

## **Strategic Policy Statement, July 2021**

**“For A Stronger Safer Future.”**

### **Response by the Leader of the Opposition**

Mr Speaker, I rise to provide the Opposition’s initial response to the Government’s Strategic Policy Statement, or SPS. Several of my colleagues will also make their contribution to the debate on the SPS.

I admit, Mr Speaker, that as I listened to the Premier speak, I found myself reflecting on the irony regarding the different positions the Premier and myself find ourselves in today.

I know that the Honourable Premier will remember that we were both first elected following the 2013 general election. At that time, he campaigned as a member of an organised political party, the Progressives. I campaigned with a coalition of independents who joined forces before the election as the ‘Coalition for Cayman’.

Today we face each other, I as Leader of the Progressives Party and The Leader of the Opposition, and he as the Premier in a government comprising a coalition of independents. Politics, like life, certainly has interesting twists.

Further, Mr Speaker, not long after the 2013 election, I was invited to join the now Premier as a member of the Progressives

Government, though as an 'Independent member'. However, before the term was out, I did join the party. I joined the Progressives because of the strength, coherence and focus that the party brought to politics and to the policies we created to make our three Cayman Islands a better place. A coherence and focus that enabled, shortly after taking office, the then Premier, the Hon member from Red Bay, to speak to the country with clarity and certainty about what our government stood for and what collectively we had determined we would achieve. This helped create confidence in Cayman's future at a particular time when that confidence was shaken. It also created confidence in the UK that we were a serious government that they could trust to deliver on what we said we would do. And deliver we did.

I was proud to work alongside the now Premier - and we achieved a tremendous amount together in those four years in government. As a member of the Progressives, I was also proud to campaign alongside the Premier on our 2017 election platform. The plans for government in the Progressives 2017 Manifesto eventually became the basis of my first national Strategic Policy Statement as Finance Minister in 2017. Strategic policies that the last Progressives coalition Government took forward, again achieving much for our Islands, despite the impact of the pandemic.

Although we are now political opponents, Mr Speaker, I still consider the Premier a friend. The Premier quoted Thomas Jefferson

in his remarks at the Chamber's Legislative luncheon last week, so I will do likewise. It was Thomas Jefferson who said, 'I never considered a difference of opinion in politics, in religion, or in philosophy, as cause for withdrawing from a friend.' I echo that sentiment, Mr Speaker. Though there will be times, like today, when in the cut and thrust of politics, we will debate and argue fiercely in this House and outside it. I trust we will both be doing so for the country's benefit. That desire to achieve what is best for these Cayman Islands will continue to unite us through the months and years ahead, even as we may at times disagree over how to achieve that desire.

We on this side understand that even when elected together on a common platform and common purpose, there will always be challenges. But that common platform and purpose usually bring heads together, and through collaboration, there is resolution.

I hope, Mr Speaker, for the benefit of the country, and the benefit of my friend the Premier, that despite the rumours that abound about the divisions in the government that they are indeed mere rumours, and the Premier has been able to bring his team together to achieve the same level of unity and ability to deliver for the benefit of the country as the two Progressive Governments did. Time will tell us.

So much for reflection, now to continue with the business before us, Mr Speaker.

First, I must offer my thanks to the Honourable Premier and his Finance Minister for their speeches in Parliament today and delivery of their Strategic Policy Statement. It was good for the country to hear, at long last, what the Premier and his Government think about our Islands' future and how his PACT Government will address the challenges and opportunities that the future will bring. Particularly regarding the re-opening of our borders to tourism.

I say 'at long last' because, of course, it has been three long months since this government took office, during which time the country has been left mainly in limbo, if not adrift. I appreciate that the Premier and his PACT government needed to go on team-building exercises to create their policy ideas, make decisions and find the cohesiveness and bring them all together. But Mr Speaker, the issues facing the Cayman Islands are immediate and pressing, not least the question of opening our borders and getting all parts of our economy growing once again. In looking to form a government, one would have thought that the critical matters of state would have been front of mind for the Premier and those closest to him.

The Premier noted *shortly after the election that he and his colleagues, and I quote, "... chose to focus on the 95% that we have in common and ignore the 5% in respect of which we differed.... We chose to focus on what united us as opposed to what divided us."* Unquote.

That is laudable. But it would seem to those of us looking from the outside Mr Speaker, it appears that the 95% they had in common did not amount to much given the time it took them to say what their collective plans are. And even then, not much has been said here today. But let me be kind Mr. Speaker and note that perhaps what is important is that they seem to have gotten there and with some semblance of policies.

By contrast, as I indicated before, in 2013 the newly sworn-in government was able to present an interim budget in short order. And we were also able to go to the UK to provide them with a credible plan to recover government finances and re-boot the economy following the recession.

Mr Speaker, I have heard some on the government benches say that the country needed new leadership following the election. That is their view, but many others would disagree. I have come to realise how many of the Caymanian public believe that over the last three months, we have had a remarkable absence of leadership. What we have had, for the most part, has been a lot of silence.

But occasionally, the silence has been punctuated by an announcement that the government is cancelling something.

First, we had the cancelling of the much used and much-loved George Town bus shuttle. That decision was taken despite the figures demonstrating that the service had grown significantly and was being

used by over 1,000 passengers a week. It was a programme that we on this side had plans to continue. And our plans also included moving to electric buses as soon as we could.

For all the rhetoric about the environmental credentials of this government, one of their first acts was to cancel a public transport initiative that was contributing to carbon reduction and helping make the shift to a more environmentally sustainable mode of transport. Many individuals, including civil servants, left their cars parked and used the convenient free bus shuttle for trips to the banks, credit union, supermarket, hospital and many stops in between. I also had the occasion to use it several times. It helped the public gain confidence in public transport around George Town. It was also relied upon by many older persons in the community who did not have their own vehicle. People will not make the transition to give up their cars and use public transport if they cannot rely on the public transport options being maintained. The government's decision was short-sighted in the extreme, Mr Speaker. And nothing said in this SPS about reinstating it. It is a shame.

Next, the country was treated to the Honourable Minister for Agriculture announcing that he was cancelling the Farmers' Assistance programme one week after praising it and promising his colleague the education minister, who had started the programme, that it would be kept. I will remind the House, Mr Speaker, that the programme was

assisting some 1,200 people in the agricultural sector, including backyard farmers licensed by the Department of Agriculture. If there were deficiencies, it might have been preferable to fix them rather than cancel the programme outright. But again, this SPS contains nothing to assist or encourage farming.

Finally, the Honourable Minister for Tourism and Transport announced that he would cut in half the tourism workers' stipend starting in November. Not to be outdone by the Grinch, the Minister and the PACT Government are, in effect, cancelling Christmas for the more than 3,000 tourism workers and their families who rely on the stipend to get by in these tough times. Our hard-hit tourism workers can determine for themselves whether PACT indeed is as people-driven as they say they are. Talk is cheap, Mr Speaker, and so are acronyms.

Three announcements. Three cancellations of things the previous government was doing that made a real, tangible difference in the lives of everyday Caymanians. A service that provided over 1,000 bus journeys a week. Cancelled. Assistance for 1,200 people in agriculture. Cancelled. Stipends being slashed for 3,000 tourism workers meaning Christmas will likely be cancelled in those Caymanian households.

And Mr Speaker, as we prepare for the eventual return of tourists, the planned road works for the West Bay Road, our main

tourist area, were stopped. So too was the planned work for the first phase of the long-awaited Airport Connector Road between Esterley Tibbetts Highway and Sparky drive – in fact Mr Speaker I am hearing that this long-needed connector road is also now being cancelled. Improving our road network is one of the vital infrastructure developments that will support future economic growth, Mr Speaker. Now that too has moved on to this government's list of cancellations. Even with its first few actions, the PACT Government has managed to win for itself a reputation for failure when it comes to things that really matter to average Caymanians.

In the interests of balance, Mr Speaker, I must give the Premier due credit for a positive announcement he has made. He has announced that he wants to see more diversity on Cayman's public boards. I welcome it, Mr Speaker.

There is no detail in the press release issued by the Premier on just how he intends to achieve his objective. Nor did he give any details when he referred to the measure at the Chamber luncheon. The details matter, Mr Speaker. Announcements of changes are one thing. Making change happen is more difficult. I would counsel the Premier that when we were in government, we found the critical issue in respect of the makeup of public boards was how to stimulate more diversity among those willing to serve rather than in the appointment process itself. I believe that he understands this very well so hopefully



we can work together to improve diversity in decision-making across our Islands. We will support initiatives the government takes to stimulate greater interest among under-represented groups about serving on public boards.

Before I move on, I want to take a moment to welcome those new Board members who have agreed to give up their time to serve their country. I also want to thank the members of the outgoing boards who agreed to serve when asked to. The work that they do as a board member is often underappreciated and misunderstood by many in the public and media, yet they still agree to serve. We thank you, and the country thanks you, for your contribution to the advancement of our beloved Islands.

While I welcome any initiative to improve diversity on public boards, Mr Speaker, I just have to question whether that was the issue at the top of the list of concerns that the public was expecting a new Government to address. I suspect most folks would have suggested one or two more pressing priorities that the government might have turned its attention towards.

We in the Opposition have said that we do understand that the lack of experience in the current government will hamper getting things done. That is inevitable even if undesirable, Mr Speaker.

We have also said that we hoped that the experience and expertise of our professional and dedicated civil servants would help

make up for the lack of experience amongst the elected government. On this side of the House, we understand just how important the support and advice of civil servants are for sound decision-making in government.

Mr Speaker, in the April elections the Progressives-led Alliance put forward a comprehensive vision for the next four years, backed up by detailed commitments to deliver the country's priorities. Our plan for a 'Stronger Safer Future' demonstrated how we could build on our successful track record in government. It set out a plan that could deliver a return to prosperity and make a difference in the everyday lives of Caymanians.

That plan was the basis on which every member on this side of Parliament who stood last April was re-elected. We owe it to those thousands who voted for that plan, we owe it to the country, to advocate for what we know to be the correct actions for the government now to take. We will do so in this House and outside of it.

As we all know, the biggest single issue that the government needs to grapple with is the re-opening of all of Cayman's economy and the need to find a safe and secure path back to success for Cayman's tourism. Linked to this, in our view, is to get at least 75% of our people vaccinated for a safe re-opening.

I note that in announcing what he called a reopening plan to the Chamber last week, the Premier used a vaccination target of 80%. That after having already revised up the population estimate by some six thousand people. So, the Government now wants a higher proportion of a higher population to be vaccinated before reopening. Mr Speaker, without further information this looks suspiciously like the means to excuse the delays in setting a realistic target that will take longer to achieve. If indeed at this rate it is even achievable. I do have my doubts that the population figures is at 71,100 persons as the Government now claim. I have looked at the Fall 2020 Labour Force Survey that was published by the Economics and Statistics Office, or ESO for short, in March 2021.

The Labour Force Survey states on page 10 that for the calendar year ended 2020 the population of the Cayman Islands was estimated at 65,786 persons. That was the basis of the population estimates that we used. I do not see the 71,100 population estimate that the Minister of Finance has said was provided by the ESO. I went on the ESO website and looked for this information, but it does not exist there as far as I can tell. And that is why I look at the new population estimate with a bit of skepticism.

What I do know is that in making this increase they have now given the country a huge hill to climb and in so doing have likely created an impossible goal to get 80% vaccinated, particularly if we

are unable to vaccinate children under 12 who comprise a large part of our population. Additionally, with no clear date to open, many people will not be motivated to get vaccinated. I hear this everyday Mr Speaker. But there are also many Caymanians who will not take the vaccine.

In the end, Mr Speaker, this is not just a numbers game. It is about having a safe and credible plan whichever threshold number is used. We in the Opposition have been pushing this PACT government to come up with such a plan.

And so last month we urged the government to give notice of a September opening date to provide local businesses sufficient time to plan to welcome guests properly after some 18 months of the borders being closed to tourists. We said at the time that such a re-opening plan, in our view, should include:

- a published planned border re-opening date of September 1<sup>st</sup>, 2021
- tourists and residents arriving in the Cayman Islands on or after that date with proof they have been fully vaccinated, within guidelines set by public health, will be able to land without the need to quarantine
- public health would need to advise on what testing requirements would be required for fully vaccinated people

- un-vaccinated tourists and residents would still be required to quarantine for up to 14 days with the standard regime of PCR testing now in place.

As we noted last month, a September opening date provided time for vaccinations here and in the USA to increase significantly. It also allowed our tourism businesses and government entities to prepare to accept tourists again, including hotels hiring Caymanian staff. And it would enable airlines time to schedule flights. Of course, after the border opening, our Covid-19 vaccination programme will continue to vaccinate even more people locally. We are making it more difficult for ourselves to achieve any semblance of reopening our economy.

We know that neither stayover nor cruise tourism will get back to 2019 numbers overnight. However, as we have said the government now need to set the stage for a tourism recovery while assisting unemployed tourism workers. The government cannot continue with an absence of leadership on this and related issues that require urgent attention and a rethink of the decisions that have been made.

That was our submission to the government and the country last month. Of course, a defined re-opening date would have also provided the necessary signal to our local population that there was a

deadline we are working towards and would have encouraged more to take up of vaccinations.

The approach to re-opening outlined by the Premier last week is, in our view, does not give us the type of plan and confidence that is needed. There is nothing outlined in their re-opening plan that can be relied upon when you have such high thresholds to achieve. At best it is list of dates, themselves provisional, with changes to quarantine and vaccination requirements that might come into being. There is no certainty on how thresholds will be achieved or how reopening will be properly planned and implemented.

And so, Mr Speaker, I fear that the public will likely follow the government's lead and will also wax and wane regarding getting vaccinated.

As I said earlier, Mr Speaker, it seems improbable that the Government will even hit their 80% local vaccination trigger to even begin what they term 'Limited introduction of Tourism' on September 9<sup>th</sup>. The numbers that we have to achieve in the remaining weeks are quite significant. So how then can our tourism businesses truly plan Mr Speaker when there is doubt as to what will actually happen? How can our airline partners plan without some kind of committed opening date? They tell us they need six or eight weeks to schedule flights into the country. Even if we were to meet the 80% vaccination rate, we do not know at this point how many tourists will be allowed to land every

day or every week as part of the ‘Limited Introduction of Tourism’ Phase. Airlines need to know this information Mr Speaker to determine how many flights they can do and on what days, if any at all.

And what is also disappointing Mr Speaker is that the Phase for a full Welcome Back for tourism is scheduled for January 27<sup>th</sup> next year – and this is only an assessment date. So, the reality is the Government does not have a firm date for reopening.

Just to illustrate further the muddled thinking in this PACT government, Mr Speaker. They are not even contemplating a proper return to stay over tourism until next January. No cruise visitors will be returning any time soon. At best, we can expect very limited numbers of tourists from sometime in September if an ambitious vaccination threshold is reached. Yet we have heard the Minister for Tourism announce a cut in the stipend for over 3,000 tourism workers on the basis that tourists will be back and creating sufficient work from November. None of this makes any sense at all to me, Mr Speaker. And I suspect it makes no sense to people outside this Parliament either.

Mr Speaker, we on this side are convinced that unnecessary harm continues to be inflicted upon our essential tourism business sector and to the wider country – I suspect you hear this for yourself from your constituents.

For a plan to be credible, it needs to set out the detail on how the changes will be managed. So, despite whether we believe their re-opening timetable is achievable or not, the next outstanding question is what can we glean on how they would go about re-booting our tourism product?

What strategy did they set out in the SPS, ready to implement, for supporting the opening of Cayman's tourism industry? The answer is, they had very little of any substance, let alone present a clear plan for its recovery. Not one single plausible word on the future of stayover tourism. Mr Speaker the Premier noted that the Minister of Tourism brings energy. But sadly we are discovering that is no substitute for knowledge, experience, commercial know how and strong local and international networks like our last minister had.

I would urge the Minister and the Government to have a look at "The Road Back to 500K Air Arrivals Strategic Tourism Plan" that was started by the Member for Cayman Brac West and Little Cayman when he was the Tourism Minister. That plan may now need updating but it's a good place for them to start considering the recovery of tourism and developing a credible and coherent plan.

Neither did they make any mention details about what shape cruise tourism would take in the future. We advocated that following the election, it would be essential to have a national discussion on the future of cruise tourism that could help guide the restarting of this



important sector. I was happy to hear the Premier mention earlier about 'rethinking cruise tourism' so perhaps they have accepted our suggestion. I hope that is the case – this is an opportunity for us to reset the bar regarding cruise tourism and to determine what it is we really want for that industry.

Mr Speaker, I like to give credit where credit is due. I have said that I applaud the Premier's intention to bring more diversity to Cayman's public boards. While the diversity initiative itself is a welcome one, I would rather have seen him announce a real plan for bringing back prosperity to our country.

This lack of any real direction by the government has been hitting business confidence in a bad way. Not just for our hotels, not just for our tourism product, but also for our restaurants industry – they are hanging on by a thread. That is the reality of the situation. For the majority they are only operating at 10% or 20% and many are in dire straits. We are sixteen months into the closure of tourism, a large part of the business for this sector.

I know that there will be some sectors like financial services who will welcome some of the initiatives mentioned here. Even they, however, will need to see more detail before they can have any real confidence. But as I have noted, the tourism sector will not likely think these so-called strategic policies provide much optimism for the next tourism season.

As to the overall substance of what he had to say, it is rather hard to come to a judgment. That is because, despite its length, the Premier's speech had so little substance in it.

Now, we understand that in the ordinary course of government business, the SPS is a statement of direction rather than a detailed programme. That programme comes in the formal budget proposals brought before the House later in the year. We also understand very well that not every decision taken in the run-up to an SPS will survive the budget process. And so, it is important to have sufficient meat on the bone of the SPS to make it credible and better aid in the budget preparation process.

Mr Speaker, we, on the Opposition benches, had expected more than the somewhat generalised assertions that we have heard today from the Premier and the Finance Minister.

When he was Premier, the Member for Red Bay, along with me as Finance Minister, used the opportunity of the SPS statement to put rather more flesh on the bones of our government's plans than we have heard today. We understood that it was an important opportunity to do more than just comply with the law in terms of tabling something in the House.

The former Premier and our government used the SPS as an opportunity to communicate with the country outside of this place. We understood the importance of giving clarity and certainty to the

country and direction to the government so that, when the detailed programmes were drawn up, they could be seen as the implementation of the government's declared intent.

All this may sound overly critical. It might be suggested that I should cut the new Premier and his Government a little more slack. As I said, we recognise they are new to all this. But the challenges facing the country are too significant for us to just wait around before they can agree on real priorities and real solutions, like our reopening, that will benefit our Islands and our people.

So, Mr Speaker, I *am* being a bit critical – I understand.

However, let me make one thing abundantly clear today. We on this side have no interest in seeing this government fail. The Cayman Islands cannot afford for you to fail.

However, we do see a real risk here. We all share a responsibility to try to avoid that happening.

Therefore, throughout the debate on this SPS, the Opposition will offer additional suggestions for action that we hope might help to guide Ministers in getting to grips with what actually needs to be done.

Most of our suggestions are developed out of the plans we set out in our election manifesto. First and most obviously, we think they are the right plans. However, we also put them forward now because,

as the re-election of so many of us showed, they are plans that have widespread popular support.

I urge those now occupying the Government benches to listen closely to what my colleagues say during this debate.

It is the job of the Opposition to oppose, but in these circumstances, it is right that we offer solutions, not just criticism. I hope that, in the same spirit, Ministers will accept what are a well thought through set of plans rather than rejecting them just because they have come from these benches.

So, in the spirit of offering constructive remarks during this debate, let me suggest three overriding priorities that the government should focus on trying to achieve.

The first is to restore Cayman to its path of sustainable, long-term economic growth. Meeting the immediate challenge of opening up our economy is but one step on that path, Mr Speaker. Yet faced with the challenge of taking that first step, it seems this PACT Government is already faltering.

The country needs and deserves more than just suggested dates hedged by caveats. It needs clarity and a government that can be trusted to ensure that, whatever the date finally selected, the process will be properly and safely managed. Even today, we still have not heard the clarity that is needed, nor do we get the sense of conviction,

that would reassure those of us on the Opposition benches, and the wider public, that those making the decisions are getting this right.

Trust in government, albeit the last government, to do the right things for Cayman has been hard-won over the previous 18 months. The new government can benefit from that trust if they act responsibly. And even as we plan for and take that first step to open Cayman, Mr Speaker, the government should already be thinking about the longer term.

The second priority, Mr Speaker, is to get the balance right between accommodating growth and protecting Cayman's precious environment. This presents a challenge to all of us, and I suspect that is particularly so in a Government containing such diverse views on how such a balance should be struck.

And it does not help, Mr Speaker, when one of the Government's Ministers has already set off in the wrong direction, cancelling the George Town shuttle bus instead of using the programme to promote the switch to sustainable transport. I urge the government to bring forward plans for a future public transport solution for these Islands at the earliest opportunity. They will not have to look far as the work was already started under the Member for George Town North when he was Minister. He had previously told this House that he had asked his Ministry to proceed with procuring expertise in public transport to recommend the best options for us to consider.

Indeed, our 2020/2021 SPS noted that *“Government will commission a specialist mass transportation study to analyse the options available for us to achieve the necessary step-change in public transport that the country needs”*. Like many things, these plans were hampered by COVID, but the Ministry was preparing to move forward following the election. So, I urge the government to ignore where the plans came from but instead to just move forward – let's see what are the best long-term options for us rather than trying some band-aid approach.

More broadly, I welcome the sentiments expressed by the Premier about the need to preserve Cayman’s precious environment. But, as I have said, Mr Speaker, sentiment is not enough. We need to know what action the new government intends to take. I hope that on this issue at least, the Government can try to build on the strong position that the last Administration left for them. As well as advancing marine parks and other conservation initiatives, the last government did, at last, solve the most pressing environmental problem facing the country by completing the work to put in place a sustainable waste management solution that meets the country’s needs for decades ahead. I noticed Mr Speaker that any mention of this project was conspicuously absent from the speeches today.

Mr Speaker, I hope you will forgive me if I pause there to put on record the thanks of everyone on the Opposition benches, and the

whole House, for the service done for Cayman by Mr Peter Ranger, who sadly passed away in May. As project manager for what is now the ReGen project, Mr Ranger provided much needed expertise to my colleague, the then Minister for the Environment, in getting the contract with Decco over the line. On behalf of all of us, I extend our deepest sympathies to his family and to his colleagues who I know are still mourning his sad loss. This project is an extremely complex one, but much of the heavy lifting has already been done, and we are very close to solving a problem that has been around for decades. Let us get this done Premier and let's truly close the landfill once and for all and provide a modern waste management facility that will also feed our energy grid.

One of the fallacies that continues to be trotted out in the debate over Cayman's future, is that there is somehow a choice between development and protecting the environment. There is not. The choice is not a binary one. Not least because, as the ReGen project demonstrates, development is often the way to solve environmental problems. I hope by it not being mentioned once today so far that this does not indicate that the ReGen project will be stopped.

The question is not whether we need development but what type of development we need and where should it be located. Answering that question and getting the balance right requires long

term sustainability planning, and I welcome what the Premier has said about the PACT Government's intention to produce a new national development plan. Again though, we need to see the details of the review that the Premier has said he will begin. There is an obvious place to start and that is with the Plan Cayman approach, pioneered by the last Administration. The extensive consultation we carried out on the shape of future development for our Islands provides a platform for the government to build upon. Continuing that approach represents the best opportunity to have a long-term development plan that will be refreshed regularly. It is a logical and sensible approach to a national need that has evaded several governments since the last attempt in the early 2000's. Hopefully, the Plan Cayman approach, and the work completed to date, will not be cancelled by the Government as an online media site has recently suggested might occur. If it is cancelled, then I fear the Government should expect the same result as all Governments since the plan was last updated in 1997.

Returning to the environment for a minute Mr Speaker I must say that we share the Premier's concern for climate change. Perhaps though we differ on where the real effort of Government should be spent. It is important that we play our part in reducing our carbon footprint – and certainly ReGen will assist in this. Page 10 of our manifesto contains some 17 proposals to help address the risk of



climate change, including updating our climate change strategy to take onboard the results of the technical assistance and advice from the UK on climate change risk mapping and mitigation. This work on climate risk mapping was agreed by our government and I am pleased that the work will be started by the UK and the results made available to us. Whilst we do not contribute to global climate change in any truly significant way, we are being impacted by it, and so risk mapping and mitigation must be the main areas of focus for us. That said, there are things that we can and must do to play our part to reduce climate change.

Finally, the third national priority should be to continue the improvements in Cayman's public schools. I must say that I regret the decision taken by the Honourable Minister for Education to join the PACT Government. But if there is an upside, it is that she stands as a beacon of competence and reassurance in the sea of indecision and prevarication that characterises the government as a whole.

As one of the architects of the education change programme that has seen public schools and student attainment improving, the Minister understands what it will take to drive further success. I know she has the plans on her desk. I hope that she has been able to persuade her new colleagues to back her plans and give her the resources she needs to see the job through. Not a lot was said about this today, but I trust that the government will see the recent

improvements in education and to continue with the plans that got us there. I welcomed the Premier's remarks around the benefit of having the Minister for Education continue in the role to ensure there can be continuity. I therefore have some hope that the Education reforms already started will not also be cancelled but will continue and bear fruit.

That said, Mr Speaker, I join with my colleague for George Town South, the Opposition's spokesperson for Education, when she recently congratulated and thanked the Minister for continuing a programme of enhanced scholarships, especially for those young Caymanians going into teaching. I say continuing because the enhanced scholarship programmes were started and agreed when we were in government before the general elections. What will be important now, Mr Speaker, is that we do not put too many hurdles in front of students and their parents that will hinder quality candidates applying for the scholarships. The Minister will remember that this too was an issue that we discussed when considering these scholarships.

I was pleased to hear the Premier speak to affordable housing at the Chamber Legislative Luncheon and again today Mr Speaker. This is an area that we can probably support the government on. Indeed, in our Manifesto we had highlighted the following initiatives as needed:

- Appoint a Parliamentary Secretary to assist the Minister responsible for housing to ensure there is a sustained focus on new and innovative affordable housing initiatives and to promote the available programmes. It would also give it the right visibility in the Government.
- Develop more affordable home rentals and homeownership schemes alongside that of the National Housing Development Trust (NHDT). This can be done by incentivising private sector developers to cater to these markets, including social landlords in the rental market.
- Increase the First Time Caymanian Homeowners thresholds to allow homes costing up to \$500K to be purchased duty-free and amounts above that to be charged at 2% duty. Land to build a home up to \$150K will also be available duty-free for first time Caymanian purchasers.
- Introduce, with local banks participation, an updated Government Guaranteed Home Assistance Mortgage Scheme (GGHAM) and promote the Build on Your Own land scheme.
- Ensure all new NHDT homes are built to accommodate solar energy to reduce electricity costs for homeowners.

It is not just on affordable housing that action is needed, Mr Speaker. There are a host of other initiatives that we believe are

necessary, yet so little has been mentioned here today about what the Government intends actually to do. I will point to just a few:

- We need to look at more affordable public options for health insurance, home insurance, and pension plans that can exist alongside those offered by the private sector. This was mentioned by the Chamber last week as one of the most pressing issues currently impacting business, Mr Speaker. We were ready to take action. What does this Government intend?
- I would urge the Premier to accelerate action to complete two important pieces of work that our administration was working on, Mr Speaker. First, the government must complete the minimum wage review over this year and increase the level as necessary to ensure it is meeting its objectives.
- Secondly, the government should complete the review of the Customs Tariff Act and seek to remove import duties from necessary products such as medications, disposable diapers, processed baby foods, feminine products, and birth control products. In addition, we should look again at reductions on food products with import duty.

I was also pleased to hear about the government initiative on ensuring no child in school goes hungry. We also welcome the steps to increase assisted living. However, for both of these initiatives there was nothing said about what actions will be taken but I hope once

these are understood we will be in a position to support these as well. On the face of it these sound like good programmes – lets see the details.

Mr Speaker, we have again recently seen a spate of gun crime in the community. We worked hard when we were in government to provide the RCIPS with the means to tackle gun crime and indeed all crimes, to ensure the safety of our Islands. I am hoping that the Government will continue this support and support the various interventions that seek to prevent crime, especially gang-related crime.

As I indicated in my statement last week, all gun crimes are concerning, but the recent ones we have witnessed are particularly ruthless. Especially considering it was the use of a lethal automatic weapon to shoot indiscriminately in public. This type of crime is not something we are used to seeing, nor is it something that should ever become the norm in our society. As I indicated last week, the Opposition fully supports the measures agreed to address these deeply disturbing gun crimes decisively. But others may be needed. Some have called for a gun amnesty though form and timing of any such amnesty will need to be carefully considered to increase its effectiveness. I again urge the community to also do their part to help remove these guns from our society.

We must ensure that the evil of gun and gang culture is not left to fester and must be curtailed. Strong policing is a part of the solution, but it is not the only solution. What is also needed over the medium to long term is to move forward with the work on the anti-gang strategy that was started under the last administration and announced in the Strategic Policy Statement delivered in 2019. It is important that we actively divert at risk young people away from crime and from gangs and help them find their way to being productive citizens. I urge the Government today to commit to carrying this important work forward. We also need to look again at the link between the illegal numbers game and criminality generally. Work was to have started on increasing the penalty for those involved with illegal numbers or other forms of gambling. The Government must get that work completed or explain to the country what alternative actions it proposes to break the link between illegal gambling and other forms of criminality.

We can all see, Mr Speaker, that the plague of gangs and guns is impacting lives across our country. What, in concrete terms, does this government intend to do to tackle that plague? The Opposition will keep pressing the government to answer that vital question, Mr Speaker.

On a more positive note Mr Speaker, I am pleased that our team of young Olympians have been selected and with the support of

Government will be travelling to the Olympic Games in Japan next month. I am sure that the member for George Town West is also happy to see this given his involvement as Parliamentary Secretary to the Sports Ministry during the last term. On behalf of the Opposition, I want to wish them well. We are proud of them and will be watching and cheering them on.

My colleagues will speak more to these issues Mr Speaker, but I thought it useful to mention them here to allow the government the opportunity to provide their thoughts on these important initiatives that are aimed at making our people's lives better.

So that brings me on, Mr Speaker, to some remarks about finance. Across the eight years of the last two Progressives-led Governments, sound finances remained the bedrock of our highly successful approach to government. It also served as the foundation for the confidence of the business sector. A foundation that, together with the right policies, has helped provide the most successful economy that we have seen in decades. Indeed, an economy that Economist Marla Dukharan has called the best managed economy in the Caribbean.

Let me just remind the House of our track record, Mr Speaker. Our financial success brought the government into line with the prudential ratios set out in the Public Management and Finance Law. Except for 2020 we delivered year on year budget surpluses. We

invested in much needed infrastructure using cash, not borrowing, and we saved so that we had the resources available to meet the Covid crisis head-on. We significantly reduced the national debt, and even through the crisis, we managed to avoid new borrowing. Across all eight years, we did not raise fees or duty and we even, where it was possible, reduced the burden of those fees on both businesses and families.

The lesson I would urge this new PACT Government to heed is that we set our core financial principles right from the start, and we stuck to them. Only when facing the huge challenge of a global pandemic did we depart from that financial strategy, and then we did so, knowing that meeting the needs of our people for immediate relief had to come first. I think everyone in this Chamber would accept that, in doing so, we did the right thing.

The effects of that crisis are still with us, Mr Speaker. No one on this side of the House expects the government to be able to simply copy and paste our strategy.

We accept that the government is starting from a very different position from that in 2017. On the other hand, the national finances are in significantly better order than when the 2013 Progressives-led Government came to office.

In his public pronouncements since the election, the Minister of Finance has suggested that he was surprised to find that the deficit for



2021 was now forecast to be larger than previously reported. He has indicated that the reason for that change in the forecast occurred because the Financial Secretary had not made any provision in his pre-election financial forecast for any extension to the tourism stipend.

As the Minister should know, it is the practice in Government to bring revisions in the financial estimates back to the House on a regular basis to reflect changes in circumstances or the financial impact of new decisions. As he is well aware, there had been no decision made in respect of the tourism stipend past June. Therefore, the Financial Secretary had rightly not made any provision.

The future of the stipend was a decision for the new government to make. This PACT government has now made its decision and the forecasts have now been updated accordingly. They are continuing the stipend but I do hope that they do not really intend to cut the stipend amount come November without the country being open to tourism and the country back at work.

Mr Speaker I need to make this very, very clear - there can be no suggestion that there was some kind of conspiracy afoot to conceal the size of the deficit. The reason for the increased deficit forecast is, I suspect, is that there were late adjustments that that came in and needed to be made to Government finances. The Minister of Finance and his colleagues should be aware of what those adjustments are-

they should know. They are now in power and accountable for the decisions made.

Of more concern Mr Speaker has been the Minister's statements that suggested my government may have deliberately mis-stated the government's 2020-year end deficit by some \$48 million. Though today I note that it has increased further by another \$20M to \$110M! I have addressed this publicly already and, as I indicated, this change, occurred after my departure and on the Minister's watch and I still eagerly await his explanation as to what caused it Mr Speaker. I hope in his contribution to the debate that the Minister will provide the country with an update and let the country know – its important to me.

Importantly, Mr Speaker, as the Minister himself has said, the finances are in overall good shape considering the impact of the pandemic. There is certainly no other British Overseas Territory that is in as good a position as we are financially and that speaks volumes about our stewardship of finances and of the pandemic. I would suggest that there are very few countries in the world right now that can boast the sound financial position that we have. Some 16 months into this pandemic we have not had to resort to borrowing one penny.

The outstanding success of the last two Administrations was to create surpluses that were saved so that Cayman could ride out tough

economic times. That is what has happened, and I am proud of the financial position that we bequeathed to the incoming Government.

As a past Finance Minister, I know that the point here today with the SPS is not just the numbers but the overwhelming need to provide the government and the county with clarity and signal the government's commitment to staying the course.

I heard and saw his numbers some numbers regarding the projections and forecasts that the government will find themselves in full compliance with the PMFL by the end of 2022- that's very laudable and it seems that things have improved considerably. We remain to see whether this can be achieved but I have hope Mr Speaker. We shall see.

The government's ability to manage its finances efficiently and effectively is not just important in and of itself. As the last eight years have proven, Mr Speaker, sound government finances are vital in creating business confidence. As confidence increases so does business investment. That investment creates new jobs and economic growth. The growth, in turn, creates more government revenues. Those revenues allow the government to invest in public services and, at the same time, strengthen government finances.

That is the virtuous circle that the Progressives-led Governments achieved, Mr Speaker.

Mr Speaker the Minister has talked about doing things differently and better, but what was absent was any indication of what that really means.

The Finance Minister started by saying he was working towards a 'Goal of improved fiscal prudence.' But Mr Speaker very little in what he said represents an improvement over our strategy when we were in Government except perhaps that we delivered compliance with no new borrowing. The Government proposes to borrow some \$330M of new borrowing to finance capital that we financed by revenue. I have not been able to examine the numbers Mr Speaker to determine if this is truly necessary, however, whether or not you view this as prudent, it is certainly not an improvement on our track record even during the last year.

With that in mind, there are questions that were unanswered. What is the future strategy on borrowing? Does the government intend to restore revenue financing in the longer term? If so, when?

The Minister talked about getting Caymanians into work and reducing unemployment by, I think he said, in such a way that it would 'shift labour market dynamics.' I am not sure what this means as it was not explained – but I look forward to having it explained along with understanding how is he going to do it?

Is the Minister satisfied that the revenue projections are robust. Given the uncertainty of the so-called reopening plan there must be risk attached to tourism revenues and if confidence is hit, then to sectors like construction too. Has the government done any risk assessment on revenue and modelled the impacts?

The Minister concluded by saying the government had recognised the need for difficult decisions. That is the role of Government Mr Speaker and is something that we on this side understand well. But when is the government going to take those decisions? I implore them to get on with making those difficult decisions and lets move the country forward.

In previous public pronouncements, the Finance Minister had mentioned millions of dollars of savings within the budget that he was working to achieve. Are they reflected in the SPS totals? He has not said.

And I continue to encourage him to provide an answer to the questions from me about the 2020 increased deficit?

So, what do we, on this side, think the government needs to address in order to give the country the clarity it needs? To what should this government collectively commit?

First, the government needs to forthrightly address the uncertainty that exists over its approach to meeting the immediate needs of those experiencing economic difficulties. Repetition is often useful and so I will say again that:

Cayman needs a real plan for reopening our borders and for restarting stayover tourism.

Given the importance of Financial Services, I do hope that what has been said today about supporting this vital economic sector is more than just lip service. It is important that the government not only maintain close dialogue with the industry, it also needs to ensure that the country is kept aware as much as is possible on what is happening in the sector and what are government's plans and policies in response to the continuing challenges.

I note this Mr Speaker, having seen an article in Monday's Cayman Compass that the finance ministers from the Group of 20 Countries, including the UK, USA and EU, endorsed plans for a new global minimum tax. Interestingly Mr Speaker, the article went on to mention that the Cayman Islands had 'joined the agreement'. This was also reported in the international press at the start of the month. Yet we have heard nothing directly from the government on this development and explaining what we have actually joined up to. I hope that the Government will correct this and advise the country promptly on what exactly they have agreed to. The Government

cannot be silent on that. Financial Services may know the answer to this but the rest of the country also need to know.

Cayman also needs its agricultural sector to thrive to ensure ongoing food security and to help counter the high cost of importing food that contributes to increases in the cost of living. The PACT Government's decision to end the FARM assistance programme is inexplicable and inexcusable in that context.

Similarly, the idea that we should slash support to tourism workers before we fully restore stay over-tourism and without any prospect of significant cruise arrivals is nonsense.

The government should use the opportunity of the SPS to guarantee that the support Caymanian families and businesses need will be there for them until this crisis is past.

Secondly, I would suggest the government needs to commit clearly to maintaining the programme of infrastructure investment started by the Progressives.

I fear, and I am concerned that behind the portfolio allocations the Minister has set out today, there lurks a series of reductions in the level of investment planned by the Progressives' Alliance. Across the world, not least in the United States, we are seeing strong Governments investing in public infrastructure to maintain an economic stimulus that limits the hardship.

Mr Speaker, I have heard the government talk about a number of the projects that they are going to continue. But for the sake of my presentation I would just point out that in making their commitment to infrastructure investments there are several that Cayman need - not just for economic stimulus reasons but to ensure the long-term health of our economy.

These include the completion of vital infrastructure projects such as the John Gray High School Campus, a new mini health facility for Bodden Town, Project Re/Gen (formerly known as the Integrated Solid Waste Management System), the Long Term Residential Mental Health Facility, the extension of the East-West arterial road to Frank Sound and other on-going major road improvements, and support for the plans of the National Housing Development Trust to provide more affordable housing for Caymanians. And of course in Cayman Brac the piped water expansion project along with the work on the Sports Complex should continue; whilst the existing garbage dumps on both sister Islands should be closed as part of the ReGen project.

These projects may need to be prioritised and done in phases based on available resources – but they must be done for the benefit of the country.

The third element of the financial strategy must address the need to bring our nation's finances back into balance. They have clearly set out what their expectations and goals are in achieving that



in terms of the numbers presented. But really, we need to hear the details that lie behind the headline allocations and any proposed revenue raising measures and, potentially, the borrowing plans that may need to be put in place. Failing that then there are more questions than there are answers.

We look forward and anticipate that in the next few months that the Government will come together in the preparation of the budget and have a credible document that we can all throw ourselves behind later this year.

Today was an opportunity for this government. A chance to break their silence and to explain what the next four years would look like for Cayman. However, while we have achieved some clarity there is still much left to be said and much to be explained.

As I have said, Mr Speaker, Cayman cannot afford for its government to fail at this crucial time in our history. It is beholden on all of us to do what we can to help to assist in giving solutions that the SPS process has revealed. I hope that the recommendations that we have made in this response to the SPS will be taken in good faith and that they will be considered and actioned in the coming two year budget. We on the Opposition benches will do what we can. We only ask that they listen.

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