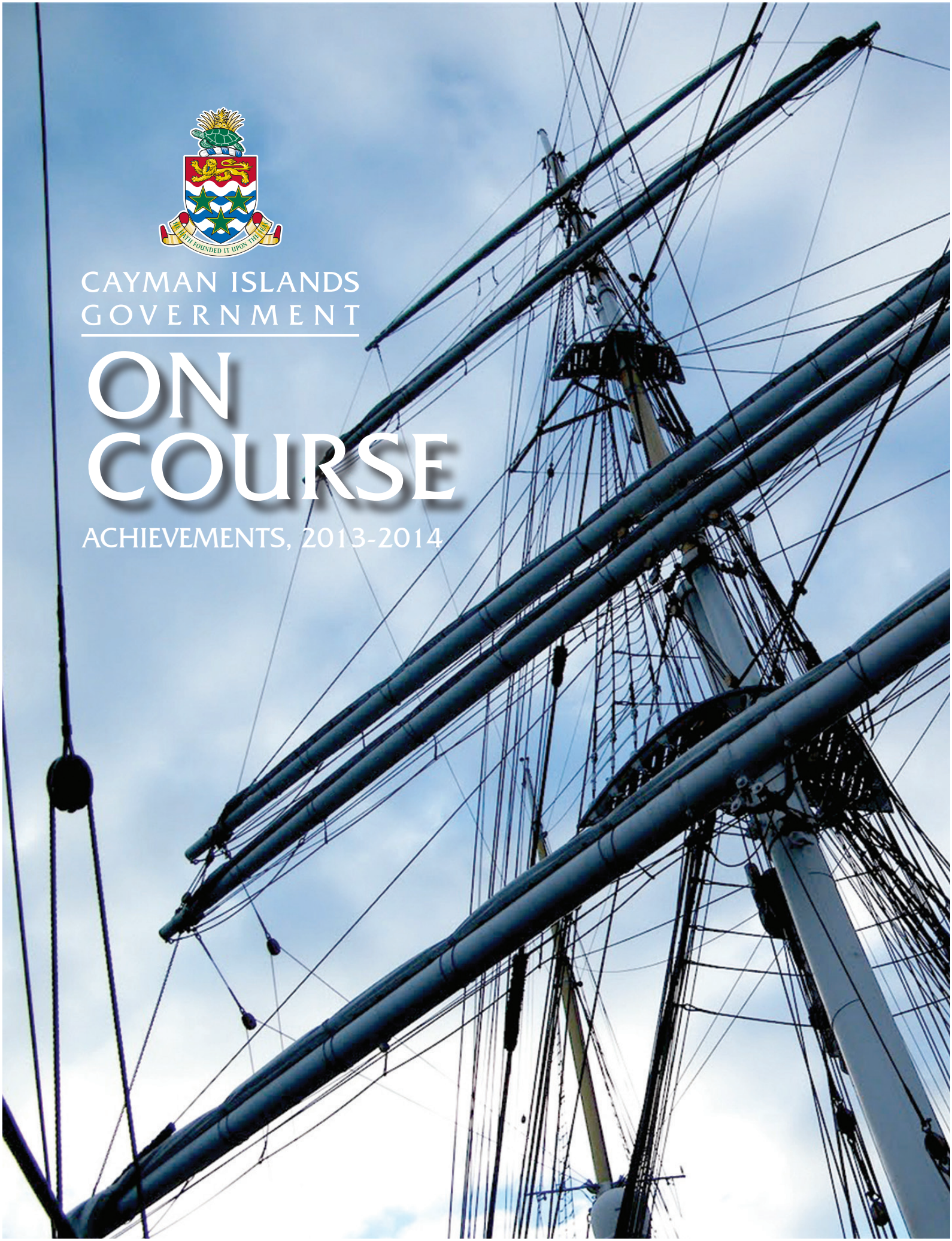


CAYMAN ISLANDS
GOVERNMENT

ON COURSE

ACHIEVEMENTS, 2013-2014



CAYMAN ISLANDS
GOVERNMENT

Cayman Islands Government
First-Year Report
from Premier Hon. Alden McLaughlin, MBE, JP, MLA
29 May, 2014



As I look back at what this Government has achieved in its first year, I am humbled but very pleased at all that has been has accomplished.

When I delivered the report of our first 99 days in office back in September 2013, I said we knew the voyage ahead would not be smooth sailing, but we had left the shallows, were afloat and heading into full seas, with all hands on deck toward a better tomorrow. I said then that we were focussed on getting the country back on course. As I look back and at where we are going – I am pleased to say that the Cayman Islands are definitely now On Course.

As any sailor will tell you, some of the days plying the waters are blissfully smooth and other days it seems like the waters just won't settle and one is tossed along through bouts of stormy seas. And so it goes in politics.

To quote Thomas Fuller, a 17th Century English Author: "A Mariner must have his eyes upon the rocks and sands, as well as upon the North Star". And yes, this too is true of politics.

I am happy to report that one year on, all hands are still on deck, watching for any rocks, but also with all eyes on the North Star. We know where we are going, and our mission remains the same – to ensure responsible management of the public purse and to create an environment where businesses can thrive and where our people can live safe, happy and productive lives. With this report I am sure that you will also agree that your Government is On Course with its objectives. I said from the outset that I wanted this Government to be inclusive - this we did. We have also sought to work with the MLAs on the Opposition bench, and this approach assisted us in obtaining unanimous passing of key pieces of legislation. I think we have shown that the betterment of the Cayman Islands is at the heart of everything this Government does. It has been an exciting first year and, as you see in this report, we have accomplished much. I alluded earlier to the passage of key legislation, these include: a vitally important National Conservation Law, the Standards in Public Life Law, Contracts (Rights of Third Parties) Law, the Directorships Registration and Licensing Law and the Exempted Limited Partnerships Law.

Our efforts to restore confidence in the Cayman Islands have borne fruit and attracted new investments and are also leading our own people to make investments in the economy. These private sector efforts coupled with Government infrastructure projects offer additional hope for a continuing improved Cayman economy. Under our Administration, unemployment continues to shrink as more and more Caymanians are getting jobs.

And amongst our chief achievements is the good story that we have to tell regarding our management of the country's finances. A year end surplus of $108 million for all of Government is not only $8 million more than we had planned for, but it is also some $48 million more than what the last Government achieved in the previous budget year. This on its own is noteworthy, but also worthy of note is that we have cut expenses by some $13.3 million compared to the previous year.

As you go through this First-Year Report, you will be reminded of the many positive actions that have been taken by this Administration. Now we are looking ahead to make the next year even more productive as we continue with all hands on deck, sailing toward an even better tomorrow.

On Course
Achievements: 2013 to 2014
Cayman Islands Government First-Year Report

Management of Government Finances

Four-year fiscal plan approved – The United Kingdom approved Government's four-year fiscal plan for 2013/14 to 2016/17. This allows Government to prepare its annual budgets with more certainty and once the UK is satisfied that the parameters in the plan are met, the Budget will be approved. Certainty in the preparation of Government's annual Budgets also encourages private sector confidence in the Cayman Islands' economy.

Interim & full budgets - The Government obtained approval for an interim budget for four months of the 2013/14 fiscal year as well as the 2013/14 full budget in good time. The full budget was approved after a single submission. This was the first time in several budget cycles that the Cayman Islands Government and the United Kingdom were able to come to a timely agreement on the budget.

New second year budget – The United Kingdom has again approved the Government's budget for fiscal year 2014/15 on its first submission. The FCO also commended Government for the significant progress it had made on public financial management.

Improved financial results:

- The surplus of the 2013/14 budget is expected to be $108.1 million (entire public sector), which is $7.9 million more than the $100.2 million originally budgeted.
- For the fiscal year ending 30th June, 2014, Core Government's Operating Revenues are forecast to be $652.1 million, which is $7.4 million more than the $644.7 million originally budgeted. This is also $31.3 million more than the previous year's revenue.
- Total Operating Expenses for Core Government at 30th June, 2014, are expected to be $547.7 million, $1.5 million less than budgeted and $13.3 million less than the previous year.

Improved cash position: At 30th June, 2014, the Country's cash balances are expected to increase by $53.8 million to $173.6 million.

Debt reduction - The Government has a proactive strategy to reduce the debt, which is now $532.4 million compared to $573.8 million in 2012/13.

Reductions of Interest Rates - The Ministry of Finance successfully re-negotiated lower fixed interest rates for the remaining terms of five of its loans with local banks. The lower fixed term interest rates range from 1.25% p.a. to 2.71% p.a., down from levels of 2.82% p.a. and 4.25% p.a.. The Government will yield approximately $6.2 million in interest cost savings over a 10-year period.

Overdraft management - Government negotiated an increased overdraft facility of up to $46 million for more flexibility with cash flow at the start of the fiscal year. With improved expenditure management, Government did not use the facility during the three-month period from 1 June to 31 August, 2013. Over the course of the year only $2 million of the facility was used for short periods. The new udget does not foresee the need for an overdraft facility and Government will save money in banking fees by not arranging a new facility.

Moody's rating of Aa3 – The Government's philosophy of pursuing minimisation of its debt burden was recognised in the 5 December, 2013, Report by Moody's on the Cayman Islands. The Report maintained the very notable Aa3 rating for the Cayman Islands and Moody's outlook for the Cayman Islands is a stable one. The Report recorded a "high positive" with respect to Fiscal Strength and it stated that the Government's debt burden was still relatively low and highly affordable.

A Culture of Good Governance

Cabinet Code of Conduct – A draft revision to the Cabinet Code of Conduct was completed and is currently being considered by Government. It is expected that this revised policy document will provide for even greater levels of transparency and ethical conduct.

Travel Policy implemented – A new stricter travel policy has been adopted that sets out parameters around business travel, including classes of service to be used, as well as requirements for reporting in a timely manner on the achievements, outcomes and costs of overseas travel.

External affairs – Formal delegation has been issued by Her Excellency the Governor under section 55(4) of the Constitution to the Premier, Deputy Premier and Minister of Tourism, Minister of Financial Services and the Minister of Finance for the conduct of external affairs insofar as they relate to matters falling within the portfolios of their respective Ministries. The Cabinet Office will be tasked with providing central coordination of these delegated external affairs matters.

Temporary Ministers - Councillors are being appointed temporary Ministers in accordance with section 53(2) of the Constitution. This provides for backbench MLA's to gain Ministerial experience as well as avoids situations where existing Ministers, with their own full slate of responsibilities, have to take on the responsibility of another full Ministry at the same time.



Standards in Public Life Law passed - The Legislative Assembly unanimously passed the long awaited Standards in Public Life Law to regulate the conduct of public officials, and preserve the integrity of public institutions. It also gives authority to the Standards in Public Life Commission, which was mandated by the Cayman Islands Constitution 2009.

PAC aired live – The Legislative Assembly's Public Accounts Committee meeting was aired live on Government television (CIGtv) for the first time in September 2013. The airings will continue so as to improve transparency in the work done by the Government. PAC's role is to review reports of, and evaluate recommendations made by, the Auditor General's Office.

A Strong, Thriving and Increasingly Diverse Economy

Tourist arrivals increased – Stay-over and cruise ship arrivals for 2013 numbers registered a 7.4 per cent increase over arrivals for 2012. The actual number of stay-over visitors to Cayman was 345,387 and represents our best figures since 2000. Cruise passenger arrivals are expected to reach 1.65 million by the end of this year and are expected to hit 1.95 million passengers in 2015.

Liquor license regime under review – In late 2013 Government requested that the Liquor Licensing Law be reviewed by a committee established for that purpose and in addition, the committee was to make recommendations on whether to lift the existing moratorium on new licenses. The intent is to modernise the law and regime and to address various concerns around the operation of the current system.



Sports Tourism - Over the year we saw successful events such as the NORCECA Beach Volleyball tourneys, the Cayman Invitational Track Meet, the CARIFTA track championships, the CONCACAF Under-15 boys football tournament, and the CONCACAF Under-20 Women's tournament. These brought large numbers of officials and fans from participating countries and from CONCACAF, which helped boost our tourism numbers.

New legislation to support businesses – The Legislative Assembly passed new, much anticipated, laws to support the financial services sector:

- The Contracts (Rights of Third Parties) Law, 2014 allows parties, who are not direct parties to a contract, to enforce provisions of a contract, from which they benefit.
- The Directorships Registration and Licensing Law 2014 introduces a two-tier regulatory framework for natural persons and requirements for Corporate Directors appointed as directors to the boards of mutual funds regulated under the Mutual Funds Law and excluded persons under the Securities Investment Business Law. It also provides additional enforcement powers for CIMA.
- The Exempted Limited Partnership Law 2014 introduces increased flexibility for local partnership entities to determine their affairs. It is expected that the law will enhance the Cayman Islands as a domicile for partnership formation.



Development - Government continues to support local and international Investors in developing Cayman's economy. Recent examples include:

- Health City Cayman – The $70 million development in East End opened its doors earlier this year and is providing jobs and other economic opportunities for Caymanians. Some 28% of the current staff are Caymanians, with the numbers expected to grow, and the economy of the Eastern Districts has been boosted with hospital staff renting accommodations and living in proximity to the hospital.
- Cayman Enterprise City, which is another area of economic diversification, has seen renewed activity under new management and has reached a milestone of 100 new clients. CEC shows continued promise for further expansion and offers the potential for more jobs for Caymanians.
- The Ironwood Community is a $360 million mixed use development proposed off Frank Sound Road. Part of that community will be a golf course designed by golf great Arnold Palmer who was in Cayman earlier this year to break ground. An important part of the Ironwood development will be the public private partnership that will oversee the construction of a 10-mile extension to the East West Arterial, from Newlands to Frank Sound. This extension is much needed and will bring added economic growth in the Eastern districts.
- Gran Palazzo will be a major Caymanian waterfront residential development on North Sound. This 126 high-end unit development will provide 300,000 square feet of private residences, luxury condos, gym, clubhouse, tennis

courts and pools. It is anticipated that 250 jobs will be created during the five-year project build out.

- Hotel room stock is growing or improving. The Londoner, a luxury 20 unit property at Morritt's Tortuga Club Resort opened recently. The new Kimpton Hotel on West Bay Road is under construction and is slated to open in 2016. Work will soon begin on the expansion of Beach Suites on Seven Mile Beach increasing the number of floors from five to seven. Then there is the proposed construction of a new hotel on the old Hyatt site that will also bring much needed economic activity and employment. It is scheduled to open in 2015. The recent refurbishment of properties such as the Marriott, the Westin, and Comfort Suites also helps maintain our high standards. Over the next two years room stock will have seen significant improvements and will facilitate increased tourist arrivals.

Improved revenue at Companies Registry: Between September 2013 and March 2014 the Registry collected $2.9 million more in revenue than in the same period in the previous year. This was due to the addition of 717 companies and 323 partnerships being registered.

Improvements at General Registry: Use of technology has improved service delivery to the more than 900 registered clients in Grand Cayman with the 'expedited service' being reduced from 24 hours to 4 hours and the 'regular service' from 5 days to just 48 hours. Further improvements are expected later this year. Service improvements have also started in Cayman Brac.

Support for the Construction Industry - Government is committed to stimulate the economy and keep down the cost of living in the Cayman Islands. As such, Government continued the flat 15 per cent import duty rate on building materials imported to Grand Cayman. Cayman Brac will continue with no import duty being charged on building materials imported there.

International commitments met - Government continues to be a leader as regards tax transparency and has signed a number of tax transparency initiatives and continued to develop bilateral tax information exchange agreements. The Cayman Islands also signed up to the United States automatic exchange of financial information regarding US taxpayers to comply with the Foreign Account Tax Compliance Act. In November, Cayman signed a similar agreement with the United Kingdom regarding UK taxpayers.

A Work-Ready and Globally Competitive Workforce

Improvements at The National Workforce Development Agency -

- In order to build capacity, four additional staff members were hired at the NWDA to assist unemployed Caymanians find jobs. Two additional posts are in recruitment with an expectation of filling them by the end of June 2014.
- An improved and structured intake and assessment process was put in place to identify employment barriers and appraise skills, interest and abilities of job seekers for training and development activities. When fully implemented, job seeking clients will be held accountable to their professional development plan.
- The development and launch of the NWDA online Job Seeker and Job Registration system provides an efficient way for employers and unemployed Caymanians to connect.
- NWDA staff are visiting public libraries in the districts so as to more easily connect with unemployed individuals to assess their skills and help them register, using the Job Seeker online system.
- An online database interface has been developed and launched between the Immigration Department and the NWDA's Job Seeker database so as to communicate efforts to hire suitably qualified Caymanians. The interface

provides an efficient and effective way for the NWDA to communicate information to the Immigration Department and its Boards, and to assist Immigration and Immigration Boards in making informed decisions during the work permit application process.

- From 1 July, 2013, until 9 May, 2014, 162 people have been placed in jobs or offered employment with the assistance of the National Workforce Development Agency.

National Internship Pilot Programme – The pilot programme provides opportunities for participants to gain practical experience and develop their skills and interests in various occupations as they work in partnership with local organisations. It was rolled out in April 2014 and the first intern was placed at a local company in the financial industry for three months. Discussions with private sector partners are taking place with a view to fully launching this programme in the summer of 2014.

National Training Programme – Provides a range of training opportunities designed to meet the needs of the labour market. Among the offerings is a series of workshops that have been designed to prepare NWDA clients to better meet the needs of the labour market.

Techbyte computer courses – Techbyte was introduced in October 2013 and is designed to help adult learners feel more comfortable and confident with computer technology and covers the essential functions that are most commonly used. To date, 26 people have passed this course, which will continue to be offered throughout the summer.

Computer Assisted Literacy Solutions Programme - The Public Library now offers the CALS programme. It is a joint Rotary and Government iniatiative for adult learners who wish to improve literacy and math skills needed to secure employment and enhance their quality of life.

Life-long learning - Department of Education Services and Cayman Islands Further Education Centre facilitated the delivery of the WJEC L1/2 Functional Skills: English in the fall of 2013. The aim is to develop a viable mechanism for offering evening courses to serve the needs of the adult population in the wider community. In addition, the new Graduation Policy opens up opportunities to formally accredit and recognise life-long learning through the awarding of high school diplomas to adults who meet the appropriate standards.

Department of Labour and Pensions - From 1 June, 2013, to 31 January, 2014, the Labour Unit received 594 cases of which 480 have been resolved and closed. Additionally, public awareness workshops were also held at various businesses and live on Radio Cayman.

Sunrise Adult Training Centre – Vocational Training programmes to improve opportunities for employment have been restructured to include on-site training along with the development of an internship programme with local businesses. Under the supervision of the Vocational Training Coordinator, 18 adults with disabilities are supported in full-time employment.

School of Hospitality Studies – The Ministry of Tourism has engaged UCCI to host the Hospitality School for 50 Caymanians. The School will help address the deficiency of the number of Caymanians who are involved in the Tourism Industry by providing the training necessary to qualify Caymanians to perform in the roles that are predominately undertaken by guest workers. Greater attention is also being placed on encouraging Caymanians into the water-sports sector - a key pillar for our Tourism Industry on all three Islands.

Labour Force Survey – The Economics and Statistics Office conducted the survey in April and will do another in October. The frequency of the survey had declined and the Ministry decided to re-instate it to twice a year to ensure that necessary data on employment is timely and up to date. The Survey provides information

on the characteristics of people in the labour force and it will provide more timely information on employment matters in the Islands.

Apprenticeship Programme - PWD has successfully created three Apprentice/Trainee roles geared at developing local talent with specialized skill sets. The three post holders will be employed to the department while simultaneously undergoing a series of formal and informal training activities over the period of one year in the first instance.

PWD staff secondment - PWD has launched its industrial furlough programme with at least one young Caymanian being seconded to gain professional licensing in the private sector as a direct result of on the job training. The programme provides employees with hands-on private sector exposure in general occupational skills, personal skills and job-specific skills for a prescribed period of time.

TLEP Programme stopped – The departure of more than 500 workers who formerly held Term Limit Exemption Permits created the opportunity for most of these jobs to be advertised in the local market. This was as a result of changes in the Immigration Law.

A More Secure Community

Customs – Appointed a new Customs management team with the remit to increase enforcement on the borders of the Cayman Islands. The Department has already seen results with improved contraband interdiction at our borders.

Royal Cayman Islands Police Service - A local recruitment drive was completed and 13 applicants were successful and commenced training with the RCIPS on 31 March, 2014. In addition, the Police Service had the following highlights this past year:

- The conviction and guilty verdict via jury in the cold case review of a murder in 2008;
- The reopening of the East End and North Side Police Station and increased staffing to support policing in these districts;
- The conviction of a senior public official on various fraud offences;
- Several RCIPS staff were awarded Deputy Governor Awards over the past year.

Police Marine Unit - Funding has been approved for the Police Marine Unit to have a dedicated patrol vessel on Cayman Brac. The vessel will improve security for Cayman Brac and Little Cayman.



Fire Service – The Cayman Islands Fire Service has undergone an evaluation and Government awaits the report. Plans are to bolster management and training and to hire needed firefighters for Grand Cayman and Cayman Brac.

Custody Suites completed – The RCIPS has new purpose built, Human Rights compliant Custody Suites. These will replace the condemned holding cells at George Town and West Bay Police stations. The Custory Suites house up to 24 individuals, improving the effectiveness of police investigations due to the ability to separate and prevent co-accused from comparing stories before interviews.

National Telecommunications improved

– The work of the Office of Telecommunications has been merged with Hazard Management Cayman Islands to create more efficient management of the national telecommunications systems. HMCI is also in the final stages of completing arrangements for a much needed upgrade of the national telecommunications infrastructure and operating systems. The National Telecommunications system supports all government agencies inclusive of public safety and security agents.



First Response capacity strengthening – HMCI conducted Emergency Management Training for inter-agency 'First Responders' to build the country's capacity to respond to major disasters. Additional specialised equipment was also acquired to boost response capability. Another Community Emergency Team was also formed in West Bay.

Tsunami Early Warning System – A sensor for the Caribbean Tsunami Warning Programme has been installed in George Town Harbour. This will provide valuable data on sea levels to assist in the warning mechanism for the Caribbean and the Cayman Islands.

Her Majesty's Prison – Several measures have been undertaken at the Prisons Service to ensure the safety of the community, prisoners and staff. Work includes the following:

- Her Majesty's Prison Service Survey 2013 presented the findings for the extent and patterns of illicit drug use among inmates of the three prisons: Northward, Fairbanks and Eagle House.
- The Prison Service has introduced a risk-based Temporary Licence scheme to enable those coming to the end of their sentence, whose risk has been lowered, to go out on day release to work and develop links with the outside agencies prior to their eventual discharge, so that they have a positive support network.
- Northpointe "COMPAS" is assessment software that creates a scientific, individualized, evidence based treatment plan for all incarcerated persons. The goal is to help offenders reduce the risk of re-offending and to become law abiding citizens.
- Work on the upgrading of the Northward Prison perimeter fence is continuing. New cameras have been purchased to monitor the perimeter fence. They will be linked to the 911 national system and will greatly increase the security and improve the detection of contraband.

Road safety - The National Roads Authority has instituted several measures to make roadways safer

- The NRA Board approved the District Roads Improvement Programme in late January 2014. The programme consists of $1.7 million in roads upgrades throughout the five districts; $0.7 million in new HMA surface overlays (primarily in North Side and on Linford Pierson Highway), and $0.1 million in new storm water drain installations.
- Safety improvements were implemented, including yellow transverse strips at all major roundabouts and a new lighted crosswalk was also installed in September by the Westin Hotel on West Bay Road. A speed limit review on Grand Cayman was completed, as was an assessment of all roads with the aim being to determine what safety countermeasures are needed.

A More Efficient, Accessible and Affordable Public Service

E-Government – Government has undertaken E-Government initiatives

- Government has approved the creation of a Director of E-Government and is now moving to recruit someone with the requisite experience and skills to fit that role.
- The General Registry introduced an enhanced online service for all three Islands for the Companies Register in October 2013. The new service was welcomed by the financial services sector and has increased the Companies Registry's overall efficiency.
- Created a new due diligence process for Special Economic Zone and Local Companies (Control) Licence applicants, which gives the relevant boards more information in approving 'fit and proper persons' to operate businesses in the Cayman Islands.
- Next-day electronic scanning of all Trade and Business files saves time in filing, as well as in searching for files. Also, by creating and using electronic stamps and electronic signatures, staff efficiency has improved by about 18 per cent.
- An Online Planning System enables clients to submit Planning Department inspection requests online. The system has drastically reduced the time it takes to process, execute and document an inspection.
- A Request for Proposals for electronic vehicle registration went out in March. This system will provide an automated means to screen vehicle registration for inspection and licensing.
- Implementation of a system for the automated processing of Tobacco Licensing of SEZA Trade Certificates; this system include receipting, workflow, document management, events and actions system with email notification, E-Voting, and Board Processing.
- Delivered the Online Crew Compliance System. This supports the back-end system and allows Maritime Authorities clients to apply for and pay for Seafarers' Endorsements online.

Public Library Service – The Library Services has acquired a comprehensive subscription of 33,000 e-book titles. All virtual materials may be accessed through any computer with Internet and are available to any member of the public library.

Government Administration Building – Government continues to relocate departments to the GAB, with the latest being the Department of Tourism. More departments are to follow.



Modernisation of the Police Fleet - Significant cost savings have been realised by replacing ineffective and increasingly expensive to repair vehicles. The new vehicles are under a lease-hire programme that will reduce costs both in terms of maintenance and fuel, as the new vehicles enable us to exploit modern fuel economies.

Outbound air passengers – In the past year changes in the way that airline passenger data is provided to Immigration officials has meant that some 65 per cent of outbound passengers at Owen Roberts International Airport no longer have to be physically processed by an Immigration Officer and can pass directly into the departure lounge after going through Security. It is envisioned that this figure will increase to 100 per cent in the coming year when all airlines become capable of providing manifest data electronically.

Ministry of Home Affairs customer service surveys – The Ministry of Home Affairs has completed pilot surveys with an aim to provide efficient and effective Customer Service throughout its Departments. These surveys will be fully implemented in the first quarter of the new fiscal year.

Rationalisation of Government services – Ernst and Young has been contracted, after a competitive bid process, to undertake a strategic overview of the public service and identify those functions that would be better carried out with private sector involvement or consolidated within the public service. E&Y will also look at past recommendations and will draw a roadmap for execution.

Policy training – Ministers, Chief Officers, Civil Servants and contract employees from all Ministries, Portfolios, the Governor's and Deputy Governor's offices, and Auditor General's, Complaints' and Information Commissioner's offices attended a workshop titled Policy Development and Implementation Best Practice delivered by the Policy Coordination Unit of the Cabinet Office. The workshop's purpose was to promote efficient policy development and effective policy implementation across Government.

Modern, Smart Infrastructure

Airports – The Draft Outline Business Case for Airport Developments in the Cayman Islands has been finalised and includes a Master Plan for the airports on all three Islands that addresses priority needs and phases of implementation.



George Town cruise berthing - The George Town cruise berthing project took a major step forward when consultants were appointed to carry out the environmental impact assessment and marine engineering performance specifications. The tender process was carried out in an open, transparent and competitive manner through the offices of the Central Tenders Committee, and W.F. Baird Coastal Engineers Ltd, were awarded the contract. Baird, who has extensive Caribbean experience, will head up the team of consultants who will prepare the impact assessment

Bodden Town Cemetery – Work on the land side of property earmarked for a new cemetery adjacent to the Bodden Town Civic Centre is complete. The new cemetery can accommodate 24 vaults, but there is room for more. A third phase of the work will be on the seaside, offering more space for vaults.

East-West Arterial - A memorandum of understanding has been signed between Government and Ironwood Development and an agreement has been reached with the National Trust on the route of the East West Arterial leading from Hirst Road in Savannah to the development site off Frank Sound Road. Negotiations with the developer on funding and construction terms are ongoing and proving positive. The next step is to secure a Strategic Business Analysis and Value for Money Report.

George Town Revitalisation - Government has constituted a team that is looking holistically at revitalising the George Town downtown area. Road works have already been approved. The team is studying what is needed to bring this area back as an economic hub, including residential, recreational, retail and commercial use. Government is expected to receive the team's recommendations in June 2014. Public discussion will follow.

ICT infrastructure - The Information and Communication Technology Authority assigned spectrum in the 700 MHz and 1800 MHz frequency bands in July and September 2013 and required the build out across the Cayman Islands by the end of January for one provider and the end of April for the other. These improvements to Cayman's infrastructure will maintain the Cayman Islands' position as a regional leader in the provision of high quality ICT infrastructure.

Improved water supply – The Water Authority awarded a bid to Florida Aquastore to build a new 2 million gallon water storage tank and installed various diameters of pipeline throughout Grand Cayman and Cayman Brac. It has also commenced the West Bay Road Sewerage Rehabilitation Project, cleaning and inspecting 24,000 feet of pipeline.

Transportation – To match demand, the Public Transportation Board approved 30 new taxis and six new tour busses for the first time since 2007. The move is to cope with an anticipated surge in demand as cruise and airline passenger volumes continue to grow. The new permits mean a possible 36 new jobs.

Bulk fuel – Government signed a Memorandum of Understanding in April with Navasota regarding the possible establishment of a modern bulk fuel facility.

A Fit and Healthy Population

Dialysis Unit - The Cayman Islands Hospital dialysis unit has found a permanent home next to the foyer at Government Hospital. The new unit boasts added space while also addressing the privacy concerns of patients. The unit houses 10 stations with two reserve units in the peritoneal dialysis and examination rooms. It also has two standard isolation rooms, doctors' office, nurses station, staff lounge, lockers, bathroom and shower room.

Summer camps - Government hosted a series of summer camps for netball, swimming, and football across Grand Cayman. This gives parents safe venues to send their children and encourages healthy exercise and play.

Savannah Primary School field lighting – The walking track behind the Savannah Primary School has been equipped with lighting and is open for public use.

Prevention and Public Information campaigns – The National Drug Council conducted 244 presentations/workshops and/ or prevention programme meetings for youths, teachers, parents and community members. One of those programmes includes the six-week Basic Drug Education Course conducted in the Prisons system.

Expanded Counselling Services – The Department of Counselling Services has expanded its reach of programmes to more actively engage men in families and the community and is now working at HMP Northward to help prepare male prisoners to re-engage with their families upon release. More families are participating in monthly Family Skills sessions and there is increased access to the Withdrawal Management Unit, which offers a safe environment to those people trying to free themselves of substance abuse.

Improvements to facilities – The Counselling Centre's move to its new location on Cardinal Avenue has allowed for the expansion of community-based programming to include play and art therapy and has enhanced the delivery of family therapy and group experiences. The move of the Family Resource Centre to its new location at Compass Centre allows for greater access by, and expanded programming being made available to, the community.

A Centre of Excellence in Education

Special needs - During the 2013-2014 year, detailed and specific work plans were developed to improve provision for students with special or additional educational needs. A pilot programme has been introduced to match support staff with specific students. A review specifically focused on provision for students with behavioural, emotional and/ or social difficulties was undertaken to recommend resources, training and governance structures to support teachers. Training has also been provided in safe management and risk reduction.

John Gray High School - Government has committed to restarting the new high school project to provide appropriate accommodations for students at John Gray High School and has identified this as a priority project within available funding for the next three years. The construction will be done in phases to ensure adequate resources for the school's staff, students and also as enhanced facilities for community use.

Tackle performance - Specific interventions are in place to address the issues of underperformance in literacy and numeracy in the first years of primary schools. An extensive programme of professional development has been implemented, both in terms of formal courses and day-to-day classroom support.

A new Graduation Policy - Clear academic standards for Government high school graduation come into effect with the 2014 graduation. The new policy outlines defined levels for graduation diplomas, and aims to provide clarity for employers and a strong incentive for students to achieve high standards. Work is also under way to establish clear expectations for behaviour and to support school staff implementing school policies consistently.

New Reception classes - Begun in September 2013, the classes provide the opportunity for additional Caymanian children to access Reception in Government schools. Two new classes were added at Prospect Primary School, introducing Reception there for the first time. A class was added at Sir John A. Cumber Primary, bringing the complement there to four. The number of classes at Bodden Town Primary was increased to two with the addition of a new one in that catchment area.

CaymanStats Fair 2013 - The Minister for Finance and Economic Development formally opened the first statistics fair in the country dubbed CaymanStats Fair 2013. It was attended by approximately 500 schoolchildren from several Grand Cayman schools. 12 government agencies and one non-government organization participated. It was aimed primarily to educate students and the wider community on the role of statistics in everyday life.

Anti-bullying – Developed a framework for safer schools to include policy guidance on anti-bullying, safe handling and dealing with complaints. A new initiative to address bullying has been launched in conjunction with the Department of Counselling Services and the Ministry of Education at Red Bay and Prospect Primary schools.

Sustainable Developments in Cayman Brac and Little Cayman with Sensitivity to the Islands' Unique Characteristics

Global tourism meeting - The Department of Tourism held a global meeting on Cayman Brac in March. 40 DoT representatives from Canada, Europe, the UK, and Western and Central US were on the Island for four days, having local interaction and taking tours, giving the Island very good exposure.

Visiting Coast Guard ships - The government negotiated for 12 ships from the US Coast Guard to spend time in the Cayman Islands for "R and R". Two of those ships will go to Cayman Brac. The ships will be there for four to five days and 120 sailors will visit and undoubtedly assist the local economy.

Piped water – Government is in the process of installing 12,300 feet of various size water mains along the North Coast up to and including the West End Primary School and smaller diameter pipelines in all developed side roads on Cayman Brac. This will provide piped water to about 110 developments (houses, apartment complexes, restaurants and businesses).

New water works – Preliminary work is being done on the Water Authority's bluff site to clear and fill the location to prepare for the eventual development of the new Cayman Brac Water Works facility.

Bluff paving – Songbird Drive and Major Donald Drive in the centre of the Bluff on Cayman Brac have been paved, with additional paving plans on the Bluff to continue.



Legislative Assembly meeting – Close to 100 people gathered at Aston Rutty Civic Centre in April to watch Members of the Legislative Assembly hold their meeting on Cayman Brac. It was the first time the LA had gathered in the Sister Islands since 2003. It served to make the Sister Islands inclusive in Government and promoted transparency.

New potential Marinas – Various private sector Marina projects have been proposed for Cayman Brac and Government is working with the developers and is hopeful all will come to fruition.

Brac Sports Complex – Work is continuing on the Sports Complex on the Bluff including a running track, entrance/exit access, warm up and field event area, changing rooms, hard courts and swimming pools. A playground donated to Government at the site is bringing hundreds of families together on the weekends.

Reduced Government duties – Government will continue 100% waivers on building materials and land purchases on Cayman Brac; and will also continue a rate of 12.5 cents per gallon for the importation of motor gasoline to Cayman Brac.

Conservation of our Biological Diversity and Ecologically Sustainable Development



Conservation - The Progressives Government sent the National Conservation Bill to the Legislative Assembly where it was passed unanimously. The new law provides protection to Cayman's endangered or endemic species and their habitats, establishes a National Conservation Council and gives powers of arrest to Conservation Officers. Under the law, the Department of Environment and the Council are advisory bodies to Cabinet. The law states that only Crown land can be designated as a Protected Area. Suggestions can be made to designate private land protected, but that could only occur if the landowner agrees. Either the landowner could sell the parcel to Government at a fair market value or the landowner could agree to manage the conservation area, receiving a stipend to do so from Government. But before any land, either Crown or private, is deemed to be a protected area, the Law requires extensive public consultation and approval coming from Cabinet only. The extensive public consultation guarantees that no decisions can be made secretly or in private.

Marine Parks – Work continues on the post Darwin Project to address four challenges to the success of the enhanced Marine Parks: Invasive species control (further research on the behaviour and impacts of the invasive

lionfish); protection of grouper spawning aggregates (monitoring the use of the grouper spawning areas by multiple species); sustainability of Line Fishing Only areas for fishermen (assessing and monitoring the overspill from no-take protected areas); and Marine Parks enforcement enhancement (exploring the development of innovative enforcement tools to address the decrease in the department's resources and enforcement staff).

Sister Islands Rock Iguanas - In June 2013 Department of Environment staff coordinated and supervised a census of rare Sister Islands Rock Iguanas on Cayman Brac. This year's work focused on radio tracking nesting adults in order to find out more about important communal nesting sites and continued tagging and data collection (including genetic samples) of animals.

Environmental surveys - Together with scientists from the Guy Harvey Research Institute and the Georgia Aquarium, DoE participated in a survey and health assessment of the stingrays at the Sandbar, Stingray City and Rum Point. With assistance from the US Fish and Wildlife Service, in March staff surveyed the Cayman Parrot on Grand Cayman and completed the annual shallow water queen conch survey on Grand Cayman. They have initiated the annual sea turtle nesting survey, which will conclude in November 2014. Other measures have been taken to protect stingrays such as ultrasounds on pregnant females, an ongoing population census and health checks.

New Garbage trucks – February saw the arrival of three new garbage trucks. The 25-cubic-yard Freightliner trucks alleviate delays in residential garbage collection caused by equipment shortages.

New waste management facility - The Ministry's Steering Committee for the Integrated Solid Waste Management System has completed the initial work on the procurement of an integrated waste management system for the Cayman Islands. During the course of the 2014/15 Financial Year, the Ministry will deliver a National Solid Waste Strategy to guide the work of the committee. In addition, an Outline Business Case will be completed to identify the preferred project option for the system, with the goal of having a functioning integrated waste management facility in place for all three Islands in 2016.

Landfill operations enhanced - Operations at the George Town Landfill has been enhanced with the acquisition of much-needed equipment. Management practices have been streamlined, deep water wells have been relocated and funds have been increased for operational requirements to ensure that best practice can be followed to the greatest extent possible.

Scrap metal - About 6,000 tonnes of scrap metal was removed from the George Town Landfill - loaded onto barges and shipped overseas. Government reaped about $500,000 from the sale of the metal. A second shipment will be taken away later in the year. The project includes the removal of scrap metal from dumps on Cayman Brac and Little Cayman.

Recycling – The Department of Environmental Health will continue its recycling operations at the George Town landfill until a proper comprehensive Solid Waste Disposable Management System has been implemented. DEH will continue to research and identify new recycling programmes for mulch, cardboard, plastic, pallets and papers.

A Robust Agriculture Sector Suited to the Needs and Resources of the Country

Market at the Grounds – The Market at the Grounds has been a primary driver in increasing public and consumer awareness of the quality of locally grown produce and livestock. This increased awareness has led to

additional demand by restaurants and residents for local produce and meat products.

Cayman Beef Grading – Experimental trials began in February to determine the quality range of local meat sold in supermarkets as well as the variables that potentially affect local meat quality. If this branding programme receives wide acceptance, it would provide auditable standards for local beef as well as establish consistent quality that is desired by the consumer.

Equity and Justice in a Society that Values the Contributions of all

Disabilities policy – "Ensuring Persons with Disabilities live with dignity, are respected and participate fully in society" is the vision of stakeholders in the final stages of developing a National Policy for Persons with Disabilities. The draft policy is available on the Government's website at www.gov.ky where a survey on the subject is also accessible. The National policy will provide guidance on addressing challenges facing persons with disabilities. Its sustainability will be supported by suitable legislation, including the creation of a Council to serve as a policy implementation watchdog.



National Heroes Day – National Heroes Day celebrations this year honoured cultural heritage pioneers and persons who have made significant contributions to the on-going development of the Cayman Islands. The cultural heritage honourees were chosen from nominations sent in by their peers in response to an open nomination process. Additionally this year, citations were presented for bravery to five individuals for their "exceptional courage in keeping the Cayman Islands community safe for all citizens".
See a full listing at the back of this publication.

Affordable Housing – The National Housing Development Trust has been mandated to discontinue the renting of Affordable Housing and redirect its path to the original idea of providing homeownership to Caymanians. NHDT will assist existing and new prospective Affordable Housing Initiative clients in homeownership by pre-assessing them for a mortgage facility through local commercial banks.

Minimum Wage - Government has appointed a Minimum Wage Advisory Committee to examine the economic, financial and social implications of introducing a minimum wage aimed at determining an appropriate minimum wage for the Cayman Islands. The Committee should have a draft report by the end of 2014.

Welfare, Social Services - The Department of Children & Family Services separated its Welfare Services from other Social Work Services in an effort to have trained social workers focus on specific children and family related matters for which the Department is responsible. The separation of welfare services now falls under the ambit of a newly established Needs Assessment Unit.

- Training for foster parents commenced in January 2014 and will continue through June 2014. This includes training on the Children Law (2012 Revision) ensuring all foster parents are fully aware of the requirements of the law. A foster parent recruitment drive and public awareness campaign was launched in April 2014.
- The Department has dealt with the following new referrals for non-financial matters during this fiscal year to 4 April: 84 child abuse and neglect reports; 28 adoption matters; 33 custody requests from the Courts; 63 means assessments from the Maintenance and Affiliation Courts; 15 juvenile criminal matters; 46 referrals for juvenile behavioural matters; 10 adult abuse matters; 37 counselling cases; plus a variety of other matters.

Youth policy - The Ministry's Interministerial Committee on Youth Affairs will continue its work on the implementation and coordination of Government's responsibilities under the National Youth Policy, ensuring that Government enhances its response to the needs of our youth in terms of achieving the National Youth Policy's goals.

Immigration reform - Lawmakers in October approved reforms to the country's Immigration Law to streamline and clarify the permanent residence requirements and process.

National Conference on Women – The National Conference on Women, held in the Cayman Islands, addressed the social, cultural, economic and political challenges that girls and women experience in the Cayman Islands.

Cayman Islands on a Global Stage



United States – Premier Hon. Alden McLaughlin was invited to and attended the ringing of the opening bell at NASDAQ in New YORK in April. The invitation came from Cayman Islands based reinsurer Oxbridge Re- the most recent Cayman Company to go public on the NASDAQ. The Cayman Islands were discussed and our flag was proudly displayed on a large screen in Times Square as well as on US television stations and the Internet.

Chatham House – The Premier was invited to give one of only two keynote speeches at Chatham House in London to address the topic, Combatting Global Corruption, in February.



BBC HARDtalk – Also in February, The Premier was invited to and appeared on the BBCs HARDtalk television show, which provides in-depth interviews with global leaders.

JMC – Met with the Joint Ministerial Council in London in November 2013, this includes heads of Overseas Territories and key officials of the FCO and UK Government.

Minister Simmonds – United Kingdom Overseas Territories Minister Mr. Mark Simmonds visited the Cayman Islands in November 2013 and noted that he was "enormously encouraged by the achievements of the Cayman Islands" since he last visited.

Mr. Hayes – Peter Hayes, director for Overseas Territories at the Foreign and Commonwealth Office, made a visit to the Cayman Islands in February to meet with a number of government officials and promote the shared agendas between Britain and Cayman.

Islamic Finance and Investment Group – Premier Hon. Alden McLaughlin was appointed to this group, which includes Premiers, Ministers, CEOs of major Islamic banks, central bank Governors and regulators. They met for the first time in London in March.

Cultural Heritage Pioneers

The 2014 Heroes Day theme of Cultural Heritage proudly honoured and recognised individuals who have made outstanding contributions to the preservation and promotion of cultural heritage in the Cayman Islands.

The Early Pioneers Award is for individuals who made significant cultural contributions to the Cayman Islands prior to the year 1960. This year's Early Pioneers are:
Rayal B. Bodden, MBE; Claranell Christiana Connor; Nell Connor; Crosby Collymore Ebanks; Ethel Ebanks; Leila Rosalind Ebanks; Samuel Matthew Ebanks III; John Hooper Henning; Capt. Paul Adolph Hurlston; Julia Almeria Hydes, Cert. Hon.; Marvelle McLaughlin; Phyllis McLean; Blanche Lyline Rankin; Marjorie D. Rankine; Turner H. Rankine; Annie Laura Walton.

The Pioneers Award is for individuals who made significant cultural contributions to the Cayman Islands from 1960 to 2003. This year's Pioneers are:

Daphne Louise Ackermon-Orrett; Charles C. Adams, OBE,JP; William Banker; Wray Banker; Leslie Bigelman, Honorary MBE; William Dudley Churchill Bodden; Gladwyn Klosking Bush. MBE; Margarito Chantilope; M. Janilee Clifford, Cert. Hon.; Carmen E. Conolly, Cert. Hon.; Geoff Cresswell; Adelaide Erena Ebanks; Lily Anita Ebanks, Cert. Hon.; Anna Consuelo Ebanks; Annalee Ebanks; Carlyle Ebanks; Joseph H. Ebanks; Rose May Ebanks; Albert Radley Gourzong, Cert, Hon.; Helen Harquail, OBE; Ernest Carey Hurlstone; Bendel Hydes; Percival Jackson, OBE, Cert. Hon., JP; Hon. Mary Jannet Lawrence, MBE, JP; Andy Elton Martin, Cert. Hon.; Herbert Delmoth Martin; Laurel Martin; Leathan Linburgh Martin; David Anthony Martins; Harwell Moncrieffe McCoy Sr., OBE, MBE, JP; Dr. Frank McField, JP; Alvin Allen McLaughlin, Cert. Hon.; Florence Greta McLaughlin, Cert. Hon.; Gleda Eulean McLaughlin; Heather Ruth McLaughlin; Eileen McLaughlin; Henry David Muttoo, MBE; Horst George Nowak; H. Edward Oliver, Cert. Hon.; Arthurlyn Pedley; Dr. Philip Edward Pedley; Anthony Powell; Araunah Uriah Powery; Oswell M Rankine, JP; Isaac Jeralow Rankine; Edmund Rex Scott, Cert. Hon.; Diana Essie Scott-Driscoll; Janace Opal Solomon, BEM, Cert. Hon; Nasaria Suckoo-Chollette; Linton N. Tibbetts, OBE; Ira Walton; Esther Vernicia Watler, Cert. Hon., JP; Vivine Elizabeth Watler; Joan Evangeline Wilson.

The Emerging Pioneers Award is for the individuals who made significant cultural contributions to the Cayman Islands from 2003 to present. This year's Emerging Pioneers are:

Debra Barnes-Tabora; Denise Bodden; J. A. Roy Bodden, JP; Ivan Burges; Randy Chollette; Christopher Christian; Keino Daley; Junior Dilbert; Bergman Ebanks; Deal Ebanks; Saskia Jenna Miracle Edwards; Virginia C. Foster; Kevin Goring; Launa Green; Mark Hydes; William Kemuel Jackson; Natasha Claire Kozaily; Jerris Miller; Carla Reid; Samuel Rose, JP; Alexander Urquhart; A. Joel Walton, JP; and Brian Kirby Watler Jr.

The Memorial Scroll Award is given to a deceased person who was a leader or significant contributor to the promotion and preservation of Cayman's cultural heritage. Those awarded are:

Susan Christine Barnes; George Whitecross Ebanks; Clifton Adalbert Hunter, MBE; Judson Elbert McCoy; Capt. Keith Parker Tibbetts Sr., MBE, JP; Adina Whittaker; Harvey Dalkeith Whittaker.

The Long Service Award is given to a person (currently alive) who is a long-standing supporter of the promotion and preservation of Cayman's cultural heritage for 10 years or more. These individuals are:

Marlena Hilriege Anglin; Capt. Dale Banks; Luelan Samuel Bodden; Tennson Bodden, QPM; Dalkeith Bothwell; George MacLure Bothwell; Caris Bramwell; Lucille M. Douglas; Wilfred McCatric Douglas; Darwin Dennis Ebanks; Erna Jane Avillin Ebanks; Geoffry William Ebanks; Paul Darwin Ebanks; Thomas Ewart Ebanks; Maple Valentine Edwards; Reina Dean Jefferson, Cert. Hon.; Radley and The Happy Boys Band; Alex Evangeline Johnson, JP; Andy McCoy; Charisse Raquel Morrison; Marcia Muttoo; Elard Earling Myles; Tamara L. Selzer; John Bothwell Smith; Mitzie Tomlinson; Mitchell Welds, Cert. Hon., JP; Archie Burke Clinton Whittaker; Audrey Whittaker; Carolyn Connie Mae Whittaker; Veda Cynthia Whittaker; Colin Wilson; Grace Elnith Wright.

Among the 54 Pioneers are individuals who passed away in recent years including: Helen Harquail, Anna Consuelo Ebanks and Linton N. Tibbetts.

Cabinet Members



Left to Right:
Mr. Samuel Rose - Cabinet Secretary
Hon. Marco Archer - Minister of Finance & Economic Development
Hon. Samuel Bulgin, QC, JP - Attorney General
Hon. Franz Manderson, Cert. Hon., JP - Deputy Governor
Hon. Osbourne Bodden - Minister of Health, Sports, Youth & Culture
Hon. Wayne Panton - Minister of Financial Services, Commerce & Environment

Front Row:
Hon. Tara Rivers - Minister of Education, Employment & Gender Affairs
Premier Hon. Alden Mclaughlin, MBE, JP - Minister of Home & Community Affairs
H.E. Governor Mrs. Helen Kilpatrick, CB
Deputy Premier Hon. Moses Kirkconnell, JP - Minister of District Administration, Tourism & Transport
Hon. D. Kurt Tibbetts, OBE, JP - Minister of Planning, Lands, Agriculture, Housing & Infrastructure

Councillors



Left to Right:
Mr. Joseph Hew - Councillor to the Minister of District Administration, Tourism and Transport
Mr. Winston Connolly - Councillor to the Minister of Education, Employment and Gender Affairs
Mr. Alva Suckoo - Councillor to the Minister of Home and Community Affairs
Mr. Roy McTaggart - Councillor to the Ministers of Finance and Economic Development and Financial Services and Environment

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