



CAYMAN ISLANDS
GOVERNMENT

2014 THRONE SPEECH

Delivered by Her Excellency the Governor, Mrs Helen Kilpatrick, CB

Monday, 26 May 2014 / Cayman Islands Legislative Assembly Building

Good morning,

Honourable Speaker, Honourable Ministers, Members of the Legislative Assembly, ladies and gentlemen, it's an honour to stand before you today to outline, for the second time, the Government's plans for the coming financial year.

I will begin by congratulating the Government on completing its first year in office.

Among their notable achievements has been the passing of the National Conservation Law in December. This long-awaited legislation has set the stage for Caymanians and residents to continue their enjoyment of our local environment for generations to come.

At the end of January this House also approved the historic Standards in Public Life Law, which requires all senior public officials to declare their interests, assets and income.

In the international arena, a number of developments enhanced the Cayman Islands' reputation as a player of note. The opening of Cayman Health City was heralded across our wider region as an initiative that embodied both innovation and foresight in the fields of medical tourism and affordable tertiary healthcare.

Meanwhile, from a sports tourism perspective, international competition of unprecedented caliber arrived on our shores.

The country also continues to play a leading role as an international financial center. Within the span of a few months, the Premier was invited to provide a keynote address on global corruption at Chatham House, to appear on the BBC's Hardtalk programme, and to help ring the opening bell at the NASDAQ Stock Exchange. The Cayman Islands has also taken up membership of the newly created Global Islamic Finance and Investment Group.

This renewed activity benefited from an improved relationship with the United Kingdom Government, including its local and overseas representatives.

In the past half year, both the Minister for the Overseas Territories and the Foreign and Commonwealth Office Director visited the Cayman Islands. This June, we will welcome representatives from Her Majesty's Treasury. Then, in July, we will host Heads of Government from other Overseas Territories at a pre-meeting of the Joint Ministerial Council.

On a personal note, since my arrival in the Cayman Islands, I have grown to appreciate and admire the character of the people.

It is these people whom the members of this House are privileged to serve. Caymanians are welcoming, warm-hearted, intelligent, and proud of their culture. But, increasingly, they are cautious.

The onus is on Government, and on the members of this honourable House, to be worthy of their trust. To do this we must demonstrate by our words and actions that we have their best interests at heart. The principles of good governance were developed with these objectives in mind.

These principles should, as the Auditor General reminded us not too long ago, characterise all public service management. We must engage our stakeholders—all of them; decisions should be informed and transparent; and we must constantly develop our capacity to be effective; and we must always be accountable. This is what people want to see from us—whether they are an astute investor or the average person on the street.

I noted at the end of my first Throne Speech that the work of Government has an impact that is far reaching. We must therefore do all that we can to help Caymanians and residents meet the challenges of everyday life.

Accordingly, with this budget, the Government has sought to lower the cost of living and the cost of doing business, particularly for small businesses.

[Helping Business]

Government understands that employment, which is so crucial to quality of life, is the result of business confidence. It believes that a focus on helping businesses will also help people.

[The Economy]

The present year has seen the establishment of a strong foundation for our economy, upon which Government will build. It has already initiated a number of key projects, and will move forward with plans for the new airport and cruise berths, as well as with needed road improvements.

In particular, it will build several new roads to alleviate traffic congestion in central George Town, and that will assist with the revitalisation of that area. Once these works are underway they will also provide jobs.

On Cayman Brac, Government is collaborating with the private sector to explore the potential development of new marinas which, when completed, will mean jobs for residents of the Brac.

The Government will help to develop the island's agri-business sector by taking steps to enhance Agriculture Grounds there. The people of Cayman Brac and Little Cayman should benefit from plans to maximize the impact of the tourism sector on the Sister Islands.

An overview of private sector projects is equally promising. Already at the vanguard of the international healthcare industry, Cayman Health City has already begun hiring Caymanians and will continue to grow. Its opening brought key international business leaders to our shores and we look forward to further opportunities that may flow from their visit.

Furthermore, a number of hotel and other developments have begun or are about to start. Employment prospects are looking better than they have for some time, and we can also expect economic growth to come from these developments.

Government will use a number of approaches to capitalise on this positive environment, including reducing the duty paid on fuel and cutting the import duty on goods paid by licensed local merchants.

In addition, as you will hear from the Government, it will implement a series of measures to reduce costs to small businesses.

[Financial Services and Tourism]

Both of our pillar industries, financial services and tourism, continue to show promising growth. Government remains committed to working with both sectors to build on these trends.

It will continue to enhance the ability of financial services providers to better serve clients by continuing to pass needed legislation. Recent examples include the Contract (Rights of Third Parties) Law and the Exempted Limited Partnership Law.

Government is also looking to attract more technology and related business and has asked the United Kingdom to assist in strengthening laws around intellectual property and copyright.

A number of key projects are also underway in the private sector. Several developments of differing sizes have started or are in the works. Some of these are in the Eastern Districts.

Particular attention is being paid to the Ironwood development. Its size and its Arnold Palmer Golf Course make it noteworthy. It's a long term project that will enhance our road infrastructure and help to drive further development.

Establishing what I hope will be a model for future development, the developers, Government, and the National Trust recently

came together to agree the best route for the proposed extension of the East West Arterial road.

Government will continue to support sports tourism on Grand Cayman and on Cayman Brac. In particular, we look forward to hosting CONCACAF again this summer, as well as other first-class football tournaments in the future.

Given continuing economic constraints, these projects will be undertaken in a manner that is fiscally prudent, and, with private sector participation where possible.

To ensure that any improved economic growth is sustainable, Government will also continue to explore means of making the public sector both more efficient and effective. It has already expressed its full support for the current project to right-size Government and improve service delivery.

In the past year, Government finances have been placed on a steadier footing as budget targets have been met or surpassed and no additional debt taken on. Budget reform continues with expectations that the Cayman Islands will be largely compliant with the targets agreed with the UK by the end of 2014/15, and on track for full compliance by the end of 2015/16.

The Government will progress several E-Government initiatives to help it work smarter and more efficiently.

Expected projects include automating and improving processes around immigration, such as work permit applications and approvals, as well as an online employment portal. There are also plans to hire a Director of e-Government whose role will be to drive forward the approved initiatives in the quickest and most cost effective manner. This staff member will lead a concerted drive across the public sector to make some Government services more accessible to citizens.

[Helping People]

[Capacity Building]

Initiatives to strengthen and grow our economy would be fruitless if Government did not also work to ensure that Caymanians are able to benefit from any opportunities that these create.

Government will therefore continue the reforms already underway at the Employment Services Unit of the National Workforce Development Agency, in addition to providing additional staffing and improved systems. The Government's objective is to improve the agency's ability to connect qualified Caymanians with suitable employers.

It will continue to develop appropriate vocational training throughout the school system, and work with private sector businesses that provide such training.

A National Apprenticeship Programme will also be launched in the coming year.

[Health]

Health too has a role in determining quality of life, in particular the readiness to succeed. Accordingly, the Government will seek an overseas partner for the Health Services Authority to facilitate training, improve access to services, and maximize efficiencies.

From a mental health perspective, a cross-ministerial working group will focus on key issues and make recommendations to government, service providers, and other stakeholders on ways to improve the local mental health system. This is an area of high importance to our community and the Government recognizes the impact of mental illness on individuals, on families, and on society.

Also central to the continued health of our Islands is the safe disposal of our waste. A committee of experts will continue its efforts to identify a solution for the needs of all three Islands. Government has already committed to ensuring that the process

is open and adheres to the principles of good governance. There is more work to be done, and no doubt the Premier and Minister of Health will speak more on this issue.

[Security]

Of course, a cornerstone of a country's prosperity is the security of its citizens. With this objective in mind, Government will reinforce the number of police and fire officers and has taken steps to bolster the management of both the Customs and Fire Departments. Customs has also recently outlined the no nonsense approach to the interdiction of contraband and drugs that will be enforced at our ports of entry.

[Civil Service]

As Governor of these Islands, I have constitutional responsibility for the civil service. I am pleased to report that the under the stewardship of the Deputy Governor, real progress in being made to transform the culture of the civil service into one which is more accountable, innovative and value conscious.

Notwithstanding the successes achieved in recent years, including rolling out performance management across the entire civil service and the gradual headcount reductions, there have understandably been calls to address the overall cost and size of

the public service. A Rationalisation Review is currently taking place, the results of which are due in July. During the 2014/15 Financial Year, the civil service working in tandem with the elected Government will be charged to implement the agreed recommendations coming out of the Review.

[Conclusion]

It has been an eventful first year for Government and there is no doubt that the coming year will have both its challenges and its victories.

By adhering to good governance principles and demonstrating solid results that build on the achievements of its first year in office, Government will work to deliver the services and outcomes that I have outlined. It will also strive to reward the faith and trust that the people of the Cayman Islands have vested in it.

(1931 words)