



CAYMAN ISLANDS

GOVERNMENT

TOWARD
A BETTER TOMORROW

2015/16 Policy Statement
Delivered Friday, 15 May, 2015
Premier Hon. Alden McLaughlin, MBE, JP, MLA

Madam Speaker,

Before I have the honour and privilege of highlighting some of the vast successes and accomplishments of our Government and setting the tone for the next fiscal year and beyond, I find that we are at a juncture in our history when the following words from that great Bard of Avon William Shakespeare ring true:

“There is a tide in the affairs of men.

Which, taken at the flood, leads on to fortune;

Omitted, all the voyage of their life

Is bound in shallows and in miseries.

On such a full sea are we now afloat,

And we must take the current when it serves,

Or lose our ventures.”

Those words are from Shakespeare’s Julius Caesar. And as I rise to deliver the Government’s Policy Statement for the 2015-2016 Fiscal Year, it strikes me that indeed we in this Honourable House have a choice to make. We can remain unchanged and unchanging and in so doing flounder in misery in the shallows – going nowhere. Or we can bravely take the flood tide and move forward. We on this side have made the choice to embrace

change and progress. I believe that it is evidenced in the work we have done in the past two years and will become even more obvious as I outline to this House and to the Country, in short order, the direction this Government is heading.

But before I do, I wish to thank the Governor for presenting the Throne Speech and for her wise council and support of the Government. I also thank the Minister of Finance and his team for their tireless efforts in bringing us the 2015-16 Fiscal Budget, which he will present shortly. That budget, Madam Speaker, is based on sound financial plans and strong economic growth coupled with a frugal and sensible attitude toward spending and minding the public purse.

I have no doubt that the budget the Minister of Finance is presenting to the Honourable House today is a budget for economic growth. It is a budget for jobs and a budget for prosperity. It is a budget that cuts the burden of taxes so as to benefit families and businesses while securing sound government finances and reducing debt. In short, Madam Speaker, it is a budget that takes us toward a better tomorrow that this Administration set out to achieve when we came to office two years ago.

And importantly it is a budget with no new revenue measures this term; none in this budget and none planned for the remainder of the term!

In two weeks this Government will mark the midterm of its service to these beloved Isles and I will bring our Mid-Term Report to this House where we will speak to our many accomplishments.

However, let me pause Madam Speaker to reflect on the progress that has been made over the past two years. I will speak more about these issues later, but let's just take a look at the headlines.

First, I want to touch on the recovery of Cayman's economy:

An economy that is now stronger and more sustainable with growth up to 2.1 per cent this year and projections that it will continue to rise.

An economy where business confidence has been restored and private sector investment is growing and set to grow further with major private initiatives such as the Kimpton Hotel, expansion of Camana Bay and the redevelopment of the old Hyatt site.

An economy where hundreds of private sector jobs are being created because of that increased confidence, and where overall unemployment has fallen from 6.3 per cent in 2013 to 4.7 per cent as of December 2014.

An economy with tourism numbers growing at record levels with key stay-over numbers up by an impressive 10.84 per cent in calendar year 2014 over the numbers in 2013, and with cruise tourism up 16.98 per cent for the same period.

An economy, Madam Speaker, with growing diversity in the economic base, from health tourism, the maritime industry and our own small business sector reporting strong growth and confidence in Cayman's future.

Secondly, we look to the restoration of stability to Government finances. The Minister of Finance will address this at length and when he does he will speak to a budget that will bring us back into full compliance with the Public Management and Finance Law tests.

It is a budget that continues Government's firm control over expenditures and delivers strong revenues and surpluses. A budget that,

under this Administration, operates from a position of cash rather than an overdraft and one that has and will continue to reduce Government debt.

These things have not happened by chance, Madam Speaker. They are the direct result of this Administration's sound planning and disciplined implementation of those plans. It is the determination of the Progressives-led Government to deliver on the tough plans we set ourselves two years ago to bring Government finances back under control. It is that same determination that is driving economic growth.

But our approach has not just been confined to the economy and Government finances, Madam Speaker. This is a Government that is willing to take the actions needed to achieve our broader ambitions for our Islands and the welfare of our people. While previous administrations have talked, we have acted. Again I will share some highlights.

This Government has taken steps to implement a National Minimum Wage, delivering not only on a key manifesto promise but also addressing a vital plank for economic and social justice.

We have reduced duties on some imported goods including diesel used by Caribbean Utilities Company, lowering the electricity costs for

businesses and families. Those reduced costs will remain whatever happens to the price of diesel in the future.

Beginning in July, the Civil Service will receive a much-needed cost of living increase, which will not only provide the public sector some financial relief, but will also benefit local merchants and therefore the economy as the spending capacity of civil servants is increased.

I wish to thank our employees within the Civil Service for once again not only meeting but exceeding the Government's financial targets and I implore them to keep up the good work in the new fiscal year. The past year's financial performance has only been possible through shared sacrifice as many departments have had to cope with fewer resources to meet the same or increased demands for services.

We have enacted the National Conservation Law and paved the way for further marine protections, demonstrating our commitment to getting the We have delivered on the commitment to move forward with electoral reform, looking to introduce One Person One Vote and Single Member Constituencies – key principles in accountable and democratic government. The Boundary Commission is now in place and at work.

balance right between economic growth and protection of our precious environment.

And we have delivered on our promise to consult on Sunday trading, which led to changing the Sunday Trading laws to bring the legal framework in line with both retail practice and customer preference.

As positive as this picture is for our Islands, we are not satisfied Madam Speaker. This is a Government committed to progress, to moving this country forward to a better tomorrow. Achieving stability today has been our first goal, because without it we cannot move forward with any measure of certainty. Having achieved that goal, we can now turn our attention from regaining stability to energizing this country in the drive for prosperity.

With that in mind, Madam Speaker, I want to highlight some of the plans already in place for the coming years.

We are delivering key infrastructure improvements with the airport redevelopment and new cruise berthing facilities that will support current and future business and economic development.

We are creating a new Maritime Park in partnership with Cayman Enterprise City to further grow our maritime sector.

We are supporting the continued development of Health City, which has now achieved full accreditation as a Joint Commission International Certified hospital.

And we are modernizing our legal framework to not only protect intellectual property to support creativity and innovation, especially in knowledge-based business sectors, but to also attract much needed new business to our shores.

Madam Speaker, the prosperity for which this Government so fervently strives cannot be that which just lines the pockets of the few. I am a Progressive, not just in name but in philosophy, in principle and in practice. The Progressives-led Administration I lead will ensure that families and small businesses feel the benefits of economic success right across these Islands.

And so Madam Speaker I am pleased to announce that we will be doubling the relief we have already given on diesel that CUC uses by another 25-cents per gallon. This will come into effect in January 2016, meaning the public will benefit from a further reduction in their power bills. This means that the entire 45-cent increase that the UDP added during its administration will have been rolled back and the fuel duty will have moved

from a high of 75-cents per gallon under the UDP to 25-cents per gallon, the lowest it has been for quite some time, under this administration.

We are supporting the employment of more Caymanians by strengthening the National Workforce Development Agency, developing apprenticeships and investing in education, including local and overseas scholarships.

We are acting as swiftly as possible on a long-term solution to the country's waste problem. In the next couple of months we will offer everyone the chance to be part of the debate on the future of our waste management strategy. We want the public's input before next year's tendering for alternative 21st Century waste facilities and to resolve the problems faced at the current George Town landfill.

A Disabilities Bill will soon go out for public consultation. Among other matters, the Bill is expected to cover the rights of persons with disabilities and the establishment of a watchdog Council with a supporting Secretariat.

We will amend our antiquated Liquor Licensing Law to level the playing field for businesses and to remove the ability to treat liquor licenses as a commodity for trade.

And we will pass the long-awaited Builders Bill into law to not only protect consumers, but to also ensure that the key construction industry is better regulated and well poised and prepared to take on the future development needs of the country.

In just two short years we have done all of that, Madam Speaker, and those were just the highlights. So let me now focus on the details of our progress and plans.

As I have stated previously, our main objective has been and continues to be economic growth and stability. Because a strong economy is the life blood of our country, it is at the centre of all decisions and actions this Government takes and makes. To help move the economy from strength to strength, we have focused on four main levers:

First, **Good Governance**. I am speaking here Madam Speaker of sound financial management, long-term development and planning, ethical leadership, openness and transparency, community engagement, and, importantly, delivering on what we promise.

One of the first decisions we made after the election was to propose a credible three-year financial plan to the country and to the UK that would

put Government finances on solid ground. And the outcome has been budgets that produce strong revenue growth with controlled expenditure through disciplined financial planning that have led to good surpluses. The outcome has also been budgets that have consistently met the required legislated appraisal and value-for-money tenets that looked at reducing debt and were presented to the UK on time and were approved by them without issue each time.

We have a history of strong financial management, discipline, planning and delivering on what we say we will do. That's progressive Madam Speaker.

Compare that to the chaos of the previous UDP government's budgets. Not only were they bad for the country in their own right, they led to the UK intervening and forcing the UDP and its leader to first sign up to the Framework for Fiscal Responsibility requirements, and when that did not sufficiently work, to place those requirements into law. All to ensure that the then-premier would have to keep the promises he made, to live up to his obligations and to stop wasting millions of dollars and frittering away valuable opportunities to improve this Country's economy.

Madam Speaker, this Government has needed no such outside influences or threats. We have been clear on our plans and we have delivered on our promises to the Country and delivered on our legal constitutional obligations to the UK. However, we have delivered them not to please the UK, but because they are right for our Country.

Because of our management of Government finances, coupled with an improving economy Madam Speaker, we are increasingly in a position to share the benefits of budget surpluses with the wider community. This strategy has allowed for the additional reduction in CUC fuel duty and to provide a 4 per cent cost of living increase to the civil service. We know, though, that we need to do more to address the standard of living for Caymanians, including civil servants.

With regard to the public sector, we recognise the concerns expressed from many quarters regarding pay disparities. This is a matter the Government has taken very seriously and we are looking at how best to address it in an affordable and sustainable way.

What has also helped not only civil servants but the entire country, Madam Speaker, was the two per cent reduction last year on duties on

imported goods that were formerly charged a duty at 22 per cent, 2 per cent tax increase that had been imposed by the UDP administration.

I am also pleased to remind the House that not only is this Government bringing forward legislation to implement a minimum wage, but we are also doing so after years of prevarication by many administrations. Personally, I am incredibly proud of the fact that ours is the first government to address what the law has allowed for 50 years: to get sound advice and take an educated and informed decision on a minimum wage.

This was a key plank in the Progressives Manifesto and we look forward to seeing it move to completion. As members know, the Minimum Wage Advisory Committee's report was laid on the table of this Honourable House when we last met. I again commend the Minister of Education, Employment and Gender Affairs for her dedicated work in seeing this issue through, as well as the Chairman and members of the Minimum Wage Advisory Committee.

Therefore Madam Speaker I am pleased to advise that Caucus and Cabinet have accepted the recommendations of the Advisory Committee, including those recommendations regarding the introductory rates for the minimum wage. We anticipate implementing a minimum wage with effect

from 1 March, 2016. Madam Speaker the time in the interim will be used to not only prepare and educate the public, but also make legislative and other changes that will be required. The Minister of Employment, I am sure, will speak more to this during her contribution to the debate.

Madam Speaker, **Good Governance** also means providing a responsive service to the people of the country. It means a public service that gets the basics right. It means value for money and a focus on the customer. I support the efforts of the Deputy Governor regarding improvements to customer service within the civil service. I will speak more on Project Future and the EY Report a little later, but this Progressives–led Administration remains committed to making changes that will continue to drive a leaner and more efficient Government.

The procurement process has also seen improvements under this Government. I will not rehash the many failings of the previous administration around bad procurement practices that in the end delayed needed projects and in some cases cost the country a lot of money. But I will assure the people of this country that we are not going back to those days, Madam Speaker.

Instead, with the establishment of a Central Procurement Office, the Ministry of Finance will work toward the development of legislation that will standardize Government's procurement processes and create efficiencies and savings. The Ministry of Planning, Lands, Agriculture, Housing and Infrastructure has also centralized and tightened up on policies around the purchasing of government vehicles. All of this will ensure that Government receives value for money and the best prices as part of the procurement process. I wish to thank the Minister of Planning, Lands, Agriculture, Housing and Infrastructure for his efforts in this regard and indeed in his efforts to bring as many departments into the Government Administration Building to save on rents and get the best use out of the building as possible.

Madam Speaker, our Progressives-led Administration will also implement the Standards in Public Life Bill. It's another way for us to demonstrate to the country our honourable intentions by holding those who are elected, or who do work on behalf of the public, accountable.

Madam Speaker, you will be pleased to note that in order to improve the functioning of this legislature I am proposing to set up a committee to review the Standing Orders of this House with a view to producing a set of

modern Standing Orders that will govern the operations of the legislature. In addition, I am proposing to also set up a separate committee to review and advise on transferring responsibility for the management of the legislature from the office of the Deputy Governor to the Speaker of the House.

These are all important factors in improving governance of the Cayman Islands

The second lever used to stimulate the economy by this administration is **Support for the Key Tourism and Financial Service sectors**. To provide this support, we must listen to their needs, their expert advice and engage with them in two-way dialogue. Whether for needed legislation, or employment matters, including opportunities for Caymanians, Government and our two pillar industries must act as partners and look to ensure that not only does business grow but that Caymanians benefit from that growth. And so we must listen and try as best as possible to see how we can reasonably accommodate needs.

By way of example, Madam Speaker, for many years, those in the Financial Services and Tourism sectors have asked Government to consider implementing Daylight Savings Time noting a myriad of financial

and other benefits. In October last year I advised the Country that a public consultation process around the issue would commence. In late 2014 a public survey was undertaken by the Ministry of Financial Services, Commerce and Environment that concluded that the majority of people responding were in favour of implementing Daylight Savings Time and believed the benefits would outweigh any inconveniences.

After careful consideration, Madam Speaker, Government has agreed to move forward with legislation to implement Daylight Savings Time. We believe, as does the business community and those who support the implementation, that the benefits are clear, Madam Speaker, including elimination of confusion over travel times, putting our financial industry in sync with New York, and putting an end to early arrivals and departures of cruise ships, benefitting stores, restaurants, taxis, tour operators and many more small businesses. Not only could businesses better cater to customers, but hopefully they will be able to make more sales and get more taxi fares. It also means those living on our Islands will enjoy an extra hour of daylight in the evenings. All of this could mean millions more in our coffers and the added hour of sunlight after a hard day at work will also be

a blessing. We believe the time for change has arrived and we propose to introduce Daylight Savings Time to the Cayman Islands in March 2016.

In the tourism sector, Madam Speaker this Government is driving ahead with a clear strategy, developed and delivered in partnership with the industry. The evidence of success is all around us. We are growing our visitor arrival numbers to record levels as I have said previously. We are working with the private sector to increase our room stock and are maintaining good relationships with cruise lines and airline partners to ensure that routes into Cayman – by sea or air – are maintained and improved where possible and needed.

Cayman remains a very attractive visitor destination where natural beauty combines with a great visitor experience, bolstered by a relatively low crime rate.

Our future support for the tourism sector will see us working with various agencies to ensure that our tourism-related workforce is prepared to meet the demands of our visitors and that the workforce is inclusive of Caymanians. This is a two-way street with the tourism sector being willing to hire and train Caymanians and where Caymanians must be prepared to enter the industry and work. In addition, I am sure Members are familiar

with the improvements made to the Charles Kirkconnell International Airport on Cayman Brac and the ongoing improvements to the Owen Roberts International Airport on Grand Cayman. The Northeast region of the United States continues to be our largest key market for visitation and our efforts to see growth from this market will continue. The Deputy Premier is known for his passion for everything tourism and it is this enthusiasm, coupled with his can-do attitude, business savvy and hands-on approach that helps ensure the success of our tourism strategy.

As for our Financial Services Industry, Madam Speaker, this Government is committed to the process of keeping our legislative and regulatory framework relevant and up to date so as to enhance our competitive position and create new opportunities for Cayman.

In the coming fiscal year, we will introduce a raft of legislation that will bode well for those doing and interested in doing business in the Cayman Islands.

For more than 15 years successive governments have attempted to modernize Cayman's legislation regulating the practice of law in these Islands. Despite those efforts; however, the legal profession is still operating under the provisions of the 1969 Legal Practitioners Law, which

was passed at a time when there were fewer than 30 lawyers in the Cayman Islands and the Financial Services Industry as we now know it was in its infancy. There are now 627 attorneys licensed to practice in these Islands and 56 law firms with a further 14 that are dedicated solely to financial services. Many of these firms have international offices with lawyers practicing Cayman Law in places such as London, Hong Kong, and Bermuda. The present Legal Practitioners Law is woefully inadequate to address the sophistication of the profession and the business it conducts in the Cayman Islands.

And so, after consultation with both the Cayman Bar Association and the Cayman Islands Law Society, the Government is proceeding to have drafted a new Legal Practitioners Law that will address - in a comprehensive way - the regulation of the legal profession in the Cayman Islands as well as lawyers and the firms that practice Cayman Law in other jurisdictions. The Government is deeply conscious of the long standing and justifiable concerns of Caymanian articulated clerks and lawyers about their prospects for training and career advancement in Cayman law firms. The Government will therefore ensure that concomitant with a new Legal Practitioners Law will be legislative provisions based on the International

Bar Association Best Practice Guidelines with respect to recruitment and retention, training and development, remuneration and benefits, and career development to which all law firms will be required to subscribe. The Government will continue its discussions with both law associations as we progress the new legislation and hope to bring a new Legal Practitioners Bill to the House before the 2016-17 fiscal year.

We will also bring Limited Liability Company legislation as well as Limited Liability Partnership legislation. Amendments will also be made to the Trusts Laws to address certain anomalies from the original legislation, which have developed over time. We will repeal and replace the Public Accountants Law to introduce a modernized system for the regulation of public accountants and make amendments to the Auditors Oversight Authority Law. Amendments will also be made to the Companies Law, the Regulations under the Insurance Law and we will implement enhancements to Cayman's framework for monitoring and enforcement of ownership information as detailed in the Consultation Report on Maintenance of Legal and Beneficial Ownership Information. I wish to commend the Minister of Financial Services, Commerce and Environment for not only his hard work, as evidenced by the number of legislative items

in train, but also for his able stewardship of all the varied aspects of Financial Services.

Our third main lever to help move the economy from strength to strength is **Infrastructure Development**. We have many projects in the works to not only improve but to also diversify the economy. Many of those are projects that we have already begun or that are close to fruition, including improvements to the Owen Roberts International Airport, the cruise berthing facility, a solid waste management system and ongoing and planned road works, some of which form part of the Revitalization of George Town project.

All of us who travel through the Owen Roberts International Airport can appreciate the temporary measures that have been taken to relieve overcrowding, but there is more to come. As has been said before, construction on the new \$55 million terminal expansion project will commence in this next fiscal year. We also plan to complete runway strengthening to accommodate the British Airways Boeing 777, which will commence service to Cayman in March 2017. A new car park payment system is also on the way.

As for cruise berthing, in this upcoming fiscal year detailed design development will be conducted, including a physical model investigation, a land side master plan, development of a base design and the preparation of tender documents.

Improvements to our largest airport and the final realization of a cruise berthing facility are musts if we are to continue to offer a sterling tourism product to both cruise and stay over visitors as well as keep up with the ability to cater to an increasing number of visitors as Health City grows and new hotels and large scale developments come on line.

This Government will also deliver new integrated solid waste management facilities that will support the significant reduction in landfill requirements in the decades ahead by using recycling and composting. We expect an outline business case to be produced by the end of the calendar year with tendering for the various parts of the new waste management infrastructure to go out in early 2016.

While we are awaiting the full solution, other works are under way. Significant improvements have been made to the management of the current landfill, which will help reduce the occurrence of fires. We will also tender for the processing and removal of remaining scrap metals at the

landfill and process and remove all used tires stored on all three Islands' landfills.

At the same time, we will step up our recycling efforts as well as introduce composting. On the latter, land is being identified for use as a composting site and Government will bring forward plans to implement a national composting initiative with the compost product available to the public to encourage growth of local foodstuffs. Government will also work more closely with the private sector to not only encourage the work they are doing with recycling but also rally restaurants, hotels and others to join in these efforts and reduce their impact on the environment and the landfill. We will also install public recycling drop off sites in various districts and encourage private sector companies to use them as well. Additional information will be provided as plans are advanced.

The revitalization of George Town has begun with road enhancements as the first step. The next step is to take our plans to the public, including stakeholders, get their input and move forward accordingly. We will be making changes to planning laws in the upcoming fiscal year to allow for multi-use development in the Capital, providing a revival for retail, commercial, hospitality and residential use across George Town. There will

also be room for cultural development to bring the capital back to life on weekends and in the evenings. This is an important project, Madam Speaker, and another example of one that has been talked about for years, but it is this Administration that will get it done.

Madam Speaker, while the Government is doing all it can to help strengthen the economy through these various public and private partnership projects, the private sector is also working hard to develop several hotel and condo projects that have been approved by the Planning Department or are in the works. These include a new hotel on the old Hyatt site owned by Embassy Investments, the Beach Bay Hotel in Bodden Town, the Arnold Palmer-sanctioned Ironwood Development off Frank Sound Road, the Gran Palazzo on the North Sound, and the redevelopment of the Treasure Island Resort among others.

Additionally, Dart Realty has made a commitment to invest \$400 million in new infrastructure over the course of the next 10 years. Madam Speaker that is \$400 million in addition to the \$300 million Dart is already spending on the Kimpton Hotel, which is expected to open in late 2016. This additional investment is going to include a new five-star hotel at Camana Bay and the creation of a sea to sound experience for residents and visitors

through elevated development connecting Seven Mile Beach to the Town Centre, as well as various road works.

In fact, Dart has already submitted plans for road works that include a new four-lane dual carriageway realigning Esterley Tibbetts Highway through Camana Bay. Dart has committed to build at its own expense an emergency access road, which will pass through the Kimpton Hotel property to allow public vehicle access in the event of an emergency that closes Esterley Tibbetts.

In total, Dart has said it plans to invest an estimated US\$1.3 billion in development in the Cayman Islands over the next 20 years. Dart's investment means a continuous economic stimulus, added work for local companies and employment opportunities for our Caymanian people.

Dart Realty started heavy construction on the Kimpton project in early 2014 with an annual average of 185 workers on site each month from local contractors who employed an average of 114 Caymanians, persons married to Caymanians as well as permanent residents. Work on the Kimpton project has escalated in 2015 with a year to date average of 395 workers on site each month with contractors employing an average of more than 200 Caymanians and those qualified to work.

In addition, Dart Realty is nearing completion of 18 Forum Lane, its newest commercial building in Camana Bay. Contractors on that project employed an average of more than 80 Caymanians, persons married to Caymanians or permanent residents each month in 2014 and an average of more than 60 so far this year.

Another private sector investment that is helping to grow Cayman's economy is Health City Cayman Islands in East End, which opened its doors last year. It is now a Joint Commission International Certified hospital, making it one of only two in the entire Caribbean. This will enable Health City to attract more patients from the United States and allow it to move forward more earnestly with its medical tourism plans, which will benefit both the hospital and the Cayman Islands. Health City reports that since opening its doors the hospital has seen more than 4,000 patients and done more than 330 procedures. There are 15 international contracts in place for patient referrals and it's one of the most ecologically friendly hospitals in the region. The hospital has 152 employees, of which 50 are Caymanian.

The student internship programme is also said to be going well with 160 students having gone through the system. The summer intern college

programme has been filled and 24 students, most of whom are medical students, are expected. In a very short time Madam Speaker, Health City is not only being viewed as a medical tourist facility but a first class tertiary care hospital that enables Caymanians to get critical medical care that was previously only available by travelling overseas.

Madam Speaker, our fourth and final lever to help move the economy is to **Encourage a Positive Business Environment** through developing new business sectors, supporting entrepreneurship and the creation and growth of small and medium sized enterprises. This Administration believes in engaging businesses in meaningful dialogue over issues of common concern such as a shared approach to the development of the workforce ensuring Caymanians find not only jobs, but further opportunities for advancement as well.

This Administration will continue to assist small and medium businesses through the necessary legislative support, small business incentives and other types of administrative help. In the next fiscal year we will develop the legislative framework to tackle anti-competitive practices.

In another effort to attract investment, we are updating Cayman's governmental framework for intellectual property in three main areas –

copyrights, trademarks and patents. We believe this will go a long way in the protection of locally created content. We realize there is a strong need for Cayman to meet international standards in order to ensure that the rights of our creative community are recognized and protected not only here at home, but abroad. These efforts will also increase Cayman's attractiveness for foreign investment in area such as knowledge-based businesses.

The first aspect of this to be achieved will be copyrights. In March this year, the UK extended its 1988 Copyright Act to the Cayman Islands through the Copyright (Cayman Islands) Order, 2015. This order will come into force in Cayman following a public education campaign, and once the necessary arrangements have been made for local implementation. We expect the order will be in place this fall. Also this fall Government expects to present two local bills, one for trademarks and the other for patents, this fall.

Local economic benefits include the potential for attracting new types of business to the Islands, which will result in increased government revenue and the creation of jobs. This is an exciting development and the possibilities are real as we have businesses that would be good to have

domiciled here already knocking on our door. Our efforts will also broaden local access to goods and services, such as television programming from other markets.

I would add Madam Speaker that we have also established a useful partnership with Cayman Enterprise City, which has shown good progress in increasing the business it attracts to Cayman, albeit admittedly they have yet to reach the numbers the initial management, promised the country. But the current management team led by Charlie Kirkconnell has done a very good job and there is every reason to be positive and optimistic. Already 152 companies have set up in the zone and there are hundreds more in the pipeline with an estimated economic impact of \$40 million.

CEC recently agreed to renegotiate its legal agreement with Government to give government reasonable flexibility in allowing other businesses, especially Caymanian businesses, to have access to market segments that were locked down by the original CEC agreement. The previous agreement, negotiated by the UDP administration, was far too restrictive and prevented many Caymanian businesses from being able to develop in the market sectors covered by the agreement. In return for agreeing to less restrictive terms, CEC has been given the ability to cater to

other types of businesses and Government has now agreed to partner with CEC to introduce a Maritime Services Park, which will enhance the maritime services on offer from Cayman and we believe will bring new businesses and jobs to the Country and help further diversify the sector. The introduction of a maritime park in Cayman will allow the Maritime Authority of the Cayman Islands to initiate the first Maritime Week event in 2016, which we believe will quickly become the pre-eminent annual maritime affair in the region.

All this business activity is generating jobs for Caymanians, which remains a priority of this Administration. It is our mission to help Caymanians who are willing and qualified to work to access the job market.

And to assist Caymanians looking for work, Government will create an online tool that will serve as a clearinghouse for job listings in the country, benefiting employers and potential employees. But in those cases where there are no Caymanians available or willing to do particular jobs, then it is important that businesses have the ability to import necessary labour and to be able to do so using an efficient and transparent process. And so we will be moving much of the work permit process online to improve efficiencies around the work permit system and to also provide the

necessary transparency that is needed to keep the system honest. This has now become an E-Government priority and work will continue into the next fiscal year.

In September the Legislative Assembly should receive new labour legislation, which will repeal and replace the Labour Law (2011 Revision), and provide greater clarity to employers and employees on areas identified as priorities for reform as well as introduce a system of administrative fines to enable more efficient and effective enforcement of the law.

Also in September, Members of the House should receive a series of Bills that will improve pension plan administration and compliance. Additionally we are anticipating that changes will be implemented before the end of the year that will give employees the option to move to a scheme that allows retirement at age 65 instead of 60. I would add Madam Speaker that the Government has also decided to let civil servants opt for retirement at age 65 and we anticipate being able to provide more information on this in the coming months.

It has been a busy two years Madam Speaker. We have accomplished much and have set ourselves up to achieve even more over the coming years.

Madam Speaker, the Government's thoughtful use of these four main levers or strategies, i.e. Practicing Good Governance, Supporting Tourism and Financial Services, Developing Needed Infrastructure and Encouraging a Positive Business Environment are moving Cayman's economy from strength to strength, helping us reach our goal of a strong economy that fuels business, increases investment and creates jobs and prosperity across all segments of Cayman society. Our collective economic success - Government and the private sector working together - creates the platform for the future success and well-being of our people.

This Progressives-led Government is determined that the benefits of the County's success cannot just line the pockets of a few. This Administration is working hard to ensure that Caymanians across our Islands feel the real benefits of growth. We have come a long way in two years Madam Speaker, but we know that there is much more work to be done to ensure that all Caymanians once again feel that our economic miracle is benefiting them. But we are on the way, and we will get there.

Now that we are achieving our initial goals of economic growth and financial stability, and creating operational surpluses, we can do more to

drive forward with our ambitious plans for the future – a future of prosperity from which all Caymanians benefit. Our ambitions include:

The expansion of local employment through partnerships with businesses, employment programmes, education and training;

Better education through improved schools, community support, technical and vocational training and various avenues to help our people find work;

A better standard of living through reduced taxes, a lower cost of living, low inflation and the aforementioned minimum wage;

Social progress through projects aimed at early intervention and strategies to prevent crime, enhance community safety, and improve health and wellbeing.

This Administration has also recognized that economic growth needs to go alongside the protection of our precious environment through an improved waste management system, a legislative framework for conservation and protection and balancing the important protection of our environment with much-needed development.

Madam Speaker, we now have the ability to truly look at what needs to be done to move Cayman forward to a better tomorrow. We have demonstrated over the last two years what can be achieved if we plan properly and act positively. However, if we allow ourselves to be deflected by the old politics of personality and recrimination, I believe we know all too well the negative ramifications. That way lies a return to economic uncertainty and Government finances out of control. That way lies no hope. That way nothing can be done for our future – nothing for our people needing jobs; nothing for our children needing a better start in life; and nothing for our families needing support to improve their standard of living.

But there is real hope that we can achieve progress and prosperity in which all can share. Already, we are acting to tackle the cost of living and we are doing what we can to reduce the import duties and fees that will directly benefit consumers. But there is more we will do.

This Government is all-too aware of the high cost of medical insurance premiums in the Cayman Islands. We have agreed to seek expert advice, including an independent actuary, to review the current structure and market to understand if the pricing is fair. If action is needed to ensure the

market functions more effectively, then this Government stands prepared to take that action.

The same is true Madam Speaker regarding the price at which the two large fuel importers charge gas stations for gasoline and diesel.

Government had promised action and we are moving forward on those promises. The Minister of Planning, Lands, Agriculture, Housing and Infrastructure will speak to this during his debate.

As I have said, education and employment are central to our plans to spread the benefits of growth by investing in giving our children the best possible start in life. We need to drive up standards and to be more ambitious for our children's future. Therefore, this Administration will establish an Office of Education Quality Assurance, which will carry out rigorous, objective and independent inspections of all schools as well as early childhood and education centres.

Work on the new John Gray High School Hall will recommence in the new fiscal year and we expect to see those works completed in 2016. There will also be changes on Cayman Brac where the Ministry of Education will work with the Ministry of District Administration, Tourism and Transport to develop and carry out a schools programme on that Island to

improve opportunities for education, optimize class sizes and create general efficiencies including sharing of the sports field and other common facilities.

Just last week the Ministries of Education, Employment and Gender Affairs and Financial Services, Commerce and Environment, along with Cayman Finance, agreed to begin working in partnership to offer an education and work experience initiative for up to 50 Year 12 students in the dual enrolment government system.

Work will continue to move toward the construction of a new Sunrise Adult Training Centre and the School for Hospitality Studies will see its first graduates receive their certification next month.

The Ministry of Education, Employment and Gender Affairs will create a National Training Council to advise on, participate in and support the development, coordination and management of Technical and Vocational Training in the Cayman Islands. TVET opportunities will be expanded through public/private partnerships and a mechanism will be developed to register private sector businesses that deliver training and development programmes to ensure appropriate standards are met.

Hand-in-hand with a well-educated society is a healthy society and this Government is striving to make improvements to all aspects of healthcare and the well-being of our people.

By the end of this fiscal year we will have conducted a three-month ground trial using a novel technique against the mosquitoes that cause Dengue and Chikungunya. We will continue to employ these techniques in the upcoming fiscal year to keep our people, residents and visitors safe from these mosquito-borne illnesses.

We must also ensure that we take care of our most vulnerable people. In particular, services for those with mental health needs require improvement. A steering committee formed last year has developed the Strategic Outline Case for a new Long Term Residential Mental Health Facility, which was released to the public this month. In the coming year, Government will move these plans forward.

Madam Speaker, we believe that a healthy society must be an active society so it's only fitting that the realignment of services under the umbrella of the newly formed Ministry of Community Affairs, Youth and Sports is well under way and that as new synergies are created between

these units, we anticipate that better services will be provided to strengthen our communities and empower our people.

The Ministry will continue to work with the Strategic Sports Advisory Group to improve school sport throughout the Cayman Islands with particular emphasis on the physical education curriculum, inter-scholastic sports and after-school programmes. The work that the Ministry is doing in this area is important because sports is not just about playing games but rather it teaches discipline and teamwork and importantly keeps children moving and healthy. I applaud the Minister of Community Affairs, Youth, and Sports for the important work he and his staff are doing in this area,

The Ministry of Sports continues to organize major local and international events and come this summer, the Cayman Islands will be home to the largest football tournament in our history, the CONCAF U 15 boys tournament, which will see more than 34 teams competing. The tourney will be held at a variety of venues throughout Grand Cayman and Cayman Brac.

To encourage physical activity on the Brac, in this next fiscal year work will commence on the 25-metre swimming pool at the Bluff playfield and we will see the completion of a running track.

Good, clean potable water is also necessary for a healthy populace so the Water Authority will continue work on Cayman Brac on the extension of the infrastructure installing 8-inch pipes. Work will also commence on the future Bluff Water Works site.

Madam Speaker, to be successful and prosper, a well-educated and healthy society also needs to be assured of safety in the community in which they live and work.

This Government banned the importation of the chemical herbicide paraquat. This was necessary because of the many senseless deaths to dogs throughout the Islands. In the words of Mahatma Gandhi, "The greatness of a nation can be judged by the way its animals are treated."

Madam Speaker, maintenance of public order is a core function of any government and is a priority for this Progressives-led Administration. Our communities have to feel safe and our reputation as a safe tourist destination has to be maintained. To this end, regulations to the Conditional Release Law, which will have a major impact on re-offending rates, are being prepared with a proposed implementation in late summer. In the next year we intend to pass amendments to the Rehabilitation of Offenders Law as well as a Prohibited Immigrants Law that will, with sufficient

protections, ensure that Caymanians or those with close Caymanian connections can be treated fairly by authorities and within the community.

As we take measures to reduce the crime rate, the Royal Cayman Islands Police Service continues its efforts to identify and confront the security threats faced by the Cayman Islands.

Madam Speaker, crime is a reality, here in the Cayman Islands as in any other jurisdiction or country. Therefore, the Department of Community Rehabilitation continues to provide community based supervision and intervention as an alternative to prison. This work, Madam Speaker is ongoing, not only on Grand Cayman, but also on Cayman Brac and Little Cayman.

Madam Speaker, everything the Progressives-led Government has done and is doing is for the betterment of our people here and now and to ensure a bright and prosperous future for generations to come. The necessary precondition for that has been the fulfillment of the tough plans we put in place to get Government finances back under control from the chaos they were in when we took office. Having achieved that, this Administration will not just sit back in self-congratulation as others might have done. There is more to be done and other issues to which the Progressives-led

Administration has turned its attention. I mentioned earlier that I would speak more about Project Future and the EY Report.

We are committed to a programme of sensible and pragmatic government reform that will improve the efficiency and effectiveness of public services. Our agenda for change will be set by the Government's priorities and we will use the EY report as a reference as we develop our own programme. We are now working to bring forward the right projects to deliver real and lasting improvement on those issues we believe are priorities and which help us to achieve the outcomes we desire. I have recently highlighted progress on six key projects and more are in the pipeline.

Madam Speaker, the previous Government failed to maintain the financial stability that this country needs in order to thrive. Sadly, no Government is privy to a money tree. Instead, as we have demonstrated, we are good stewards of government's coffers, disciplined in our approach to public expenditure. While we realize that we just can't afford to do everything that everyone wants done, we have identified the priorities that are right for these Islands and we are putting in place the plans needed to achieve them.

As I said earlier, we are at the mid-point of this elected term, but I assure you Madam Speaker, this Government isn't just looking at two years down the road and an upcoming election. Our goal extends much further than just completing an elected term.

We are ambitious for the future of these Islands and for the future of all Caymanians. We have put in place the platform from which to achieve our ambitions through the successful implementation of our plans – set two years ago – to achieve our twin goals of strong economic growth and sound public finances. Just as those achievements provide the bedrock for our future plans, so our achievement of them proves this Progressives-led Government has the credibility to achieve our ambitions in the future.

Some politicians opposite, particularly the Leader of the Opposition, appear more comfortable being stuck in and living in the past, fighting the same wearisome old battles of yesterday. That attitude and approach achieves absolutely nothing for the people of the country. It does the opposite and ruins the prospects for the people and the Country. But the country can rest assured that neither I as Premier nor the Government as a whole will be distracted from our duty and mission by political stunts and sideshows by those whose future is now well and truly past.

Madam Speaker, there can be no going back. No going back to the days of personality politics and a government focused on self-aggrandizement and political survival. Instead, what we need is the politics of ambition and action, with Government focused on what is best for the people it serves. What we need is not to go back but to go forward toward a better tomorrow. What we need is continued progress. Madam Speaker, I believe a Progressives-led Government has shown it can deliver this and more.

In closing it only remains for me to thank my team for their commitment and discipline in adhering to our philosophy of fiscal responsibility and caring government. I have mentioned and thanked various Ministers specifically Madam Speaker, but it behooves me to also recognise and thank our Caucus and Anthony Eden and the hard work done by our Councillors – Councillor Joey Hew, Councillor Alva Suckoo, Councillor Roy McTaggart, and Councillor Winston Connolly. They not only do valuable work in various ministries but they also form, along with Ministers, the Government Caucus and assist in bringing matters to Government's attention and in deliberating on and contributing to the business of Government. And equally important they quite capably step in as

Temporary Ministers on those occasions when a Minister is away on holiday or business. There is much work on the Executive side of Government and their presence makes the work lighter.

I also wish to thank the Deputy Government and the Attorney General as well as the Cabinet Secretary Mr. Samuel Rose.

I wish too to also thank you, Madam Speaker, for the wisdom and patience you display as you chair meetings of this Honourable House. Indeed, I urge the House to remain focused on those things that are good, those things that are right, and those things that are in the best interest of the people of the Cayman Islands. That is why they accorded us the great privilege of being here.

Thank you.

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