buildings.

We also include \$53.1 million for sustainable development, primarily for the ReGen Project, formerly known as the Integrated Solid Waste Management System (ISWMS), and the purchase of land for conservation and preservation purposes. \$77.2 million for infrastructure development for the undersea cable project, roadworks expansion, road service upgrades and \$22.9 million for security, for upgrades to the Prison, the new proposed Court House and the purchase of a Coast Guard vessel.

In addition, Mr. Speaker, the Government is also planning to make capital investment in the public entities totalling \$30.4 million in 2022 and a further \$28.9 million in 2023. Some of these investments include \$19 million to the National Housing Development Trust to cover debt servicing obligations and the construction of affordable homes. Mr. Speaker, I want to pause there and speak about that \$19 million.

Again, I really do not want to take any thunder from the Honourable Minister for Planning and Infrastructure, the Honourable Jay Ebanks from the district of North Side, but Mr. Speaker, I am going to say this

much: I have never seen a young person so committed to getting houses for Caymanians and—

[Desk thumping]

Hon. Christopher S. Saunders, Deputy Premier: He has set a very ambitious target of pushing for at least 100 homes per year and Minister, I want to say on behalf of my Ministry of Finance, [that] we are going to do everything we can do to make sure you get the funds to address this national problem, but thank you for your commitment.

Mr. Speaker, also included in these capital investments into the public entities is:

- \$18.2 million to Cayman Airways Limited to cover debt service and operating expenditures
- \$6.4 million to the University College of the Cayman Islands to fund operational deficits' and
- \$5 million to the Cayman Turtle Conservation and Education Centre Ltd. to cover operational deficit.

Mr. Speaker you know, it is kind of weird; the other day, an article appeared in one of the local newspapers that spoke about Government cutting scholarships to pay for board chairman, et cetera at UCCI and, while I do not want to take anything from the Minister of Education and what will possibly be her contribution, I think it is important to set the record straight.

One of the first things that we did when we came in, was to actually increase the funding for scholarships by \$8 million. Naturally, not all the funds were used and of that amount that was transferred from the savings because those were unused, the majority of it actually went to pay for an audit at UCCI. Those are the kind of governance issues—because again, this Government takes governance and transparency very seriously. I mean that was something that needed to be done. I think \$140,000, more than half, was for an audit.

Additionally Mr. Speaker, the board, led by a very competent and able Chairperson who is a former Member of this House, recognised that there are a many things that need to be done and they asked for a Secretariat to help the board. Again, this is something standard in many public authorities and funding was also used to set that position.

When they talk about beefing up salaries, no one stopped to calculate—first of all, they were not working for free; so if you really want to give the proper number, you have to take what they were getting before and minus what they moved to, to see what the real impact was. We do recognise that sensationalism, headlines and all of that make news, but this is what it is about. It really was about governance and putting the proper things in place.

What I can say, is that as per our SPS, we have very big plans for UCCI during this Government's term.

Again, I do not want to take from the Minister of Education, but we also need to make sure that there is a foundation governance structure in place for the University to achieve the full potential that we know it can achieve. That is really what it is about so I ask the public, sometimes when you read these things, just take the time to google it because you could have googled that and realise that back in July we actually increased the spend by \$8 million and nothing was really cut, other than we did not need the full \$8 million that we had actually approved at that time. I just wanted to put that out there.

Mr. Speaker, not to take from the Minister of Tourism. When I look at the Cayman Turtle Conservation and Education Centre, I remember a time where many people had challenges with Turtle Farm when under your government, I think, they were getting like \$10 million per year in subsidy. Of course, all that has been paid off but, if you were to take Turtle Farm, as it was known then, by itself, and take out the debt service obligation, which was \$6 million, the true subsidy to Turtle Farm was really \$4 million and what were we getting for \$4 million? We were getting a government entity that hosted over 200,000 visitors per year, employed 100 Caymanians directly and 500 Caymanians indirectly.

Mr. Speaker, if you can put together a tourism attraction that can accommodate over 200,000 visitors and employ 600 Caymanians directly and indirectly for \$4 million, that's a bargain. I say that to say Mr. Speaker, we need to stop beating down our own people and our own country for many things that we are doing, because there are many good things being done in this country and people are just hell bent to paint a picture as if this is the worst place to live, but yet every day we have hundreds of applications from people who want to come here to live and work.

[Desk thumping]

Hon. Christopher S. Saunders, Deputy Premier: Our people need to recognise what we are sitting on before we lose it. Anyway Mr. Speaker, I had to get that off my chest because I am dying to get into the political stuff, but I know that it is required for the Minister of Finance to go through all of these numbers and finance stuff.

Mr. Speaker, in order to assist with the payment of their ongoing operations under the tourism sector rebounds, core government will also be lending to the Cayman Turtle Conservation and Education Centre and the Cayman Islands Airports Authority a total of \$39.1 million over the budget period, which is \$26.9 million in 2022 and \$12.2 million in 2023.

The loan to both public entities are interest free in 2022 and 2023. Effective 1st January 2024, the loans commence repayment at an interest rate to be negotiated between the Government and the public entities. The loan to the Airports Authority is to be repaid over 15 years, while the loan to the Cayman Turtle Centre is to be repaid over five years.

With respect to compliance with the principles of responsible financial management set out in the Public Management and Finance Act, the Framework for Fiscal Responsibility (FFR), I am pleased to say Mr. Speaker, that the 2022 and 2023 budget forecasts achieve all of these principles. Again, I am very happy and very proud of the Government for making the hard but necessary decisions to ensure that we are in full compliance.

Just for public purposes, I want to walk the Members through those five principles so they can understand what we have worked very hard to achieve. One of the principles is net operating results, which says that Government should have a surplus. In other words, the Government should never have a deficit. Core government revenues should be greater than its expenses. I am pleased to say that for 2022 and 2023 compliance is achieved, as our revenues exceed our expenses in both years. It also says Mr. Speaker, that our net worth should be positive, which means our assets minus our liabilities should be positive. I am pleased to say that our Government's net worth is forecast to be \$1.3 billion at the end of 2022 and \$1.4 billion at the end of 2023.

The principle also requires us to have a debt servicing ratio. The annual payments of interest and principles related to all public sector borrowing commitments should not be more than 10 per cent of core government's revenue. I am pleased to say that again, through this team's commitment, dedication and hard work, core government is forecast to have a debt-service ratio of 7.4 per cent in 2022 and 8.3 per cent in 2023.

I want to pause a bit here, Mr. Speaker, to explain to the public that what the principle basically requires is the Government's debt service ratio. So only the core-government ratio is being factored in to be used. We cannot take any of the revenues from the government entities or statutory authorities, but we have to factor in all their debt and the argument behind that, is that if something were to go wrong with them, they would still have to turn to the government so basically, it is core Government that has this responsibility and that's why it is really in the best interests of core government to lend to the entities sometimes. It may help a little 0.1 point or 0.2 difference because we do have other capital projects and we have set an internal target where we want to keep this number below 8 per cent. If an emergency happens, we basically have some flexibility to do more.

What we do not want to do, Mr. Speaker, is to carry it to the maximum and then find ourselves in a situation where an emergency pops up and we are not able to help ourselves and then we have to turn to the UK for permission. It is really the wise and prudent thing to do and again, I want to thank the Honourable Premier for pushing that point through to make sure that we have ample flexibility and we keep ourselves with some level of independence. Thus the reason we had to scale

back several things that we wanted to do—to reduce our borrowing in the event of an emergency.

Mr. Speaker, we have to be mindful that we live in a hurricane belt. Experts will tell you that every year, we are always one away from a big storm coming, so at a minimum we need to make sure that we leave ourselves some flexibility to prepare for emergencies the likes of Ivan, et cetera, were those to occur. That is one of the reasons why we are trying our best to make sure that number stays. Internally, we have set a target of 8 per cent that we want to achieve, even though it is coming at 8.3 per cent, but we will see the best that we can do.

Another thing included is net debt, which is the total debt of core government plus the weighted average debt balance of public entities, less core government's liquid assets should be no more than 80 per cent of core government revenue for the fiscal year, so 80 per cent is the target, Mr. Speaker.

I can say that our net debt ratio is forecast to be 18.6 per cent in 2022 and 27.6 per cent in 2023, which is well below the 80 per cent requirement and I really do not see that target being blown any time. Again, I want to thank previous Governments including yourself, Minister Julianna, Mr. Archer and the Honourable Leader of the Opposition, for maintaining a policy where we have flexibility within those margins.

Last but not least, our cash reserves. Mr. Speaker, the unrestricted cash reserves, which is the operating bank account and general reserves of the core government, measured at the lowest point in the fiscal period, should be sufficient to cover 90 days of core government's estimated operating expenditures. I can say that for 2022, the Government is forecast to have sufficient cash reserves to cover approximately 137.9 days of operating expenditures at the lowest point during the financial year, and in 2023 it is forecast to be 95.9 days of cash reserves. Again, both years are above the 90-day minimum requirement. A lot of hard work by a lot of good people.

Mr. Speaker, the appropriations outlined in the Bill before Parliament and the accompanying budget documents set out a clear plan for how the PACT Government intends to utilise, and prudently manage, our financial resources. The 2022 and 2023 budget ensures that the Government has the resources to continue to make progress towards achieving all of its broad outcomes placing particular emphasis on education, healthcare, social welfare, sustainable development, financial services and tourism.

In other words, with this budget, we are reaffirming and carrying through our commitment to investing in the well-being, resiliency and sustainability of the Caymanian people and the Cayman Islands. Mr. Speaker, as you are no doubt aware, the appropriation of the Government's budget is a massive undertaking and it is only possible with the commitment and dedication of the civil service. I [therefore] want to take this time to thank His Excellency the Governor. I must say—

and I have said it to him outside of Cabinet so I can repeat it—barring our one major [dis]agreement on that issue sometime last year, I have found him to be a good and decent person to work with; very approachable, very professional and genuinely means the Cayman Islands well.

I must say that I enjoy working with him and while he announced today that he is entering his full last year as Governor, I really do hope that the folks at the Foreign, Commonwealth and Development Office (FCDO) approve, or at least send him back, for at least another term. He is a good man and he means the Cayman Islands well; I can tell people that after having worked very closely with him.

[Desk thumping]

Hon. Christopher S. Saunders, Deputy Premier: Mr. Speaker, I also want to thank the Honourable Premier. Having been Premier yourself, I do not need to tell you how difficult it is to manage politicians, but I can tell you that there are days, that I do not know how the Premier does it.

[Laughter]

Hon. Christopher S. Saunders, Deputy Premier: Listen, we all may be nice here now and we may look matching and everything but Mr. Speaker, every single person came with their own priorities, promises and commitments that they made to their constituencies.

I can say that I am deeply moved to see Ministers who started this process insisting on getting X Y Z but at the end of the day, for the greater good said, *you know what, if the money is going to be used for education and healthcare, I will give this or that up.*

This is what politics is really about and I really want to thank the Premier for refereeing many of these arguments. I know sometimes he may be itching to say, *'Jesus, have mercy, what did I sign up to?'* But at the end of the day, we start with prayer and we leave in a prayerful moment, because we always leave pretty much on the same side—I am not going to say hunky-dory.

I am sure you know about it too, because many times I remember you calling me, *'Chris, come pick me up, I cannot stand these people'*, so I know what that feels like.

[Laughter]

The Speaker: I have said that?

Hon. Christopher S. Saunders, Deputy Premier: Yeah, you did many times, but that is fine, it is part of politics because we are all passionate about what we want, but it still all about compromise and I really want to thank the Premier for his patience in putting up with many of us because trust me, it is not easy. If you think

I am difficult... I do not even bother say anything, but they know what it is like, so I really want to thank the Premier for this.

I also need to thank the Cabinet Ministers and the Parliamentary Secretaries because, when I look at this Mr. Speaker, it is a lot of work. It is not easy and I can tell you, sometimes Minister Bryan and I would talk about the amount of free time we had when we were in the Opposition. Some days you are like *boy*, you know? But, being in a position to make policies, like this Government has. I mean, just recently, one of my campaign promises was removing the duty on sanitary napkins for women, baby food, baby diapers, formulas, et cetera, to help our seniors...

This is what sitting on this side is about and I really want to apologise to my friend, the Member for Bodden Town East, Mr. Dwayne S. Seymour. Four years ago, when he was basically telling me, '*boy Chris, you need to be on the Government side, you know, that is where you get things done*'. It is only when you sit in Opposition, then sit on this side, that you appreciate what it means to sit on this side, to be able to say to a parent, '*we are going to get you free lunches for your kids, we are going to be able to do this, we are going to take duty off*'.

I mean, sitting on that side Mr. Speaker, you write motions and ask the Government to 'consider'. On this side, you do not have to ask the Government to consider, you do.

[Inaudible interjection]

Hon. Christopher S. Saunders, Deputy Premier: Oh, I know that you know that. You do, so, the advice from the Member for Bodden Town East four years ago when he said to me, '*boy Chris, you need to come on this side if you want to get anything done*.' I can say to him that he is right and Mr. Seymour, I am saying to you, on behalf of the people of Bodden Town, you have one half and I have the other half, there is a lot of work to be done and if you want to get some stuff done for your people, I can tell you that I welcome you on this side—

[Desk thumping]

Hon. Christopher S. Saunders, Deputy Premier: — because at the end of the day, I know your heart is in the right place. Politics aside, I know that your heart is in the right place and I know there are many things that you want to get done and I am not going to sit here and tell you to leave here, doing stuff, to go there to ask the Government to 'consider'. Just come over here and we do it together. I want to put that there for you.

[Desk thumping]

The Speaker: Is that a part of the budget?

Hon. Christopher S. Saunders, Deputy Premier: No, listen, listen, I will tell you Mr. Speaker, that it is good when you can just meet in Caucus, you have an idea, you put it out there and the following week a Cabinet paper comes and you start to see policy move. It makes a big difference.

It takes a lot of time to do it and you miss hanging out with your constituents and doing things in your constituency, but when you can go back and say to them, '*I may have been putting in some long hours, but this is what it was for; this is for your free lunches, this is for your undersea cable to make sure we got connections going, these are all the wonderful things that we want to do*'. So, I want to put that out there.

Equally Mr. Speaker, I also have to thank the other ex-officio Members of Cabinet, the Honourable Deputy Governor. This morning I called him on the way in and I said to him, '*why is it that I called four civil servants and could not get them, and I called you and got you*'; and I turned to Mr. Wood and said to him, '*you know, one thing I have to say about Mr. Manderson: even before I was elected, he would either take or return your call and he has always been very professional in that regard*.' Mr. Manderson, boy, sometimes I wish I was able to do that, but that is a gift in itself and I want to say thank you for that.

Also the Honourable Attorney General. Mr. Speaker, he is a hard-working man and he represents what Cayman Islands are about when we talk about integration; people coming here, integrating into the community and becoming one of us. He has become a mainstay and is a wealth of information and, while I will not get into his accent whenever you go to him— '*you know, Deputy Premier, this is what we can do*.'

[Laughter]

Hon. Christopher S. Saunders, Deputy Premier: It is always appreciated when he starts out that way. It makes a big difference, you know.

Mr. Speaker, I really want to thank all the staff in the civil service and to echo the Premier, which they already know, in terms of the honorarium that is being paid this month.

Much of it came from many sacrifices because what the public may not realise, is that much of it came from actual savings, from better than expected performance, which means people working late, people spending time away from their families and, while we wish we could have done more, I am sure they understand that in this global pandemic environment where we are still stretched and we are still looking at having a deficit for this year, we nonetheless believe that that small gesture was needed for many people who work really hard for our country, you know.

Mr. Speaker, I also really want to thank the staff here at the Parliament. I mean, unlike most civil servants, who may see Ministers come and go and sometimes may not see them at all, these people have to

work with politicians around the clock, and Mr. Speaker, I can tell you dealing with politicians is not easy. And Madam Clerk, sometimes I can see that little look on your face and I know that you want to say something. I am like, *'one of these days, I know Ms. Zena is going to say it and I hope to God I am around there when she goes off.'*

[Laughter]

Hon. Christopher S. Saunders, Deputy Premier:

Nonetheless, it is all a part of getting the people's business done because as I said before, Mr. Speaker, the system of democracy that we have is one that was born from disagreement, it was born from division, it was born from discord and dissent, but what it says is that we have dialogue, debate, discussions, diatribe, and we find consensus. This is what the business is about. So we all have our role to play and I just really want to thank people because like I said, this is a lot of work and every single government Department, Ministry—everyone contributed to this. This is the collective efforts of more than 6,000 public servants represented in 3,500 pages, so it is not a small feat and for those who have done it before, I am sure you understand where I am coming from.

I really have to take time again to thank my two Chief Officers, Messrs. Wesley Howell and Ken Jefferson, for the work they have done and for making my life much, much easier.

Mr. Speaker, I want to close by saying that, while COVID-19 has dealt us a hand which has stressed our main economic pillars, we have certainly been shaken but the Cayman Islands have not bowed. We are living on strong foundations that were built by many who went before us and while this Government would love to take credit for many things, the truth of the fact is that seven months cannot compare to the six, seven decades of people who went before us and laid the foundation that we have. I am not going to sit here and insult anyone's hard work by saying that we have performed a miracle in seven months, but what I can say to you is this: over the next three years, we are going to be working very hard to make sure that those who come behind us—hopefully it will be us for another term—will be able to say, *you know what, we are building on something else because it does take a lot of work.*

I have had disagreements with many people putting this budget together, I know that I have stepped on many toes to get this budget to where it is but, at the end of the day, this is what the business of working for our people and doing the people's work is about. I want to say that this budget continues to ensure equitable distribution of stimulus resources to residents, with an intentional focus on those who have been hurt most by this pandemic.

As custodians of the public's purse, Mr. Speaker, we have ensured no new burdens have been

placed on the shoulders of our people and that investment on our people and infrastructure remains a top priority. I am conscious that many Caymanians face, and continue to face, enormous difficulties and challenges and we ask you to take courage and share the hope that our best years are still ahead of us.

Mr. Speaker, today I want to leave you, all the Members of this honourable House, and the country as a whole, that this PACT Government is on a path to leave this economy better than we found it. I quoted Reverend Peter Raible at the start of my budget address, Mr. Speaker, noting that this and previous governments have all built on foundations we did not lay, having been entrusted by the people to continue building responsibly for our society's collective future.

I would like to close with some further words from Reverend Raible, which underscored the importance of joining together as we move forward. He said:

**“Together, we are more than
any one person could be,
Together we can build across generations,
Together we can renew our hope and faith
in the life that is yet to unfold.
Together we can heed the call
to a Ministry of care and justice.
We are ever bound in community;
May it always be so.”**

Mr. Speaker, I now humbly commend the Appropriation (Financial Years 2022 and 2023) Bill, 2021 to Parliament and I ask all Honourable Members for their support of this Bill.

May God continue to bless these Islands, the Caymanian people, and everyone who call the Cayman Islands home.

Thank you, Mr. Speaker.

[Desk thumping]

[Pause]

MOTION FOR THE DEFERRAL OF DEBATE ON THE BUDGET ADDRESS

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Thank you. Mr. Speaker.

Mr. Speaker, I would like to move the following motion: **“BE IT RESOLVED** that the debate on the budget address be deferred until Monday, 29th November 2021.”

The Speaker: The question is: **“BE IT RESOLVED** that the debate on the budget address be deferred until Monday, the 29th November 2021.”

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

Agreed: Debate on the budget address deferred until Monday, 29th November 2021.

MOTION FOR THE THRONE SPEECH AND BUDGET ADDRESS TO BE DEBATED SIMULTANEOUSLY

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Thank you, Mr. Speaker.

Mr. Speaker, I move the following motion “**BE IT RESOLVED** that the Throne Speech and the Budget Address be debated simultaneously on Monday, 29th November, 2021.”

The Speaker: The question is: “**BE IT RESOLVED** that the Throne Speech and the Budget Address be debated simultaneously on Monday, 29th November, 2021.”

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

Agreed: Throne Speech and Budget Address to be debated simultaneously on Monday, 29th November 2021.

ADJOURNMENT

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Mr. Speaker, thank you very much.

I would like to thank all Members for their attendance today and the good work done, particularly by my colleague the Deputy Premier, Minister of Finance in Tabling these budget documents for the years 2022 and 2023.

We will resume on Monday, sir, so I move a Motion for the adjournment of this honourable House until 10 a.m. on Monday, 29th November 2021.

The Speaker: Monday is a good day. I should say it is 46 years that I will be married to my wife on Monday.
[Desk thumping]

The Speaker: So if we can begin Monday, as good as I began 46 years ago, we will have a good time on the budget.

[Inaudible interjection]

The Speaker: The question is that this honourable House be now adjourned until Monday morning, 29th November at 10 a.m.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

This honourable House stands adjourned until Monday morning at 10 a.m., God willing.

At 4:19 pm the House stood adjourned until Monday, 29th November 2021.