



2026 – 2027

Budget Address

***A Responsible Path to a Stronger Tomorrow:
A Pragmatic Approach to Addressing the Public's Needs***

Hon. Rolston Anglin, MP

Minister for Finance and Economic Development

Mister Speaker, I rise to present The Appropriation (Financial Years 2026 and 2027) Bill, 2025.

Introduction

Mr. Speaker, it is both an honour and a solemn responsibility to rise in this Honourable House to present the 2026-2027 Budget for the Government and people of these beloved Cayman Islands.

In managing the Country's finances, Government must look candidly at the resources we possess, seek out opportunities, assess the challenges we face, and consider the needs of our people. That responsibility carries special weight in small jurisdictions like ours, where every decision, every dollar, and every policy directly touch our families, our schools, and our shared future.

Guided by the theme "A Responsible Path to a Stronger Tomorrow: A Pragmatic Approach to Addressing the Public's Needs," this Budget reflects a careful balance between fiscal prudence and the duty of care we owe to our citizens. It is about ensuring that our schools are equipped, our elderly are supported, our environment is protected, the safety and security of our borders and communities is strengthened and our economy remains strong in changing global times. Caymanians have always built strong foundations through sensible choices and shared sacrifices, and this Budget continues that proud tradition — a steadfast, pragmatic path toward a stronger, more secure Cayman Islands for all.

Mr. Speaker, before presenting the specific numbers and policy measures that define this Budget, it is essential that we first take stock of where we stand today. A responsible Government must build every plan for the future in an honest assessment of present realities. The Cayman Islands, like other jurisdictions, has been impacted by an ever changing and challenging global environment, yet our fiscal position has remained sound, our reserves sufficient, and our economy resilient. This firm foundation gives us the confidence to meet current obligations, sustain essential investments, and chart a prudent path forward as we enter the next Budget cycle.

The 2025 Financial Year, Mr. Speaker, has been one of disciplined recovery and steady progress. Through prudent management, and effective expenditure control, the Cayman Islands has restored stability to

the public finances while continuing to meet the needs of our people. Revenues have performed strongly across key sectors such as financial services and real estate; expenditures have been contained through tighter governance; and reserves remain above the thresholds required by our Framework for Fiscal Responsibility. These outcomes demonstrate that sound fiscal management works - and that when we plan responsibly, Caymanians benefit. It is from this position of strength and stability that we now turn to the financial forecasts for 2025, which provide the foundation for the 2026–2027 Budget now before this Honourable House.

Forecasting Reforms

Mister Speaker, accuracy in both budgeting and forecasting are essential to achieving, respectively, a credible Budget and, reasonable end-of-year projections once a Financial Year has started. The Ministry of Finance and Economic Development is leading the strengthening of our financial forecasting capabilities across the Public Sector and will initiate a programme to improve forecasting across Government. It is worth repeating Mister Speaker: a precursor to realistic end-of-year forecasting (once a Financial Year starts), is establishing a realistic budget before a Financial Year starts.

Revenue estimates have been enhanced through a three-pronged approach using forecasts from Government's Revenue Unit, estimates from Chief Officers and Chief Financial Officers of Ministries, Portfolios and Offices, and the Economics and Statistics Office (the ESO). The ESO with its professional economists have a wealth of experience in revenue and economic forecasting, drawing upon technical guidance and support from regional and international institutions.

In the Cayman Islands our revenue inflows generally follow the same path as our Gross Domestic Product (GDP) over the years, and the link is incredibly strong. In simple terms, when GDP goes up, revenue does too. This connection is so close that the correlation between Government's revenues and the Islands' GDP, has been calculated at 99.9 percent: indicating that Government's revenues and the Islands' nominal GDP move in almost perfect unison. So, when projecting future revenues, a first step is to forecast GDP. This will allow the Government to confidently project future revenue levels. Mister Speaker, the ESO reassesses, and will revise when needed, its GDP forecasts at least four times per year:

therefore going forward, revenue forecasts will be revised multiple times per year.

Let's keep in mind that the world's economy is fast-moving and constantly evolving, so projections for future years will always be influenced by factors professionals might not be aware of today. For this reason, Government will regularly update its revenue estimates, its GDP calculations, and other economic forecasts in order to ensure that projections take account of new information and previously unforeseen developments.

To complement our existing quarterly financial reporting regime, the Government will institute a quarterly forecasting cycle which will deploy predictive analytics which integrates macroeconomic indicators, historical collection patterns, seasonality, and the impacts of policy decisions. The enhanced forecasting will require each Ministry, Portfolio and Office to submit updated revenue and expenditure projections, supported by explanations of material variances from expected results. This analysis will be consolidated by the Treasury Department: the review process will require Chief Officers and Chief Financial Officers to explain and document their revised forecasts. The completed analysis will be presented to Caucus and Cabinet.

Mr. Speaker, these changes will improve confidence in forward estimates, enable faster quarterly adjustments, and ultimately deliver better outcomes for the Cayman Islands.

2025 Financial Forecasts

Mister Speaker, before I provide the details of the 2026 - 2027 Budget and the Government's plans in those years, let me provide a brief update on the current state of public sector finances and the forecasts to the end of this financial year – 31 December 2025.

Operating Revenues are forecast to be \$1.184 billion, which is some \$48.0 million higher than estimated in the original 2025 Budget. The higher than budgeted Operating Revenues are mainly due to favourable variances in Financial Services and Real Estate - related revenues.

Mister Speaker, **Operating and Financing Expenses** for Core Government are forecast to be \$1.174

billion for 2025, which is \$90.9 million greater than the original budget of \$1.083 billion.

The major drivers for the increased Operating Expenses are:

- **Outputs from Non-Governmental Output Suppliers** are anticipated to be \$45.1 million higher than originally budgeted primarily due to the appropriation NGS 55 - tertiary level medical care at various local and overseas providers for uninsured, underinsured and indigent persons – being significantly under-budgeted in the 2025 Original Budget;
- **Outputs from Statutory Authorities and Government Companies** are projected to be \$25.3 million more than originally budgeted, primarily due to increased numbers of medically indigent persons requiring primary and secondary level medical care at the Health Services Authority;
- **Transfer Payments** are forecast to be \$40.4 million more than budget due to increases in scholarships and the financial assistance to the elderly, disabled, seafarers and veterans; and
- **Statutory Authorities and Government Companies** are forecast to have a net Operating Deficit of \$13.1 million for the year ending 31 December 2025 compared to an original budgeted Operating Deficit of \$2.0 million.

The accumulated results of all of these changes is that Core Government is now forecast to achieve an **Operating Surplus** of approximately \$10.3 million, which is \$42.9 million less than the originally budgeted Operating Surplus of \$53.2 million.

Core Government's **Cash Balances** at 31 December 2025 are forecast to be \$414.2 million, which is \$2.1 million better than the \$412.1 million that was originally budgeted in 2023 when the 2025 Budget was prepared.

Overall, the 2025 projections mean that the Government is forecast to be in full compliance with the Principles of Responsible Financial Management and the FFR:

- Core Government's Forecast Operating Surplus is expected to be \$10.3 million;
- Net Worth is forecast to be positive at \$2.5 billion;
- The Debt Service Ratio will be less than 10% of Core Government's Revenue, at a projected 6.2%;
- The Net Debt Ratio is forecast to be less than the maximum allowed 80% of Core Government's Operating Revenue, at an estimated 17.2%; and
- Cash Reserves at 31 December 2023 are forecast to be at 97.3 days of Operating Expenses, which is more than the minimum requirement of 90 days.

Mister Speaker, these results are not just evidence of fiscal discipline — they show that responsible planning creates real opportunities for our people. Every surplus, every controlled expense, and every investment is designed to meet practical needs: better education, more comprehensive healthcare, safer roads, and stronger communities. That is what we mean by a pragmatic approach to addressing the public's needs.

Global Economic Outlook

The International Monetary Fund projects global growth of 3.0 percent in 2025, increasing slightly to 3.1 percent in 2026, supported by strong consumer demand in the USA and investment in emerging technologies. Nonetheless, the world economy continues to face headwinds from supply-chain fragility, geopolitical tensions, and changing tariff measures among major economies - factors which could place upward pressure on inflation and dampen global trade.

Cayman Islands Economic Outlook 2025–2028

Economic growth is projected at 2.6 percent in 2025, easing to 2.2 percent in 2026, before rebounding modestly to 2.5 percent in 2027. Inflation is expected to average around 2.4 percent, reflecting contained price pressures, while unemployment should remain low at roughly 2.8 to 3.0

percent. Cayman's current account deficit, typical for small open economies, is forecast to widen to about 14 percent of GDP over the medium term, reflecting high import dependency and sustained capital investment.

The economic forecasts assume continued resilience in financial services, with insurance and fund registrations expanding, and a further strengthening in stay-over tourism. Construction activity is projected to moderate yet remain buoyed by major public infrastructure and housing projects.

Mr. Speaker, while global uncertainties—from trade protectionism to climate impacts—present ongoing risks, Cayman's diversified service economy, prudent fiscal management, and strong human development fundamentals provide a solid foundation for sustainable growth. Through continued discipline and investment in resilience, this Government remains confident that the Cayman Islands will maintain its standing as one of the region's strongest and most stable economies.

The 2026 and 2027 Budget

Mister Speaker, now turning to the details of the 2026 and 2027 Budget.

Operating Revenue for 2026 is forecast to be \$1.26 billion, with \$1.2 billion being Coercive Revenue and the balance of \$57.5 million in Sales of Goods and Services, Investment Revenue, Donations and Other Operating Revenue.

In 2027, Operating Revenue is forecast to be \$1.32 billion with \$1.27 billion in Coercive Revenue and the balance of \$59.2 million in Sales of Goods and Services, Investment Revenue, Donations and Other Operating Revenue.

Mister Speaker, the revenue forecasts include new Revenue Measures that are projected to yield additional revenues of \$72.5 million in 2026 and \$99.9 million in 2027.

The new revenue measures are related to:

1. Financial Service Fees primarily, Legal and Accountant Practitioner Fees, Fund Annual Return

Filing Fees, Exempted Limited Partnership and Corporate Service Provider Fees;

2. Domestic Fees, mainly from Stamp Duty on high-end Real Estate transfers and a number of immigration fees; and
3. Various Trader licence fees, mainly from Special Economic Zone Trade Certificate Fees and Local Companies Control Licence Fees.

Operating and Financing Expenses in 2026 is forecast to be \$1.25 billion and \$1.29 billion in 2027.

Mister Speaker, the major cost drivers of the Operating and Financing Expenses are: -

1. **Personnel Costs** are budgeted to be \$569.3 million in 2026 and \$585.3 million in 2027 to fund salaries, pension and health insurance for Civil Servants;
2. **Supplies and Consumables** are budgeted to be \$194.1 million and \$201.9 million in 2026 and 2027, respectively; and
3. **Depreciation** is projected to be \$72.5 million for 2026 and \$74.4 million for 2027 and reflects the increase in the value of the Government's assets as various capital projects are completed. Mister Speaker, it is important to remind Honourable Members and the general public that depreciation is a non-cash expenditure item which recognises the cost of assets through the Operating Statement, in a systematic way, in accordance with the financial reporting standards (accounting rules) over the expected useful life of the asset.
4. Mister Speaker, another cost driver of the Operating Expenditure is **Financing Costs**. As I mentioned earlier, the 2026 and 2027 Budget allows the Government to borrow up to \$124 million in 2026 and a further \$112 million in 2027 – for a total of \$236 million over the two financial years.

Mister Speaker, I would like to emphasize that the proposed borrowings of \$236 million will only be used to fund the Government's Capital programme over the 2026 and 2027 financial years and, will not be used to fund Operating Expenditures – as the latter is adequately funded by Operating Revenues.

The Government's Debt-to-GDP Ratio averages 8.5% over the 2026-2027 Budget Period, which is an enviable metric that few countries in the world can match.

Over the 2026-2027 Budget Period, the Government will continue to keenly monitor its cash reserves and cash needs and will only draw down on the loan funds if and when it is absolutely necessary to do so.

As a result, of existing and the new borrowings, the Government is expected to incur **Financing Costs** of up to \$21.5 million in 2026 and \$30.7 million in 2027. These expenses cover the interest payments and other financing costs associated with the Core Government's portfolio of debt.

If the proposed borrowings of \$236 million are drawn down, the Government's end-of-year debt balances will be approximately \$578.9 million in 2026 and \$633.7 million in 2027.

Mister Speaker, Government will continue to honour its obligations to repay debt and approximately \$50.4 million and \$57.2 million will be repaid in 2026 and 2027, respectively.

5. **Outputs from Statutory Authorities and Government Companies** are expected to total \$224.0 million in 2026 and \$228.9 million in 2027. The budget in this category will be used to fund the following:

- \$77.6 million in 2026 and \$83.9 million in 2027 to CINICO for the provision of health insurance benefits to civil service pensioners, and qualified seafarers and veterans;

- \$65.2 million in 2026 and \$62.4 million in 2027 to the Health Services Authority for the provision of various medical services to the community;
- \$32.8 million in 2026 and \$33.8 million in 2027 to the Cayman Islands Monetary Authority for enhanced regulatory capacity to keep abreast of ever changing international regulatory requirements; and
- \$18.6 million per year in 2026 and 2027 to Cayman Airways Limited for the provision of international airlift to the Cayman Islands from strategic tourism markets and domestic airlift between our three Islands.

6. **Outputs from Non-Governmental Output Suppliers** are expected to be \$72.5 million in 2026 and \$72.6 million in 2027. The major items in this category are:

- \$43.0 million in 2026 and 2027 for tertiary medical care at various local and overseas providers for uninsured, underinsured and indigent persons;
- \$9.0 million in 2026 and 2027 for the Public School Meals Programme;
- \$3.0 million in 2026 and 2027 with respect to Legal Aid Services; and
- \$2.8 million per year in 2026 and 2027 for the care of indigent and disabled elderly persons.

7. **Transfer Payments** are forecast to be \$82 million in 2026 and 2027. These funds will be used to deliver critical social programmes that support our young people in achieving their educational goals and provide vital financial support to the most vulnerable in our society. The major Transfer Payments budgeted for in 2026 and 2027 are:

- \$37.3 million in 2026 and \$37 million in 2027 for Local and Overseas Scholarships;

- \$25.1 million in 2026 and \$25.6 million in 2027 for financial assistance and home repairs to support families and households in our community;
- \$10.0 million in 2026 and 2027 for Ex-Gratia payments to approximately 975 Seamen and Veterans; and
- \$2.5 million per year in 2026 and 2027 for Youth, Sports and Heritage Programmes.

Collectively, Mister Speaker, Statutory Authorities and Government Companies are forecast to incur a Net Deficits of \$4.5 million in 2026 and \$7.2 million in 2027. Most notably:

- the Cayman Islands Airports Authority is forecasting Operating Surpluses of \$19.6 million in 2026 and \$21.7 million in 2027;
- Cayman Airways is forecasting Operating Deficits in 2026 of \$16.3 million and \$16.2 million in 2027; and
- the Cayman Turtle Conservation and Education Centre Limited is forecasting Operating Deficits of \$8.5 million in 2026 and \$8.8 million in 2027.

For 2026, when considering the forecast Operating Revenues of \$1.26 billion and the forecast Operating and Financing Expenses of \$1.25 billion, **Core Government is forecast to earn an Operating Surplus** of \$11.1 million. Factoring in the forecast \$4.5 million Operating Deficit of Public Entities, the **Entire Public Sector is forecast to have an overall Net Surplus** of \$6.7 million for 2026.

For 2027, when considering the forecast Operating Revenues of \$1.32 billion and the Operating and Financing Expenses of \$1.29 billion, **Core Government is forecast to earn an Operating Surplus** of \$37.7 million. Factoring in the forecast \$7.2 million Operating Deficit of Public Entities, the **Entire Public Sector is forecast to have an overall Net Surplus** of \$30.5 million for 2027.

The Government intends to make total Capital Investments of approximately \$139.5 million in 2026 and a further \$125.3 million in 2027. These investments will be funded largely from borrowings.

The Government's capital investments reflect the theme of this Budget in action — responsible choices creating lasting benefits. Schools, healthcare facilities, housing, and infrastructure projects are being advanced not for extravagance, but because they strengthen tomorrow's Cayman — one where families thrive, education expands opportunity, and resilience is built into our national foundation.

Mister Speaker, **Capital Investments into Ministries, Portfolios and Offices** of approximately \$111.3 million in 2026 and a further \$97.9 million in 2027. The major investments in this category include:

- \$21.4 million in 2026 and \$19.4 million in 2027 for the completion of the new High School on Cayman Brac and the expansion of educational facilities at the Sir John A Cumber Primary School and the Joanna Clarke Primary School;
- \$14.1 million in 2026 and \$13.4 million in 2027 for the expansion, maintenance and improvement of the road network;
- \$15.0 million in 2026 and \$15.8 million in 2027 for various infrastructure and development projects;
- \$1.6 million per year in 2026 and 2027 for land acquisition for agricultural purposes and conservation of Cayman's natural environment.

In addition, the Government is also planning to make **Capital Investments into Public Entities** totalling \$28.2 million in 2026 and a further \$27.4 million in 2027. These investments include:

- \$10.5 million in 2026 and \$8.5 million in 2027 to Cayman Airways Limited to cover debt

servicing and operating expenditures;

- \$8.0 million in 2026 and \$7.0 million in 2027 to the National Housing Development Trust to cover debt servicing obligations and the construction of affordable homes; and
- \$5.0 million in 2026 and \$4.0 million in 2027 to the Cayman Turtle Conservation and Education Centre Limited to cover operating losses.

With respect to **Compliance with the Principles of Responsible Financial Management** set out in the Public Management and Finance Act and the Framework for Fiscal Responsibility, the 2026 - 2027 Budget forecasts the following levels of compliance with the principles:

- **Net Operating Results: should be positive** – For 2026 and 2027, compliance is achieved as the Core Government is forecast to record a Net Operating Surplus of \$11.1 million in 2026 and \$37.7 million in 2027;
- **Net Worth: should be positive** – The Government's Net Worth is forecast to be \$2.5 billion at 31 December 2026 and \$2.5 billion at 31 December 2027;
- **Debt Servicing: that is, the annual payments of interest and principal related to all Public Sector borrowing commitments should be no more than 10% of Core Government's Revenue** – the Core Government is forecast to have a Debt Servicing Ratio of 6.5% in 2026 and 7.4% in 2027;
- **Net Debt: The total debt of Core Government, plus the weighted average debt balance of Public Entities less Core Government's liquid assets, should be no more than 80% of Core Government's revenue for the fiscal year** – the Net Debt ratio is forecast to be 23.4% in 2026 and 24.2% in 2027 which is well below the maximum 80% limit; and
- **Cash Reserves: The unrestricted cash reserves (Operating Bank Account and General**

Reserves) of the Core Government – measured at the lowest point in the fiscal period – should be sufficient to cover 90 days of Core Government’s estimated operating expenditures – for 2026, the Government is forecast to have sufficient cash reserves to cover approximately 91.6 days of operating expenditures at the lowest point during that fiscal year. In 2027, it is forecast to have 96.3 days of cash reserves. Both years Mister Speaker, are above the minimum 90-day requirement.

Proposed Amendments to the PMFA

Mister Speaker, our Government continues to advance the modernisation of public financial management to ensure that every dollar spent delivers meaningful results for the people of the Cayman Islands.

We are therefore considering a series of amendments to the Public Management and Finance Act (2020 Revision) and the Framework for Fiscal Responsibility to support a modern, outcome-based approach to budgeting, strengthen accountability, and enhance fiscal efficiency.

Transition to Outcome-Based Budgeting

First, we will transition from the current Output-Based Budgeting model to an Outcome-Based Budgeting framework. This shift will link public resources directly to the results and outcomes we seek to achieve - ensuring that Government spending is measured not just by activity, but by its real impact on our communities.

This reform will strengthen alignment between national priorities, budget allocations, and the results achieved—enhancing transparency, evidence-based policymaking, and accountability.

Mister Speaker, we have made significant progress with this project. We have developed a comprehensive framework that sets out the systematic and structured approach to financial planning, resource allocation and performance monitoring. Late last year and early this year, all Government agencies, including Statutory Authorities and Government Companies, attended workshops to develop their service inventories and key performance measures or KPIs. These KPIs

will track progress towards the achievement of outcomes.

Mister Speaker, we are currently in the process of reviewing the Public Management and Finance Act to make amendments to allow for the focus on outcomes and to promote transparency and accountability on how funds are spent.

Mister Speaker, we are aiming to effect the transition to Outcome-Based Budgeting for the 2028-2029 Budget.

Streamlining Fiscal and Strategic Planning

Mister Speaker, we also propose to discontinue the separate preparation of the Strategic Policy Statement and integrate its content directly into the main Budget documentation. This change will eliminate duplication, reduce administrative burden, and provide Parliament and the public with comprehensive Budget documentation that clearly sets out our fiscal strategy, outcomes, and compliance with the Framework for Fiscal Responsibility.

Review of the Accounting Standards

To ensure our financial reporting remains both transparent and practical, Mister Speaker, we are reviewing the adoption of accounting standards other than International Public Sector Accounting Standards – or IPSAS – if these are better suited to our jurisdiction.

IPSAS has become increasingly complex and can produce accounting results - such as large, unfunded healthcare liabilities - that do not accurately reflect our fiscal sustainability. The new provisions will allow the Government to adopt alternative but internationally recognised frameworks that maintain accountability while improving timeliness, relevance, and cost-effectiveness in financial reporting.

Adjusting the Threshold for Major Project Oversight

Mister Speaker, we also considering raising the threshold for mandatory independent technical advice on Public-Private Partnerships and major projects from the current \$10 million to \$25 million.

This adjustment recognises the rising scale and cost of infrastructure projects and ensures that rigorous external scrutiny is focused on those of greatest fiscal significance. It will reduce delays and transaction costs for mid-sized projects while preserving strong governance for high-value or high-risk investments.

Revising the Debt Principles to Reflect True Debt Capacity

Mister Speaker, we are also considering the Debt Principles under the Framework for Fiscal Responsibility to ensure a fairer assessment of the fiscal capacity of Statutory Authorities and Government Companies to service their own obligations.

Simplifying Government Financial Management

Finally, Mister Speaker, we are also considering eliminating the outdated distinction between executive and entity transactions within the Public Management and Finance Act. This dual structure has become unnecessarily complex and inconsistent with modern management practices.

Removing the distinction will simplify accounting, streamline reporting, and create a single, unified financial framework - improving efficiency, transparency, and accountability.

Mister Speaker, together, these possible amendments will represent a significant step forward in modernising the Government's public financial management framework. They will ensure that our budgeting, reporting, and accounting practices are efficient, transparent, and focused squarely on delivering outcomes that matter most to our people—stronger communities, a resilient economy, and prudent, responsible use of public funds.

Mister Speaker, the Government also intends to lead an economic and actuarial review of the healthcare and property insurance markets to assess and explore the feasibility of national healthcare and property insurance plans aimed at stabilising premiums, enhancing resilience, and improving access to coverage.

This review will entail the establishment of a bipartisan Committee to make its recommendations

on the possibility of making such a national offering.

Mr. Speaker, I turn my attention briefly to the Ministry of Education and Training's policy direction for the period 2026- 2028.

This is not merely a budget — it is a declaration of purpose. It defines the kind of Cayman Islands we are determined to build: a nation where every child, every learner, every family has the opportunity to thrive.

This aligns squarely with the vision of the National Coalition for Caymanians — to build a healthy, prosperous, sustainable, and inclusive Cayman where every Caymanian can fulfil their potential. We are empowering our people for a modern Cayman: one that is equitable, people-centric, forward-looking, and innovative.

Mr. Speaker, our theme — *“Every Learner, Every Step”* — reminds us that education is not confined to a classroom or a stage of life. It is a journey that begins before a child ever enters a school gate, and it continues throughout adulthood, shaping the way we think, work, and contribute to our community.

Today, I wish to speak not only about programmes and projects, but about people — our children, our teachers, our parents, and our workforce. This is about the Caymanian story — our capacity to learn, to innovate, and to lead with compassion and courage.

The budget underpins 2026–2028 sets a clear course for national transformation through education and training. It is built upon the principle that education is the foundation of nation-building — the key to social mobility, economic resilience, and civic unity.

Our Premier has said that we are building *a stronger, fairer Cayman Islands — one where every Caymanian has the opportunity to learn, work, prosper, and live with dignity*. That is the spirit that underpins our education and training agenda.

Why Education Matters to Nation-Building

Mr. Speaker, education is not an expense — it is an investment in our nation.

A nation's true wealth lies not in its buildings or balance sheets, but in the capacity of its people — their creativity, their confidence, and their competence. When we educate a child well, we are building a bridge from potential to prosperity.

Every Caymanian child who learns to read fluently, comprehends what they have read, who discovers a passion for science, who creates art that expresses our identity, or who gains a skill that meets the demands of our economy — each one strengthens the fabric of our society.

Our goal is clear: to build an education system that equips every learner to succeed in a rapidly changing world — while remaining deeply rooted in Caymanian values, heritage, and community.

Education is also our most powerful tool for equity. It narrows the gaps that divide us, uplifts families, and gives every child — regardless of circumstance — a fair start in life.

In our islands, where opportunity should be as boundless as the sea, no child should or will be left behind.

That is why this budget commits this Government to ensuring *equitable access to a quality, well-rounded education system at all stages of learning*. From early childhood care and education, through compulsory schooling, to technical, vocational and tertiary learning — our policies will ensure continuity, fairness, and opportunity for all.

Mr. Speaker, we also understand that education and economic development are inseparable. The modern Caymanian workforce must be adaptable, innovative, and prepared for global competition. As we diversify our economy, we must diversify our skills base — in technology, health, renewable energy, creative industries, and more.

The education and training priorities within the budget are designed precisely for this: to connect learning to labour, study to success, and talent to opportunity.

Progress to Date & Lessons Learned

Mr. Speaker, as we look ahead, we must also take stock of how far we have come.

When I was Minister 12 years ago, the Ministry of Education pursued comprehensive reforms to improve standards, strengthen accountability, and modernise the education system.

We have launched national strategies in early childhood, curriculum development, inclusion, and technical and vocational education and training (TVET). We invested in school infrastructure, and enhanced teacher professional development.

The education system has continued to improve; however, Mr. Speaker, this progress has also revealed lessons. We have learned that educational excellence cannot be achieved through isolated initiatives. It requires alignment — across agencies, across stages of learning, and across sectors.

Too often, our education system has been segmented — one policy for early childhood, another for primary, another for special education. The future demands coherence — a unified, learner-centred system that connects every stage of the journey.

That is why the NCFC's budget takes a new approach. It brings education, immigration, and workforce development together under one outcome: *Strong Education and Immigration Systems that Support a Highly Skilled and Adaptable Caymanian Population.*

In practical terms, that means ensuring every learner — from the toddler in preschool to the graduate entering the workforce — has a clear and supported pathway forward.

Mr. Speaker, to realise this vision, we must also modernise how we work. The Ministry of Education and Training itself is undergoing a comprehensive restructuring to ensure that its internal systems, governance, and resourcing align fully with the broad outcomes of this budget.

This restructuring will streamline processes, reduce duplication, and strengthen the connection between policy, data, and service delivery. It will also help us connect what we plan, what we spend, and the results we achieve for our students. We are bringing our key teams — policy, planning, finance, and performance — to work more closely together as one united organisation that can adapt

quickly when new challenges or opportunities arise.

We are also investing in better use of data — creating tools and dashboards that help leaders and schools make quicker, smarter decisions. By using automation and artificial intelligence to handle routine tasks, our staff will have more time to focus on what truly matters: strategy, service, and student success.

By working smarter and using our resources wisely, we will strengthen accountability and ensure that more funding and support reach where they make the biggest difference — in our schools, for our teachers, and for our learners.

Equitable Access & Early Foundations

Mr. Speaker, a strong foundation in early childhood is the single greatest predictor of lifelong success.

Research and experience tell us that by the time a child reaches the age of five, ninety percent of their brain is already developed. Those early years are precious — they shape language, social skills, emotional resilience, and curiosity.

For that reason, there will be a *Review of the Early Childhood Assistance Programme (ECAP)* to ensure that no family is left behind because of cost barriers. We are committed to strengthening preschool subsidies, expanding access, and supporting quality assurance across early childhood settings.

Mr. Speaker, equity also demands that we pay special attention to learners with exceptionalities. The *expansion of the Lighthouse School* will significantly increase capacity for students with intellectual and developmental disabilities, and ensure that facilities meet the highest international standards.

But inclusion is not confined to one campus. We will establish *multidisciplinary school-based teams* across the education system — bringing together educators, therapists, social workers, and counsellors to provide coordinated support for vulnerable students.

When we invest in inclusion, we are not just helping a few; we are enriching the entire learning community with compassion, empathy, and diversity.

This is what equity looks like in action — a Cayman where every child, regardless of ability, background, or circumstance, can find their place in our schools and in our society.

Modernisation & Quality

Mr. Speaker, quality education is not static. It must evolve with the times.

Our world is being reshaped by technology, artificial intelligence, and globalisation. The classroom of the future must prepare our children not only to find jobs, but to create them.

The budget therefore commits to enabling a *modern, relevant, and future-focused education system*.

To achieve this, we will advance the development of a *Holistic Education Policy* — one that integrates curriculum, assessment, and student well-being across all stages of learning. This policy will embed the values of equity, inclusion, and continuity from early childhood through adulthood.

We will also undertake a *Post-Compulsory National Needs Review*, aligning secondary and post-secondary offerings with the skills our country needs most — in healthcare, technology, education, trades, and entrepreneurship.

We will modernise curriculum frameworks to ensure that Caymanian students meet world-class standards in literacy, numeracy, and critical thinking, while deepening their connection to Caymanian history, culture, and heritage.

Mr. Speaker, there will be an emphasis on teacher quality — because the best education systems are built on the shoulders of great teachers.

We will strengthen teacher recruitment, induction, and professional development to ensure that every classroom is led by a capable, confident, compassionate educator.

Diversity of teachers must be a strength in our system for example, Mr. Dutton, Mr. Boldeau, Mrs. Hedger, Ms. McLaughlin, Mr Spragg, Mrs. Kristy, Mrs. Jones and Mr. Tressider.

Mr. Speaker, when we support those who teach and care, we strengthen the very fabric of society.

Because behind every successful student stands a teacher who feels valued, respected, and equipped to do their best.

We will expand digital learning infrastructure and provide modern tools for teaching and assessment, while safeguarding the integrity of our education system against the challenges of the digital age.

Above all, we will foster a culture of excellence and accountability — measuring not only what students learn, but how effectively our system helps them to succeed.

Pathways from Learning to Earning

Mr. Speaker, education must open doors.

For too long, many of our young people have faced a difficult transition from school to work. Too many talented Caymanians have graduated without a clear pathway to meaningful employment.

This is not a failure of our students — it is a signal that we must better align education with the labour market.

The budget is build on the development and implementation of a *National Workforce Strategy* and *Human Capital Plan*.

This will provide a data-driven approach to identifying future skill needs and linking them to our education, scholarship, and training systems.

We will strengthen technical and vocational education and training (TVET) pathways, ensuring that trades and applied professions receive the respect and investment they deserve.

We will establish apprenticeship partnerships with the private sector, expand on-the-job training, and promote careers in high-demand industries such as information technology, construction, healthcare, and renewable energy.

We will also align *scholarship criteria* with the projected needs of the national labour market — ensuring that public funds invested in higher education translate into meaningful employment outcomes for Caymanians.

These are not abstract goals — they are practical commitments that will help more of our young people build successful lives right here in the Cayman Islands.

Governance, Inclusion & Partnerships

Mr. Speaker, progress in education cannot be achieved by Government alone.

It requires partnership — with families, with educators, with the private sector, and with the wider society.

That is why, in 2026, the Ministry will introduce the National Parent-Teacher Association — a unified body that gives parents and guardians a stronger voice in shaping education policy and school culture. This National PTA will serve as a bridge between home, school, and community — ensuring that every parent, regardless of background, can participate in the conversation about their child’s education.

This initiative reflects our commitment to people-centred governance. It reinforces the NCFC’s belief that empowering Caymanians begins with empowering families. Parents are a child’s first teachers, and when we engage them meaningfully, student outcomes improve, school culture strengthens, and the sense of shared responsibility for our children’s success deepens.

The Ministry will strengthen collaboration across agencies, particularly with the Ministries of Social Development and Health, to address the social, emotional, and physical well-being of our learners.

We will deepen our partnership with the business community to ensure that training aligns with real-world employment needs.

We will enhance data governance, accountability, and reporting — ensuring transparency in how

outcomes are achieved and resources are utilised.

Education is a public trust, and we are committed to managing that trust with integrity, transparency, and measurable results.

We will continue to strengthen the governance of our agencies, including the Department of Education Services, Public Libraries, and the Sunrise Adult Training Centre, ensuring that all operate with excellence, efficiency, and accountability.

Every Learner, Every Step

If we educate with excellence, if we train with purpose, if we lead with compassion, then the Cayman Islands will continue to rise — not just economically, but morally, culturally, and socially.

Our goal is not only to prepare Caymanians for the jobs of tomorrow, but to prepare them for life — for citizenship, for leadership, for service.

Mr. Speaker, this Government's education agenda is more than a policy platform — it will be part of a broader national movement to empower our people for a modern Cayman Islands.

Conclusion

Mr. Speaker, this Budget charts a responsible path forward — one built on sound fiscal management, practical investment, and an unwavering commitment to the people of these Islands. It is a pragmatic approach that confronts today's challenges with confidence, grounded in the strength and resilience of our people.

Through disciplined management, careful prioritisation, and responsible investment, the Government through this Budget is ensuring that our children's schools are equipped, our health system remains strong, our economy remains competitive, our borders and communities remain safe and secure, and our environment is preserved for generations to come. The numbers we have presented today are not mere statistics; they represent real choices - choices that balance fiscal

prudence with compassion, and responsibility with vision.

Mr. Speaker, this pragmatic approach puts the Cayman Islands firmly on the path toward a stronger tomorrow: a future where Government remains financially resilient, our communities are supported, and our children inherit a country built on stability, integrity, and hope.

With this Budget, we reaffirm our collective belief that careful stewardship today is the surest investment in the Cayman Islands of tomorrow.

Mister Speaker, on behalf of the National Coalition For Caymanians Government, I extend sincere thanks to Her Excellency the Governor, my Cabinet Colleagues, Parliamentary Secretaries, Chief Officers, Chief Financial Officers and dedicated Public Servants — especially those in the Ministry of Finance — for their tireless work in coordinating the preparation of this Budget.

Above all, I thank the people of these beloved Cayman Islands for their enduring faith, resilience, and partnership in the shared task of nation-building. Together, guided by prudence, purpose, and faith, we will continue along this responsible path — building a stronger tomorrow and a Cayman Islands that works for all.

With gratitude to Almighty God for His continued blessings upon our Islands, I now humbly commend The Appropriation (Financial Years 2026 and 2027) Bill, 2025 to this Honourable House and invite the support of all Members.