



Legislative Assembly of the Cayman Islands

PRIVATE MEMBER'S MOTION NO. 7 OF 09/10

RECONSIDERATION OF DECISION TO DIVEST GOVERNMENT ASSETS

WHEREAS in the Budget Address, Policy Statement and Annual Plan and Estimates delivered by the Government on 2nd October, 2009 the Government proposed to balance the budget by selling certain government owned assets totaling approximately \$72M;

AND WHEREAS the need to sell key government assets has arisen because of the Government's decision to attempt to eliminate the Government's operational deficit in the course of one fiscal year;

AND WHEREAS the Government has identified the new Government Administration Building, currently under construction, as one of the government assets it intends to sell and has in fact advertised the said building for sale and invited expressions of interest;

AND WHEREAS the Government has stated its intention upon the sale of the Government Administration Building to lease back the said building for use as the principal government office accommodation, housing the offices of the various ministries, portfolios and departments of government;

AND WHEREAS on October 1st, 2009 in a reply to a letter dated 30th September, 2009 from the Premier (then Leader of Government Business) the Hon. Chris Bryant, Parliamentary Under-Secretary for State with responsibility for the Overseas Territories, stated:

"I infer from your letter that you propose to meet the bulk of the cost of reducing the deficit by the sale of Government assets. This may be part of the way forward. Your proposal to bring your Government's budget in to full compliance with your PMFL in the course of this financial year is impressive. But it is a significant departure from the borrowing requirements you presented to me only a few days ago so I urge you to ensure the long term costs of such action are fully weighed against the short term benefits. As I know you well understand, my concern in this matter is to ensure the sustainability of CIG public finances. For the most part this is reflected in our application of Borrowing Guidelines but I would have concerns if CIG put long term sustainability at risk through a rapid depletion of Government assets, or through certain types of public private partnerships and I would want to take a close interest in any such proposals."

AND WHEREAS the result of the sale of the new Government Administration Building will be to divest government of a key asset, cause government to pay additional rent and place the seat of government into private ownership;

AND WHEREAS the proceeds of sale from the divestment of the new Government Administration Building will produce the benefit of immediate revenue in the short term, in the medium to long term it will result in the erosion of government's asset base and increased operational expenditure as government is required to increase lease payments;

NOW BE IT THEREFORE RESOLVED THAT the Government do reconsider its proposal to balance the budget by the divestment of government assets and in particular, the new Government Administration Building;

AND BE IT FURTHER RESOLVED THAT the Government considers entering into discussions with the United Kingdom Foreign and Commonwealth Office with the objective of agreeing a plan by which the operational deficit of the Cayman Islands Government will be eliminated over the course of the following 3 years without the need to dispose of key Government assets.

Moved by: D. Kurt Tibbetts, JP, MLA
Leader of the Opposition
First Elected Member for George Town

Seconded by: Alden McLaughlin, J.P., MLA
Third Elected Member for George Town

Tabled in the Office of the Clerk of the Legislative Assembly this 16th day of February, 2010.

Passed/Rejected by the Legislative Assembly of the Cayman Islands this day of 2010.

Clerk of the Legislative Assembly