



CAYMAN ISLANDS
GOVERNMENT

2012 THRONE SPEECH

Delivered by His Excellency the Acting Governor, Mr. Franz Manderson CERT HON JP

Monday, 20 August 2012 / Cayman Islands Legislative Assembly Building

INTRODUCTION

Madam Speaker, Members of the Legislative Assembly, it is a great honour for me, in my capacity as Acting Governor, to present the long awaited Throne Speech for the 2012-2013 fiscal year.

The Throne Speech, as we know, is the product of policy direction from the executive branch of Government and the specific operational plans developed by civil servants to make these policies a reality over a 12-month period. Each year's speech is the product of service-wide collaboration. Along with the annual budget document, it provides an invaluable tool for the public to ensure that it receives the best possible value for money and to hold the elected Government and the Civil Service accountable for the promises that it makes.

As such I would like to take this opportunity to encourage the media but also the general public to use this document to learn about the public sector initiatives that they can expect to see this year. It will be available on the Government and Legislative Assembly websites.

Having worked in the capacity of Deputy Governor and Head of the Civil Service since February of this year, I have become ever more aware of the role that the public sector plays in the health of the overall national economy. As such, the Civil Service is committed to providing the Cayman Islands public with value for money. We believe that this is particularly important in a global economy that is still struggling to recover fully from the effects of the recent recession.

There have been some bright spots in the local economy, such as an upward trend in stay-over visitors, since last year's throne speech. Yet we are all aware that there are serious social concerns that we have only begun to tackle, such as crime and unemployment. In the past few months we have seen major arrests for serious crime; it is obvious that the additional funds which the police received late in the last financial year, have proved to be an example of a fruitful investment. It is important that we acknowledge the work performed by all our law enforcement agencies and emergency services; we owe them all a debt of gratitude.

This financial year additional funds will not be readily available as in previous years and Government must address these issues within the guidelines established in the three-year plan for reduction of spending, agreed with the Foreign and Commonwealth Office (FCO). This requires a delicate balancing act by the public sector, but it is also one that is faced by Governments around the world.

We are all aware that larger more developed economies have been struggling to make ends meet as a result of the economic situation. As a small-island nation, the Cayman Islands finds itself in a similar situation, but must strive to maintain its reputation as a world-class jurisdiction with far more limited resources. This can only be done by a public sector that is committed to good governance and ensuring that its citizens and residents receive value for money.

To help the Cayman Islands achieve this goal, the new financial year marked the introduction of the Framework for Fiscal Responsibility (FFR), agreed with the United Kingdom government, which aims to strengthen public financial management and fiscal planning.

Furthermore our image is inseparable from our economy. For us to retain our edge among global competitors for our tourism and financial services markets, it is important that the Government be seen to function as a rights-based democracy that is dedicated to enforcing the rule of law.

The imminent enactment of the **Bill of Rights** which is enshrined in the 2009 **Constitution** is a significant step in this process. Fulfilling its requirements, in the present economic climate, may call for a certain amount of creativity and innovation, as well as commitment to sustainability and good governance. Yet I am confident that these things are within the grasp of the Cayman Islands public service, although not without cost. Full implementation in the public sector is estimated to cost millions of dollars, much of which is in the present budget.

Thus it is with considerable anticipation that I now share with you the plans of the Ministries, Portfolios and Departments for the financial year 2012-2013.

Institutions Supporting Good Governance

The Civil Service includes three independent commissioners: the Auditor General, the Complaints Commissioner and the Information Commissioner.

Core activities for the **Office of the Auditor General** will include the financial audits of the 43 Government entities and providing the Legislative Assembly with up to four financial and performance audit reports.

The **Office of the Complaints Commissioner (OCC)** will strive through public education and outreach work to be more accessible to all residents of the Cayman Islands.

It will also focus on the effectiveness of internal complaints processes throughout Government, recognising good practice in an awards ceremony in October 2012.

Meanwhile the **Information Commissioner's Office (ICO)** will continue to promote the public's understanding of the **Freedom of Information (FOI) Law**, and encourage public authorities to proactively publish information where possible.

Judicial Administration

The **Judiciary** will explore ways in which a new court house can be funded, while making temporary use of other suitable spaces to reduce the waiting times for cases.

Following the success of the Drug Rehabilitation Court, the Judiciary will seek to expand this approach to areas such as mental health and domestic violence.

Another important objective will be to ensure that proposals for the reform of legal aid avoid placing undue bureaucratic or fiscal restraints on the efficient administration of the justice system.

Furthermore the implementation of the **Bill of Rights** will require new procedures to be developed to ensure that the Court is properly able to deal with applications alleging breach of those provisions. While the Judiciary will draw on experience elsewhere in the region, in Europe and in North America, its preparations will strive to ensure that its approach properly reflects the Cayman Islands culture and history.

The Judiciary will also continue to modernise its operations by implementing an information technology (IT) strategic plan.

Cabinet Office

In addition to advising on policy development and implementation across Government Ministries and Portfolios, the Policy Coordination Unit of the **Cabinet Office** will continue to implement the *Crime Reduction Strategy*. The unit will also broaden training to policy advisors and decision makers on policy development and implementation.

The Protocol Office will work to develop a greater online presence for quick access to protocol-related guidance, facts and information.

The Freedom of Information (FOI) Unit will assist the Data Protection Working Group with the development of a Data Protection Bill, and will help to present the draft legislation to both the public and private sectors.

Computer Services will continue to expand online Government services and electronic document management to help agencies revamp processes and procedures, improve workflows, and minimize costs for delivering services.

Government Information Services (GIS) will refine its business processes to ensure a more targeted delivery of services to stakeholders across all of its areas of operations, and, in particular, to the general public. An increased use of strategic planning, technology and market research will be integral to this process.

The Temporary Homes Unit will endeavour to transition the John Silver's facility in West Bay, which is the sole remaining site under its control, to the Ministry with relevant responsibility.

The Portfolio of the Civil Service

The **Portfolio of the Civil Service** will work to raise professional standards in the civil service by implementing a new audit programme that offers a real-time perspective of performance management compliance across the Civil Service. It will also launch the Deputy Governor's Award initiative to recognize high performers.

In addition the portfolio will expand human capital development opportunities by introducing a framework of academies which will link training to specific job clusters.

Other plans include amending the **Public Service Management Law** and **Personnel Regulations** to effect recommendations contained in recent reviews of the public sector. These changes should also ensure compliance with requirements emanating from other legislation, such as the **Bill of Rights** and the **Gender Equality Law**.

The Deputy Governor's Office

Staff of the **Deputy Governor's Office**, in conjunction with the Portfolio of Legal Affairs, will continue to prepare Government for the November 2012 implementation of the **Bill of Rights**.

Specialist training for those public officials who have powers of arrest commenced earlier this week.

Phase 4 of the Review of the Public Service will be completed in 2013 and will focus on a rationalization of the civil service, implementation of reports geared at financial and human resources (HR) reform, as well as the implementation of recommendations contained in the past three reviews of the Public Service.

In addition, the Deputy Governor's Office and the Attorney General are in the process of developing new legislation to give a legal footing to the parole system.

Portfolio of Internal and External Affairs

Over the coming year, the **Portfolio of Internal and External Affairs** will continue to emphasise security.

The Royal Cayman Islands Police Service (RCIPS) will strive to maintain the reduction that it has achieved in gang-related violence and to ensure that a similar reduction is achieved in relation to armed robbery offences.

The police will continue to utilize a pro-active task-force to patrol at-risk locations, as well as to actively stop and check known suspects. These efforts will be augmented by the use of trend data compiled at the conclusion of cold-case reviews, and by enhanced professional development opportunities for officers.

The completion of the RCIPS/Customs & Immigration Marine Base will have a strongly positive impact on law enforcement capacity.

The Immigration Department will continue to prepare for the enactment of the **Bill of Rights** later this year. To the extent that finances will allow, the Department will also continue to implement improvements to workflow processes through an expansion of its information technology (IT) systems. The review of the Islands' immigration legislation will also continue. In accordance with Government policy, the Immigration Department will eliminate outgoing immigration.

Her Majesty's Cayman Islands Prison Service is restructuring operations to ensure the strengthening of the two key pillars of corrections: security and rehabilitation. Accordingly the prison service will recruit a number of positions essential for the operation of critical rehabilitation programmes, intended to improve the reintegration of offenders into the community and reduce recidivism.

Furthermore, feedback from the recent visit by the UK Prisons Inspectorate will facilitate enhanced compliance with the requirements for the treatment of incarcerated offenders outlined in the **Constitution** and the **Bill of Rights**.

The Department of Community Rehabilitation will leverage synergies with the Prison Service in order to ensure a more comprehensive and effective continuum of care.

The department, with support from the Judicial Department and the Department of Mental Health, will also work to establish a Mental Health Court, a pilot of which has already proven to be very successful in reducing the level of recidivism amongst participants.

Meanwhile the Legislative Assembly will focus on using modern tools and technologies to enhance its operations and ensure the timely and accurate delivery of content such as, Bills and Hansards.

Through the European Union Funded R3i project, Hazard Management Cayman Islands (HMCI) remains committed to providing critical hazard risk assessment information to inform land development and general development decisions. An ongoing vulnerability assessment is far advanced and upon completion, will provide the necessary tools to aid relevant agencies in this area.

The Department of Public Safety Communication's Electronic Monitoring Centre provides offender monitoring services in addition to monitoring the National CCTV Programme cameras. Phase 1 of the CCTV project will shortly be completed, at which time 226 high definition video cameras will be in operation at 79 different locations on Grand Cayman.

Portfolio of Legal Affairs

The **Portfolio of Legal Affairs** will carry out a program of legislative work that includes:

- Piloting a number of draft laws such as:
 - (a) The **Child Pornography Bill** to prohibit child pornography and related acts in keeping with the Islands' international obligations under a number of human rights instruments;
 - (b) The **Attorney General's Reference of Questions Bill** which seeks to empower the Attorney General to refer constitutional and other questions to the Court of Appeal; and
 - (c) A revised **Notaries Public Law**.

In collaboration with other agencies, the Portfolio will also continue its ongoing review and modernization, where necessary, of the anti-money laundering framework in light of the revised Financial Action Task Force (FATF) recommendations.

In addition it will engage in, and assist core government agencies with, their ongoing preparation for the coming into effect of the **Bill of Rights** in November 2012.

Office of the Director of Public Prosecutions

The Office of the Director of Public Prosecutions has completed the process of physical separation from the Attorney General's Chambers, by moving into its own offices at Bermuda House.

The Office will publish a Prosecution Witness Charter which will set out the standards of care for witnesses in the Cayman Islands. The document will guide persons as to how they can expect to be treated by the Prosecution if they are witnesses to a crime, or incident, and have been asked to give evidence for the prosecution in a Criminal Court.

The Office will also continue to work with criminal justice departments and law enforcement agencies in determining and implementing ways to improve the efficiency of the criminal justice system.

Ministry of Finance, Tourism and Development

In the area of **Public Finance, the Ministry of Finance, Tourism & Development** will ensure that government finances improve, fulfilling the reporting requirements of the new Framework for Fiscal Responsibility as previously outlined; and limiting the need for such controls.

Under this new agreement, the Strategic Policy Statement will also entail a detailed approach to medium term planning that will provide the FCO with an in-depth view of Government's planned financial affairs for the next three fiscal years.

The framework will also involve an expedited timeframe for the country's fiscal planning, in order to fulfil the FCO's requirement to review the finalized Statement and annual budget document at least three weeks prior to publication or presentation to the Legislative Assembly. Government is determined to work in accordance to the framework, with the view that it will assist with improving the state of the economy, in a timely manner.

Meanwhile the Economics and Statistics Office (ESO) will participate in a world-wide initiative called "International Comparison of Prices".

The Customs Department will reform and modernise its programmes to enhance border security and revenue collection.

These programmes, in the areas of: compliance management, intelligence, risk management and specialist officers, will complement the recently acquired automated system known as "TRIPS", or Total Revenue Integrated Processing System, and x-ray scanners.

A major objective for the Internal Audit Unit will be to strengthen its operating framework through the establishment of an Audit Committee.

In the coming year the Maritime Authority of the Cayman Islands (MACI) will establish services in Switzerland, Turkey and the Middle East through the appointment of a Representative. The Authority also plans to expand and re-structure its Far East Services to include Korea, Malaysia and Thailand, by broadening the scope of existing representation there. In addition it will continue to reduce operational costs by contracting out some functions and moving its Head Office into the new Government Administration Building.

In the area of **Financial Services**: a number of key initiatives are planned.

The enforcement arm for Trade and Business Licensing will investigate complaints, conduct on-site inspections, and work to collect outstanding fees.

The Department of Commerce and Investment will continue to seek to diversify investment interest in the Cayman Islands by determining a framework and action plans for new niche markets.

The Financial Services Secretariat will facilitate changes to legislation that will enhance the robustness of the financial services industry. Furthermore, it will address global tax and regulatory matters that affect the economic and financial services sector, including Phase II of the Peer Review by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

The Department will also continue to promote the Islands in various jurisdictions, such as China and Brazil.

Finally, the General Registry will provide new online services to enhance the experience of corporate clients and improve the competitive position of the Cayman Islands. The Registry will also introduce business continuity capabilities in the event of a disaster or other interruption to service.

I now move to the Ministry of **Tourism** where work continues on a variety of initiatives and projects geared towards stimulating market growth and ensuring sustainability.

The Department of Tourism continues its focus on the establishment of a hospitality institute. An advisory committee has been appointed and discussions are ongoing. The Department will also continue to support medical and sports tourism which should provide incremental boosts to visitation and aid in industry diversification.

Cayman Airways Limited plans to maintain its best financial performance over the past 10 years by working on methods to reduce fuel costs, while continuing to provide an improved service.

The Cayman Islands Airports Authority also plans to proceed with medium term re-development to address current and future capacity demands at both international airports. Ground has been broken for development to commence at the Charles Kirkconnell International Airport, formerly the Gerrard Smith International Airport. Work to improve the Owen Roberts International Airport will commence shortly.

In the area of **Development**, the Department of Planning is working to increase the efficiency of the planning process through initiatives ranging from legislative updates, to the increased deployment of E-government services.

Ministry of District Administration, Works, Lands and Agriculture

In the area of **District Administration**, work will continue on the Brac multipurpose building shelter, the Public Works Department's vehicle maintenance building, as well as the Little Cayman Command Center. Furthermore the Sister Islands Affordable Housing Development Corporation (SIAHDC) plans to complete 16 homes in the coming financial year.

At the Sister Islands Sports Field professional lighting is expected to be completed to FIFA standards later this month.

In the area of **Infrastructure**, the Department of Environmental Health (DEH) will focus on more efficient technologies such as waste to energy. It will also promote comprehensive solid waste disposal management for Grand Cayman, and complete a solid waste environmental impact assessment for Cayman Brac.

The Mosquito Research and Control Unit will complete construction of its new aircraft hangar, which is to include a maintenance workshop, secure storage and a purpose-built pesticide store to enhance aerial operations for better mosquito control.

Once the National Weather Service completes the new Doppler Early Warning Radar project, this will close the weather black hole in the Caribbean, and improve the quality of warning information.

In the area of **Core Services**, new Laws and regulations are being introduced to enhance and promote road safety. These include the **Traffic Law** (2011) and associated regulations, as well as the **Official Road Code** (2012). This legislation allows for the registration and licensing of electric vehicles for the first time and will contribute to reduced carbon emissions and a greener environment.

In addition the Petroleum Inspectorate is drafting the **Dangerous Substances and Storage Law** to improve safety and help the department become self-sustaining.

Food security will continue to be a priority for the Department of Agriculture, which will seek to address the issue through promoting backyard farming, community gardens and commercial farms.

Ministry of Education, Training and Employment

The Ministry of Education, Training and Employment will continue to support lifelong learning and development for the people of the Cayman Islands. Key objectives and initiatives include:

In the area of **Education**:

- A new legislative framework and strategic plan to facilitate the Ministry's continued drive towards a world-class education system;
- The introduction of reception classes in three additional Government schools. This will be accompanied by an increase in the age of school entry to five years, and full implementation of the Early Childhood Curriculum Framework ;
- The Ministry will open the new Clifton Hunter High School and four new primary classroom blocks;
- It will also launch an initiative to provide high quality teacher education and leadership development;
- The Ministry will also develop new library programs and services for target groups, and enhance National Archive community outreach and education programmes

In the area of **Training**:

- The new National Workforce Development Agency will support work readiness and job placements for Caymanians actively seeking employment or career progression;

- A national workforce development and training agenda will be established; as will:
- A national work readiness programme, Vocational Education and Training (TVET) strategy, registration standards and a quality assurance framework for training institutions.

In the area of **Employment**:

- The new Department of Labour and Pensions will seek to improve compliance and enforcement in its subject areas;
- It will also develop enhanced systems for a more rapid resolution of pension and labour disputes, and strive to promote best practice in labour and pension compliance.

Ministry of Community Affairs, Gender and Housing

The **Ministry of Community Affairs, Gender and Housing** adopts a collaborative, holistic approach to addressing human needs and has identified a number of broad strategic goals.

In the area of **Community Affairs**, the Ministry will:

- Strengthen youth rehabilitation services with the formation of a new public authority that will oversee and manage therapeutic programming for juvenile offenders.

Key legislative initiatives for the Ministry in this area will include:

- Training practitioners on the enacted **Children Law** (2003), **Children (Amendment) Law**, 2009 and **Regulations**;
- Amendments to the **Youth Justice Law** (2005 Revision);
- Establishment of a public authority to oversee the youth rehabilitation facilities;
- Amending the **Poor Person's Relief Law** & enacting regulations; and
- Revisions to the **Cinematograph Law**;

In the area of **Gender**:

- The Ministry will request the UK to extend the **Convention on the Elimination of All Forms of Discrimination Against Women** (CEDAW) to the Cayman Islands.

Ministry of Health, Environment, Youth, Sports and Culture

I will conclude with the plans of the **Ministry of Health, Environment, Youth, Sports and Culture**.

In the area of **Health**, the Ministry will:

- Prepare and implement action plans for the National Health Policy; and,
- Undertake a public education campaign to increase awareness and understanding of the amendments to the **Health Insurance Law and Regulations**.

In the area of **Environment**:

- It will table the **National Conservation Law** in the Legislative Assembly, bringing a much-needed legislative framework for the conservation of our valuable natural environment; and it will,
- Finalise a National Climate Change Policy to create a policy framework to guide mitigation of, and adaptation to, climate change.

In the area of **Sports**:

- The Ministry will prepare a National Sports Strategy to help guide the development and promotion of sports in line with international best practices, while recognizing the unique needs of the Cayman Islands.

And, in the area of **Culture**:

- Work will begin on a National Cultural Policy in collaboration with all cultural partners, including the National Gallery, the National Museum, and the Cayman National Cultural Foundation.

Conclusion

Madam Speaker, Members of the Legislative Assembly, I would like to recognise all those public servants responsible for developing and implementing the plans that I have just outlined. The budget process can be challenging, stressful and prolonged and no doubt often seems like a thankless and unending task.

Yet each year thousands of public servants across Government pool their talents, resources and initiative to bring us to this stage, thereby helping to ensure that Government agencies are able to accomplish their proposed goals for the good of our nation.

I pray that God will provide wisdom and guidance to the Members of the Assembly in any deliberations that are to follow, and that He will continue to bless and protect the Cayman Islands.