



CAYMAN ISLANDS
GOVERNMENT

2003 THRONE SPEECH

Delivered by His Excellency the Governor Mr. Bruce Dinwiddy, CMG

2003

Introduction

Honourable Speaker, Honourable Members of the Legislative Assembly, I am greatly honoured to present to you my first Throne Speech, which is also the first such speech ever to be delivered in the Sister islands.

How fitting it is, in this our Quincentennial year, that we should meet this morning in Cayman Brac. When my wife and I stood on the Bluff for the first time just four weeks ago, and marvelled at the frigatebirds soaring above us, I reflected that except for the light-house the view around would have been virtually unchanged since that May day in 1503, when (perhaps we can imagine) a young sailor high up in the crow's nest of one of Christopher Columbus's ships spotted a shape on the distant horizon and cried out "Land, ahoy".

I am glad we are taking the opportunity this year to explore and remember Cayman's cultural and spiritual roots, to look back on our history and the heroic achievements of all those, right up to the present time, who have made these Islands what they are today. This examination of our past, and of traditional Cayman values, can strengthen and inspire us as we address the challenges now before us, and plan for the future.

For there are many new pages in our history book waiting to be written. I hope that this year will see further progress towards the introduction of a new Constitution, which will modernize our system of government and include a far-reaching statement of Fundamental Rights and Freedoms. These changes are both necessary and desirable, and they need to be worked out against a new mutual understanding of Cayman's relationship with the United Kingdom, which I firmly believe, while it continues to evolve, can continue to be to the benefit of us all.

Meanwhile, as we enjoy the succession of Quincentennial celebrations during this exciting year, a series of big economic, social, environmental, security and management issues awaits our collective attention. In a difficult international climate, how are we to maintain a satisfactory rate of economic growth, which provides enough jobs and otherwise meets the reasonable expectations of the people, in a manner, which preserves as far as we can our precious natural environment? What further measures should we take to protect ourselves against the spread of international crime (including the impact of drug trafficking) and terrorism? How far will the new discipline imposed by the Public Management and Finance Law help to maintain the recent improvement in our budgetary situation? My speech today

cannot provide all-encompassing answers to such questions. But I take this opportunity to renew my commitment to doing all I can to work with the government and other members of this house, with the public service, and with the private sector on which all our prosperity fundamentally depends, to help find the best route through the complicated and ever-changing maze which confronts us.

In the spirit of Vision 2008, we need to keep one eye on the distant goals. But with the other eye we must constantly consider and reconsider how best to deploy our scarce resources in the near term. I therefore now turn to report on the activities and plans of the various Ministries, portfolios and Departments.

Judiciary

Facilities

In order to fulfill its main objective of doing justice in a timely and efficient manner to all who come before the Courts, the Judiciary is actively pursuing the relocation of the operations of all divisions of the Summary Court. A Project Definition Document has been prepared, a suitable site has been identified and negotiations with the owners started. It is expected that work will start within the next 9 months.

Judicial Web site

A study is being undertaken to consider the costs and revenue earning implications of a web site to house the law reports for online access, to allow online searches of the Registers, to allow the electronic filing of pleadings, and ultimately the electronic payment of fees, fines and other monetary payments into court.

Portfolio of Internal & External Affairs

Personnel

"The Personnel Department will assist the office of the Honourable Chief Secretary with preparation of new legislative and administrative arrangements to replace the existing General Orders and Public Service Commission legislation and regulations.

"The two Masters degree programmes - in Public Policy and Management, London University (UK) and in Human Resource Management, Portsmouth University (UK) - will continue to build up management expertise throughout the Public Service.

Royal Cayman Islands Police Service

A review of the Royal Cayman Islands Police structure has been undertaken following the inspection by Her Majesty's Inspector of Constabulary in January, 2002.

During 2003 greater emphasis will be placed on community policing and by the year-end, it is hoped that every district will have a community constable dedicated to problem solving in partnership with other agencies and the community itself. More authority will be devolved to District Commanders at George Town, West Bay, Bodden Town and Cayman Brac Police Stations and Central Police Station will be renamed George Town Police Station.

The responsive policing strategy will be implemented by district-based police vehicles. For example, the now centrally based Traffic Department will be divided and report to District Stations.

A new Specialist Support department will bring together the expertise in Drugs, Canine, CID, and Marine and be available to District Commanders as necessary.

The Commissioner of Police, David Thursfield, QPM, will retire during 2003. His successor will be Buel Braggs, RVM, CPM, currently Deputy Commissioner. Mr. Braggs will take up office in September, 2003, after undertaking the Strategic Senior Command Course in the United Kingdom.

While Deputy Commissioner Braggs is away, the newly appointed Assistant Commissioner, Rudolph Dixon, CPM, will be acting Deputy and, on appointment of the new Commissioner, will be promoted to the substantive post of Deputy Commissioner.

Superintendent Anthony Ennis will be acting Assistant Commissioner for that time and, similarly, on appointment of the new Commissioner, will be promoted to the substantive post of Assistant Commissioner.

Mr. David Thursfield will continue for a period as Police Advisor.

Immigration

The central focus of the Immigration Department in 2003 will be the preparation of a new Immigration Law.

The Department will focus its enforcement efforts on detection of unwanted visitors to the Islands and illegal workers, through the use of intelligence and enhanced information systems developed "In house".

At the airport, the Department will extend expedited immigration clearance to frequent visitors, including those who own homes in the Islands, through the Caypass system successfully launched in late 2002.

Cayman Islands Government Office in the United Kingdom

The Office will continue to cement links with the United Kingdom Government, national agencies and organisations, Westminster, the United Kingdom and international business sector, to focus attention on the Cayman Islands, improve contacts and promote business.

Government Information Services

In 2003, GIS will disseminate more government news by audio-video following the return in 2002 of a professionally qualified Caymanian videographer and video news reporter, after training in Europe.

There will be more emphasis this year on support for civil servants as they assume greater responsibility for media relations.

Portfolio of Legal Affairs

There will be legislation to enhance the Criminal Justice system, including amendments to the Penal Code, the Evidence Law and the Police Law.

Legislation is also planned to clarify and establish further by statute the role and functions of the former Financial Reporting Unit.

The pursuit and confiscation of the proceeds of criminal conduct, including drug trafficking and money laundering, will remain a priority, in the interest of maintaining the reputation of the Cayman Islands and the probity of the financial services industry.

Law School

The main objectives for 2003 are:

- To begin a redesign of the Professional Practice Course with a view to developing course manuals for use in 2004-2005.
- To recruit a local part-time law lecturer/tutor, to allow a Caymanian to obtain undergraduate law teaching experience.
- To secure renewal of the triennial affiliation agreement with the University of Liverpool.

Portfolio of Finance & Economics

Portfolio

During 2003 the Financial Management Initiative (FMI) will bring a more strategic and coherent approach to government decision-making. The FMI will be implemented in three phases:

- first, the move to new budgeting and reporting arrangements to the Legislative Assembly and the public against the 2003 Half Annual Plan and Estimates;
- secondly, the move to accrual accounting; and
- thirdly, the delegation of greater input decision-making authority to chief officers of government ministries and portfolios.

Other notable projects for the Portfolio are to establish the Cayman Islands Shipping Registry as a statutory authority and to establish a Securities and Exchange Commission by the end of 2003.

Legislation was passed in December 2002 that enables Government to execute its first bond issue. The impact of this will be to:

- reduce annual debt service costs;
- change from a floating interest rate regime to a fixed rate regime; and

- consolidate numerous public debt loans into a single instrument.

The Portfolio intends to establish a Government Revenue and Debt Collection Unit. This will be modeled loosely on "Revenue Canada." Its primary duties will be collecting, forecasting and reporting of all government's coercive revenue.

Budget and Management Unit

The main focus of the Unit will remain the implementation of the new budgeting, reporting and monitoring system under the FMI.

The Unit will develop the risk management function to focus more on risk minimization and control.

Financial Management Initiative/Integrated Resource Information System

The Finance Project Office will strengthen the capability of civil servants to manage the delivery of outputs. This will include monitoring ownership performance requirements, budgeting and forecasting on the accrual basis, and preparation of performance agreements for the 2004/5 budget.

The Office also intends to introduce the Project costing module in the fourth quarter of 2003.

Internal Audit Unit

In 2003, for the first time, Internal Audit will conduct audits on the Output Management Systems developed by government agencies in accordance with the Public Management and Finance Law (2001).

Cayman Islands Stock Exchange

The Exchange will continue to pursue further recognitions from overseas regulators and will enhance its efforts to attract more institutional business and to increase its listings, building on the relationships it has already forged in the market.

Cayman Islands Monetary Authority

The key issue for the Monetary Authority in early 2003 is taking forward its independence, following passage of the Monetary Authority (Amendment) Bill, 2002.

Another key area of activity, in cooperation with other relevant agencies and the private sector, will be the assessment of Cayman's financial services sector by the International Monetary Fund, now expected in May of 2003.

The Regulations under the Securities Investment Business Law ("SIBL") 2001, are expected to be Gazetted during this quarter. Applicants lawfully undertaking securities investment business in the Islands will have six months from the commencement date of SIBL to apply to the Authority for a licence.

Economic Research Unit

In 2003, the Economic Research Unit will provide technical assistance to all major revenue-earning departments in revenue forecasting. It will assist departments in preparing project profiles and project reports and service the Public Sector Investment Committee (PSIC).

General Registry

During the first quarter of this year the General Registry will launch a vastly improved online system, "Cayman Online Registry Information Service" (CORIS). This is a web-based system, which will make enhanced functionality readily accessible to authorized client-users. The functionality includes company searches, request tracking, payments on-line, and agent reports. The pricing structure for the service makes it viable for all sizes of corporate service providers and company managers. It is expected that clients and the Registry staff will both benefit from the efficiency of this new system.

Shipping Registry

During 2003, it is proposed to submit six new Bills and forty-eight new regulations under the Merchant Shipping Law and the Merchant Shipping Marine Pollution Law. This new legislation will give local effect to a range of developments in international shipping conventions that apply in the Cayman Islands. One Key new development is the implementation of maritime security provisions to counter the threat of ships and ports being used for acts of terrorism.

A Bill will also be submitted to make the registry a Statutory Authority.

Treasury

The new ORACLE accrual accounting financial package has been implemented and the migration of Ministries/Portfolios from the cash-basis financial system (SO) to the multi-organization (MO) system has begun.

Accrual Accounting Policies to be used by the Government have been drafted and reviewed and are expected to be implemented shortly.

The 2002 annual financial statements will be presented on the traditional cash basis and also on the modified accrual basis in order to introduce readers to the new accounting format of financial reporting on Outputs.

Customs

The opening of the newly constructed "Express Cargo" facility is scheduled for later this month. A scanning machine for detecting drug trafficking at our ports will also be introduced shortly.

Ministry of Tourism, Environment, Development & Commerce

In 2003 the Ministry of Tourism, Environment, Development and Commerce will principally focus on:

- enabling the managed growth of the tourism industry;
- providing a solid framework for the preservation of the environment;
- The Quincentennial celebrations; and
- pursuing economic sustainability by encouraging inward investment via the Investment Bureau and related activity.

The Ministry is working with the Department of Tourism and industry stakeholders to investigate the feasibility and most desirable structure for establishment of a Tourism Authority. If this appears both beneficial and desirable for the people and economy of the Islands, it will proceed on a basis which correlates decision making to financial vesting. As the government pursues greater sharing of the policy and administrative functions of tourism, it will expect greater sharing in the financial obligations of promoting the Cayman Islands by privately owned properties and businesses which directly benefit from these promotional efforts.

The Ministry will also work closely with the Department of Tourism and other relevant parties to implement the recommendations of the new draft Tourism Management Policy 'Focus on the Future' which provides a five-year plan to address the major challenges facing this crucial sector of the economy. The draft policy will be tabled during this meeting. Following this, the Ministry will announce the membership of the Committee charged with overseeing implementation of the major recommendations contained in the Tourism Management Policy.

In the area of environmental protection, the Ministry will continue to pursue legislative remedies and safeguards to protect the Islands' fragile ecosystem, and in keeping with existing international treaties and commitments. The Ministry will pursue as a priority the acquisition of land identified to establish the Barkers National Park.

Department of Tourism

The tourism industry contributes significantly to the economy of the Cayman Islands, employing approximately seven thousand Caymanian and expatriate workers.

The tourism industry continues to face some unique challenges. The focus in 2003 will be on establishing a tourism public sector framework based on the new tourism management policy. This will assist the Government to more effectively manage and market the destination for the long-term sustainability of Cayman Islands tourism.

The new tourism management policy has identified the following nine objectives for tourism development in the coming years, as the building blocks for the revitalization of the Cayman Islands tourism product:

- provide a high quality product for the visitor;
- present a distinctive Caymanian experience;
- adopt a sustainable approach to tourism development;
- protect and enhance the marine resource;
- attract a more discerning and higher spending visitor;
- develop a highly skilled Caymanian tourism workforce;
- develop eco-tourism on the Sister Islands;
- organize tourism in the Cayman Islands more effectively; and

- research and monitor tourism more effectively.

The implementation of the Tourism Policy is only one step towards the recovery of tourism in the Cayman Islands, but it requires the coming together of all stakeholders - the people of the Cayman Islands, the tourism industry, Cayman Airways and the Department and Ministry of Tourism. As was noted at the annual Tourism Conference in November, "Tourism is Everyone's Business."

The Department will also work on other key objectives such as developing a Cruise Conversion Programme, to encourage cruise ship visitors to return to the Cayman Islands. This will be designed to take advantage of a golden opportunity - the thousands of cruise ship guests who arrive at our shores monthly - and to convince an elite portion of them to return to the Cayman Islands as stay-over visitors.

The Cayman Islands Investment Bureau

The Cayman Islands Investment Bureau is the platform from which Cayman will re-acquaint the international business community with the many benefits of doing business in Cayman while providing a consolidated office to respond to emerging trends and needs of potential investors. The Cayman Islands Investment Bureau Offices in London and New York are already operational and the Grand Cayman Office will open in the second quarter of this year.

In December 2002 the London based "Friends of Cayman" group was formed, comprising experienced individuals with knowledge of Cayman. The group will support and encourage commercial development in the islands and help project them as an attractive and profitable location for business and investment. A similar group will be established in New York and will complement the efforts of the New York Bureau.

The executive arm of the Investment Bureau, the Growth Management Board, comprises representatives of Cayman's key industries and the government departments such as immigration, environment, planning and customs which facilitate the establishment of businesses.

The Government is pleased to be able to offer this "one stop shop" service to all potential investors in the Cayman Islands. The primary aim of the Bureau is to encourage and facilitate the creation of business in the three islands while ensuring that potential investors are given a *first-rate* experience when trying to relocate or expand international business to the Cayman Islands.

The Bureau's key areas of services are:

1. To provide a direct link and contact base between the potential investor and the agencies which support the development of business interests in the Cayman Islands;
2. To act as an informed source of feedback and resource for the potential investor in securing the necessary standards of operation, which the first-class professional services centres of the islands can provide; and
3. To act as a central contact point for all information related to developmental investment in the Cayman Islands.

The Bureau offices are also the central point for the development of a centralized brand for the Cayman Islands and its commercial products. This rebranding exercise which is underway will revitalize the images of our twin pillar industries of tourism and financial services while also paving the way for newer, emerging sectors such as e-business.

Vehicle Licensing and Transport Unit

In 2003, the Vehicle Licensing and Transport Unit will be proactive in seeking to collect outstanding revenue. This will include holding meetings with persons and companies whose licence fees are outstanding. Staff will be redeployed, to facilitate this objective.

Vehicle Licensing will continue to pursue decentralization of services in Grand Cayman, as has been done by the initial establishment of a satellite office in West Bay. Now that the administrative offices of the Unit have been successfully relocated to Walkers Road resulting in less congestion at the central George Town location, the unit will pursue plans to move the inspection office out of central George Town as well.

The Unit's other plans for 2003 include development of certain aspects of the Traffic Law such as:

- Provision of set times for moving Backhoes and other heavy equipment along major roads;
- Provision of regulations for the better enforcement of Revenue Collection;
- On-line services with appropriate legislation; and
- Further development of the Public Transport System and Laws.

Department of Environment

The Department of Environment will continue to assist the Ministry in developing and implementing policies and legislation that afford protection to the environment, with particular reference to the recently prepared legislation to update the local law giving effect to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES) and the proposed new National Conservation Law.

In addition, the department will assist with implementation of the recommendations in the CH2M Hill Aggregate Study. In the coming year the Department will also complete project definition and design for a Wetlab facility and visiting scientist accommodation on Grand Cayman and construction of a building on Little Cayman to facilitate an office, workshop and storage facility for oil spill equipment.

Fire Service Department

During 2003, in order to maintain the level of competence and efficiency required to meet our International obligations, in particular the Airport Rescue and Firefighting section, seven officers will attend special courses for re-certification at a recognized institution in the UK. Managerial training will also be conducted locally for administrative staff and senior officers. The staff in Little Cayman and Cayman Brac will be brought to Grand Cayman for their yearly refresher training.

The Civil Aviation Authority has ordered a new airport crash tender for Cayman Brac to be delivered in late 2003 to early 2004.

The Department will also continue to conduct annual fire inspections of licensed tourist accommodations, premises with liquor licenses and new buildings as a requirement of certificates of occupancy. Nightclubs and other premises known for large concentrations of people will be monitored closely by the Department for overcrowding and other aspects of fire code compliance.

Cayman Airways Ltd.

The past year has been very difficult for the airline industry. No significant improvements are expected in 2003. Two major US carriers, United Airlines and US Air, are currently operating under bankruptcy protection.

The primary corporate objective for the National Carrier in 2003 is to improve revenue per flight. The average occupancy for Cayman Airways in 2002 was 42 percent. In 2003, the company's goal is to increase this load factor to 50 percent. This objective will be pursued through:

- *Aggressive Price Discounting*, particularly during off-peak travel times and on specific flights.
- *Maximizing Synergies* in cooperation with our local tourism industry partners and the Department of Tourism in programmes such as H2GO that will attract more visitors to the islands. As our financial industry continues to face unprecedented challenges, more reliance will be placed on our tourism industry to support the same level of economic activity that we currently enjoy.

It is therefore imperative that a stronger and more integrated working relationship be established between Cayman Airways and the Department of Tourism. Cayman Airways must play a more significant role in building tourism for the Cayman Islands, as it did when it was first conceived.

- *Schedule Improvements* - the airline is decreasing flights to destinations where demand is low, while expanding frequency to lucrative markets such as Jamaica, including the addition of Montego Bay and Havana where demand has increased. In April, the National Carrier will expand service to include Fort Lauderdale, Florida. Following a thorough analysis, this route will lower our operating costs and provide our customers with better connections throughout North America.
- *Improve Customer Relations* - the airline has developed a Customer Service Commitment programme that will enable all employees to share the responsibility to meet these commitments and, wherever possible, exceed our customers' expectations. The company's goal is to become the number one choice when traveling to and from the Cayman Islands.

The Secondary objective is to reduce the cost of providing service. The key priority is to improve productivity throughout the organization. This will be accomplished by:

- Upgrading technology;
- Reviewing operations and identifying further savings;
- Working with suppliers to reduce costs; and
- Continuing to monitor expenditure across all departments.

The Cayman Islands Development Bank

Following its first year of operations, the Cayman Islands Development Bank is better poised as an independent player in the financial sector to respond to the developmental needs of Caymanians by offering creative and relevant financial products.

In 2003, the Bank will continue to implement the 3-year rollover strategic plan that it formulated in 2002, by adhering to its overriding goal of becoming prudently managed and self-sustaining within the medium term.

In the 2nd quarter of this year, the Bank will launch its latest initiative entitled "Agri-Business Week" to better promote the advancement of the agricultural sector.

By the 3rd quarter, the Bank aims to become fully automated so that it will be readily able to deliver quality computerized service to its clients.

Throughout 2003, the CIDB will maintain its focus on three key areas: entrepreneurial business projects; low-to-lower middle income mortgages; and credit facilities for human resource development.

Tourism Attractions Board

In 2003, Pedro St James National Historic Site is progressing with the addition of historic elements including a "HOW CAYMAN WAS" exhibit, covering the 1930s to 1960s period, and a representative Cayman stamp collection. Both of these displays will be externally funded. In conjunction with the National Gallery, the Watler House will be renovated to create an exhibition space for art. Increasing revenue from facility and site rentals is a priority for 2003.

The Botanic Park has just presented an expanded Orchid Show, in conjunction with the Quincentennial Office. With irrigation as a major expense, there are continued efforts to bring piped water to the site.

Pirates Week will feature an enhanced Landing Pageant scenario and the possibility of a laser light show on the first weekend of the Festival.

Cayman Turtle Farm Ltd.

Master Redevelopment Plan

The Cayman Turtle Farm will continue to implement the Master Redevelopment Plan, commissioned by the Board of Directors after the devastating effects of Hurricane Michelle in 2001, for relocation of the farm to the landside and creation of additional attractions. The new breeding pond now housing the farm's breeding turtle population has already been completed.

The Turtle Farm intends to complete the relocation of the entire farm operation including visitor's centre, retail operation, parking facilities, display tanks, education centre, hatchery and labs. The commercial stocking tanks, hatchling tanks, processing plant, jewelry manufacturing plant and research accommodation will also be constructed during this phase.

The Government and the Board of Directors are seeking private sector participation in the other elements that will complete this unique tourism and conservation facility. Among the major components of this section of development will be the aquarium, zero entry pool complete with lazy river, and a restaurant.

The Cayman Turtle Farm will commemorate its 35th Anniversary with special events to complement the Quincentennial celebrations.

Port Authority of the Cayman Islands

In the past year there were numerous significant changes for the Port Authority. With the number of cruise ship passengers reaching record levels, it was decided in the interest of safety, to separate the cargo and cruise operations. Therefore, in September 2002, daytime cargo operations were discontinued in favour of safer nighttime operations at the dock.

Port statistics indicate that cargo volumes in 2002 totaling approximately 189,000 tons were roughly on par with the cargo volumes recorded in 2001. With the continued soft economy in 2003, the Authority forecasts cargo tonnage to remain around the same level.

As the number of cruise ship passengers stabilizes it is planned to enhance the facilities by renovating the North and South Terminals, and constructing a third terminal - the Fort George Cruise Terminal, to

the North of the existing dock. Construction of this is expected to begin in mid 2003. The cargo finger pier damaged by heavy seas in 1998 will be repaired and upgraded during the first quarter of 2003.

Ministry of Health Services, District Administration & Agriculture

The Ministry will enhance its capability to provide strategic policy advice to the Minister and strengthen its monitoring and regulatory functions.

A Health Commission will be established to advise the Ministry on health policy matters as well as to certify and inspect health care facilities. The establishment of four councils will provide for registration and regulation of members of the health care professions.

The National Strategic Plan for Health will be updated during 2003.

The Chief Officer will continue to ensure staff are trained and equipped to meet the requirements of the Public Management and Finance Law, 2001.

It is expected that the revision of the Health Insurance, Pharmacy, Mental Health and Tobacco Products and Intoxicating Liquor Advertising Laws will be completed and submitted to the Legislative Assembly.

With support from Caribbean Epidemiology Centre, in Trinidad, the Cayman Islands will develop a National Strategic Plan for HIV/AIDS. The Caribbean AIDS Telecommunications Information Network will be established in the Public Health Department to enhance information dissemination. These projects are funded by the Department for International Development of the United Kingdom.

Health Services Authority

The Cayman Islands Health Services Authority (HSA) in partnership with the Government is committed to providing a high quality, cost effective health care service.

Having announced and implemented most of the necessary cost-cutting measures the Authority has expanded its focus and is now developing what it calls the 'second pillar' in its formula for success, viz. 'delivering quality health-care to its customers'.

A vibrant Public Relations Programme will be implemented with emphasis on Customer Service. Training has already started and there are changes slated for the patient relations department. I am glad to report that patients are now experiencing shorter waiting times.

A new computer system expected to be operational later this year at the Cayman Islands Hospital will enhance the Authority's ability to offer quality and efficient healthcare services.

The HSA intends where it is feasible and demand exists, to expand the scope of services it currently offers to the public.

The HSA will be implementing a Nurse Training Programme. This will help the Authority achieve the goal of having a cross-trained multi-skilled staff. This should result in a more efficient, responsive organization.

Under the new six-department structure (Medical, Surgical, Accident & Emergency, General Practice, Specialist Clinic and Support Services) the HSA Board has devolved more responsibility and decision-making authority to those employees who often have direct contact with customers. This type of structure is more inclusive, promotes teamwork and is reflective of a customer driven organization.

The HSA Board through the support of its senior management team and the hard work of its entire staff has begun to realize the fruits of its hard labour. Although much work remains to be done, the early signs are very encouraging.

Some contributing factors are:

1. An aggressive cost-cutting and containment restructuring exercise;
2. A Fees Law more reflective of the costs of providing the relevant services;
3. The adoption of more efficient work practices;
4. An improved collections process;
5. A supportive Government through the Ministry of Health Services.

District Administration

Cayman Brac and Little Cayman Administration will continue to work with the recently established Brac Informatics Centre to encourage further expansion of e-business and e-commerce in Cayman Brac.

Plans are in place to further develop and market the natural environment and attractions of the Sister Islands.

Disaster preparedness and response plans will be revised in light of experience gained from the 2002 storms.

The first ever Agricultural Show on Cayman Brac was held last weekend and was a great success.

Agriculture

The Department of Agriculture (DOA) will continue to promote economic prosperity via efficient, modern and sustainable agricultural production. Attention will be given to activities that take account of social, economic and environmental concerns and provide increased quantities of safe local food, better incomes for producers, and the enhancement and protection of the Islands' natural environment.

Following the completion of studies, consultations and final deliberations as to the establishment of a Pesticide Regulatory Authority, a new Pesticide Bill with its regulations will be presented in the Legislative Assembly. This should greatly enhance the health protection of persons, plants and animals and conservation of the natural environment.

Plans will be developed to reorganize and restructure agricultural services in Cayman Brac and Little Cayman and to effect human resource enhancements appropriate to full and timely delivery of such services.

The department will support the efforts of the Quincentennial Committee (QC) particularly by providing technical expertise to raise the level of this year's agricultural show to a standard befitting the 500-year celebrations.

During 2003, with assistance from the Public Works Department, construction will start of an abattoir on Grand Cayman.

Radio Cayman

Work will continue on empowering Radio Cayman staff through training and incentives, to enhance its ability to compete with other stations. To this end it is planned to convert Radio Cayman into a Statutory Authority.

Civil Aviation Authority

The Civil Aviation Authority (CAA) has received the final report for the Master Plan Study undertaken last year by United Kingdom aviation consultants Jacobbs GIBB, which highlights required development to meet sustainable operational needs for the next 10-15 years. Among its recommendations, the study identified development expansion of the main passenger terminal at Owen Roberts International Airport and the relocation and upgrade of the General Aviation Terminal facilities in Grand Cayman as the first priorities.

Development will be phased over the next 10 - 15 years to address the needs of the aviation industry. The Civil Aviation Authority will in the next 12 months address this phased development plan and make provisions for the implementation of the recommendations.

In keeping with international requirements and recent developments in the United Kingdom Government regarding the regulation of aviation in the Overseas Territories, the structure for management of aviation throughout the Cayman Islands will be realized in two separate autonomous bodies/organizations. The Civil Aviation Authority will retain regulatory oversight functions to ensure compliance with international standards for the safety of aviation, and an Airport Authority will be established with responsibility for operating the airports throughout the three islands.

Ministry of Education, Human Resources & Culture

The Ministry recently held its second bi-annual retreat with its heads of departments. The Ministry reaffirmed its commitment to a set of shared guiding principles and its philosophy for policy development. Education and Human Resources are the building blocks to mould, develop, and nurture the people of the Cayman Islands. In the same vein, Culture is the central interface - the tool to inform and mould the life choices of our people, and the mirror for self-reflection.

The Investors in People Programme, which focuses on organizational development through people, will complement the human resource management changes in the next phase of the reforms.

Education

Education Law

In 2003, the Ministry will focus its efforts on the need for a revised Education Law. This was recommended in the Millett Report, tabled in the Legislative Assembly in 2001. The Revised Law will constitute the Schools' Inspectorate and its powers, address the issue of Home Schooling, establish an Appeals Tribunal and incorporate other recommendations from the Report.

Education Policy

The Ministry will also table a comprehensive new Education Policy. This will draw on the framework "Education for the 21st century", published in 2001, and convey a vision of Caymanian society which is alert, responsive and proactive. It will acknowledge the importance of information technology in lifelong learning and the necessity to focus more on technical and vocational education.

It will emphasize the need for the Cayman Islands, as a learning society, to remain firmly in control of its own destiny by embracing change, multiculturalism, multinationalism, human rights and citizenship education without losing contact with the values which constitute the Caymanian identity.

Improving Teaching and Learning in Cayman (ITALIC)

Building on the development of the policy and the need for enhanced integration of information technology into the curriculum, the Ministry of Education has embarked on what is expected to be the biggest programme to transform education in the Cayman Islands in 20 years. This programme called "Improving Teaching and Learning in the Cayman Islands" (ITALIC) is the culmination of years of planning by educators, students, parents, the Ministry, the Education Department, the Schools Inspectorate, and private sector partners.

- Under ITALIC, the Ministry will focus on teaching and learning for a lifetime. They have begun several pilot projects aimed at using technology as a tool to assist in the teaching and learning process.

National Education Leadership Programme (NELP)

In line with the Minister's strategic goal of further teacher and educator professional development opportunities, the National Education Leadership Programme (NELP) is being launched in April 2003. This draws on the findings of Inspectors and is based on the Cayman Islands' national standards for principals.

Participants in the programme will earn credits toward a Master's Degree in Applied Leadership from the University of London.

Cayman Islands Cadet CORPS

The Cayman Islands Cadet Corps, building on the progress made during 2002, will be the subject of new legislation, and will be officially registered with the United Kingdom. It will expand its enrolment to John Gray High School, to allow the continued participation of the current cadet class and high school students.

The Cadet Corps' central curriculum will be enhanced by including 'Citizenship Training', to educate the cadets in Cayman's history, their rights and the rights of others within the country.

Most importantly the Cadet Corps will continue to inspire and remind young persons of their responsibilities to society.

Human Resources

Employment Legislation

In early January 2003 Executive Council approved drafting instructions for a revised Employment Law, a critical step in the development of a National Human Resource Policy. Integral to this Policy will be a revised Trade and Business License Law and Workmen's Compensation Law; both laws will be reviewed later this year.

Investors in People

The Employment Relations Department will concentrate on training and retraining the country's workforce through the Investors in People Programme (IIP), an internationally recognized human resource management standard. A Pilot IIP Programme will be launched in three government departments and seven to ten private companies and will run for twelve to eighteen months. Participants in the Pilot Programme will need to comply with specified best practices relating to recruitment, selection, training, succession planning, record keeping and employment relations. A group of independent facilitators will be available locally to assist companies with pursuit of the Standard and an independent assessor will evaluate their compliance with it.

International Obligations

In 2003 the Ministry will seek to establish the Cayman Islands as a Non Metropolitan Member Territory of the International Labour Organization, thus fulfilling the requirements placed on Overseas Territories to adhere to international conventions on human rights and employment relations.

Vocational & Technical Education

Emphasis will be placed on providing vocational technical training/education through a 'Votech' fair being planned for the last quarter of 2003 highlighting opportunities and training available.

Pensions

In 2003, the Office of the Superintendent of Pensions (OSP) will merge into the Department of Employment Relations. This will unite employment relations under one umbrella and enhance the one-stop shop at Paddington Place, when the office moves there at the end of the year.

Culture

The Ministry's overall goal for supporting cultural development is to focus efforts on bringing together the many distinct and disparate entities in Cayman, into a society that can live and work together in peace and in harmony. In that sense, the policy will become a dynamic "metaphor for the way [Caymanian] people live, our values, beliefs and aspirations."

Initiatives in 2003 and beyond, with culture as the primary driver, yet appropriately linked to education and human resources, include:

- continued development of the National Cultural Policy framework by the Taskforce;
- re-introduction of the cultural scholarship;
- preparation for the introduction of an arts integrated curriculum;
- launch of the New History of the Cayman Islands;
- revision of relevant cultural legislation; and
- development of cultural facilities.

The National Archive serves two important functions: it runs a modern records management service for government departments; and it collects, preserves and gives public access to historical records of all kinds. Within the last decade, storage space in the Archive has reached a critical point. In 2003 preparations will be taken forward for building a much-needed Archive extension.

In 2003, work will begin on a 3-story extension to the George Town Public

Library. In addition to tripling the usable floor space of the current facility, this will include internet-enabled computer labs. Students will finally have access to a library whose mandate is to be the "local centre of information, with all kinds of knowledge and information readily available. These additional facilities will allow the library to better complement other ministry initiatives such as ITALIC.

The National Museum is currently housed in three separate locations and its exhibit location is within 50 feet of the ocean. Alternative facilities will be investigated, with a view to providing a purpose built facility with adequate storage, exhibit and retail space.

The National Gallery currently operates out of its spacious, Harbour Place location, thanks to many generous local benefactors. Work continues to raise funds for its locally designed purpose-built facility, located off the Harquail Bypass.

Revision of Cultural legislation

The Ministry will vigorously pursue the revision of cultural legislation, particularly, the Abandoned Wreck Law, to provide better protection for Cayman's cultural and heritage assets.

Work will also begin on developing a law to legally constitute the National Archive and clearly define its functions.

Ministry of Community Services, Women's Affairs, Youth & Sports Community Services

It has been evident in the Caribbean Islands that as an economy grows social problems also increase. In Cayman, the enormous economic expansion has changed the society and the way people live. Change has been so rapid that not everyone or every district has adequately adjusted. In line with the government's Broad Outcome 2: a healthy and socially protected population, the Ministry of Community Services is targeting vulnerable children, adults, families, older persons and communities. This requires a coordinated partnership with the private sector and various agencies that are able and willing to help the Government achieve its goal.

Social Services

In 2003, the restructuring of the Social Service Department will continue, with the youth residential services being moved under the new Children and Youth Services Foundation, set up in 2002, when the Government decided not to renew the contract with the Marine Institute.

Chaired by Mr Richard Arch, the Foundation will be responsible for the Bonaventure Home (formerly the Marine Institute), the Frances Bodden Children Home, the Hope Centre (formerly the Boys Home on Middle Road) and the Place of Safety.

As part of the restructuring process Social Services will be split between financial assistance and social services. The Community Development unit will be moved to the Department of Youth and Sport to ensure better teamwork. The Joyce Hilton Centre will remain under the Community Development Unit but will become a Family and Parenting Centre.

After much delay a revised Children's Law will be presented to the Legislative Assembly during the first half of 2003. This will replace the 1997 law, which proved administratively cumbersome. The review of the current Adoption Law will also be finalized. These legislative advances will allow Social Services to concentrate more clearly on children's services, the goal always being to solve the problem in a way that allows the child to remain with the parent(s) where possible.

With the introduction of various alternatives to sentencing, the work of the Probation Unit has trebled since its inception. The Probation Supervisor and Prison Director are jointly reviewing the Parole process at the request of the Honourable Minister for Community Services, Women's Affairs, Youth & Sports and myself.

Prison Services

Following a year of increasing stability and confidence, 2003 will see the completion of the first phase of the major development plan for the Prison Service.

The construction of the new enhanced accommodation allows conversion of the former female cellblock into a Young Offender wing. This includes a discrete Secure Juvenile Unit (Chapter House) with a capacity of 14 and its own classroom, association and sports area. Additional funds have been provided for specially selected and trained staff, including teacher/counsellors, to provide the education and activity.

The Prison Service's emphasis will be on positive regime development based on individual sentence plans. Successes in reducing positive drug tests will be reinforced through extension of drug counselling and increased opportunities for prisoners to train for employment on release.

The National Drug Council

The NDC, in partnership with its many stakeholders, remains a vital agency in the Government's fight against substance abuse.

Canaan Land

The Canaan Land Home resident "student" programme is a one-year programme for men, seventeen years and older, who have "life dominating problems".

Youth and Sports

The Ministry will continue to work with the various youth, community and sporting organizations that provide pro-social activities, role models, youth development and after-school programmes. Additionally, partial scholarships to young people engaged in sports or interested in a sports career will

be provided. In a public/private partnership, the Ministry will assist in provision of parks in the districts of East End and George Town. Work will also continue on the Hutland Park, and the Frank Sound Park will be formally opened on the 15th March.

Women's Affairs

In 2003, the Ministry will present the final version of the National Policy on Gender Equity and Equality to Executive Council and the Legislative Assembly and develop an implementation plan for this.

Having purchased the Long Celia Memorial House, the Ministry will enter into a contract with the Board of Directors of the Cayman Islands Crisis Centre (CICC) to run a temporary shelter programme for battered women and their children. With the Ministry providing an annual grant and leasing the property on a peppercorn-lease, the Centre will be opened tomorrow to victims of domestic abuse.

Women's Resource Centre

Following the addition of a counsellor to its staff, the services and programming of the WRC will be greatly enhanced this year. The Centre will continue to work with the RCIP's Family Support Unit, Department of Social Services, other agencies and individuals to provide support and advocacy for its clients. In addition, it will provide outreach-counselling services to clients of the new Cayman Islands Crisis Centre.

The Sunrise Centre

The Sunrise Adult Training Centre's focus on training and support for Adults with Disabilities throughout the Cayman Islands will be pursued with renewed enthusiasm in 2003. The Increasing need in the community for residential options for the Adults themselves and support for families dealing with long term stresses make it imperative that new and more accessible facilities are made available in the near future.

Ex-servicemen and Seamen Benefits

The Ministry will continue to provide Ex-servicemen and Seamen Ex-Gratia benefits. The Government revised the criteria in 2002, in order for seamen or their surviving spouses with a total household income of \$1,500 and below to be eligible for benefits.

Water Authority

Piped Water Supply Infrastructure

The Authority will continue extending the water distribution system throughout the eastern districts in Grand Cayman and will review the feasibility of extending the Cayman Brac system up to the Faith Hospital.

In mid-2003, after completion of the work in East End to the Castaway's Cove Development, the extension of the water distribution system from Frank Sound to North Side will commence.

Grand Cayman Wastewater Infrastructure

With the expected completion in October 2004 of the first phase of the Grand Cayman Wastewater Treatment Works, the Authority will be well positioned to meet the island's needs for wastewater treatment over the next 15-20 years. The Authority's plans include extending public sewerage to areas such as Canal Point, Snug Harbour and the northern part of West Bay Road. These areas are highly developed and in close proximity to Seven-Mile Beach; public sewerage will alleviate the environmental impact of on-site wastewater treatment. The Authority will commence the study to provide sewerage infrastructure into George Town in early 2004.

Housing

Various studies have identified the lack of affordable housing as a contributory factor to social breakdown. In 2003, the Ministry will continue its Affordable Housing Initiative, phase one involving construction of two hundred homes in a number of communities. Additionally, the Government will establish a framework of housing entities that will, in partnership with Private Sector financial and construction institutions and companies, provide a continuum of housing tenure options. These will range from rental (assisted or otherwise) tenancy to outright purchase and will incorporate the Government Guaranteed Home Mortgage Scheme.

Physical infrastructure alone will not build sustainable communities and strong families without the necessary social support systems. Social intervention in the form of skills building and job training will, in

conjunction with the Ministry of Education, be provided to ensure that people living in the improved residential areas have the requisite life skills to lead productive fulfilling lives.

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conjunction with the Ministry of Education, be provided to ensure that people living in the improved residential areas have the requisite life skills to lead productive fulfilling lives.

Ministry of Planning, Communications, Works and Information Technology

Petroleum Storage and Handling

A Caymanian took up post as Chief Petroleum Inspector (CPI) in January. His main focus is to work with industry and other Government agencies to raise the level of health and safety within the industry. A quantitative risk assessment of the two Jackson Point terminals as well as the Liquefied Petroleum Gas plant is underway and the CPI will work with the consultant to complete this before June 2003.

Caribbean Utilities Company

The operational and financial review of Caribbean Utilities Company Ltd. under the auspices of the Auditor General is expected to be completed this month. Government has also established a multi-disciplinary committee to advise on matters relating to CUC's proposal for extension of their exclusive license for another 25 years while moving away from the permitted rate of return provided under the current license.

Postal Services

The Post Office will conduct an internal review of its mail processing operations with a view to maximizing efficiency and capitalizing on new business opportunities. Training and development will continue to be a focus, with some staff pursuing local college degree programmes while others participate in local and international training workshops.

On the capital development side, the construction of a new post office in Savannah will be the next priority, in view of the high residential growth rate in that area.

A new service is expected to come on-line during the year -- the payment of CUC bills. Initially, this will be available at post offices in Bodden Town, North Side and East End, given that these districts are the furthest from George Town.

The Post Office expects to release local commemorative stamp issues celebrating the Quincentennial, the 50th Anniversary of the Coronation of Her Majesty The Queen, and the 21st Birthday of His Royal Highness Prince William. Development work on the Philatelic Website is nearing completion and a launch is expected in the near future.

The Post Office will work closely with the Ministry to host the 7th annual Caribbean Postal Union's Conference of Postmasters General and Ministers Responsible for Posts. This is a weeklong event, and many Postal Officials and Government Ministers from the region are expected to attend.

Lands & Survey

The Lands & Survey Department will commission new aerial photography of all three Cayman Islands to allow preparation of a new set of ortho-rectified images for inclusion in the Land Information System (LIS). This information allows both government and private sector decision-makers to be confident that they can base their decisions on information that they know is as up-to-date and current as possible.

Mosquito Research and Control Unit

During 2003 the MRCU will complete and confirm the eradication of the Yellow Fever mosquito from the Cayman Islands, and reduce the threat of a Dengue Fever outbreak. The Department will launch a similar programme to rid the islands of the Asian Tiger mosquito, a primary carrier of both West Nile Virus and Dengue Fever.

During 2003, at the request of the Pan American Health Organization, MRCU will host a series of training seminars on mosquito control strategies for personnel from other Overseas Territories.

Planning Department

As the construction industry experiences an economic revival, the Central Planning Authority (CPA) and Development Control Board (DCB) are assuming a more pro-active and comprehensive approach to land use management. The proposed amendments to The Development Plan 1997 should be tabled at the September meeting. Simultaneously, the 1975 Guidelines for Development Control in Cayman Brac and Little Cayman will be replaced by policies and guidelines more reflective of current conditions. As in

Grand Cayman, there will be extensive opportunities for public input and participation as the DCB and ad hoc Committee for Sustainable Development in Cayman Brac work on these important documents.

The Planning Department will recruit three new building inspectors including one for the Sister Islands.

Environmental Health

The Department of Environmental Health (DEH) will continue to facilitate the process for the selection of the most appropriate solid waste collection, treatment and disposal facility/system for the Cayman Islands.

On Cayman Brac, the new landfill site on the Bluff will be further prepared and developed to allow for early closure of the existing landfill site now situated on the south side of the island as soon as possible.

The department will regularly review methods to more effectively recoup the costs of providing solid waste services on all three islands.

Public Works Department

Roads Division

In view of the continued fiscal constraints, PWD Roads Division will look for innovative and more cost effective techniques for maintaining our road assets. In keeping with FMI, a programmed approach to asset management will be developed. The first step will be to prepare a detailed inventory of all roadways.

The Public Works Roads Division and the Long Range Unit of the Planning Department have recently formed a joint Transportation Planning Unit (TPU) which will shortly embark on a National Roads Plan for Grand Cayman. This will address ground transportation needs for the next 15-20 years, including roads and public transportation.

As part of the traffic improvement programme, an additional eastbound lane will be constructed in 2003 from the new roundabout at the Grand Harbour complex to near the Red Bay Primary School. This is urgently required to relieve traffic congestion in the evening peak hour.

Another significant traffic improvement project, the construction of a short connector road between Goring Avenue and Elgin Avenue in central George Town, is underway. This will provide an alternate route for traffic entering and exiting the Central Business District, and is particularly essential should plans proceed for pedestrianization of the roads along the waterfront.

Other traffic projects for 2003 are improvements to the intersection of Hirst Road and Shamrock Road in Savannah and the widening and upgrading of McField Lane in George Town.

In the development roads programme, phased work will continue on the Anton Bodden Road (formerly known as the Bodden Town Relief Road) to provide an alternate route particularly for heavy vehicles travelling through central Bodden Town. It is hoped that by the end of 2003 the base of the road will be complete and a temporary riding surface installed.

Work will commence from the Walkers Road end, on phase 2 of the Linford Pierson Highway, a one-mile stretch from Bobby Thompson Way to Walkers Rd.

Planning and gazetting of the extension of the Esterley Tibbetts Highway through the Hyatt area will continue, as well as discussions with the Britannia/Hyatt group. It is hoped that by the end of 2003 the alternative for the road through that area will be selected, and the corridor planned and gazetted, so that construction can commence in early 2004. This extension is urgently needed, as growth in traffic volumes since 1998 has resulted in traffic congestion on the southern end of West Bay Road returning to the unacceptable pre-1997 levels.

Drainage improvement works will continue with the installation of new drainage wells in low-lying areas prone to flooding. The public has helped identify these areas and Public Works encourage them to continue to do so.

Capital Building Works:

The major capital building projects, in the first half of 2003 are:

- The new government office complex, which is to be sited, near the existing Government Administration Building. This comprises some 170,000 square feet of office accommodation and

a multi-storey car park. Pre-qualification of contractors for this project is underway, to be followed by finalization of tender documents and invitation to tender.

- The new Prospect Primary School. Working drawings are complete and it is intended to invite tenders in the first half of the year.
- The proposed new secondary school in the Frank Sound area. The architectural brief will be finalized and working drawings progressed.

Telecommunications Office

In keeping with its responsibility for providing technical support for the various telecommunication systems of the emergency services and most other Government agencies, the Office of Telecommunications (OFTEL) has embarked on a major project to upgrade the 13-year-old radio communication system. This will provide the emergency services with enhanced in-building radio coverage and digital communication security without the need to replace their existing radio equipment.

New transmission sites will be established in George Town, East End, Cayman Brac and Little Cayman, all integrated with the primary tower site at Northward. These additional sites will also act as back-up facilities should an outage occur at the primary site.

Computer Services

The spotlight continues to be on advancement of Electronic Government or E-Government, thereby demonstrating the Government's commitment to promoting national E-business. The Department will also provide professional technical and business support services for implementation of two new modules of the Government Financial System (IRIS), Project Accounting and Order Management.

The project to ensure a high level of recovery for Government's most important IT data and systems, thus ensuring business continuity from most forms of natural and man made disasters, is scheduled for completion by the end of 2003.

Provision of more cost effective, reliable, secure and high-speed network data communication services to Government offices in most outlying districts is expected to be completed by May 2004. This will enable entities like the Agriculture Department, Primary schools and Her Majesty's Prison to achieve

some of the technology-driven productivity gains being realized by departments located in central George Town on the main government network.

Information & Communication Technology Authority

The liberalization of telecommunications and the development of e-Business and Information and Communications Technology (ICT) remain a top priority for the Government. It is expected that additional telecommunications licences will be issued shortly by the ICT Authority, which should be fully operational when it moves soon into its new offices in Alissta Towers. Full competition should be in place by mid-2004. The ICT Authority is now administering the .ky Internet domain, and over the next six months will develop new policy guidelines for it, including possible introduction of registration fees to help defray the costs of running it. The radio-licensing regime will be simplified and streamlined, and a review of the current fee structure completed.

Government -in conjunction with the private sector- will implement a marketing campaign to promote the Cayman Islands as an offshore e-Business Centre with the aim of encouraging existing businesses to take advantage of the opportunities presented by e-business, and attracting new e-businesses to the Islands. An initiative will be launched to identify and develop niche e-business markets, possibly in the area of intellectual property rights. This could lead to proposals to amend our trade mark and copyright legislation. Consultation will commence on the need for, and content of, a stand-alone Data Protection Law.

Conclusion

Honourable Speaker, Honourable Members, As I conclude my first Throne Speech, I wish to thank the many people who played a part in preparing it.

As you now embark on the First Meeting of the Quincentennial Session of the Legislative Assembly, I pray that Almighty God will bless and guide your deliberations. May He always in His wisdom continue to watch, protect and prosper these beautiful Islands and everyone who lives in them.