



CAYMAN ISLANDS
GOVERNMENT

2015 THRONE SPEECH

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

Friday, 15 May 2015 / Cayman Islands Legislative Assembly Building

Good morning,

Honourable Speaker, Honourable Ministers, Members of the Legislative Assembly, ladies and gentlemen, I come before you today to outline the Government's plans for the next financial year.

I would like to begin by commending the excellent work that the Government has done in keeping public finances on course over the past year. The Government has steered the Islands' economy towards a sound annual growth rate of just over two percent, and overseen increased employment.

On this basis of sound public finances, our jurisdiction will remain attractive to international investors, and Caymanians and residents alike will continue to enjoy a high standard of living.

Last week saw the election of a Conservative Government in the United Kingdom. This has been welcomed by the Premier as an opportunity to build on the excellent relationship between the governments of the Cayman Islands and the United Kingdom. Mr James Duddridge has been reappointed as the Minister for the Overseas Territories. I have already invited the Minister to make an early visit to Cayman to continue the dialogue that he and the Premier have established.

The 2015-2016 budget forecasts a continued surplus for the year ahead. The Government plans to meet the target ratios mandated by the Public Management and Finance Law, and the Framework for Fiscal Responsibility, by the end of this financial year. This will be a remarkable achievement.

This substantially stronger fiscal position provides the foundation for the Government's policy and legislative agenda in 2015 - 2016.

But hard work will be necessary to maintain this improved bottom line. In the months ahead, the Government will explore a number of recommendations from last year's EY Report. Its aim is to increase both revenue and savings in the public sector wherever possible, but also to ensure that policy objectives can still be met.

Among the projects under consideration are the creation of an ombudsman's office, and a public utilities commission. The Government will also investigate the sale of certain excess property holdings. Business plans are being drawn up to establish the viability of each of these proposals.

In order to streamline public sector operations, there will be a marked shift towards e-Government, under the leadership of the new director of e-Government.

This move towards online provision of services is expected to improve efficiency, transparency, and the quality of customer service.

A notable example is the Immigration Department's initiative to build an online customer service application, through which employers can manage work permit applications.

Immigration will be able to cross-reference these applications against advertised vacancies and known Caymanian jobseekers who are available to fill the position.

The Government will seek to move other services online, providing enhanced options, such as online payments.

Making the way that the Civil Service does business more efficient will also support the diversification and growth of our economy.

In the coming year, the goal of growing the economy in a sustainable way will be supported by legislative measures such as changes to the Intellectual Property Law. Improvements to other laws will ensure the continued competitiveness of our financial services products.

In addition to making the best use of technology, the Government will rely on evidence based policy-making to develop its economic programmes.

An example of this is the most recent Household Budget Survey that began in January.

This survey seeks to measure the cost of living as accurately as possible, and its results have the potential to affect every household in the Cayman Islands. It will be used to update the basket of goods and services included in the Consumer Price Index, a benchmark that is used for salary reviews in the public and private sectors, for electricity rate revisions, and for adjusting public sector pensions.

A report of the survey's findings is expected to be presented to Cabinet towards the end of financial year.

The Government strives to maintain the quality of life of all those who live within these Islands. Although economic concerns are often at the forefront of everyone's mind, there are also social, environmental and other issues that are central to this objective.

The Ministry of Employment has already begun the process to establish a minimum wage regime, to address exploitation and provide relief to our lowest paid workers.

The Ministry of Community Affairs, which is tasked with caring for our weakest and most vulnerable citizens, will carry out a review of residential homes for children with special needs.

Two other important projects will be carried out by the Ministry of Health. These are the development of a long term residential mental health facility, and a national strategic plan for waste management.

A steering committee of public and private sector stakeholders has been working closely with the Ministry of Health to address the requirements, and costs, involved in the establishment of a mental health facility.

The process to develop an integrated solid waste management system that will meet the Islands' needs for the next 50 years is further advanced. Project consultant AMEC, a multinational engineering company, recently began preliminary environmental testing of landfill sites across the three islands.

Over the coming year, AMEC will guide the development of a national strategy to determine the direction that solid waste management will take in the Cayman Islands. They will also prepare an outline business case, and provide procurement support for the proposed system.

Members of the public will also be aware that work has begun on the George Town Revitalisation Project. The Government will soon begin extensive public consultation with resident businesses and individuals.

Crime continues to be a concern despite an overall downward trend in the number of offences. The Government proposal to replace George Town Police station will provide efficient accommodation for the Royal Cayman Islands Police Service, and help them to deliver more effective law enforcement.

The Government will also propose a series of traffic calming measures on the West Bay Road in order to reduce the number of serious road incidents that we have, sadly, witnessed recently.

I would like to add some words of thanks for the hard work of civil and public servants.

With clear leadership from the Deputy Governor, the Portfolio of the Civil Service has focused on performance and accountability across the public sector over the past year. This focus has resulted in all staff now having performance agreements and appraisals. In contrast, just four years ago, only 17 per cent of civil servants had performance agreements in place, and even fewer had appraisals. This emphasis on performance has led to

greater accountability and positive results for the Government and people of these Islands.

These results include the Government moving from an operational deficit to achieving significant operating surpluses, and the much improved audit opinions on the Government's accounts. The civil service has worked hard in the past year to make these steps forward. The Government's award of a 4% pay increase in the next financial year will be both welcomed and highly appreciated by civil servants.

That said, there is still much work ahead for the civil service. Next year, they will produce and embark upon a 5 Year Strategic Plan to ensure the civil service is better placed to deliver the political mandates of the Government, and the public services the citizens and other residents of the Cayman Islands deserve. A key strategy within the 5-year plan will be improved customer service - changing the way civil servants interact with customers to put customer needs first.

The presentation of this budget takes place as the Government nears the middle of its term. I recognize the Government's commitment to delivering its policy priorities in an open, accountable and effective way, and in accordance with the principles of good governance.

The trust of the people arises from good governance. For the Government, and for the public service as a whole, this is the most valuable currency of all.

Thank you for your attention.