



Staten van Sint Maarten
Zittingsjaar 2016-2017-098
No. 7

ST. MAARTEN

STATEN VAN SINT MAARTEN			
Ingek. 12 DEC 2016			
Volgnr. 15/300/16-17			
Par.	15	119	

Aan de Voorzitter der Staten
Wilhelminastraat 1
Alhier

Uw nummer: 2144¹⁶ Uw brief van: Ons nummer: Afd: JZ&W

Onderwerp: Ontwerp van landsverordening tot vaststelling van de Landsverordening begroting 2017

Philipsburg, 12 December 2016

Bijlagen: 1

Geachte Voorzitter,

Hierbij bied ik u, mede namens de ministerraad, de nota naar aanleiding van het verslag inzake het bovenvermelde voorstel aan.

De Minister van Algemene Zaken

De Minister van Financiën



Ministry of General Affairs budget 2017

Minister of General Affairs/ Prime Minister William Marlin

First round Questions

Tamara

1. Cola has not been given over a couple of years. Expenses are on the rise increase, there has to be a balance.

Answer

The current policy to payout Cola depends on: increase in price index and the financial situation of government. Government sent a letter to GOA explaining that the financial situation to payout the Cola. The union took government to court and the judge confirmed its a policy of government and depends on financial situation of government. It was decided to establish a committee of union representation who together with government would look at, and negotiate about, the COLA, and the entire legal position of civil servants. The meetings need to commence in order to come up with alternatives for the Cola.

2. It is possible to allow civil servants to have 2 or more jobs.

Answer

Civil servants are allowed to have another job however, they have to get approval from their manager for the 2nd (or 3rd) job, as the other work may not conflict with their work as a civil servant. The LMA stipulates the rules that apply for work other than their government job. For department heads, the decision is taken by the ministers.

3. Provide the budget for Christmas decorations

Answer

There is no budget for Christmas decorations. In the past, if possible budget has been taken from the different ministries to decorate the government building. In the past 2 years the ministry of General affairs and the ministry of Education,

Culture, Youth and Sport alternate to cover the expenses for the Christmas decoration.

4. What was the amount spent for the Christmas decorations?

Answer

In 2012, Government invested some Naf 28,000 for some Christmas decorations for the old Government Building in the past years. A company would be paid every year to assemble, decorate and dis-assemble the Christmas trees.

This year an amount of approximately Naf 80.000,- was spend

Theo

5. What is the that the basis, the issues, the policies of the National Development plan?

Answer

The NDP will be a general policy for government when it's completed. Just for an update of the NDP. The national plan should be ready next year. Currently, we do have a document outlining what government's position is, in order to complete the national development plan. The policy papers and the strategic long term vision of the different ministries were used to complete the policy document. When the national plan is completed is the intention that that government can utilize the plan for the long-term planning for budget purposes.

6. Amount of rent, that Government is paying, contract of buildings did not show the end or start date, how much will Government pay in rent in addition of the opening of the NGB

An overview was presented to parliament..

7. What can be done to mitigate the rent for the building?

Answer

We will assure that the other ministries move as soon as possible to cancel lease contracts

8. Is the rent committee functioning and how?

Answer

It is functioning well. It is required by law that the country has a functioning rent committee. Currently the committee consists of 4 members but there are 3 more persons needed to complete the committee. The committee has case hearings every 2 weeks. The committee hears 10 – 15 case at that time.

9. 2017 budget, hurricane disaster and preparedness, cleaning up, what is the policy how to choose people to clean up the island after disaster, and who monitors, is there a policy in place

Answer

The disaster management team consists of all ministries. The ministry of VROMI is responsible for the policies, procedures and monitoring. The coordinator (MINAZ) is does not have any say in the decision of which company or companies VROMI puts in place to handle the clean up after a disaster.

10. Government Owned Companies, are islands of themselves, what is Governments position in terms of correcting this? Is it the responsibility of the country to carry this loss

Answer:

The concern is not only with regards to the financial exposure the GOC's pose for the finances of the country, but also with regards to the responsibility the government has towards the community for the overall functioning of these GOC's. It is therefore imperative that the council of ministers establishes a well-defined coordinated policy plan for the GOC's in which the following issues should be recognizable:

- a. Appointment of members of the Supervisory Boards of GOC's by the Council of Ministers based on standardized rules and procedures laid down in articles of incorporation of these GOC's and a strictly upheld advisory role of the Corporate Governance Council;
- b. Establishment of an adequate dividend policy;
- c. Periodic reporting obligations to the shareholder.

I furthermore believe that a special unit in the organization is needed to support the government in developing and implementing this policy.

Ardwell

11. Is there a hiring freeze for 2017 for in Government?

Answer

Based on a CoM decision there is currently a personnel stop, unless budget neutral.

Frans

12. Chapter three, the Raad van State, in 2015 and 2016 no budget, in 2017 there is, is somebody appointed and who, when will that appointment will take place

Answer:

At the moment nobody is appointed in this function. Government intends to hire someone to fill this position.

13. Wetgevingsjuristen, there is no budget, law is made in the court room, we have to attract lawyers, can Government indicate efforts to the concerns outlined

Answer:

The current formation of legal affairs allows 3 legislative lawyers. There are 2 legislative lawyers already in place, we are in the process of hiring a third legislative lawyer. We are looking at different alternative budget possibilities to hire a fourth legislative lawyer. The department of legal affairs will commence with a training to certain civil servants, as it pertains the drafting of laws.

14. # 3104 Raad Van Toezicht Veiligheidsdienst . Budget post # 44102 Fls 175.617,- Please indicate who sits on this council and what their task

Answer

Article 52 of the Landsverordening Veiligheidsdienst entails the setup of the council. The supervisory council consist of someone put forward by the president

of the joint court and furthermore of the vice chair of the council of advice and the chair of parliament.

Samuel

15. Does Helpdesk have anything to do with all the internet issues we are experiencing? Issues and status Helpdesk?

Answer

If you are referring to the helpdesk of ICT. There was ransomware virus attack and ICT is working diligently to resolve the issue. No records were lost and the full report will be submitted to the COM shortly.

The helpdesk of Tellem is outsourced to a company on Curaçao. Someone who was interested in taking over the help desk locally, passed away a few months ago. The contract with the company in Curaçao, is of short term.

Second round Question

Tamara

1. It is understood that \$ 225,000 was also used to install lights in addition to \$80,000 for Christmas decorations. Can you please clarify if this is correct? Is the purchase of the lights a onetime investment for several years or is it only for one year? Provide invoices.

The lights in question are not associated with the Christmas decorations. This lighting system is for the entire exterior of the building which is part of the finalization of the building. This is a one-time, long term investment and will have a guarantee of 10 years. It is designed to be used year round and to provide additional lighting in cases of emergencies or other special needs including enhancing the building during special occasions or events

2. What is being done to improve the financial system where all systems can be linked?

Answer

Development of a new tax administration system started approximately 2 years ago by ICT that was funded by USONA. This system was initially created to work with the Business License and Social/Labor Affairs. This system has not been thoroughly tested and is in need of some minor additional functionalities to replace the current system. The linking of the system has been proven but needs management buy-in. Long term investment is needed to realize the fully integrated system.

3. What is being done to avoid future virus attacks?

Answer

We can never stop virus attacks, we can protect ourselves as much as possible but everyday new viruses are being created and planted which is why we subscribe to a very reputable Antivirus Product/Vendor. We are always at risk of being infected. We can do is minimize the effects if we do get infected. To do this we need to have a good antivirus system, a good intrusion prevention system, and a good intrusion detection system. We also need to lock down the system more often (a system cannot be open and secure). We need to eliminate certain freedoms which the end users have today. We need to follow security best practices. Last but not least, we are as secure as our weakest link, so we need to further educate the end users on what to do and what not to do with the IT equipment of Government. Government IT use, is not the same as home IT use and the users must be informed of the difference.

We also need to have an in-house cyber security specialist who can ensure that security patches are installed in a timely fashion on our servers/systems and is dedicated to monitoring for potential breaches. Finally, like mentioned in the first round of answering, the report from ICT will be available to the minister shortly, in which among other s recommendations are made.

4. Do we have a fully functioning ICT department?

Answer

Currently, ICT does not have a fully functioning department. There are several persons who left the department for better opportunities, however, the department is in the process of hiring staff. The department is aware that the operations of government is highly dependent on ICT therefore the department is seeking more specialized personnel.. Personnel department is looking into revisiting the current formation of the department in regards to the amount of FTE and salary scales.

5. What is the status of the ID/Driver license machine? Is there any upgrade on this machine

Answer

The Civil registry requested the company 3M to renew the maintenance contract that ended beginning February 2016. 3M explained in an e-mail to the Civil registry that unfortunately they are exiting the issuing system business. So from that moment the Civil registry started the dialogue / procedures for procurement of a new system for the National ID and DL cards.

In the meantime the Terms of Reference was approved by the Council of Ministers . The expectation is that in the first half of 2017 we will have a fully operational new ID/DL system with high security features.

6. The Civil Registry Department budget was increased by Naf 44,000. Is this amount sufficient and accurate to upgrade the new ID/Driver license machine

This was budgeted for the purpose of replacement materials. However, given that the company will no longer continue with this system, a new system must be secured. Because of the importance of the systems, funds will be secured to cover the costs.

7. Since the move of the fire department to its new location, was the ordinance revisited to adjust salary scales?

Answer

No, the fire department does not have a different salary scale system than the rest of government. Revisiting the salary scale system is an ongoing process for the entire organization.

8. Fire station: trucks are very aged. Can we allocate monies for this? also hire some people? Can we consider hiring maybe 10 of the 20 persons needed for the Fire dept? We need to better prioritize.

Answer

The fire department is aware that 2 of the 3 trucks need to be replaced. It was budgeted in 2016 but due to the fact that Government was not given permission by CFT to request a loan, so the trucks could not be purchased. As soon as the loan is granted, the purchased of new trucks would be set as priority.

10. When was the last time that there was training for the fire men? how much does it cost to have a training for fire department, ambulance and police together?

Firefighters train daily to ensure that their actions become second nature because every second counts. The firefighters also receive training from specialist that are brought in to keep them abreast and to be trained on the new developments within the firefighters' world.

A training of such a magnitude can cost anywhere between Naf. 90,000.00 to Naf 115,000.00. This training includes cost for instructors, software and equipment. In addition the cost associated with overtime will have to be included for personnel that would be working extra hours to attend these trainings. An amount of Naf 171,454 is budgeted for training for the fire fighters. .

11. Material cost for fire department, was it all used and how much was not used 2016?

Answer

In 2015, 80 % of the budgeted amount was utilized .

The year 2016 is not completed but as of recent 71% of the budgeted amount has been utilized. .

12. Does management of fire department have to constantly request monies when needed? Is budget transferred for any other expenses.

Answer

Advices are submitted and go through the regular process for approval. In some cases if additional budget is needed, funds may be transferred to different budget accounts within the department to facilitate expenses.

13. How do you determine the amount that is budgeted for fire department? and in general for all departments?

Answer

Due to the budget constraints, departments were given a specific amount to supply operational budget. The department managers were given the instruction to prioritize projects and economize on the operation expenses.

14. When last was any advice denied and why?

Answer

The question is not clear. If the question regards a specific request (advice), please state so. We are not aware that any advices were denied. Accordingly, the fire department did not utilize its entire budget

15. How much income did the parking lot generate in 2016 and how much is projected for 2017?

Answer

Jaar	Begroot	Begroot per mand	Jan	Febr.	Maart	April	Mei	Juni	Juli	Aug.	Sept	Okt.	Nov.	Dec.	Total
2016	290,000	24,167	24,456	24,919	40,802	51,582	32,807	46,946	32,160	50,655	40,561				344,888
2015	300,000	24,829	25,826	19,596	26,211	20,701	33,224	24,726	22,401	23,244	20,928	19,819	25,078	30,736	216,857

Information provided is up to September 2016. As we can see in 2016 Naf 290,000 was budgeted and we have already generated naf 344,888 as per Sept 2016 which exceeds the budgeted amount.

In 2017, Naf 289,811 was budgeted. This amount was derived from the amount generated in 2015. With the new equipment in place, we do expect to exceed the amount budgeted as we can also confirm this based on the

amount already generated 2016. The ministry is also looking into installing an automated payment system.

16. Is there an ordinance where government can collect money for parking located on the pondfill (opposite of police station and opposite of central bank). If that is the case when will government invest into the necessary equipment to acquire additional revenues when it pertains to parking?

Answer:

The Ministry of General affairs is not aware of such national ordinance. The only national ordinance that is known is the ordinance for the parking lot at Clem Labega square. Furthermore, the Minister of TEATT is mentioned in the national ordinance to be responsible for the implementation/purpose of this national ordinance. This national ordinance has not been updated since 2013.

17. General affairs budgeted 4.6 million for subsidies. Please provide detail overview of the companies for these subsidies.

Answer

The subsidies in question are given to nonprofit organizations.

Organisations	Amount
Vrijwilligers Korps Sint Maarten (VKS)	720,225
Religieuze Instellingen	113,400
Toastmasters	9,000
SOG	171,000
St. Maarten Development Fund	3,587,673
Total	4,601,298

18. Do these companies meet the requirement of the subsidy ordinance and who verifies that these companies comply with the ordinances.

Answer

Yes, these companies meet the requirements to be granted subsidies. The financials are submitted to the Ministry of Finance who in turn reviews and verifies that the requirements are met. The St. Maarten Development Fund, that receives Naf 3.5 million of the Naf 4.6 Million in question, submits quarterly and yearly audited financials on a timely basis.

19. Justice personnel department will be placed back into the central personnel department. Is this change incorporated into the budget of the central personnel department?

Answer

The decision of the personnel department resuming with the responsibility of Justice personnel affairs was made only a few weeks ago by the Council of Ministers. Therefore, it was not included in the 2017 budget

Ministry of Finance budget 2017

Minister of Finance Richard Gibson

MP Tamara Leonard

1. 10 million allotted in budget for IT purchases and training. Are these training and purchases for all Ministries?

The investments will benefit all Ministries, but they are primarily geared to addressing IT issues and training for the tax office.

2. How much of KD is reserved for overhaul of tax system/ restructuring?

Total amount allotted in KD to start investments, not complete, is 10 million guilders. This investment include housing, IT enhancement, tax reform, new tax legislation, and training for personnel.

3. From that number, what all is included to be done with the tax situation, system, training consulting, purchase of land? See above

4. What is the expected ROI as far as time? In the budget 2017 a half million guilders is projected as income and for 2018 we are projecting revenues of 5 million guilders.

- a. When do you expect to see a return? See above

- b. What would 2018 look like with that return on investment? See above

5. What was the position of the tax office, what role did they play? What was their opinion, as far as making a decision?

The Tax Summit organized by the Minister of Finance a couple of months ago involved all stakeholders including participation and presentations the tax office. Drs. EtienneYs, former Prime Minister of the Netherlands Antilles compiled a report in consultation with all departments and stake holders.

6. Was an impact study done? **No.**

7. Was SER involved in this? **No**

8. Do we have a report from them?

Yes we received two reports from SER one that advised not to increase TOT and the second report recommending acquisition and implementation of software to register all goods being imported.

9. Is there a plan over the next upcoming years? Do you have an idea stappen plan? Timeline? When will everything take place etc- multi year plan.

A concrete plan cannot be made at this time without hiring experts for actuarial calculations, IT system analysis, advice etc. Funds are needed to employ consultants and specialists to arrive at a concrete plan.

10. GOC- GEBE, there was a sum of money given from gebe? What was it for? Was it planned? Was it for a specific need? Is there a policy / plan of when dividend supposed to be done? What was done with those monies.

GEBE had substantial money built up in water reserves over many years sitting in a bank. The normal course of action is: a shareholders meeting is held annually, profits are determined, investments plans are submitted to the shareholder for approval and a decision is made by the shareholders as to what portion of the profits are to be allocated for investments and what portion is earmarked as dividends for the shareholder. That has not happened in that manner for many years. Efforts were made to get GEBE to present necessary financial statements to allow govt to make an evaluation and determination as to what should be done with investments and profits earned. Financial statements were not presented timely as required by the articles of incorporation, nor were any investment plans submitted.

GEBE paid Government 17,7 million guilders from the accumulated water reserves. For complete transparency it can be mentioned that all debts that Govt had to GEBE of approx. 10 million were also paid off from profit taxes owed by GEBE.

11. Suggest to increase 10Naf departure fee- how did we come to that decision?

To generate more revenues for government. If we look around us, everyone charges departure taxes except for SXM. Anguilla for example charges a departure tax of 30\$ per person. The Airport charges some \$60 per person as an airport infrastructure fee. Government does not receive any share of this revenue.

The departure tax for will be kept at 10 guilders per person simply because the airport already charges a fee to limit the impact for now. It should also be taken into consideration that almost 50% of the airline tickets are burdened with fees for the airport. Consideration has to be taken that cruise passengers already pay a fee, and is contemplated to exclude departure tax for cruise ship passengers. Boats transporting passengers from Simpson Bay, Oyster bay and Anguilla Dock and other areas on Sint Maarten will be subject to payment of the Naf. 10 departure tax per passenger. It is estimated that this will generate approximately 7 – 9 million guilders annually for the treasury of Sint Maarten.

12. Were stakeholders involved? SER involved? How will it impact our product?

SER was not involved. The law is being prepared. We are at the beginning stage of this project to generate additional revenues for government.

13. Did we consider any of SER's advice to generate money for government?

I mentioned above the two reports received from SER. One not increase TOT, and the other regarding the registration of imported goods. We are

very interested in the latter report and we are in favor of seeing this implemented.

14. Within each ministry COLA is budgeted as 0, this is blatant insult to civil servants as since 2012 they were given COLA increase, this is a problem as fees are going up but salaries not increasing.

We are not in a position at this time to afford payment of COLA. Payment of COLA is not a legal obligation of government and non-payment of COLA has also been recommended by Cft. Many countries have stepped away from COLA because of its unaffordability.

MP Theodore Heyliger

1. Comments about presentation
Note has been taken of these comments.
2. Comments about Translation of budget.
Note has been taken of these comments.
3. Where does the budget come from? Is it from a governing program that the new coalition put together? Is it from governing program from 2016? Where did the initiatives that you mentioned come from?

The budget is a budget where revenues barely covers expenses (day-to-day expenses). There are no new initiatives in the budget. This budget has to be balanced and this leaves little or no room for new policies.

4. The national development plan? Is that the basis you used to come with the 2017 budget? No. A National Development Plan does not exist. NDP is still being worked on.
5. What is the capital expenditure going to be for the tax office? The total amount estimated is 40 million guilders.
6. Initiative of Tuitt will that continue?

There was no initiative to amend the tax law to forgive taxes by former minister of Finance Mr. Tuitt. An initiative to amend a tax ordinance starts with submission of a draft law to the Council of Ministers for approval and eventually to parliament. Such a draft law was never submitted. Several months ago such a draft law was submitted and approved by the Ministry of Finance and it is now in the pipeline on its way to parliament for a decision. In anticipation of parliament's decision the Ministry of Finance is applying the draft law.

7. During presentation mention was made that GEBE can't keep lights burning and major windfall in electricity: If there is a major windfall of 17 million that can be taken out of water company, what is the backlog in investments and have gov looked over what these investments means for the future of the country? Can mean future water shortage, can water and electricity continue to function with the 17m being taken out? Can the population expect a decrease in the water rates in 2017? Eg. Giving back 8 million to the population?

Reduction of rates depends decision by management of GEBE and management of investments in future. Of the water reserves GEBE had in the bank 17 million guilders remain, which is an ample amount for investments in future.

8. During presentation mention was made that dividend was placed on GEBE, is this the case and how much? **No decision for payment of dividends by GEBE has been made.**
9. Gov also intends to take dividend from the electric company in 2017, has a plan been presented to government how GEBE intends to keeps the light burning? Will we see another purchase of engine in 2017? **That question should be directed to the Ministry in charge of GEBE which is the Ministry of VROMI.**

10. How does GEBE intend to keep the “lights burning”? will it not be able to finance itself if we take that type of money out of the company?

See question 7. This question should further be directed to the Minister of VROMI.

11. Can the population look to see a decrease in electricity rates?

Depends on the pending plans of management of GEBE, which are not yet known.

MP Claret Connor

1. Was the approval of the CoM unanimous decision?

No the decision was not unanimous. Unanimous decisions are not required.

2. Naf 119,000d deficit from that cruiseline? What calculation was used to come up with this?

500,000 cruise ship passengers X \$200 per head represents \$100,000,000

3. Online services negative effect on budget- what kind of calculations were used to come up with this assumption?

It is not based on a calculation. The huge crowds at the airport cargo building waiting hours, and then 45 minutes to collect their packages, evidences the explosion in online purchasing.

4. Naf 99 million that is paid out to as subsidy – these payments seem to be consistent over the years- how is this money managed? What type of oversight do we have over these organizations? How does govt manage this money over the years? How does govt manage organization?

Several subsidy recipients subsidies are being managed by SINT MAARTEN DEVELOPMENT FOUNDATION. Those who don't fall under SMDF, are required under the subsidy ordinance to produce audited financial statements. If they do not present the audited FS, the subsidy is discontinued, until the required financial accounting of the subsidy is presented. The audited financial statements is a hardship for many small subsidy recipients. Steps have been taken to amend the subsidy ordinance to provide that audited statements only have to be presented by recipients who receive subsidies in excess of 200 thousand guilders instead of Naf. 25.000 guilders. If entities receive less than 200.000 guilders subsidy they have to present their accounting to the Ministry of Finance. Once we have all of the articles of incorporation of the entities in hand from all ministries, we will make them available.

5. What is the situation of the foundations that receive money from govt annually? Provide articles for the subsidy that is provided structurally within the budget, organizations that received on an annual basis, what is the situation of these various organizations that received these subsidies? How is this being managed seeing that the budget is a structural budget as some of these organizations rely on gov for their operations.

See question 4 above.

6. The minister indicated that the GOC- basically functioning as islands by itself (financials presented late, budgets presented late)- what is governments position on correcting this?

More frequent meetings with GOC and ideas are being explored to amend the articles of incorporation to facilitate more transparency. The legality of changing the articles of incorporation to appoint a government representative in boards of GOC tasked with reporting to government on a regular basis is an idea that is being explored.

7. Can parliament be provided with details of pearl of china? How does this affect country moving forward?

SXM was picked as the location to establish an International Trading Center by the Pearl of China. It includes a hotel facility, offices for companies from China to trade from with the entire Caribbean basin and South America, with display halls to display products China manufactures. There will be more traffic to and from SXM which will stimulate the economy. The infrastructure itself will boost GDP and it will ad a new pillar to our economy.

MP Ardwel Irion

1. Is there a hiring freeze for 2017? Yes there is. The 2015 hiring freeze imposed in 2015 has been extended.
2. What initiatives do we have for structural income?

In the budget amendment a series of initiatives are mentioned.

3. Fiscal legislation lawyers- do we need more fiscal legislative lawyers?

Yes, absolutely! The the Fiscal Department two fte's are not filled. We are suffering serious delays due to absence of legislative and fiscal lawyers.

4. In terms of TOT- stores with French debit system- are we ensuring that the payments made through these stores through foreign debit systems? Are we taking this into account when looking to collect TOT?

Yes, it is an item that we have identified and are questioning and looking for solutions to deal with it. The money from sales never lands in SXM and the question arises what happens with TOT that has to be paid. Do we presently have the muscle to investigate and control this practice? Not yet.

It is being worked on and it requires investment in control and human capital.

MP Frans Richardson

Staat E: Compilation of Longterm Loans Page 56:

Purchase Emilio Wilson Park Naf 30.700.000, Annual Interest Naf 567.950.

1. Overview Longlease Page 74. Government please confirm that the amount of Naf 533.344 longlease with a balance of 82.7 years is in fact the amount that has been paid and will continue to be paid for the Emilio Wilson Estate annually. The same property that Government purchased for Fls 30.700.000 (30.7 Million) and is repaying annually Fls 567.950. **For the purchase of the Estate a sinking bond loan for this amount for 30 years was engaged. The interest part of that loan declines and is Naf. 549.970 as of 2017. See attached exhibit.**
2. Chapter 4. # 40: We observe a significant difference in the budgets by the various ministers, but in particular the Minister of Finance, who's budget increased by a Million Guilders. Please clarify this difference and provide the variables that cause the significant differences in the Ministers' budgets.

The amount of 1 million guiders is earmarked for the upstart of a Law School on Sint Maarten.

3. P.11 #43476 Continuing in the Ministry of Finance: Rechts-en and deskundig advise/ Legal and other expert advice increased my Naf 1 million.

Please elaborate on what this increase will be allocated to specifically and how this will improve the operation of the Ministry of Finance.

The amount of 1 million guilders intended for the start of a law school on Sint Maaren had to be booked under the heading "Rechts en Deskundig advies" in the budget based on the Comptability Ordinance.

4. P.11 43479 "Accountants Controle"/ Auditing from Naf 444.395 (*werkelijke*) to Naf 1 Million. Please provide information on this increase. Is Government employing the services of auditors? Does Government not have sufficient or sufficiently capable auditors?

In 2016 and now again in 2017 the same amount was reserved budgeted (1 mio) based on the audit plan estimate by SOAB. The realized figures for 2015 was total 764,000 and that amount consists of budget post 43476 and 43479.

The Minister of FINANCE(p 9)

2015 Preliminary Naf 962.269; 2016 Budget Naf 521.458, 2017 Budget 1.518.674 An increase of almost a Million Naf.

This difference relates to the reserve for the Law School of Sint Maarten.

FINANCE Minister's Cabinet:

2015 Preliminary Naf 532.053; 2016 Budget Naf 536.110, 2017 Budget 662.996.

The increase is Due to additional staff in the cabinet of the Minister of Finance.

MP Rudolph Samuel

1. Parliament did not receive List of CAPEX.

The 2017 draft budget contains a detailed list of CAPEX.

2. Ordinance on its way to parliament higher appeal notary- where is this ordinance (harmonisatiewet)

If you are referring to the draft harmonization legislation the Council of Advice provided its advice, and the Central Bank provided its input on the advice this past Friday afternoon. The response report will be finalized and will be sent to Parliament for its decision.

3. Are we going to build a hotel? Will an investment take place or will an investment not take place?

Please direct this question to the concerned ministries VROMI/TEATT

4. Can you breakdown per ministry 2012, 2013 and 2014- if there are ministries that don't use all the monies given to them?

See Exhibit attached.

5. How many banks on the island?

7 commercial banks

6. How many personal loans 13, 14 15? How many car loans 13, 14, 15? Mortgages for homes? Business mortgages?

7. See Exhibit attached.

MP Christopher Emmanuel

1. What chapter of the constitution of SXM article 1 what does it say? What does it mean?

CHAPTER 1

TERRITORY AND UNITY

Article 1

1. The territory of Sint Maarten consists of the part of the island of Sint Maarten forming part of the Kingdom of the Netherlands and its territorial waters.
2. The official languages are Dutch and English.
3. By national ordinance the national flag, the coat of arms and the national anthem of Sint Maarten shall be enacted.

What it says as far as the relevant topic is concerned is that there are two official languages,

2. Can you please explain to me in what language majority of ppl of sxm speak, comprehend etc?

English!

3. Has the ministry of finance done a study that can prove that the vast majority of sxm is purchasing online, that is causing a hole in the budget of sxm? Do we have intentions of doing anything?

No, but it quite apparent and it absolutely effects TOT receipts.

4. How are we going to fix the tax system? Are we going to follow and continue with the same trend as former Minister Tuitt.

Yes, we have! The legislation 'Ontwerp van Landsverordening regelende de kwijtschelding van belastingschulden over de belastingjaren' has been approved and sent to our Governor for submission to the Council of Advice on September 2, 2016.

5. 12 million Naf go towards to CAPEX to finance ministry to assist in fixing taxes? Then what happens to other ministries?

The specification for capital expenditure in the budget amounts to 58 million guilders.

6. Page 32- Kapitaaldienst – no new investments for 2017- does this mean no new initiatives for 2017?

Old initiatives and plans that were presented for 2016 will now be for 2017 because CFT did not approve requested for in 2016.

MP Silvio Matser

1. Fallshort in budget 2016- where will we get the money to plug the shortfalls of 2017 when we fall short.

If we fall short, we will have to cut as required by the law.

2. CAPEX 10 million to 12 million for Tax system- was a public bid held for the ICT system?

No it was not. We are not there yet. We have to ensure that funds become available first.

- a. What will the price be for training the personnel?

4 million is budgeted for personnel and of that 1 million is budgetted in the current account for training.

- b. Do we have something in place for maintenance of system?

The capital being sought once received, will also be utilized for maintenance of any system that is eventually chosen.

3. How come 1 million naf will be increased in finance ministry and not in teat?

One million guilders has been reserved in budget of Finance Ministry to start up of the Law School.

4. What will happen to bearing point? Are we using this bearing point? Will be used with the new ict system?

That decision has not yet been made. Curacao choose Bearing point and is experiencing some difficulties and treathening with court action. We are observing this situation

5. Inkeerregeling in Curaçao and Netherlands. Tuitt regeling: from 2006 all taxes are written off. Suggests we implement an inkeerregeling for SXM to generate income.

We are in agreement with doing so.

MP Tamara Leonard

1. Budget for decorations for 2017.

There is no specific budget item mentioned in the 2017 budget covering this.

MP Name: S. E. Wescot-Williams

1. Comment made by MinFIN "Losses of gov owned companies must be compensated in the gov budget". Explain this process. How, when, and why if there are losses of gov owned companies must these be compensated in the gov budget.

When government owned companies suffer losses it affects the value of those companies and hence the wealth of the nation. A duty exist under

the law to maintain the wealth of the nation and anytime that wealth dips steps have to be taken to replenish those dips.

1. How far are the changes to the law the tax law that needed to be made / corrections, with respect to all association and foundations being included.

'De wijzigingslandsverordening winstbelasting' is at the Council of Advice. In anticipation of approval of the draft law by parliament it is being applied as if passed by parliament . The Ordinance, the policy 'Aanschrijving inzake de fiscale behandeling van verenigingen, stichtingen, stichtingen particulier fonds en trusts' was published in the National Gazette, year 2016, no. 18 of September 2, 2016. Although this law has not yet been formalized, the policy is being applied as of the date it was published in the National Gazette.

2. Harmonization legislations: how far is this?

See question 2 of MP Rudolph Samuel

3. 3rd quarterly report 2016: where or how far is this report? Give indication up until 3rd quarter 2016 where the execution of budget is.

It has been submitted!

4. Concern with reference to statements made regarding the tax system: Explain what is gov doing right now with respect to changes to the tax system.

Nothing. There are no funds allotted for that. It requires the expertise from actuaries, fiscal experts, IT analysts and others to be able to plan execution and and set the basis for such a plan.

5. Where are we and on the basis of what blue print are changes to the tax system being worked upon?

Fiscal Affairs has presented an advice (*Hervorming Belastingstelsel Sint Maarten*, DIV nr 1565-14) regarding reform of the tax system to the previous Council of Ministers as well as made a presentation the previous Parliament (September 16th 2015). This advice was approved by the previous Council of Ministers (MR 040815).

Total cost associated with the necessary outsourcing of work is estimated at USD 615.000. The total investment will amount to an estimated Naf. 40 million guilders. Due to budgetary constraints a start has not yet been made with the fiscal reform and investments in the tax administration.

6. The collection policy: Where are things with respect to this?

'De wijzigingslandsverordening herziening formeel belastingrecht' is at the Council of Advice. In anticipation on said Ordinance, the policy

'Aanschrijving inzake van ambtshalve vermindering van belastingaanslagen' is published in the National Gazette, year 2016, no. 17 of August 19, 2016.

It means as of then, although the formalization has not yet taken place, this policy is a being applied.

Clarification round 1

MP Frans Richardson

1. Ref. EWE: Minister mentioned that there was a bond floating for 30 years, however the question was more based on the amount of money being paid on erfpacht and whether this is a fair return on investment. Can the Minister provide clarity on this; based on the contractual agreement does this mean that government would have to provide subsidy?

If only long lease payments on this property is taken into consideration it falls way short of a fair Return on Investment for this property.

MP Tamara Leonard

1. Minister indicated 10 million is specifically for tax office you said it is to start the project. Which of them is it? Is it that that 10 million will do all (integration, train, staff)
 - a. Is the training included in that?

The total estimate amount for investment in improvements in the tax department amounts to approximately 40 million guilders, including training, integration of the inspectorate and Receiver of Taxes, construction of a building and tax reform in general. A loan was requested for this amount as capital expenditure in 2016, however the loan was denied by the CFT. An amount of 10 million guilders has been earmarked in the draft budget 2017 to start with this investment. The sum of 10 million will not cover the total investment needed, it is the first step.

2. In the year 2017 Naf500,000 thousand will start off the return of this investment. Will this actually be realized?

Yes, the department of Finance expects that in 2017 Naf 500.000 will be collected and that in 2018 it will lead to Naf 5 million guilders in improved compliance.

3. You mention that a report came out of Tax Summit from Mr Ys. Can this be shared?

Yes. The report has been submitted to Parliament.

4. *Does the government intend to implement the advice of SER as it relates to the registration of all containers and all goods imported on Sint Maarten?*

Yes! Budget constraints has delayed the investment in implementing this advice, which is very useful and such a system has my full support.

5. What was done with the 17 million of GEBE? You mention they had a substantial amount of money left.

The correct amount is Naf 17.700. This amount has been paid to the Island Receiver and goes into the government treasury to pay bills that have been presented for payment to the Receiver of Taxes. This amount was part of the Naf. 32 million guilders in water reserves build up over the years by GEBE.

6. Why 10 naf for departure tax?

The departure tax is being contemplated to be at Naf. 10 to limit its impact on the market. Other countries charge departure taxes that are significantly higher than Naf. 10,00. Sint Maarten has no departure tax on the books at this time. The fees the airport charges remains with the Airport for 100%.

7. Cft recommended we move away from COLA payment-don't always follow advice of COLA- is this something we can move away without changing law? Clarify how we will move away from cola? Is it mandatory?

COLA payments is not regulated by law and is not a legal obligation of government.

8. Why is the additional 1 million not stated as such (law school) in budget?

The Comptability Ordinance describes the methodology that the budget ha to adhere to. Fixed descriptions and budget codes for every item is prescribed by the Comptability Ordinance. Items that are not mentioned, such as "law school" has to be placed in the budget under a heading that matches the description stipulated in the Comptability Ordinance as much as possible. The heading that comes closest to covering this item is "Rechts en deskundig advies". That is why the funds were placed under this heading in the budget.

9. 2016 Christmas decoration- how much money was spent on xmas this year and which budget post? MIN AZ will address this question such in pertains to his ministry.

MP Theodore Heyliger

1. Minister stated that in the budget there is no dividend from GEBE, however in his answers to SER mention is made that there is 12 million that we looked forward to receiving in 2017, pg. 10 of answers to SER, please clarify.

GEBE reported that the taxes owed to government on profits earned by GEBE amounting to 12 million guilders as of December 31st, 2015. On the other hand the debt owed to GEBE for unpaid bills for electricity and water consumption by government for many years amount to about the same amount. Subject to Tax assessments to be imposed by the Inspectorate of Taxes for this amount it was agreed to settle the debts government owes in full. It is expected that the inspectorate of Taxes will issue the tax assessment early 2017 for the profits earned by GEBE. Therefore an amount appears in the draft budget 2017 reflecting that the 12 million guilder will be received in 2017.

2. Departure fee for PJIA; there is already an existing departing fee by law and that PJIA charges, if we have a ADF in existence how can MinFIN implement a new departure fee? Please clarify.

The airport departure fee is a fee and not a tax. The airport charges a departure fee amounting to approximately \$60 and keeps the full amount of this fee. Government receives no part of the departure fee the airport charges. Government is contemplating to enact a departure tax just like any other country in the world. This is a tax that will go to government's coffers and has nothing to do with the departure facility fee the airport charges. The intention is to keep the departure tax low and limit it to Naf. 10 per person.

3. Monies reserved for the upgrading of the tax office; provide detail information / elaborate as to what and how, where this amount of money is going to be spent, e.g. software upgrade, personnel etc.

Please refer to the response above on this question posed by MP Tamara Leonard.

4. Minister mentioned that there is no national development plan, however in 2014 the National development plan was developed and approved by COM. MP Heyliger believes that this budget must have some form of vision, idea, Ideology. Are we going to see something in this regard, please clarify?

The vision, ideology that drove the 2016 and now the 2017 budget is aimed at producing a balanced budget, pursue budget discipline, and pay off the astronomical debts built up between 2010-2014 to comply with the instructions The Hague imposed on Sint Maarten in 2015. This is the principal reason why there is no room to develop new policies in this budget.

5. Minister mentioned that GEBE reduction in rates is a management decision. MP Heyliger differs with this statement, it is up to gov to decide the water and electricity tariffs. Is it a policy of government to look for more monies out of the company (GEBE) rather than a deduction in tariffs?

A decision to reduce electricity rates cannot responsibly be implemented in a vacuum without information and input by management of GEBE as it relates to their future needs and outlook. Government as a shareholder is entitled to receive a fair return on its investment. On the other hand government favors reduction in rates when and where possible.

6. Provide clarity on the amount of rent being paid and how long the rents for other building will continue?

MIN AZ will address this question as minister of General Affairs.

MP Franklyn Meyers

1. The minister referred to recommendation from the SER that the TOT should not be raised? He would like to know under which administration this was done? And what was the recommendations by the CFT when the TOT issue was raised?

I am told that this took place during the tenure of Minister of Finance Mr. Shigimoto (UP/DP government). CFT at the time queried the reported total increase in TOT income if it is raised. It was a policy matter on which CFT has no say.

MP Sarah Wescott-Williams

1. With respect to entire matter of taxes including upgrading the tax admin and reform the tax system- I read different references regarding both- could the minister give a concise and specific overview of both as far as they relate to the budget.
 - a. Matter of the Ys report- the fact that there is a framework- could I get a very specific overview of the actions taken thus far, the status of these actions (approved or not) and steps being taken.

Tax administration improvement as I see it relates to the processes of filing, the processing, the issuance or amending of tax assessments, the filing of objections to assessments, the appeal process of decisions by the inspectorate, the auditing and controlling of filing, the filing and storage of tax files, the software and hardware needed to efficiently and digitally facilitate all of the above actions. Tax reform on the other hand relates to laws on the books as to what is taxable, the rates to be paid, the amendment to the laws, the elimination of certain taxes, the creation of new taxes, the formal laws relating to collection of taxes. Numerous reports on tax reform and improvement of Tax administration have been produced in the past. A tax summit was held a few months ago with all stakeholders, numerous meetings have been held with numerous consultants and that is as far as the steps regarding Tax administration and Tax Reform has reached. The dialogue comes to a halt when the moment arrives to make decisions to purchase the correct software, purchase computer equipment, and decide on a specific path, obtaining the necessary human resources with the

required skills, hiring actuaries, fiscal lawyers and legislative lawyers to write new laws. With budget 2017 government with its limited means is making a major effort to extricate Sint Maarten from this vicious cycle.

2. Departure fee- how would it relate to the PJIAH departure fee?

Please refer to the above response on this question raised by MP T. Heyliger.

3. Minister mentioned that there is no room for new policy initiative; then how must we view the different priorities put forward in the budget by the different ministries and how does this relate to this budget.

According to the law the budget must be a policy budget. This means that a recognizable context must exist between policy and the associated financial implications. For a variety of reasons this direct link in the budget is not always present;

- It is not always possible to see financial effects on some policies on a short term. The financial effects of changes made in the tax policy are often seen several years after it has been formulated.

- The Government of St. Maarten has made some commendable steps in the direction of producing a policy budget (see letter from CFT). In the Netherlands, the development of a similar project took 17 years and as such it should not be expected that Sint Maarten meet that level at this time.

4. Kindly go in to the TUITT proposal in the entire reform- what are these measures considered in the entire tax reform.

See above response to this question.

5. Appointing of a Government representative on the board of government owned companies, how far are these proposals in line with corporate

governance code - is it the intention to revisit this code?- need for dividend policy- because that is a requirement from the corporate governance code-

There are no proposals. Ideas are being explored to get a handle on timely receiving information from government owned companies, in particular timely financial information and plans in progress. These ideas are in an infancy stage and no concrete step has been decided upon as yet.

6. There is a hiring freeze/personnel freeze- elucidation from TEATT to hire 19 persons- so if there is a personnel stop- how do these actions relate to the actual budget and money that is there to carry out these

Whatever ambitions or desires TEATT may have in this respect has to be budget neutral in view of the hiring freeze.

7. Rent for the new government building- do we have that agreement? What will it be? What are we supposed to be paying for rent?

Rent for the new government building will amount to less than 6 million guilders per year. The rent will be 6% of SZV invested in the building. In the budget 11.3 million guilders are reserved for payment of rent. There may be an overlap in 2017 as government offices leased elsewhere are terminated.

8. Several budget amendments that are pending? What is the status of these amendments?

The budget amendment as a result of the letter received from the CFT has been submitted to parliament.

9. Is the Minfin aware of a motion initiated by myself that establishes the following (2015 sept 17)

- a. Parliament wishes that govt

- i. Present plan to establish English as mother tongue of Sxm
- ii. PLAN OF APPROACH TO Gradually introduce as official language of sxm

is the minister aware of this motion? We look forward to the minister's support and execution of this

Yes, I am aware of this motion and it has my support.

MP Claret Connor

1. Each ministry has a particular amount budgeted for staff.
 - a. What is the amount per each ministers' cabinet?

Kabinets' Personnel Costs - Budget year 2017							
	AZ	EDU & CULT	EV&T	FIN	JUST	VSA	VROMI
Totaal personeelskosten	1,077,667	620,511	779,686	635,996	671,803	808,959	839,456

2. The budget decision was not unanimous-
 - a. How did the voting go?

The voting went well. Who voted how may not be divulged under the law. See letter directed to parliament in this respect. (MIN AZ – letter).

3. The staffing freeze- implemented in this budget for 2017 does this extend for the cabinet of the ministers themselves.
 - a. How is that freeze implemented? Each Minister gets allotted a budget for cabinet staff. Cabinet staff is hired based on this set amount. Ministers may vary from this set amount within the budget of the ministry.

Questions Second Round

MP Theodore E. Heyliger

1. Policy with regards to Govt dealing with GEBE. Is it Govt vision to allow GEBE to continue to make huge profits and collect dividend or rather give the people relief (elderly, schools etc.)?

Please direct this question to the Ministry of Vromi who is in charge of GEBE.

2. Daily newspapers of today: Herald mentions Nafl. 10 departure fee while Today mentions that this fee will yield Nafl 79 million a year. Document says Nafl 21 million. Is it the intention that all passengers going thru airport that pay Nafl. 10 or only passengers coming to SXM? All passengers in transit will be levied this fee? Is it the intention for airport to continue grow hub function? How your numbers will give these kind of revenue? Please show how you came to Nafl. 21 million.

The correct figures are reflected in the budget amendment submitted to parliament.

3. SMMC: there is claim that SMMC has remitted two taxes in past few years. Can the Minister explain the sale of the land in relation with this (intent to sell land for Nafl 6 million). Is the land that SMMC is on Govt long lease land?

The land in question is long lease land issued to SMMC. AB 1954, no.1 allows government land to be sold. The intent was to sell land and the building standing thereon. The sales price would be substantially more than 6 million guilders.

4. APS intends to build an underground park. Who does this land belong to and how can it be sold to pension fund? How can APS buy Govt land?

Govt can sell land based on "verordening op de uitgifte van eigendommen" in combination with the "landsverordening 2016" approved by parliament and the Landsbesluit that authorizes the MinVromi and MinFin to sign off on the purchase agreement and the deed.

5. Profit tax: what was actually budgeted and actually received in 2014, 2015 and projected in 2016? Does Govt have expectation on tax reform, more

taxes for the people? Looking at possibility to decrease profit tax? In other parts of world looking at decreasing profit tax.

		Budget	Realized
2014	Winstbelasting	24,240,000	26,774,855
2015	Winstbelasting	27,289,200	33,646,726
2016	Winstbelasting	30,845,000	32,722,587 **
** Up until November			

Compared with income taxes:

		budget	Realised	
2014	Inkomstenbelasting	-5000000	1063671	
2015	Inkomstenbelasting	0	-2152002	
2016	Inkomstenbelasting	0	1599677	**
	Up and until Nov'2016**			

Tax reform will include reduction of profit taxes and other taxes as well as the elimination of some category of taxes.

6. Plans of approaches (PvA for justice): what are the ramifications of not being able to carry these out?
 Is MinFin aware of other plans of approaches that we have, what are costs to try to finalize them?
 How in opinion of MinFin these should be done with the current financial situation?

The only plan still to be finalized is the Justice plan. The other plans have all been finalized. Part of the plans include the expansion of the formation of the police department. This kind of expansions cause a structural increase of the costs and therefore must be spread out over a longer term due to current financial constraints.

Regarding ramifications: if we are unable, we are unable. The Plan of Approaches will have to wait until we are able to carry them out. We have an instruction from the Hague to pay off debts built up over many years. We cannot comply with debt reduction and expansion of the police department at the same time. One has to wait on the other.

I am in agreement with the plans of approaches, but have one red line, if there is no budget, the PoA will have to wait until there are funds

MP Tamara E. Leonard

1. Nafl 10 million for Tax administration: what is being done for a better financial system to link all departments including Tax departments? Why is this not a priority?

The development of an integrated ICT plan that covers all governments functionalities, is a priority. Currently the main focus is on the tax department because of the need to increase compliance which leads to higher income. The 10 mln guilders includes IT integration.

2. Are there reports from Management/Head of Tax dept?

Yes there is

3. Which companies that were hired for the software part? Was there a bidding for this process? Where is the land for the building? Did this go thru bidding process as well? Can see quotations etc?
4. No we have not started any bidding processes as yet, we are far from a bidding process. There are therefore no quotations.
5. Capital investments: do we have any other alternatives in case these are not approved? No.
6. Pearl of China: without impact study, are you in meetings to invest in SXM with any other companies? No I am not. Please refer to Min VROMI for the impact study question.
7. Is it safe for the country that you alone are taking unilateral decisions without Parliament? Any decision that is the prerogative of Parliament cannot be taken without Parliament.
8. How many consultants do we have on payroll on ministry? Who are they? How much paid? One consultant. Mr. Andre Lievaart. Functions on a contract basis as concern controller.

9. Onvoorziene uitgave 4.78 Million. How did you come to that amount? What is it for? **The amount was budgeted for the tax department for unforeseen expenses that may occur.**

MP Sidharth M. Bijlani

1. Tax system reforms: shift from direct to indirect taxes. What kind of indirect taxes and direct taxes? How does this shift look like?

Some examples:

- i. --Abolishing transfer tax (direct tax) and including transfer of real estate in TOT (indirect tax)
- ii. --Abolishing room tax (direct tax) and including it in TOT (indirect tax) – by means of abolishing “samenloopvrijstelling” TOT/Room tax in TOT
- iii. -- abolishing inheritance tax, land tax and dividend tax (direct taxes) See decision COM of 2015 submitted to parliament.

MP Ardwell M.R. Irion

1. Is there a road tax law where monies collected should go to a road tax fund dedicated to maintaining and fixing road?

Yes there is an ordinance of 1973 and falls under the ministry of VROMI

Article 24a of the motorrijtuigbelastingverordening indicates that we must establish a ‘wegenfonds’. In Article 2 wegenfonds verordening, this regulates the wegenfonds and needs to be executed by VROMI.

2. Has Govt collected dividend from shares in UTS? **No**

MP Claret M.M. Connor

1. Document (preface budget) lacks in what makes this economy run. What exactly is Govt intention in terms of raising new revenues?

I can refer you to the budget amendment 'nota van wijziging' which states several items Govt is pursuing, including improvement in compliance, investing in the tax department, departure tax. I mentioned in my first presentation that there is very little room for new policies and can only be implemented when new revenues are found.

2. Why aren't we beefing up those who go out and collect taxes? Instead of changing the system? **There was a decision made by CoM in 2015 to embrace tax reform and change the system, which would include collection efforts.**
3. Pearl of China project: other areas we can focus on also. How many persons/fte in Tax office that are actively collecting outstanding taxes? **Fte 12 marshalls goes out and collect.**
4. Comments about association and getting a huge assessment of naf 250.000 when his activity was \$6000: How far can we be from reality where it pertains to tax assessments?
This question needs Clarification.
5. MinVROMI indicated yesterday that recent groundbreaking for Pearl of China was based on 2007 development plan of area. Due to changes development plan this will be adjusted. We can't put all of our eggs in one basket. What happens to what's there now? This project, how much % of our GDP/economy does Govt envision that this project represents? **Referred to VROMI**

MP Tamara E. Leonard

1. Subsidies to companies to amount of Nafl. 4.6 million. Can we get detailed list of companies? Do they have to meet requirements of subsidy ordinance? Who checks if they stick to rules and

regulations? There are no subsidies to companies, there are subsidies to entities according to the subsidy ordinance. VKS, for example, is getting a subsidy, but is not a company. This is checked partly by SMDF and the department of finance.

2. Onvoorziene uitgaven. How calculated? How can funds be drawn from this account? These funds are for activities that is anticipated but not clearly defined as yet. The funds can be reallocated via budget amendment(s).

MP Silvio J. Matser

1. How much do we collect from profit tax?

Refer to previous questions

		Budget	Realized
2014	Winstbelasting	24,240,000	26,774,855
2015	Winstbelasting	27,289,200	33,646,726
2016	Winstbelasting	30,845,000	32,722,587 **
** Up until November			

Also, I mentioned as it relates to income taxes, income taxes generate very little. Tax reform is to reduce, eliminate and shift as much as possible to indirect taxes.

2. Why don't we abolish it or drop it down if we are not collecting as much from it?

Refer to above answer.

MP drs. Rodolphe E. Samuel

1. Is this economy stable based on information on loans/mortgages? Banks have confidence in SXM? How much is GDP in SXM?
When you look at the list of the loans you see they are rather consistent, and yes banks apparently have confidence or else they would not be issuing loans in this manner. GDP is 1.9 billion guilders.
2. Is the Govt having regular meetings with the private sector?
Yes, I formed a group of the private sector. Last week was the first meeting and the idea is to meet once a month.

3. Have we had any rating lately by Moody? Last rating? How is rating?
Yes this year we received a rating of Baa2 we are waiting for next year's rating.
4. Previous to loss, was Harbor making profit yes or no?
Only cruise ships contributed to loss? Yes, the did make profits in 2012 728K, and 2013 2.8 mln dollars. No, the losses can be attributed to several other factors, for more details I refer you to TEATT.
5. Can minister say something about liquidity situation of SXM?
It is mentioned in the derde kwartaalrapportage.
6. Are you going to raise taxes yes or no? No, the idea is to reduce, shift and eliminate taxes.
7. Not a unanimous vote in COM. Do we have a minister that didn't vote for budget but still defended it? How do we have to understand this information?
That is not for me to judge. Someone can have an opinion today and change that opinion tomorrow based on additional information received. The law does not require all ministers to vote for the budget in COM.

MP Sarah A. Wescot-Williams

1. Mention is made of annual account of Govt. Can Parliament receive an exact timeline for annual accounts 2013-2015? Where are they and when can Parliament expect them?
On December 6th, 2016, the Ministry of Finance received the comments/corrections on the National Ordinance for establishing the annual accounts of Sint Maarten for the service year(s) 2013 and 2014.

Once we have incorporated these corrections we will prepare an advice to go to the Council of Ministers for approval (after Budget deliberations), this advice with the national decree(s) is then to be sent on to the Council of Advice. The Council has 6 weeks to react

and if they ask for more information we send that to them in the form of a “rapport van nader toelichting”. Should the Council of Advice have no objections to the National Ordinance and the content then they automatically send this on to the Governor who then sends it to Parliament for Discharge. My estimate is that Parliament will receive in the 1st quarter of 2017.

The annual accounts for 2015 are still at SOAB and the General Audit Chamber who are busy doing their review on them. So we cannot give a fixed timeline as to when Parliament can expect 2015 annual account.

Upon completion of annual account 2015, all annual accounts will be fully up to date.

2. Overview of the money allocated to reform in tax system and. Can a timeline etc. be provided?

To be able to have a timeline, right now it is premature.

3. Amount budgeted for law school. Is it correctly budgeted under MinFin? The minister is the initiator of this project, it is in the formation stage and once the school is formalized it can fall under ECYS budget.
4. Indication of amount to be paid in rent/lease for new Govt building? The rent is 6% of the investments, 458K a month. Right now 13,7 mln guilders in the budget. Once the other departments are relocated in the new government building, there might be an overlap.
5. Policy payment of dividend? How and how will Govt seek dividend? What are accounts of TELEM showing for Govt to be so set on receiving dividend from TELEM?

Telem

2015 total comprehensive income (profit): Naf 6.9

2014 total comprehensive income (profit): Naf 4.2

2013 total comprehensive income (profit): Naf 3.8

2012 total comprehensive loss : (Naf 2.9)

2011 total comprehensive income : Naf 3.6

6. Financial management: Inkomstenverhogende/uitgaven verlagende program. What is status of this? Did it turn into Plan van Aanpak Financieel Beheer?

The IVUV is in the same status with the tax admin and tax reform plans. IVUV dealt with among other things plans to impose certain taxes. IVUV will become part of the tax reform plans.

7. Budget 2016 could possibly run into deficit of Naf. 25 million. Reasons: loss of cruise passengers and online purchases. Has this info been put in some kind of economic model?

No, it has not, but it is obvious, based on 500K x 191 it would result in \$ 100M loss. Bigger ships carrying more passengers will reduce this loss considerably over time.

8. Ills GEBE, traffic, lack of communication, all-inclusive approaches, decline foreign investors. Why do we not see the concrete actions to be taken to address these?

Budget does not allow new policies. New revenues will have to be raised first.

9. Salaries and compensation for members of High Councils of state. What is the status of this?

All board members receive a fixed stipend at the end of month based on a letter received from the High Colleges. Should any changes occur in the formation or stipends of these Board Members, Finance is always informed to process these changes by means of an official letter from the different High Colleges of State.

10. Interesting to see differences of salaries of cabinet members. Where is the limit? Is there a differentiation? Also salaries ministers? Are we going to pay minister for half the time?

	Minister salary	
MIN AZ	346,073	
Min. Fin	288,674	No Child Allowance
Min. Jus	290,016	
Min. OCJS	290,016	
Min. VSA	290,016	
Min. TEAT	288,674	No Child Allowance
MIN. VROMI	288,674	No Child Allowance

Only difference is child allowance.

Each ministry gets their share of the budget, and it is up to the minister to decide how he or she wants to shift budget items. In the past a guideline to limit each ministry cabinet was set to 600K, there has been a realization that more may be needed to be allocated in order to have a well-functioning cabinet and ministers are at liberty to do so within their budget.

Ministers salaries are all the same except for the PM. The only difference between ministers is child allowance.

11. Dividend Central Bank: did we collect Nafl. 11 for 2016? How is this dividend paid?
9.7 Mln was paid in 2016. The original amount of 11 million announced by the Central Bank proved to be over ambitious.
12. What falls under income bijzondere baten, Nafl. 14 million?
SEO asset division.
13. GEBE: could Parliament be provided with overall finances of GEBE? Investments? We provided Parliament with the 2015 financial statements. The investment plans have not been submitted as yet, they were given an extension.
14. Decrease ZVOV funds: does this require change in legislation? Where is this legislation?
Yes, lbham change is required. It is in the pipeline. Refer to Minister VSA.

15. Red thread in budget 2017 is need for legislation. If we don't have money or capacity, where are we going? How is this going to be done? **Yes, moneys are in each ministry in the post Rechts en Deskundige Advies to hire in legal experts, private sector consultants etc. if governments's capacity is insufficient.**
16. What legislation can Parliament expect before the end of the year? **None**
17. What if any is the synchronization with SXM development fund and Govt in giving out monies? **Earlier I elaborated on this that SMDF with several organizations are subsidized, managed and supervised by SMDF.**
18. Maximizing implementation costs: what is Govt vision pertaining to this statement? **Lost in translation. Uitvoeringskosten is meant, the result of this exercise is that these organizations stay within their frame limits, just like Govt.**
19. Can Govt provide details/overview how Govt expect to apply money that will come from division of assets of Netherlands Antilles? **Expected Naf 70 million. NAf 55.6 million former NA and 14.4 million comes from the division of the SEO (Stichting Economische Ontwikkeling) monies. From that 70 million 60 million will be allocated to pay for the debts (APS 83m, SZV76m, and other small creditors, which comes to a total of NAf. 191 million).**
20. How is Govt going to approach issue of budget, the role of CFT in budget and NL role as being first one to subscribe to loans the Govt of SXM would like to have? Need to renegotiate? What is Govt fallback position?
Any loans sxm wants, the Netherlands have the right of refusal to subscribe to such loans at low interest rates. How long is this going to last nobody knows. If the Netherland choose not to subscribe to a loan, then we can go to the private sector, banks, financial institution but interest rate will be much higher.

The last one was not a loan but a bond. Cft told govt of sxm that the 2016 budget no longer complied with the norms stipulated in the Kingdom law on supervision. I disagree with this position taken by the CFT. But in the meantime arrangements had to be made to roll over the 26 million guilders debt. The Dutch government offered to extend the loan for 7 years, first 2 years we pay nothing, but the last 5 years we pay 5 mln plus a year. In this respect the CFT caused Sint Maarten some unnecessary hardship due to lack of faith.

I expect in 2018 that the CFT will be replaced with a different kind of supervisory body for finances of the countries.

21. Indication as to debt overview once we completed Govt bldg., asset division? What is picture of SZV and APS?
after 3 years all debts will be paid off.
22. Reserve fund and reduction. Can anything like that be done before legislation? No.
23. In budget it is stated that legislation of casinos will be submitted before Jan 1, 2017 to Parliament. It will be in the first quarter.
24. Plan to reduce pension premium pressure. Is legislation being prepared? Unions have agreed with the arrangements, now legislation has to be prepared.
25. Dividend of TELEM will increase. Based on what? On annual accounts TELEM? Realistic?
Please see above answer regarding telem.
26. Law on departure fee has been prepared. Can Parliament expect it before or during 2017? It is presently being worked on. Expectation is that it will be submitted in 2017.
27. Salaries of Govt: based on formation plan or actual? What is basis for salaries in budget? This is based on actual current personnel and budgeted critical vacancies.

28. Concern for economic future of this country. Governments outlook. We need to hear more from Govt. not only woes and ills but give some type of hope and perspective.

Due note has been taken of this comment.

Clarifications round 2

MP Tamara Leonard

1. I do understand that the 10mln is for the tax ministry, my question is what is done for the other ministries

I believe I answered it already once or twice, IT systems covers all ministries and departments, govt wide, includes all

2. Participation of the tax inspectorate management as it pertains to the entire overhaul, did they had any input and can we have them, what do they think of the direction you want to go in

Mr. Ys had consultations with the management of the Tax Administration and all stake holders for his report. The report was made available to parliament. The director of the taxes also had input.

3. Are you in any discussions with investors who want to invest in SXM? **No.**
4. Who are the subsidized entities, and how much where they being paid?

All of the organizations are specified in the budget under 'Overzicht van deelnemingen'.

5. Onvoorzien uitgave of 4.7mln, what exactly it is for? how do you come up with that number, what is the 4.7 for, how did you came up with that number how did you determine the amount and where are you spend it on?

Each ministry is allotted a slice of the pie of the budget. The ministry included in its slice an amount of 4.7 for unforeseen expenditures.

6. 225K for the decorating light, I asked for the proof that it was spend, I ask for the besluit

This particular question concerns the minister of General affairs. Please address it to him.

MP Christopher Emmanuel

1. What is a ministerial beschikking and how long does it take to go into force?

It is a decision taken by a Minister based on an authority given to the Minister by law. It goes into effect in the manner the Minister decides to implement it.

MP Theodore Heyliger

1. The medical center, I specifically asked the medical center would be able to pay back owing taxes, by selling the land? Is this possible to sell govt land and who is the land being sold to?

In the process of the building of the development of the new medical center , the idea was that SZV would finance, however SZV would like to own the land and the building. SMMC owes wage taxes. The transfer tax and the sales price when transferred to SZV, would cover the taxes SMMC owes completely.

2. Departure tax,- the 91 million mentioned in the newspaper is incorrect and the 21 mln is incorrect, how much is it?

As far as the departure tax is concerned, there are no concrete decisions. It is a work in progress, in preparation.

MP FRANKLYN MEYERS

1. It is not the intention as mentioned by you to implement new taxes, do you believe that indirect tax is a tax?

Yes indirect taxes is a tax. I mentioned I embraced the decision made by CoM in 2015, to move to indirect, elimination and reducing taxes.

2. Do you have figures to substantiate online purchases, and if you have those please provide them?

No I don't, based on information on what is happening, 100 malls from macy's are going to close down, and the reason given is that the classic old manner of doing business is changing. This is not only with Macy's, but also with JC penny's. They have reported that this is due to a change in the retail business as a result of the internet. ToT is dropping, so my conclusion is that it is impacting ToT income.

MP Claret Connor

1. Can I be provided with CoM decision to reform the tax system? **Yes**

MP Sarah Wescot-Williams

1. What is Government dividend policy for GOC, is it policy when a GOC make profit to declare all profit as dividend to shareholder?

Profits is something dynamic. The system to determine dividend can be found in most articles of incorporation. Companies reflect their finances annually as well their investment plans, both become subject of discussion in a shareholders meetings. The shareholder who is the owner of the company, has to take in consideration the investment needs of the company to make a responsible decision on dividends.

2. Criminality fund Justice or finance? **Managed by the Minister of Justice.**
3. If Parliament approves a budget that states 5 million for salaries and 10 million for operational costs- can government then take 3 million of operating costs and use it towards salaries? **No it, cannot be changed without a budget amendment approved by parliament.**

4. What is remaining under overige goederen en diensten for TEATT 4.7 million? **Approximately 1 million was spent, 1.1 million was committed, and 2 million in the pipeline.**

5. What is the policy on CBCS, when will we get the balance, and is this a matter of a yearly dividend CBCS? **The letter we received in January mentioned that 11 mln would be forthcoming. Based on that 11 mln was budgeted as income. When annual accounts were ratified in 2016 it turned out that the amount was less.**

Ministry of Justice budget 2017

Minister of Justice

The Hon. Member of Parliament, mr Heyliger

- 1) Stated that the Population wants to see more Blue on the streets and asked if more money was made available for the [hiring of police]

As you are aware, there is a personnel stop; thus, the Police cannot hire additional personnel at this point in time. In spite of this, the management team of the Police has managed and continues to keep our island and its inhabitants safe.

- 2) Is more money made available for the police?

Funds have been allotted for the Basic Police Course, which has already begun. In addition, some funds have been reserved in the Kapitaaldienst for the Automated System of the Police Force. Investments have also been made in support of the establishment of a new K9 unit which has since recently been made operational.

- 3) Does the budget take into account the right salary scales of the police force?

No, it does not. A lot of officers were issued an updated or new National Decree (Landsbesluit). The ministry of Justice had two choices with regards to rectifying the salary scales of the members of the Police Force; drafting, submitting these National decrees for approval to the Governor for approval and thereby avoiding costly court cases.

Or not compiling and issuing the decrees and suffering the (financial) consequences.

- 5) Is sufficient budget allotted to Justice? Is equipment such as police cars, bullet proof vests etc. taken up in the budget?

This year's budget for Justice has a 1.4 million Guilders increase compared to 2016. This slight increase, however, does not take into account our obligations

toward the Kingdom Agreements, for e.g. plans of approach, which started in 2010.

There is 7.5 million on Kapitaaldienst for Justice. These funds will have to be re-prioritized to cover the urgent needs of the Ministry as much as possible.

6) Is the upgrading and manning of facilities such as the gun range included in the budget?

The Gun-range is included in the 7.5 million in Kapitaaldienst which I just mentioned. Extra personnel will have to be hired in order to man the Gun-range and as I mentioned before, it is not possible to hire additional personnel due to the personnel stop.

7) Are there more substations planned in 2017 and how are they going to be manned?

The ministry of Justice would very much like to establish new substations, unfortunately the current financial situation, does not allowed for this to take place.

Hon. Mem of Parl

Mr Connor

1) The Justice Academy and the Youth Detention Center have 0 on the budget in 2017. Does this mean that these instances will no longer receive subsidy? What is the plan for these companies moving forward?

There are funds reserved for both these institutions. On the 2017 budget, they have been re-classified and placed under "Subsidies en Bijdragen". The post-nr is: 43499 for both.

Frans Richardson

1) Does the budget provide funding for the Court, OM, Attorney General and Coast Guard? Summed up amounts totaling approximately 10 million.

Yes, there is funding to pay Sint Maarten's contributions for these joint entities of the Kingdom.

2) Chapter 5: P12. # 50 The Minister of Justice: Preliminary Real Expenses 2015 Naf 968.937, Budget 2016 Naf 471.200 and budget 2017 Naf 468.416. Please provide an explanation for this substantial difference between budget and preliminary expenses in 2015?

The previous Minister of Justice had several consultants working under contract.

These contracts have now either been ended or have expired.

Government's policy with regards to engaging third parties, consultants has also been altered. A ceiling has been put in place with regards to the maximum funds available for the cabinet of each minister.

3) P 14. #43476 Continuing in the Ministry of Justice: Rechts-en and deskundig advise/ Legal and other expert advice: decreased from Preliminary Actual Expenses 2015 Naf 1 Million to a of budget Naf 246.000 in 2016 and 2017.

- a. Please explain the significant drop.
- b. Is it compensated for in another post?

The drop is related to a number of factors. Costs made by the former minister, contracts which have since been ended or expired. As well as the fact that the ministry of finance decreased the allotted budget.

5) The Post Subsidies en bedrijven has an amount of 0 budgeted. Is this because it was moved somewhere else? If yes, what is the reason?

Yes. It has been moved.

*The post "Subsidie en Bijdrage" has been split in **Overheidsinstellingen** and **Subsidie en Bedrijven**. The nr are 44102 and 44301.*

This was done in an effort to increase oversight of and make the budget and associated reports more user friendly.

5. 5206 p.13 "Advies en Onderzoeksraden" Naf 7.3 Million. Please indicate what this Advisory and Research Council does and hoe thy report to.

These councils carry out research and audits in relation to the Ministry of Justice and its departments. They provide their findings in written reports to the Ministry on a regular basis.

Questions second round

MP Theodore E. Heyliger

1. **Plans of approaches: what are the ramifications of not being able to carry these out?**

If we do not meet the requirements of the Plans of Approach in a timely manner, the Kingdom Council of Ministers may very well take measures such as issuing an instruction. This has already been a topic of discussion in the Dutch Second Chamber by for instance Mr. Bosman.

2. **What are the costs to try to finalize these Plans of Approach?**

The Chief of Police has provided a layout for meeting the requirements of the Plans of Approach for his department. The estimated total costs are 27.650.000 Guilders (27 million) spread over the coming four years.

The costs for meeting the requirements at the Prison are yet to be determined.

MP Tamara E. Leonard

3. **How many consultants do we have on the payroll at each ministry? Who are they? How much are they paid?**

The Ministry of Justice currently has four consultants on the pay roll of the Ministry.

These are:

- Masdevert Consultancy which is paid \$90 an hour (only for work carried out.)

- Miranda Veltman (gedragwetenschapper) paid \$60 an hour.
- Access N.V. which is paid NAF 25.776 every 4months.
- Institute for language research and development which is paid NAF 10.000,- this contract ends at the end of this month.

4. Portion to be paid to prosecutor, are we behind? Do we plan to update? Do we have court cases held up because of this?

No we are no longer behind in making payments to the Prosecutor's office. There are no court cases being held up because of issues related to payment.

5. A few months ago pro-bono lawyers went on strike. Is their payment calculated in this budget? Projection done how much will have to pay to them for cases still to come?

Outstanding payments have recently been made to the Lawyers in question for the "kosteloze rechtsbijstand". Funds have been allotted for payment of these lawyers in the current budget. Considering the amount paid in previous years and the possible increase in the Lawyer's Fees, there is a realistic possibility that this amount will not be enough.

6. When last was training with police done?

Police training is a continuous matter. Classes for the Basic Police Training started again this past October. In agreements made with the Netherlands the Dutch are assisting the Police Force by providing Police trainers and coaches. Training of a new group of cadets will take place next year.

7. Coastguard: after training only work for 5 years. Is there any way we can amend the laws to be able to allow them to transfer into the Justice Ministry? What are possibilities to create a transfer program?

There are two separate groups, the first one concerns Personnel working at the Coast Guard before 2016. When their first 5 years of service is coming to an end, the Coast Guard offers the possibility for them to follow relevant courses in order to assist them with transferring to another sector. The

Coastguard covers all these training costs. (Because the certification of before 2016 was not accredited).

This period of five years is determined by law in the Coast Guard Kingdom Ordinance (Kustwacht Rijkswet). This period of five years can be prolonged with five extra years as long as this second term will not bring the person in question over 30 years of age.

The second group concerns personnel working at the Coast Guard as of 2016. Starting in February 2016, the coast guard implemented a new training system which covers 2 years. This training includes the entire Basic Police Training which is also accredited by the Police Academy in the Netherlands. The intention is that those who complete this training can transfer into another department in the Justice Ministry.

There is no need to amend any laws to make this possible because of the aforementioned change.

MP Christophe T. Emmanuel

8. How many foreign nationals do we have working without a residence permit?

The Ministry of Justice issues residence permits. Normally a foreign national needs a work permit (ter werkstellingsvergunning), before he or she can receive a residence permit. The Ministry does not have insight into how many foreign nationals are working without a residence permit.

9. What are the possibilities of implementing Tourist driver's licenses?

Sint Maarten is required to accept driver's licenses issued by *states which are party to the Geneva Convention*. *It is therefore not feasible to implement Tourist licenses.*

What has however been considered is the levying of a fee for visitor's making use of foreign driver's licenses. Government's (legal) advisors have however advised against this initiative. Nonetheless, I will instruct my ministry to revisit the matter.

MP Sarah A. Wescot-Williams

10. **Crimefunds: can Parliament receive an overview as far as this fund is concerned?**

Yes copies of the requested overview have been submitted to the Chair.

11. **What is the status of the protocol for the strengthening of the judicial chain between the Netherlands and Sint Maarten?**

The status of the implementation of this protocol is as follows:

The Netherlands has invested in the strengthening of primarily the R.S.T, the Court of Justice and the Public Prosecutor's Office. This is the 22 million which has locally received wide spread attention.

The four Ministers of Justice of the Kingdom signed an M.O.U. with the U.S.A. aimed at further strengthening the cooperation.

The Netherlands has provided expertise towards training of (cadets and) members of the police force.

The cooperation between the Police Force and the Royal Marechaussee has also been strengthened.

This matter will be further discussed during the upcoming Justitieel Vierpartijen Overleg in January of 2017.

Ministry of Teatt

Minister of Teatt

MP. Tamara Leonard

1. Is the income from the business license already based on the Leges ordinance change and increase?

Answer:

Changes to current Leges ordinance are being made and still needs to complete its legal trajectory after which it will be presented to parliament for approval. The new fees will be taken up in the budget of 2018 and put into effect in 2018.

Will the Min. TEATT find ways to adjust the law to allow persons with employment to be able hold a vending permit?

Answer:

The law does allow for a persons with employment elsewhere to hold a vending permit however it requires the vending activity to be the main source of income.

MP. Theo Heyliger

2. The loss of tourists at harbor and airport, what is the plan to get them, the volume of visitors, back?

Answer:

Your assumption is incorrect as airport figures reflect an upward trending arrivals and though the cruise arrivals recorded a contraction in 2016 the decline was due to Disney and Norwegian reducing their number of calls. Based on the reservations 2016 is projected to have 1.7 million PAX, with improvements in 2017 and 2018 recorded 1.75 mil PAX and 1.85 mil PAX respectively.

3. What is Government's position to get back and stimulate future business?

In order to stimulate future business, cooperation is required from all ministries by first and foremost reducing the red tape.

As it pertains to efforts of the Ministry of TEATT, with a limited budget, the Ministry is focusing on supporting Small & Medium Enterprises (SMEs) and Micro businesses, by providing workshop, trainings and access to micro financing.

Additionally, from a tourism perspective, new initiatives such as home porting and overall marketing initiatives will continue to foster our main economic pillar, which is Tourism.

4. Does St. Maarten have marketing firms in the respective countries? Money spent in 2016, what was spent on marketing (i.e. budget vs. spent) where do we have agreements? Programs and/or activities

The tender process for selecting marketing representations has been completed and the firm selected yet not all market have finalized the approval process for said firms to commence their activities.

- Cooperative Campaigns: Trip Advisor, Expedia, Sunwing, COPA, TUI, KLM & Pullmantur
- Marketing Programs: SXM Travel Agency Program, JackRabbit.
- Destination Marketing Initiatives for the Caribbean Countries: Trinidad Media & Puerto Rico Social Media Campaigns.
- Other Partner Initiatives: Poker Tournament.

The material expense budget 2016 for tourist office was 4.7 million ANG of this budget 4.2 million has been reserved and or spent for various initiatives.

North American Market

- Spring O Brien – North American Contract (US & Canada)
- Destination Marketing Miller-Aird as a Sales Representative/Multi-Liner in the United States.
- Juant Marketing & Consultant – Sales Representative in the Canadian Market 2016-2018
- Trip Advisor Campaign
- Expedia Coop. Campaign 2016-2017

- St. Maarten Travel Agents University Program
- JackRabbit System Renewal License
- SunWing Coop. Campaign
- World Series Poker Caribbean Destination Tournament in SXM

European Market

- AVIAREPS Benelux - Marketing Firm in the Benelux Market
- KLM Social Media Campaign
- TUI Cooperative Marketing Campaign 2016

South American Market

- Interamerican Travel Network – Contract
- COPA, SXM & AXA MOU 2016 – 2017
- Pullmantur Marketing Campaign

Caribbean Market

- Puerto Rico Social Media 2016-2017 Campaign
- Trinidad Marketing Campaign 2016 - 2017
- Caribbean Tourism Organization Dues 2013, 2014 & 2016
-

5. BTP: What kind of expectations from BTP in terms of monitoring communication system (availability of internet and telecommunication service on the island?)

Answer:

According to BTP they have purchased equipment which allows them to measure the mobile and fixed broadband services delivered on the island. They have started a pilot project in May 2016 and expect to have data results in Q1 2017, after which the services providers will be informed if any violations have been made and they will then be given 6 months to make the necessary amendments to their networks.

This is an important step to work towards improvements, and BTP expect to see major improvements within a few months.

6. What is the amount that BTP is going to be paying government in 2017 (dividend)?

Answer:

BTP does not pay "dividend" to government. As per Art. 21 LvBTeP, BTP settles quarterly with government on the net results of operations.

Based on the submitted budget for 2017 by BTP; projected contribution to government as per Art.21 is ANG 1,898,182.00. This contribution is strongly dependent on the compliance if the larger concession and license holders as it relates to the settlement of their annual concession, license and spectrum fees.

BTP contribution to government in 2016 to date amounts to 1,121,236 ANG.

7. Can we see a travel budget from BTP and what they have been able to achieve from these travels?

Answer:

The total travel budget for 2017 is set at ANG 272,183

In 2016 the travel budget was also ANG 272,183 of which approximately 93% has been spent to date.

This can be categorized as follows:

- Training Travel: ANG 118,620.00
- Conference Attendance: ANG 122,063.00
- Postal Meetings: ANG 13,500.00
- Telecom Meetings: ANG 18,000.00

MP. Claret Connor

8. Steep decline of 500 thousand cruise passengers that caused short fall in budget 2016: specifically with that cruise line is government seeking to bring that cruise line back? If yes how?

Answer:

The decline was due to Disney and Norwegian reducing their number of calls, given the fact that they have invested in Tortola and are now making calls there. These lines are still coming to St. Maarten, but they are making fewer calls.

However, MSC, Mediterranean Shipping Company, the number 3 cruise line, will be making up for that loss with its visits to St. Maarten.

Nonetheless, both the Minister of TEATT and The Harbor are engaged in discussions geared toward having these number of calls increased as well as realizing other initiatives such as home porting.

And as previously stated the project passenger arrivals for 2017 and 2018 has shown an increasing trend.

MP Frans Richardson

9. Will there be new incentives, particularly for small businesses?

Answer:

The Ministry of TEATT will provide stimulus in the form of trainings and workshops. Throughout 2017 the Ministry will provide at no cost the SME community monthly workshops, seminars and trainings. Additionally the Ministry is pursuing the introduction of a micro financing program that will provide unsecured micro loans up to US \$25,000 for qualified SMEs. The Ministry will continue to work along with the Ministry of finance as it pertains to any fiscal measures.

10. Material cost decrease in 2017 compared to 2015 & 2016. Why has the Minister of TEATT's material costs decreased?

Answer:

Minster of Finance

11. 8240 STB decrease in material cost. With competition increasing, the budget must be increased overall.

Answer:

Minster of Finance

MP. Rudolphe Samuel

12. For the regular man on the street, why is Backstreet not in order? To read in the papers that emergency repairs will be done in the night, why couldn't the repairs be done 6 months or a year ago? Why can't these things be done?

Answer:

The current repairs are emergency repairs only. The reason that back street could not be done 6 months ago, is because the capital expense monies were not available at that time. However this project is key to our tourism product and the Minister of TEATT has stress the need and importance of on commencing this project as soon as possible.

13. New aspect in the tourism industry, all-inclusive at hotels. How does this impact the income of Government? Does this make a difference?

Answer:

Minster of Finance

14. Did cost of living go down compared to 2015 and 2016 with respect to cooking gas going down? Any impact on cost of living?

Answer:

The Consumer Price Index on Sint Maarten is heavily influenced by the price developments of the petroleum products. The developments in the consumer prices recorded for Electricity, LPG, Gasoline and Diesel on Sint Maarten observed a trend of declining consumer prices. These products which largely affected the level of inflation/deflation are recorded in two of the major expenditure categories; namely Housing' (39%), 'Transportation and Communication' (20%).

The inflation on Sint Maarten over the prior 3-year period has been declining. This continued decline has now lead to a rate of deflation in August 2016 at a rate of -0.3% as previously mention the consumer prices for Electricity, LPG, Gasoline and Diesel largely affected the level of inflation/deflation are recorded in two of the major expenditure categories and ultimately the overall inflation/deflation rate.

MP. Theo Heyliger

1. How many lottery licenses are currently operating and why the difference of fees between lottery companies?

Answer:

A total of 7 lottery licenses have been issued by the Government of Sint Maarten, of which, 4 are currently operating. The fees depend on how many games and the types of games that are allowed per lottery license.

There is a maximum of 4 lottery games that can be issued per license. The types of games and the relevant fee are:

- Lotto: Naf 30,000
- Number lottery: Naf 12,500
- Scratch lottery: Naf 12,500
- Sweepstakes: Naf 20,000

MP. Ardwell Irion

2. How much money was budgeted for small business training? Who will be doing the training?

Answer:

ANG 22,500 was budgeted for 2017 for Small & Medium Enterprises (SME) development. However the Ministry is party to an EU funded program geared towards SME development. The Ministry has been working in collaboration with the EU program to provide support for SME's. The program also provides qualified trainers for the trainings, the program will be funded throughout 2017.

3. What trainings were done this year and what type of trainings were done?

Answer:

The following Small & Medium Enterprises (SME) trainings were done this year:

- Standards for production
- Business planning & organization management
- Financial planning and Management

- **Businesses development and market orientation**

4. Is the budget of TEATT aligned with the EDP?

Answer:

As much as possible where applicable. Many of the suggestions in the draft EDP do not require monetary support.

MP. Cookie Bijlani

5. What license fees will be raised?

Answer:

The intention is to raise Business and Public Transportation license fees across the board, with the exception of vending permits which will be reduced; however, in order to do so, the existing legislation will first have to be amended.

MP. Claret Connor

6. Since 2014 what has government done with the Economic Development Plan (EDP) that was started?

Answer:

The Ministry TEATT conducted several stakeholder consultation Work Groups to obtain more expert feedback and input. Based upon that input, the Ministry has revised their initial framework into a draft the Economic Development Plan (EDP) which is presently being reviewed for final comments.

Even though the EDP is pending final approval, the Ministry has taken the initiative to start with several of the projects specially the stimulation and promotion of SME's. This includes free trainings, and workshops, and providing access to micro-financing.

7. The Minister representing Ministry TEATT indicated that the only contract signed is the European/ Benelux market, how are we marketing in the interim of the contracts that have not yet been signed?

Answer:

Due to the fact that no decision has taken place on the marketing contracts, the Ministry is NOT allowed to execute activities without the required approval. Consequently, there has been limited amount of marketing activities. Marketing initiatives which we do have an agreement and are actively marketing the destination are; TripAdvisor, Expedia, COPA, Pullmantur, XL Airways, and TUI.

MP. Christophe Emmanuel

8. How many car rentals companies have been counted this year, how many cars has been rented on this island?

Answer:

A total of 152 licenses have been issued for car rentals to date. Of this amount, only 72 are actually operational, which represents a total amount of 2,574 rental vehicles on St. Maarten. (See summary below)

QUICK SUMMARY OF CAR RENTALS

NUMBER OF LICENSES ISSUED	TOTAL NUMBER OF ALLOWED VEHICLES	TOTAL ACTIVE LICENSE (Conf. Sheet 2016)	TOTAL VEHICLES IN USE
152	7,960	72	2574

MP. Silvio Matser

9. What are we doing to attract investors to the island?

Answer:

The Ministry TEATT has developed a plan to attract foreign investment through the investment guide package which includes a website promo video and promotion material to be used by the government when travelling and having discussion with potential investors.

The website is now up and functional and the promotional materials is currently being printed. An official launch will be presented in 1st Quarter of 2017.

Additionally we will use the Economic Development Plan (EDP) to actively seek and develop a strategy to target the specific sectors / investors.

MP. Rudolf Samuel

10. Are there official meetings been held between the public and the private sectors/ stake holders in terms of economic issues?

Answer:

The ministry of TEATT has regular and ongoing contact with our key stakeholders both public and private. This is crucial in our policy making processes as well as our analytical processes when monitoring the economy.

11. Can a Brief presentation regarding "home porting" be given to parliament?

Answer:

The harbor will provide a presentation in hardcopy and are willing to provide a presentation to parliament after the budget debates.

12. Was the harbor of St. Maarten making a profit before the loss of cruise lines this year or has there been losses in budget for numerous years?

Answer:

Based on the SOAB report which covered the financials of the Harbor for the period 2011 to 2014, a loss was recorded in 2014 only.

MP. Sarah Wescott –Williams

13. 4.7 million ANG has been budgeted for the TEATT, what has been done with this money, what has been spend to promote St. Maarten?

Answer:

Of the 4.7 million Guilders 87% of that budget has been spent and/or reserved for the following activities and representation in our main markets.

	<u>North American Market</u>	Amount (ANG)
<i>Not active</i>	Spring O Brien – North American Contract (US & Canada)	900,000.00

<i>Not active</i>	Destination Marketing Miller-Aird as a Sales Representative/Multi-Liner in the United States.	84,240.00
<i>Not active</i>	Juant Marketing & Consultant – Sales Representative in the Canadian Market 2016-2018	135,000.00
<i>active</i>	Trip Advisor Campaign	178,000.00
<i>active</i>	Expedia Coop. Campaign 2016-2017	178,000.00
<i>active</i>	St. Maarten Travel Agents University Program	46,800.00
<i>active</i>	Jack Rabbit System Renewal License	40,050.00
<i>active</i>	SunWing Coop. Campaign	225,351.00
<i>completed</i>	World Series Poker Caribbean Destination Tournament in SXM	135,000.00
	<u>European Market</u>	
<i>active</i>	AVIAREPS Benelux - Marketing Firm in the Benelux Market	468,547.63
<i>active</i>	KLM Social Media Campaign	34,500.00
<i>active</i>	TUI Cooperative Marketing Campaign 2016	57,500.00
	<u>South American Market</u>	
<i>Not active</i>	Interamerican Travel Network – Contract	720,000.00
<i>active</i>	COPA, SXM & AXA MOU 2016 – 2017	237,600.00
<i>active</i>	Pullmantur Marketing Campaign	271,803.17
	<u>Caribbean Market</u>	
<i>Not active</i>	Puerto Rico Social Media 2016-2017 Campaign	37,800.00
<i>Not active</i>	Trinidad Marketing Campaign 2016 - 2017	32,450.00
<i>active</i>	Caribbean Tourism Organization Dues 2013, 2014 & 2016	600,156.00
	87% of total Marketing Budget 2016	4,110,994.63

14. ST. Maarten Tourism Authority is under budget. Under the Ministry TEATT the following institutions were supposed to be established 1. The gaming control board, 2. Consumer Authority and the St. Maarten Tourism Authority (STA), what amount of money will go to the STA. There is also no mention of these institutions in the budget for 2017.

Answer:

The ministry of TEATT will be focusing on establishing the legal framework for the Gaming Control Board (GCB) and Consumer Authority. This activity does not require any budget as the Central bank is assisting with the legal aid.

The startup necessary for the establishment of these institutions aren't budgeted for due to the current financial constraints. Nevertheless the ministry will continue to work on the legislative trajectory necessary for their establishment.

Minister Arrindell will provide information regarding the 2017 budget and the STA during the next meeting on the debate.

15.Regarding the negative opinion that the General Audit Chamber (GAC) has given about the functioning of the BTP. Has, and if so what has BTP done so far with the recommendations of the GAC. Could you please provide us with an overview?

Answer:

As it relates to the recommendations and advices, as presented in the General Audit Chamber report of 2015, it can be confirmed that the review, and implementation has taken place within the organization for 80% completion.

Several policies based on the attention points and recommendations of the GAC have been submitted for consultation between the Supervisory Board, Minister TEATT and the director of BTP SXM.

It is expected that the final ratification and approval of the remaining 20% of these policies and adaptations will take place within short and that these can be fully implemented within BTP operations by Feb 2017.

Ministry of VSA
Minister of VSA Emil Lee

Round 1

MP Theo Heyliger

1. Did the discussion on National Health Insurance take place with unions and stakeholders?

ANSWER:

Yes, several discussions were held with stakeholders as part of the process to get feedback on the draft the legislation. Consultation with the various labor union representatives - GOA & the Windward Island Chamber of Labor Unions which include WICSU, WIFOL, WITU, NAPB & ABVO. We have also met with representative from the Social Economic Council, St. Maarten Hospitality & Trade Association, Ministry of General Affairs, Ministry TEATT, Ministry Justice, Seniors associations, insurance companies among many others. The process of gathering input and feedback on the proposed health insurance scheme started as early as 2010. NHI remains to be an ongoing process. We have more stakeholder consultations to take place in January. We are very adamant about getting buy in from all stakeholder to ensure that NHI will be successful.

2. What is the government's position on financing the new SMMC, how is this going to be done?

ANSWER:

Government is not financing the hospital, SMMC had put together a consortium of lenders who are willing to finance the new hospital. However due to the court case by VAMED this has been delayed. Government will do all in its power to encourage workable and affordable financing can be obtained.

3. In the past SMMC was not in a position to pay tax etc , is an arrangement between government and SMMC still in place?

ANSWER:

As of the end of 2015 SMMC has a tax debt to Government and SZV. They have entered into a monthly payment plan with the Receivers Office and SZV to cover the money owed. As of 2016 SMMC is current with all obligations.

4. How is SMMC doing now?

ANSWER

SMMC is struggling to make ends meet. There are several structural issues that will be addressed with the implementation national health reform of which NHI is a part of.

5. What kind of help/financially is being given to SMMC from Government? Have you had to give any financial injections into the operations of SMMC?

Government has not given any financial support to SMMC.

6. There was a large amount of money in the water reserves, what has not been done that has allowed for such an accumulation of the money?

ANSWER

The amount of money in the water reserve is an accumulation of money received from the sale of water over many years. Over the years money from this reserve has been used for water distribution upgrades such as the development the Pointe Blanche water tanks, digital water meters, and new piping.

7. If 17 million was taken from the water reserve, how does this affect the investment plan for our water supply and infrastructure? Can you just take the money out? What is the policy?

ANSWER

The 17 million that was taken from the water reserve, does not endanger any future investments.

The policy is simple based upon a long standing agreement with GEBE. If water sales are less than costs government has to pay the difference to GEBE. If sales are greater than costs GEBE is supposed to pay the money to government. A reasonable amount for maintenance and development always should be available however the current reserves exceed what is needed.

8. Can the population expect a decrease in the water rates in 2017?

VSA does not set water rates. Any price decrease or increase in the future would be based upon sound economic planning.

MP Frans Richardson

1. Can the Minister of VSA provide information on the reasoning for the huge differences of previous years of expenditures for the cabinets in comparison to Justice cabinet.

ANSWER

The Cabinet of VSA's budget has been consistent for the last several years and we cannot answer for other Ministries.

2. On page 18 budget post # 7210 an amount of 1,094,050 guilders is budgeted for the Department of Social Services. Are the elderly and vulnerable persons assisted by this department? What was the 386,000 guilders for material cost in 2016 spent on? Who is this department assisting and in particular for this budget post? Have any Reports been made and provided to Government and if so please share them with Parliament.

ANSWER:

The department assists all persons who are vulnerable and unable to meet their basic needs. This does include the elderly who need assistance. The cost center #7210 relates solely to the costs for personnel expenses and other material costs for the Department of Social Services. From the 386,000 guilder 20,000 was used for training the staff, 150,000 is reserved for home repairs for the elderly and about 10.000 is related to customer and staff appreciation. VSA submits monthly financial reports to Finance.

3. Page 19 Budget post # 7260 Regarding the Department of Community Development, Families and Humanitarian Affairs there is an increase of about 80.000 guilders from 2016 to 2017 which roughly is 80% for Personnel expenses and 20% for Material Cost.

Please provide a breakdown of the social development initiatives that have been carried out with this budget?

ANSWER:

Community Development's budget always had approximately 80% of its budget allocated to personnel. The increase in 2017 budget for Personnel is related to the annual increments and an increase in employer's contribution for pension (APS). The increase in budget under material costs are related to the personnel for the Community Helpdesk and an increase in projects.

The Projects, amongst other, are Social Empowerment Programs, to equip, in particular, the vulnerable population with added skills to better their living conditions and by extensions impact the communities in which they live in.

4. On page 21 budget post # 43480-47810 Elderly Benefits (uitkering oude van dagen) and Pension Benefits (Onderstand bijwijze van Pensioen) are on zero. Has this moved to another section of the budget? If so can you provide information on this and explain the reasoning?

ANSWER:

The Benefits for the Elderly or Uitkering Oude van dagen is the budget post used to subsidize the White and Yellow Cross. However, there was a change made in the legislation which now recognizes elderly care as a care product to be covered by

AVBZ funds. This is to ensure that the care service reaches the relevant target group. Regarding the budget for Pension Benefits, this is specifically for Civil Servants and has been transferred to P&O.

5. For budget post 44301 Subsidy to Companies (subsidie aan bedrijven), in 2015 and 2016 no amount was budgeted, however in 2017 there is an amount of 1,576,800 guilders budgeted.
- Please explain what the budget is for?
 - Which (type of) companies qualify?
 - What are the requirements for qualification?
 - What are the reporting requirements?

ANSWER:

The budget for Subsidies to Companies, which used to be on budget post # 44201 is now allocated under budget post # 44301. The subsidy is mainly used for foundations that carry out social and health related programs for vulnerable groups such as elderly, abused women, and/or at risk youth.

The requirements to qualify are stipulated in the subsidy ordinance. The reporting requirements, such as the social report and financial report due by June, are also stipulated in the subsidy ordinance.

Round 2

MP Claret Connor

1. How does the financing and the development of the medical center affect the ownership moving forward? If we develop a new structure for something we do not own, how do we then have control of the expenses and costs of health care?

ANSWER:

The current proposed financing structure of the new general hospital building will not affect the ownership of the medical center. The management of healthcare institutions and in particular hospitals and tariffs for all public health care are regulated through legislation.

MP Tamara Leonard

2. With regard to the employer/employee contributions to the proposed National Health Insurance plan, how much of an increase is necessary to sustain the program?

ANSWER:

A scenario model is being developed in consultation with actuaries and stakeholder to calculate the contributions needed to sustain the National Health Insurance plan. This scenario model is still currently being worked on and will be finalized in the near future.

3. Are there provisions in the budget to cover the losses regarding the VAMED court case?

ANSWER:

The VAMED court case was against SZV, not Government. Therefore, there are no anticipated impact losses at this time for government's budget. SZV is planning on appealing the decision.

MP Christophe Emmanuel

4. Is it true that the Secretary General of the Ministry of Labor gave permission to terminate the MAHO staff?

ANSWER:

MAHO formally known as Resorts of the World NV, has been working on the restructuring of its organization. The organization submitted an application for the dismissal of nine employees. Based on the governing legal framework, the file submitted which includes the advice of the legal counsel of the Labor Affairs Agency, the Dismissal Advisory Committee, and all substantiated documentation by the employer and employee, the Secretary General of Public health, Social Development and Labor granted approval for the dismissal of the employees.

5. Were these staff members compensated after termination?

ANSWER:

All decrees issued on dismissals are under the condition that all applicable legislation is adhered to.

6. What was the advice of the Dismissal Committee?

ANSWER:

The Dismissal Advisory Committee advised the SG VSA to deny the permission to terminate the employees. However, review of the complete file substantiated the decision of the SG to grant the dismissal request.

7. If the Judge ordered MAHO not to interfere with the employees until the hearing of the second court case, why were they terminated then?

ANSWER:

The Court ruling does not affect the Dismissal request, as this Court case was not in relation to the dismissal.

MP Sarah Wescot-Williams

8. Could the preliminary results of the health survey be provided to Parliament?

ANSWER:

Upon your request, a copy has been provided to Parliament.

9. Is the increase to 65 still to be studied or has it been decided that we will establish 65 as the age for pension?

ANSWER:

The final decision to increase the pensionable age to 65 has not been finalized. The proposals are based on feasibility studies and are presently being finalized for decision-making.

Clarification Round

Christopher Emmanuel

1. Could a copy of the Dismissal Committee Report be provided?

ANSWER:

I will have to check with legal experts if such a document can be shared. If it can I will gladly provide it to Parliament.

Ministry of ECYS

Minister of ECYS Silveria Jacobs

MP Theo Heyliger

1. The school bus budget has decreased, does this mean that this issue has been resolved with the bus drivers. Have we met with the bus operators and how are we going to continue. Or will this problem be dealt /continue in the meetings of parliament? How will this be handled?

Answer:

Seeing the complexity of the subject, and legislation, budget and execution are under two ministries TEATT and OCJS, the issue has not been resolved as yet. The policy development is in progress and the draft has been presented to the stakeholders who are currently studying the policy to give feedback. Given the importance of the subject to the bus drivers they need time to do that. An action plan is being worked out, given the financial situation of the country to speed up the process. A follow up meeting will take place with the SBOA to discuss their feedback on the policy. In addition, Ministers agreed that eventual shortfall in funds will be secured funds for 2017 by MIN OCJS and MINTEATT.

MP Claret Connor

2. 99 million in subsidies go to various organizations (foundations, schools). How are subsidies to organizations being managed and the spending of the money being monitored? Is there room for improvement

Answer:

Subsidies to organizations are managed based on the General Subsidy Ordinance. The monitoring thereof is also based on the ordinance, though this is a work in progress. Organizations are required to submit financial reports that are reviewed by the departments and SOAB assists with the auditing of the organizations. The process of establishing performance indicators for the organizations is being worked on. This is expected to make it easier to evaluate spending and the value/outcome of the services to the target groups and policy areas.

For schools the subsidy is based on a yearly request. The Inspection of OCJS does the control of the expenditure of the subsidy. The schools submit yearly reports on the spending. The Inspection signals to the minister if the spending is not used for the provision of education or in breach of the educational laws. All expenditures not used for provision of education must be reimbursed to government. In the near future, the funding of schools will be secured via an 'LBHAM Bekostiging scholen', as stipulated by existing education legislation.

3. What is the status of the organizations that are receiving subsidies annually?

Answer:

The Ministry has an open relationship with these organizations. We also monitored that they are stably managed by professional staff such as managers and operational staff

MP Frans Richardson

4. What does student support entail and which students receives this support? Is it students studying abroad on tertiary level and NIPA? Why is the salary so high, 1.3 milj in 2016 and 1.7 milj for 2017?

Answer:

The Student Support Services Division (SSSD) has been in existence since 2010 and they also began offering services to secondary school students in 2015. This lead to an increase in work load and thus the need to acquire more staff. Effective education involves looking at children along a spectrum from those requiring the most individual assistance to those who are the most independent, and supporting their growth across all developmental areas: social/emotional, physical, language, and cognitive. The Student Support Services Division (SSSD) does just that: *provide care and support to students for the effective continuation of the developmental process.*

To attain the above, SSSD has as its core task the following:

- To provide assistance (Counseling, advising and support) to pupils/students and their parents;
- To monitor the social and emotional development of students/pupils in collaboration with the schools;
- To test school-age children in connection with special education;
- To provide support for the primary education processes taking into consideration the social and emotional development of the students.

The Student Support Services Division offers the following services:

- Psychological Services
- Counseling Services
- Social Work Services
- Speech Language Pathology Services
- Educational Diagnostic Services
- Career Guidance Services
- Parent Education
- Follow up services Child Abuse & Neglect
- Crisis Care

Other programs

SSSD also carries out various programs besides the direct services to our students. The programs are mostly preventative and supportive in nature and are also aimed at building capacity in the field (elementary and secondary schools). The programs executed for 2016

- Teacher Support Program – On-the job training whereby teachers were provided with information on techniques that can utilize to assist students in their classroom who are having learning challenges prior to referral.
- Special Education Testing & Analysis
- General Care Management Meetings – Quarterly meetings with care members in our schools. These meetings allow educational, informational, supportive and preventative in nature.
- Parent Support groups
- Parent Education Workshops

- Commencement of Speech Language and Pathology Screening grade 1 students
- Conscious Discipline Training
- Workshops for students going to the Netherlands
- Career Related Workshops – 9 workshops this year
- Career & Study Fair
- Aim High Project – Workshops for all group 8 elementary school students
- Support DPE who is the lead in the Educational Care Center project
- AGO testing administration and follow-up
- Analysis of care at Elementary school level

SSSD only provide services to elementary and secondary schools. In the case of career guidance counseling, services are provided to any student on St. Maarten, including those who have completed secondary school. These services include: preparation for the world of work and/or preparation for tertiary education.

SSSD does not provide any service to students attending NIPA unless said students came for career guidance. SSSD does not provide support to students in tertiary education abroad.

Current Formation of SSSD

- 1 Division Head
- 3 Psychologists
- 3 Social Workers
- 1 Orthopedagoog
- 2 Speech Therapists
- 2 Career Guidance Counselors
- 1 Secretary
- 1 Administrative Officer

In 2017, one additional person will be joining the staff of SSSD. A local speech therapist was hired and she will be returning home in 2017. All other costs are related to the salary expenses of the 14 staff members employed at SSSD.

Clients

Our primary clients are the students referred to us and our indirect clients are parents, schools, SJIB and other persons/entities that are involved with the client. Our aim is to utilize a holistic approach when providing support services to our clients.

SSSD currently has 285 care clients and 108 active Career Guidance clients. Total clients at SSSD: 393

5. Sports budget is 2.300.000,00 and salaries 1.100.000,00. Where will sports find the money to support their programs? Would government consider recruiting pensioners to assist with the development of sports and culture? We are sure that many retired persons in our community who are still able, would love to make a contribution for a little stipend. It might just prove to be effective and efficient.

Answer:

➤ *Sport*

The salaries the Department of Sports covers the expertise needed to establish a functional framework for sports on the island. These salaries are related not just to the Department, but to execution staff charged with swimming and with maintenance and upkeep of sports facilities. The remaining funds are used to not only support Department of Sports programs (of which there are 2; namely institutional strengthening and sports awareness, which includes the annual Sports Seminar, Secondary Interscholastic Sports Olympiad, Sports Open House and Brown Pelican Sports Awards) and also external organizations' sporting programs throughout the year, such as the inter insular sports competition and incidental subsidies to various organizations covering a multitude of sports and sporting innovations.

Along with its key partners, the National Sports Institute, the execution arm of the Department and the St. Maarten Sports & Olympic Federation, the Department is working to ensure that sports on the island is enjoyed at all levels and reaches top echelons. In consultation with these entities, the recruitment of all qualified individuals, including retirees, will be considered. The National Sports Institute, which is directly engaged with the development of community sports programs

has been tasked with the staffing of those programs, including the usage of volunteers for a stipend, suggested budget has been indicated for this. In 2017 the Department of Sports looks forward to the roll out of several programs from NSI with the use of community based volunteers at all levels of sports, across several sports.

The use of sports as an income generator for interested parties, including retirees, is a topic that is currently being investigated by Department of Sports policy officer(s).

➤ *Culture*

Culture has acquired three new Staff in the recent year. That has caused an increase in the salaries for 2017. It is possible for seniors to participate as volunteers in the field of culture however, the amount stipulated is for policy officers. Culture does not have an executing body, it is a policy department. Subsidized entities can be encouraged to make use of senior citizens but the culture Department is not able to make use of this opportunity.

MP R. Samuel

6. In the past years, 2012-2015, can the Minister break down per ministry if each ministry uses all the money that is used by the ministry?

Answer:

The budget over the years 2013- until 2015 have grown significantly with more than 5 % annually. 2015-2017 indicate and confirm that MECYS budget 2016 was under budgeted with insufficient funds for increasing needs for education and funding of schools. Throughout the last years MECYS experienced consistent budget shortages / deficits due to the challenges with increasing needs in all of our 4 areas being Education Culture, Youth and Sport. As th education sector continues to be the largest budget of our Ministry, school funding and school bussing has been the main concern of these budget shortfalls.

2013	2014	2015	2016	2017
110.072.195	115.865.860	122.731.995	119.425.113	122.171.170

MP Christopher Emmanuel

7. Why is USM charging people \$100,- as registration fees?

Answer:

It is not uncommon to charge registration fees as university. USM is free to do so. Government only finances the Teacher Education Program. Almost every university charge administrations fees. For example Curacao charges also 100,- dollars. This is not a high amount, for example UVI charges not only administration fees but also property fees, medical insurance fees, and orientations fees. Administration fees are generally used to cover additional services provided to students for example issuing of academic records and the whole student administration.

Parliamentary Budget handling: Questions MinECYS, CC, Round 2

MP Thamara Leonard

Education

1) Ordinance on tertiary education- is this ordinance tailored only for VSBO/SBO students or general?

Answer:

The Ministry is preparing the Ordinance on Higher Education and this year the 'startnotitie' was completed, which is meant to explore the critical issues of Higher/tertiary education. All forms of Tertiary Education that are not yet covered in a law, will be covered by the Ordinance. SBO education is already covered in a law and will therefore not be subject to the Ordinance on Higher Education. We intend to present the new legislation to Parliament in 2017.

2) What are the policies and laws in place to improve the quality of education?

Answer:

Foundation based, secondary and secondary professional education are regulated by law. The Ordinance on Compulsory education ensures that all children and young adults must be in school.

The department has introduced an interim measure for better compensation of schools, the LbHam Compensation of Schools is in the final phase. Based on this compensation scheme secondary schools are now compensated for smaller classes, to ensure the quality of education.

Schoolboards are compensated for hiring of extra personnel in order to secure the quality of education and care in schools:

Onderwijs Ondersteunende functies
voor alle onderwijsniveaus

Nr.	Functienaam
1	Orthopedagoog/ Psycholoog
2	Curriculum Developer
3	Speech Therapist
4	Orthopedagoog/ Remedial Teacher
5	Social Workers
6	Pedagoog/ Verpleger
7	Schoolverpleegkundig e

The Ordinances on Foundation based education and secondary education will be revised as off 2017. These revisions will ensure that CXC, CAPE and IB will be covered in the law.

A ten year maintenance plan will be executed to improve the schools.

Policies for transitional classes, higher standards for vocational education, special education and an ordinance for supervision of education (LOT) are all currently being developed by the department of Education to ensure that no area of education is left out.

3) What is the new certification level of NIPA?

Answer:

The validation process has been positively completed for 4 programs, and additional validations of 8 programs are almost positively completed (including new programs: educational assistant level 4 and small engine repair level 1). These procedures are executed as stipulated in the Ordinance for SBO education.

a) There is 2.9 million budgeted towards NIPA. What are these monies being spent on for NIPA? A detailed breakdown of how monies are being spent.

Answer:

NIPA received an extension for handing in of their financial audited reports until Dec 2016. The reports has not been handed in as yet.

b) Is it possible for USM and NIPA to work together?

Answer:

Yes, they should in order to insure that students can stream from NIPA to USM: students who leave NIPA with a level 4 diploma need to be able to stream into the USM Bachelor Programs. The 2 institutes can work together especially when it pertains to the hospitality programs (NIPA wants to offer level 4 culinary and hospitality programs), the education programs (streaming from educational assistant 4 into the teacher training program) and in accounting programs.

c)What are the qualifications required to be admitted to the NIPA?

Answer:

For Level 1 and 2 programs: no qualifications needed by Law, for Level 3 programs: a PKL diploma, SBO2 diploma or HAVO 3 equivalent is needed, for level 4 programs a TKL diploma, SBO 3 or HAVO 3 equivalent. NIPA is also executing program formally call 'YDP' and Placement exam.

4) a. What are the possibilities of government to enter private schools to inspect to intervene if certain situations occur?

Answer:

Specific regulations has to still be put into place in order for the ministry to visit and inspect the private schools

b. How can we put a law in place with requirements to establish private schools.

Answer:

In 2017 the Ministry will revise the laws on Foundation Based and Secondary Education. In addition, preparations started to put into place a law on supervision of education. The required 'startnotitie' for this law has also been prepared in 2016 and with this the government has the instruments to supervise private schools also and have inspections executed in these schools.

5) What are the guidelines or policies in place for hiring educators? And are these policies being executed?

Answer:

The laws stipulate exactly what the requirements must be:

- Primary: four year BA in Education + FBE
- Secondary: four year BA in the subject a teacher teaches and MA in the subject for upper forms academic education (HAVO./VWO/CSEC/IB/CAPE) + teaching degree/didactical competence
- SBO: same as secondary (BA) or combination of 3 years' experience in the profession + combination of educational background and work experience is equivalent to BA level + didactical competence

a) What education background do these educators have?

Answer:

The majority of teachers have the back ground as explained above (68%). Schoolboards are given dispensation for teachers to up-grade according to standards

b) When hiring teachers for the public schools, are trainings on culture, background being given?

Answer:

Currently no specific training on culture is given in the public schools. The new Social studies book has however been introduced in 2014 and this includes subject related to our local culture.

6) With reference to compulsory education: Is it possible for ECYS to work with Immigration to have a better control on having children coming in on vacation and then staying on the island and being enrolled in our schools.

Answer

The Inspectorate and the department of education have recently indeed started discussions with immigration. I will receive a debriefing about the manner in which both Ministries can improve collaboration.

b. How can compulsory education be better controlled?

Answer:

a) For private schools that operate under a foundation that is established on St Maarten, which is the case with most private schools:

- the laws of St Maarten are also applicable to them (indirectly derived from the fact that the foundation has been established in St Maarten and operates on St Maarten)
- according to the current education laws: the foundations/private schools can be considered as a “bijzondere school:door een natuurlijke persoon of door een privaatrechtelijke rechtspersoon in standgehouden”

- according to the education laws; the Inspectorate of ECYS is responsible for the quality monitoring on public and all “bijzondere scholen”, also the private schools.

However:

- The schoolboard remains responsible of the decision making process.
- Since the current educational laws do not refer to the exam programs that private schools are working with: it is now legally not possible to develop policies that are applicable to these schools.

This is according to advice received from Legal Affairs (April 15, 2015) based on a request from inspectorate, because LU was resisting cooperation with Inspectorate.

c. How is this affecting the quality of education?

Answer:

The Inspectorate has signaled that it is difficult to get students who stream in throughout the year on the required level to go over to the next year, especially if they come in with gaps in their educational background. Some students do not speak any English at all: some learn fast, others don't. Research has been done by department of education in preparation of the introduction of transitional classes. These reports can be shared with Parliament for further information about particular challenges.

7) What is the policy and law for building and the maintenance of schools? What is the policy and law for cleaning of schools. How much monies are budgeted for cleaning of schools? Is there a bidding process?

Answer:

For the development of the 10 year maintenance plan a bidding was organized by VROMI and this has been prepared in collaboration with the department of education. The preparations will be completed but will require funds from the capital investments and priority setting. This will be prepared by the department of education in 2017.

When DPE schools needs immediate repairs done in any of the schools or at the office, Head VROMI Public Works is contacted by the head of DPE via email .The work is then assessed. If it can be done immediately and resources are available the needed assistance is given.

Otherwise it is outsourced to 3rd parties

Cleaning:

Subsidized school are responsible for the cleaning of their schools and are being funded for this.

For Public schools cleaning of schools actually falls under General Affairs, however due to the challenges faced over the last 4 years, where there is a shortage of government cleaners assigned to the schools, DPE was requested to assist Facility Management by allocating funds since 2012 for outsourced cleaning.

DPE in collaboration with Facility Management has developed a draft TOR for cleaning services covering the facilities and the maintenance of the premises (grounds) in the second quarter of 2016, which is to form part of the assignment which Facility Management Head had received for the reorganization of cleaning services for the government.

How much monies are budgeted for cleaning of schools? Is there a bidding process?

Answer:

The budget for outsourced cleaning services currently has seen a major increase since 2012 and from a Naf. 240.000 to approximately Naf. 300.000 in 2016. This has increased due to the removal of government cleaners during said period. To maintain a healthy and clean environment School Management requested to replace the government cleaners with cleaners from the outsourced company.

Cleaning:

The division of public education is responsible for the public schools and has private and government cleaning services. In the future, the division of public schools are indeed required to arrange a public bidding as less cleaning services will be provided by Facility affairs from government.

8) What is the relationship between ECYS and VROMI with reference to school repairs. How much is budgeted for school repairs?

Answer:

VROMI ensures the realization of high quality development through project management of diverse building, utility and civil engineering projects for St. Maarten. An example is contracting of field professionals for building of new schools, public housing or government and/or public facilities. Vromi is also responsible for the inspection and enforcement of laws in all areas concerning spatial planning and development. For example inspection of adherence to building codes and regulations, environment codes and regulations, as well as safety of electrical installations in buildings.

Below an overview of what is budgeted in school repairs for 2017.

Capital Investment	KD 2017
Heavy Maintenance Public and Subsidized School Milton Peter/Sundial	2,117,150
Critical Electrical and Cabling Upgrade Public Schools/Phase 1	1,000,000

As there are many challenges and signaled backlogs in all school and if these budgets don't increase, it will take more than 5 years to improve to (heavy) maintenance of schools. Alternative solutions to these problems will be reviewed in 2017.

Culture

9) Provide a copy of the policy regarding cultural Expressions.

Answer:

A copy of the Integrated Cultural Policy Framework has been provided to the Chairlady of Parliament. In subsection number five of the Integrated Cultural Policy Framework the entire heading is geared towards explaining government's vision on Cultural Artistic Expressions of which specific policies are being worked out. One in particular at the moment is that of Talent Development.

10) What is the total breakdown of the costs associated with John

Larmonie Center

Answer:

The total cost of the John Larmonie Center is earmarked under Capital Expenditures at an amount of NAF 2,500,000. Currently the project is in the phase of reviewing a number of tenders that were submitted. The Ministry of VROMI under the auspices of the Department of New Works leading the way by assisting the department of Culture in reviewing these documents.

- 11) Provide a detailed plan for the realization of the 2017 budget as far as costs related to the design and construction of the Performing Arts center?

Answer:

The Ministry of Education, Culture, Youth and Sport commissioned in August of this year an architectural company to render a state of the art conceptual design of a Performing Arts Center containing the wish lists of key stakeholders of arts and culture that would be frequently using a building as such once is completed. At the moment the design is being studied and once that is done a concrete detailed proposal encompassing the size of the foot print of the building/required parking and the cost attached to finalizing it will be made available to the Council of Ministers for further deliberations.

Question MP Rudolphe Samuel

- 12) What is the update on the Language policy motion? What is the plan of approach?

Answer:

The Department of culture is currently working on a departmental framework on the language policy as it relates specifically to the local St. Maarten English from a cultural perspective. A task force would need to be established between all ministries with the leading Ministry being the Ministry of General Affairs followed by the Ministry of Education, Culture, Youth and Sports. From the Cultural perspective the department of Culture has been actively busy putting a framework together on the best ways forward to safeguard what we called the St. Maarten twang our local St. Maarten English.

Ministry of VROMI
Minister of VROMI Angel Meyers

Budget 2017: Questions of Central Committee round 1

MP Theodore Heyliger

- The Rent Committee, how is this functioning?

The Rent Committee is by law an independent authority. There was a bottleneck and some delay in the processing of cases at one point in time whereby at the turn of 10.10.10 the appointment of the members of the committee before obtaining country status were not automatically transferred to the situation of country. In the meantime, this has been corrected and the members are officially appointed, as a result of which they can continue to process all cases brought before them.

The expenses of the Rent Committee are covered within the VROMI section of the budget.

- Hurricane cleanup, is there a policy on how people are chosen after a hurricane for the cleanup of the island? Who monitors how bills are paid out and is there a policy for that?

At the beginning of the hurricane season a public notice is placed in the newspaper to invite all capable and interested contractors to provide information about the company to VROMI, including a listing of available equipment, the quality of the equipment and insurances. Contractors are as much as possible pre-assigned to their respective districts in the event of cleanup activities. In general, the turnout of contractors during this process is very low.

During the execution of cleanup works, project leaders/supervisors (Infrastructure Management personnel) are assigned to specific district / areas and contractors that supervise and monitor the works, and account for execution of the works by means of a daily worksheet. Once the daily worksheet bookings are agreed to, these are signed off by the contractor and the project leader/supervisor and submitted to the administration at VROMI, based on which a listing is prepared for the Financial Controller.

After the calamity is dealt with, an advice is made to approve the payments.

MP Claret Connor

- Can the Minister provide all information about the Pearl of China project in order to be able to understand the future of SXM? When, who and how will this affect the countries budget?.

The Government has issued a letter of intent to support the project of the Pearl of China as an important investment to boost the economy of Sint Maarten. The project entails a hotel with 326-rooms, a showroom and 450 apartments. It also includes a multi-level parking garage and improvements to the beach. Currently the Government is preparing a draft zoning plan for the site of the project, as the project entails a building height that is more than what was allowed in the planning permit for the site and in the draft zoning plan for the Cay-Hill / Little Bay area. In addition, a preparatory resolution has been declared for the area, to separate this area from the procedure of the original zoning plan that was in preparation for the larger area.

An application for a building permit has been requested for the new hotel development, and this is currently under review. It should be noted that a building permit for a hotel was already issued for the site since 2007, which in effect is still valid. The new permit application is for a different building, especially in terms of the proposed building height. Recently a ground breaking was held for the project, however this was based on the building permit that is still in effect, while the new building permit request is still under review.

During the construction phase, with an investment amount projected at US\$ 120 million, the project is expected to provide jobs for about 200 persons. Furthermore, the project is expected to provide 400 permanent jobs on the island, mostly in the hospitality industry.

MP Frans Richards

- The purchase the Emilio Wilson Estate was for NAf 30.7 million, with an annual interest repayment of NAf 567.950. Can Government please confirm that the amount of NAf 533.344 long lease with a balance of 82.7 years is in fact the amount that has been paid and will continue to be paid for the Emilio Wilson Estate annually. Is the Government going to be the one to carry the loss for almost 58 years on the long lease?

The annual long lease to the Government for the Rain Forest Adventure project is an amount of NAf 429.492. This does not include the benefit in terms of employment opportunities that the project is offering to the island, and the other taxes that will be paid in the operation of the project.

- Government Long Lease generates according to the Long Lease Overview which is part of the 2017 budget an amount of NAf 5.1 million in 2015 in total. Provide a breakdown of the long lease revenues between commercial and residential.

At present, based on the current setup of registry of the long lease cases, it is not possible to provide an overview of the amount of cases of residential long lease versus commercial long lease, or other functions. In the past, the long lease registry was not prepared in such a manner that this distinction can easily be made in terms of statistically, only on a case by case basis. It is the intention in the future to update the registry so that this information can be obtained.

MP Rudolph Samuel

- Why is Backstreet not in order? To read in the papers that emergency repairs will be done in the night, why couldn't the repairs be done 6 months or a year ago?

The Capital Budget for VROMI has been depleted, as a result of which it has not been possible to carry out these major repairs. It was decided that the roads should be redone in the same bricks as was originally done, instead of in asphalt. This year an agreement was arrived at between the Harbor and the

Ministry of TEATT for the pre-financing of the project, The funds for the project are earmarked on the capital budget section of TEATT, however the contract for the execution of the works has not been signed as yet in order to release the funds project.

As an emergency repair for the season, it has been decided to repair the worst sections of the road with asphalt, to make the road drivable.

- Did anything concrete come about with respect to a solution the garbage situation to keep down growth of dump?

The intention of the Government as a long term strategic policy to realize a waste to energy facility on Pond Island, to be financed by private investors and paid for through the sale of electricity to GEBE for the electricity grid. However, the negotiations with a potential investor, based on a tender held in 2013 did not materialize into an agreement for the project. As such there is no solution as yet for the replacement of the sanitary landfill. At current the Ministry is also looking into additional ways of reducing the amount of waste, by for example the introduction of recycle bins in Government buildings (pilot project). The SOAB is finalizing their report concerning the improvement of the operations at the landfill. Another aspect that is being assessed is the possibility of creating a Material Recovery Facility at the landfill, this will enable further separation (recyclables) of waste at the landfill. Together with the bailing of waste (for future processing WtE), the Ministry sees multiple solutions for reduction of the 'growth of the dump'. It is however important to ensure that all measures fit within a long term strategy regarding a sustainable solution for our dump issues, instead of ad hoc fixes. It is intended to present this so called sustainable approach for decision making of the Council of Ministers in the 1st quarter of 2017.

- Concerning the project at Emilio Wilson estate, traffic is bad in the area. Is something going to be done to alleviate the traffic situation once the project is completed? When is project projected to finish? When will we start with the traffic measures?

The project for the Rain Forest Adventure is projected to complete in the 2nd quarter of 2017 and become operational in the 3rd quarter of 2017. The

intention to alleviate the project is to construct a roundabout at the intersection of the entrance to the project at L.B. Scott Road and the Gladiola Road. The design for this roundabout is complete and it is to be financed by the developer of the project. The construction of the roundabout is scheduled to take place in the 2nd quarter of 2017.

MP Sarah Wescott-Williams

- Capital budget or lack thereof; an add was placed in newspapers asking for offers for upgrading / beautification of Cole bay, welfare road (from Casino to Simpson Bay Bridge); from the add persons were required to submit suggestions / ideas as to what it should be rather than government indication what it will be: Form what budget would this be done and where are these plans currently?

A public tender was held for a design and build project. Unfortunately based on the outcome of the public tender, there is insufficient funds on the capital budget of VROMI to execute the project. The project was to be executed from the capital budget of VROMI, however all the available capital funds of VROMI have now been completely depleted, as a result of which the project is now on-hold.

- Long lease cannon and the many years discussion in reference to adjustments to this one way or another; looking at commercial and residential. Where are these?

As mentioned in response to a similar question of MP Frans Richardson, based on the current setup of the registry of the long lease cases, it is not possible to provide an overview of the amount of cases of residential long lease versus commercial long lease, or other functions.

Budget 2017: Clarifications of Central Committee round 1

MP Frans G. Richardson

- What does the long lease of Emilio Wilson generate?

NAf 429,492

MP Ardwell M.R. Irion

- What timeline are you looking at to update the long lease registry?

The SOAB is currently carrying out an assessment of the long lease financial administration within the Department of Domain Affairs, so based on that we will have a better idea.

Budget 2017: Questions of Central Committee round 2

MP Claret M.M. Connor

- What is Government's intention with regards to landfill and waste to energy plan debated over past years?

The intention of the Government is and remains, to realize a waste to energy plant, as this is the most effective way to dispose of the large amount of waste that is produced on Sint Maarten. However 2 serious attempts to engage private investments to realize the facility have now failed. The first one was with Windward Roads, with whom negotiations were held for several years, whereby the company could not produce a plant that would meet standards of reliability and proven technology. The negotiations on this initiative were ended in 2012 and it is now being litigated based on claims from the proposed contractor.

In 2012, a new initiative was started based on a procedure of competitive negotiations, which led to a tender in 2013. The premise: the was sale of the electricity to GEBE to cover the costs for the waste treatment, amounting to a zero direct cost to the consumer. With the drop of the cost of fuel on the world market and therefore the cost of electricity production since that time, the proposed price in the tender for the sale of the electricity from the waste

treatment process became prohibitive and would become a financial burden to GEBE, which would have been passed on to the consumer. The main cause of the high cost of this process could be attributed to the cost of financing by the private investors.

- What happened to joint sewage project between Dutch and French side?

The discussion between the Dutch and French sides, together with the European Union, with respect to the possible joint sewage project, with a sewage treatment plant to be situated on the Dutch side were moving in a positive direction. The project was so far that all parties have agreed to a proposed site for the project. However recent incidents concerning the border in the Oyster Pond, whereby the French Authorities have undertaken some aggressive actions towards private investments being made on the Dutch Side of the Lagoon (ed. Oyster Pond) have caused some tensions in the relations between the Government of Sint Maarten and the French Authorities.

As a result, it has been decided to suspend all discussion with the French side with respect to cooperation about the EDF and related funding sources, amongst which the plans for the joint sewage plant. Discussions are currently ongoing between the Government of Sint Maarten and the EU about alternative allocation of the 11th EDF project, with a purse of approximately 7 million Euros for the sewage network for Cole Bay, for other areas in need of sewage connections, to be connected to the existing sewage plant at the A.T. Illidge Road. While Cole Bay remains a high priority for addressing the sewage situation, it is obvious that it would not be effective to put a sewage network in place for Cole Bay with these funds at this time, when there are no assurances about the realization of a sewage plant to connect to.

- What is Government's intention with Kim Sha beach?

It is assumed that this question pertains to the parking at the Kim Sha Beach. The Kim Sha Beach is a public beach, however there was inadequate access to the beach for the public. By providing the public parking, this ensures that the beach remains accessible to the general public in an unobstructed manner, rather than persons having to pass over private property to access the public beach. This is a

very problematic situation that we see for many public beaches on Sint Maarten, that has raised much attention also in the past by concerned citizens and beach goers.

Furthermore, the parking lot is located very near to one of the busiest commercial and nightlife locations on Sint Maarten that is in dire need of parking. The parking will allow for the upgrading of this commercial strip with more ample raised sidewalks for safety of pedestrians as well as landscaping, which will reduce the already insufficient parking facilities that cause pedestrians to walk on the road surface to avoid haphazardly parked cars. We all can recall that there have been unfortunate accidents in the area that have claimed the lives of pedestrians at night.

The realization of the parking lot and proper public beach access was threatened by the intended issuance of this land in long lease to private developers. While this matter is still being actively litigated in court with the private developer, it is hoped that this effort will be futile in the end, and that a piece of this important strip can be saved for general public benefit and use. Aside from the court litigation to ensure this land does not resort in private hands to the detriment of public use, there is one occupant on a section of the land along the beach front that has been illegally occupying the land for several years. The initiative to remove or relocate this dive shop establishment is ongoing, and could yet take some time, given the extensive amount of time they have illegally occupied the location.

MP Tamara E. Leonard

- When is the sewage levy going to be implemented?

It should be noted that the legislation to implement a levy for persons connected to the sewage network has been in place since 2008. Several neighborhoods are currently connected to the sewage system, including: Belvedere, Fort Willem, Madame Estate, Ebenezer, The former Government houses in South Reward, St. Johns Estate in part, as well as sections of Philipsburg. All these areas currently connected are essentially being subsidized in their sewage treatment by the general budget of the Government, and therefore subsidized by other tax payers.

It is indeed time that the sewage levy, that is in fact already legislated, is indeed implemented, but for years and successive governments has gone unattended.

For several areas, especially in Philipsburg, there are lines already placed underground that are not yet connected to the network. Projects are currently in preparation to expand the amount of connections to the sewage network in various areas. More and more, sufficient basis is being created to effectively implement the sewage levy. A sewage levy can eliminate the indirect subsidy given to properties connected to the network, and can provide a basis for an accelerated expansion of the remainder of the network, for which significant investment capital is needed. As such, I have instructed the Ministry of VROMI, which is part of the Ministry Plan of VROMI, to prepare a plan of action for approval for the implementation of the sewage levy. A draft of this plan of action has been prepared and it is currently under review. It is conceivable, that if all the cooperation needed is given, the sewage levy can be implemented in 2017. There are some additional regulations that need to be finalized. The main issue yet to be decided on is the means of collection of the levy. This can be done through the office of the Receiver, but it can also be done as part of the billing process of GEBE, based on a collection agreement that would have to be entered into.

- How are the monies for garbage collection budgeted?

The monies for garbage collection are budgeted under the line item 9210-910 "Districten Onderhoud"

- Are there any financial issues with garbage collection? What is plan to improve on this?

There are no financial issues with garbage collection. The quality of the garbage collection is dependent on the quality of the service rendered by the contractors, while some contractors tend to render better and more reliable service based on the contracts.

The manner in which it is intended to address this is through better enforcement of the contracts. The garbage collection contracts entail possibilities to sanction

the contractors for poor service delivery. While the collection contracts had a difficult start for various reasons, such as a very late preparation of the tender, which did not allow the new contractors sufficient time to acquire the required equipment, as well as the long delay in approval of organizational changes to strengthen the contract management capacity of the Department of Infrastructure Management. These shortcomings will be addressed in 2017.

- Budget in place for recycling and waste management? Are we looking into this any time soon? Bidding process to hire company?

The Government is most certainly looking into recycling and improved waste management, and we need to be creative to earmark the funding needed for these activities. Recently we took the initiative to start a pilot project for recycling by placing collection bins for recyclable materials in Government buildings, with the intention and possibility to expand to various other areas in the future, such as schools. In addition, the possibility is being assessed to establish a Materials Recovery Facility at the landfill site, to eliminate/reduce the amount of garbage that is landfilled by subtraction of materials that can be (re)used for other purposes.

- Are we considering offloading? Did we do any research if there is interest anywhere to purchase our garbage?

In the past, the Government did look into the possibility to transport waste from Sint Maarten to overseas, such as the Netherlands. Especially the transportation costs have turned out to be prohibitive for this type of initiative. We have not been able to locate any facilities or entities prepared to purchase garbage from Sint Maarten; thus far all initiatives would result in more cost for the disposal of the garbage.

- Recovery facility? Contact with third parties?

As stated previously, a Materials Recovery Facility is being looked into.

- Is there a general recycling campaign or awareness program? What equipment will we use and for how much? Included in budget? How is it allotted?

There is currently no general recycling campaign or awareness program. There was a targeted campaign started related to the pilot project for recycling that was mentioned before and when the project gets properly off the ground, it is the intention to intensify the campaign. There are no funds targeted specifically for this in the budget, so the general budget for garbage collection and district improvement may be used. It should be mentioned that in the contracts of the garbage collectors, there are also reservations made for publicity and awareness campaigns that can be used for efforts in the area of awareness campaign for recycling and improved waste management.

MP Silvio J. Matser

- Many investors that want to invest in SXM, height of buildings is a problem. We need to start thinking about high rise. What is policy of VROMI? Are policies of VROMI hurting the establishing of investments that are needed such as high rise?

With the exception of regulations established in Planning Permits which are no longer being issued, and based on the Hillsides Policy which only addresses construction in the hills or on the higher elevations, there are no specific policies in place that restrict the height of buildings per sé. There are regulations in the Building Ordinance that may influence the heights of buildings if the parcels in question are not sufficiently large to accommodate the demands of higher rise buildings. In addition, parking requirements for buildings could present some restrictions on the intensity of buildings, including the heights. This is necessary to ensure that buildings do not pose a nuisance to their surroundings or a burden on the public infrastructure.

The Ministry of VROMI is busy with the preparation of zoning plans that in many cases establish maximum building heights. These plans, with the motivation to them will be presented to Parliament for handling, during which process the members of Parliament can also weigh in on various aspects of these plans.

Pending the handling of these plans by Parliament, the Government will establish certain provisional rules to ensure compliance with the precepts of the draft zoning plans. It should be noted that in general, zoning plans will give more legal security to investors and property owners, as it will be clear to all concerned what the allowable development in certain areas are or will be.

MP drs. Rodolphe E. Samuel

- GEBE bought a new engine. What is progress with new engine? When will it be turned on? How stable will electricity be for Christmas season?

From information received from GEBE, engineers from Wärtsilä are presently busy with installing and testing engine 20, during the testing of engine 20 while connected to the grid last week Friday, it tripped all the circuit breakers at the Power Plant resulting in the island wide black-out that was experienced. The new engine is on schedule to be handed over to GEBE just before Christmas, around 20 December. We expect the electricity supply to be stable, however as with all machinery there are no complete guarantees that nothing will go wrong. GEBE continues to do everything possible to supply the electricity to the consumers.

MP Sarah A. Wescot-Williams

- Could Parliament be provided with overall finances of GEBE? Investments?

I will leave this question for the Minister of Finance to answer.

- Public announcement upgrade Tropicana Casino and Simpson Bay Bridge: for announcement to be placed had hoped that it was priority. Announcements, bids came in but no money. How many types of situations like this were there?

There are very few cases in addition to the Upgrade of the Simpson Bay Strip, where tenders have been taken place but cannot continue due to insufficient funds. One of such is the project for the placement of solar panels for the sewage treatment plant at A.T. Illidge Road. The reason for this situation lies in the fact that it was expected that the Government would be allowed to acquire capital budget for investment in 2016, based on which several projects were started. These projects of VROMI were started from capital funds available since 2014 that

were not yet spent by other ministries to which these were allocated, with the anticipation that these funds would be supplemented with new loans. About midway in the year it became apparent that the new capital funds would not be possible.

MP Ardwell M.R. Irion

- Is there a road tax fund where the collected road tax is deposited in to carry out repairs of our road infrastructure?

There is no specific road tax fund wherein the collected road tax is deposited to carry out repairs. The system of the budget is that the road taxes collected are part of the general earmarked revenues towards the budget. There are separate monies allocated to the budget of VROMI, specifically under the line items: 9210-905 (NAf 2.514.000) for regular maintenance of roads and 9210-908 (NAf 312.251) for traffic measures. There is currently no direct connection between the road maintenance budget and the road taxes collected.

- Is there a comprehensive plan in place on how roads are repaired? How do we repair roads, how is this determined and what is the strategy behind this?

On a yearly basis, an assessment is made of the state of the main and secondary roads, identifying the roads in most dire need of repair. Based on the available budget, the most severely needed road sections are prioritized. For the most severely damaged main road sections, the roads will be milled and recapped, while for the secondary roads the areas with potholes will be cut out and patched. For a more comprehensive road rehabilitation program, there will be additional funds needed to supplement the yearly available budget for basic road maintenance.

- What is the status of the execution of the Energy Policy Plan? How are the objectives being realized? And where do we stand now?

The Energy Policy is a cooperation between the ministries of VROMI and TEATT. An important player in this regard is also GEBE. Recently there was a meeting held between these parties to discuss the follow up and implementation of the Energy Policy. In this regard the following topics were discussed:

- 1) Introduction of Alternative Energy.
- 2) The Buy-Back Rate/Net Metering
- 3) Regulation related to the Installation of Alternative Energy (i.e. Solar Panels)
- 4) W2E
- 5) SMART GRID
- 6) LNG

Discussed and agreed to at the meeting was that a short term plan of action would be prepared, based on which the actions of the respective parties would be identified with timelines for implementation. A main topic of discussion was the introduction of especially solar energy as an alternative form of energy. In this regard, GEBE is looking at various alternatives for the realization of a solar panel park, albeit in different sections and locations. In addition a framework will be worked on to stimulate private investment by businesses and homeowners into solar energy for their respective properties. This plan of action should get more substance for implementation in 2017.

MP Chanel E. Brownbill

- Loss for 2017. Is it a regular thing for VROMI to operate at a loss or does VROMI carry its own weight?

The Ministry of VROMI does not operate at a loss. It may be so that many of the objectives of VROMI cannot be realized because of lack of sufficient funds on the budget to execute all plans. However, this results in less projects being executed than possible if the funds were to be made available in the budget.

It is likely that the MP is referring to a statement pertaining to the capital budget of VROMI being in the red. The cause of this is that VROMI has long depleted its available capital budget for 2014 since in 2014, as this is the only capital budget that has been made available over the last years. In 2016, when it was assumed that additional capital budget was to be made available, several of the projects identified by VROMI were prepared and tendered for execution. In fact, in the anticipation of the approval of the capital budget for 2016, while funds still remained available from other ministries, VROMI began the execution of several of these projects, essentially from the un-used capital funds available from other

ministries. When it became apparent that the capital budget for 2016 would not be approved and secured, all other capital expenditures by VROMI were suspended. The projects already started will be completed, and as such VROMI is executing these projects as a deficit from its capital budget, to be compensated in following years when capital budget does become available.

MP Theodore E. Heyliger

- Policy with regards to Government dealing with GEBE. Is it Government's vision to allow GEBE to continue to make huge profits and collect dividend or rather give the people relief (elderly, schools etc.)?

I am not aware if the Minister of Finance answered this question already, but I will leave this for the Minister of Finance to elucidate on since it pertains to the dividends of GEBE.

- APS intends to build an underground park. Who does this land belong to and how can it be sold to the pension fund? How can APS buy Government land?

As Minister of VROMI, I am not aware as yet of a project proposal by the APS to construct an underground park. On the question of the APS buying Government land, this can be done but it requires the approval of the Parliament.

Budget 2017: Clarifications of Central Committee round 2

MP Ardwell Irion

- Road tax law: MinFIN mentioned no monies going into the road tax fund, law established 1973, would like clarity on the road tax collection?

There is no correlation between the road tax and road maintenance. All taxes that are collected by Government go into one pot, and the Ministry of Finance redistributes the funds to the respective Ministries.

- Provide clarity and enhance transparency on which roads are selected for upgrade after assessment has been carried out, and can we have this publish on government website so the public can be made aware in advance which roads will be upgraded?

Every year an assessment is made on the condition of the roads and severity of the damage to the road surface. The selection is based on funds available after which the works are then put on public tender for bidding. This is announced in the newspaper and on the Government website. Once this procedure has been finalized and the works assigned.

MP Chanel Brownbill

- What is the clarification on the list of projects that was not carried out? Minister mentioned projects not carried out based on capital expenditures.

As mentioned before, the two projects which were not executed due to lack of capital expenditures were the upgrading of the Welfare Road and the Solar panels for the sewage plant at the A.T. Illidge road.

MP Sarah Wescott-Williams

- Projects that were put on public bid but due to lack of funding were not executed, (Welfare Road) will these 2 projects be on the priority list to be executed with this budget?

Since the works have already been tendered and assigned, when capital funds are available in the future, they can then be immediately executed.

- Had impression by response of MinFn ref road fund, given answer of MinFIN thought MinFn did not understand the question well as ordinance mentioned is ordinance on vehicle tax.

That is correct.

- Follow up ref negotiations that are ongoing or wish to entertain with EU for funds that would be allocated to joint sewage system; what gives the impression the EU would be willing to allocate the funds towards a project that is not only for Sint Maarten / this part of the island?

There is 7 million Euros available via the 11th EDF for the construction of the sewage lines and 3 million Euros available via the ERDF available to French Saint martin towards the construction of the Joint sewage treatment plant. Due to the aggressive incident by the French at Oyster Pond, the cooperation program has been suspended until further notice. This only affects the portion of the funds available via the ERDF, namely 3 million Euros for the joint sewage treatment plant. We are presently in negotiations with the EU to reallocate the funds available from the 11th EDF to a different area which is in need of a sewage lines. The situation with the French doesn't affect this portion of the funds as the cooperation was namely for the realization of the joint sewage treatment plant. If the funds can be reallocated to a different area, that area can then be connected to the present sewage treatment plant at the A.T. Illidge Road.

MP R. Samuel:

- Is the Minister saying that we do have money allocated for the joint sewage treatment plant put aside? Some 7 or 8 million NAf and because of the disturbance between French and Dutch it is put on hold, is the money available?

The funds available are 7 million Euros funded through the 11th EDF of the EU which is still available for investments in the sewage collection network for Country Sint Maarten.