



Parliament of Sint Maarten

Staten van Sint Maarten

Parliamentary Year 2016-2017-098

**National Ordinance stipulating the Budget of
Country Sint Maarten for the year 2017**

**Report
No. 6**

The Parliament in its meeting of the Central Committee had an exchange of views with the Government on the Draft National Ordinance stipulating the budget of the country for the year 2017.

The Parliament considers the draft to be sufficiently prepared if the questions asked below are answered in time for the public meeting so that the draft can be discussed in a public meeting.

The members of the National Alliance faction have the following questions.

General

The budget should not only be balanced but also submitted on time to Parliament. Based on the comments of the Council of Advice there are still a host of requirements that need to be complied with, for example a balanced budget 3 or 5 times consecutively. As a country we are going in the right direction.

Ministry of General Affairs

Can an update be given concerning the appointment of a CEO for TELEM? Does the Helpdesk of TELEM have anything to do with all the internet issues the clients are experiencing? Is the Helpdesk experiencing any problems and what is the status of the Helpdesk? How many loans did TELEM take during the last 3 years? What are the amounts of these loans? What were they intended for?

Can the government explain what article 1 of the Constitution of Sint Maarten means? Can the government explain what language the majority of the population of Sint Maarten speaks? In terms of cognizant thinking, in what

language is that done? At present, what language are Members of Parliament having this debate in?

Is there a hiring freeze in government?

One major request is to update the “functieboek” of the Fire Department. It is 13 to 15 years old. Can something be done? What does it take to get this project in motion?

There was no unanimous vote in the Council of Ministers on the Budget 2017. Is there a minister that did not vote for the budget but still defends it? How does Parliament have to understand this information?

Ministry of Finance

Did the cost of living go down compared to 2015 and 2016 as a consequence of the reduction of the price of cooking gas? Did it have any impact on the cost of living?

Can an update be given concerning the draft law regarding notaries and banks that is on its way to Parliament?

Can a break down per ministry be provided for the years 2012-2015 of all the money that was used by the individual ministries?

How many banks are there in Sint Maarten? Can an indication be given of how many personal loans were granted during 2013-2015? The same question goes for car loans, mortgages for homes and mortgages for businesses during the same period. The trend of loans says something about the economy of the country.

In 2016 online buying was mentioned and now again in the 2017 budget. Has the ministry of Finance conducted a study and are there numbers and projections that indicate that the vast majority of Sint Maarten is shopping or purchasing online causing a major debt in the budget when it comes to TOT? How does the Government plan to tackle this?

Tax department and tax service of the country needs to be fixed. How does the Government intend to do this? Does the Government intend to follow the trend of former Minister of Finance Tuitt? The people of Sint Maarten should be offered the opportunity to come and file their taxes no questions asked before actions are taken.

The budget indicates that NAf. 12 million will be taken from capital expenditures to fix tax issues, while in fact NAf. 12 million is going to the Ministry of Finance to fix this. What happens to the other ministries?

On page 32; Kapitaal dienst: there are no new investments projected for 2017. Does that mean that no new projects will be initiated?

On page 30; Notice of income: What is this? What does it mean?

Can an explanation be provided of what a ministerial decree is and how fast does it can go into effect?

Are there more vacancies at the Finance Department for legislative lawyers?

A few businesses on the Dutch side have been using the debit cards system from the French side. Is the Government looking into this? What is the government doing to make sure it is collecting the proper TOT?

Is this economy stable based on information on loans and mortgages? Do the banks have confidence in Sint Maarten? How much is GDP of Sint Maarten?

Can something be said about the liquidity situation of Sint Maarten?

Is the government having regular meetings with the private sector?

Did Sint Maarten have any Moody rating lately? When was the last rating? How was rating?

When motions are passed in Parliament, what does the government do with these motions? Three motions were passed during the budget debate of

2016, military service, ID in public transportation and social formation program Sint Maarten. Another example is the motion concerning English as the official language. What has become of these motions? Are they in the budget or in the government program?

Is the government going to raise taxes? Yes or no?

Has the government collected dividend from its shares in UTS?

There is a decline in timeshare fees in 2016 but there is growth in 2017. Is there a reason for this optimism?

Ministry of Justice

How many foreign nationals are there working in Sint Maarten without a residence permit?

The issue with the fee with reference to international treaties; a sample was made concerning tourist license fee by former Minister Duncan. Is the Minister aware of this fee? The process started then and samples were made, is the Minister aware of this process?

Ministry of Education, Culture, Youth and Sport

Why is the university charging students US\$100 as signup fee?

Ministry of Public Health, Social Development and Labor

Can the government inform if it is correct that the Secretary General at the Labor Office granted permission to terminate Maho employees? If so, were they compensated for their years of labor? What was the advice of the dismissal committee on this matter? How did government ensure that the decision to grant permission cannot be seen as retaliation? Is it so that the judge instructed Maho not to interfere with employees till judgment in the second case was issued? Why did the Labor Office not refer this back to court? Can the government reiterate if the persons who the company received permission to lay t off, are these the same 9 persons who are busy with the court case?

Can the government provide a copy of the advice from the dismissal committee to Parliament? Can be explained what was meant with the statement of the minister that legal advice has to be sought to give a Member of Parliament a document that is requested? This is not a meeting with the Council of Ministers but a meeting of the dismissal committee and reiterates that a copy of the advice given by the dismissal committee. The faction does not see any legal ramification for receiving this advice.

Ministry of Tourism, Economic Affairs, Transport and Telecommunication

The regular man on the street asks himself why Backstreet is not in good condition. In the papers can be read that emergency repairs will be done in the night. Why could these repairs not been done 6 months or a year ago? Why these things cannot be done?

The Harbor is nearly ready to start with home porting. In regards to the losses at the Harbor, how will the home porting help with the loss that the Harbor is making?

A new aspect in the tourism industry are the all-inclusive hotels. How does this impact the income of Government? Does this make a difference?

Home porting: Is it possible for Parliament to get a brief presentation of the idea of home porting? What are the benefits to Harbor? Will this project help compensate revenues lost at the Harbor?

Previous to the loss, was the Harbor making profit yes or no? Only cruise ships contributed to the loss?

How many car rentals are there in Sint Maarten? How many cars were rented in 2014 and 2015?

Is there an amount budgeted for the support of small businesses and training? If any, how much? Who will be giving this training? What training was given this year? What type?

Is the budget of the ministry of Tourism, Economic Affairs, Transport and Telecommunication aligned with the economic development plan?

Ministry of Housing Spatial Planning, Environment and Infrastructure

Was anything tangible done to alleviate the garbage issue? Something has to be done to prevent the growth of dump. Is being stated that there is no money budgeted for the joint sewage plant? Het concerns an amount of NAf. 7 to NAf. 8 million. Due to the disruption of the relationship between the French and the Dutch side this has been temporized. Is the money still available?

In the area where the Emilio Wilson project is being executed, the traffic situation is bad. Will something be done to alleviate the traffic situation once the project is completed? When is the project projected to finish? When will the government start implementing traffic measures?

In the past months members of the coalition have referred to a large number of investments. Hotels being built, etc. Is anything going to happen? Will a hotel be built? Will any investment take place or not?

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

Is there a comprehensive plan on road repair? Which roads need repairs and resurfacing?

There are incidental windfalls at GEBE at the amount of NAf. 17 million. What kind of initiatives is the government taking for a structural solution?

GEBE bought a new engine. How is the installation of the new engine progressing? When will it be switched on? How stable will electricity be for the Christmas season?

What happened to the energy policy and trajectory to get to clean energy by 2020?

Can Parliament be provided with a list of all entities that receive subsidy from government?

Mention was made that no monies are going into the road tax fund. The law was established in 1973. Can clarity be provided on the road tax collection?

Can clarity be provided and transparency be enhanced on which roads are selected for upgrading after an assessment has been carried out? Can this be

published on government's website so the public can be made aware in advance which roads will be upgraded?

The members of the United St. Maarten Party-faction have the following questions.

General

Before proceeding, the members of the faction would like to make an observation regarding the language in which the budget is written and for that matter the reports from the various councils, the government and semi-government bodies. On October 10, 2010 the Constitution of Sint Maarten became a reality and it states in article 1, sub 2, that Dutch and English are official languages. It does not state that Dutch is the first and English the second language. Considering the reality of Sint Maarten and in view of our Constitution and transparency in government, the faction hereby requests Government to provide the subsequent budget - 2018 budget - and those that will follow in English to Parliament.

This faction notes that the differences between the budgets of the various ministers remain interesting.

Ministry of General Affairs

Chapter 3 General Affairs

Post #3030 Council of State. For 2015 and 2016 there was no budget. In 2017 Naf. 310.400 are budgeted. Is someone being appointed? If so, could the government provide the necessary information concerning this appointment, such as to who it will be, the credentials and when the appointment is expected to take place?

3104 Raad Van Toezicht Veiligheidsdienst

Post # 44102 NAF. 175.617. Can the government indicate who the members of this council are and what their task is? Can the government also provide any reports that this council may have made during the past 4 years?

There has been no significant investment in "wetgevingsjuristen", lawyers who can assist in writing and evaluating laws, such as the pending organic laws. The concerns this faction has are that the absence of legislation being made by the Council of Ministers or Parliament, leads to laws being made in the Court

Rooms. To safeguard our citizens the faction strongly recommends that the government focusses on attracting the necessary lawyers. The spirit of the law is equally important as the letter of the law itself. Persons from Sint Maarten or having a Sint Maarten background are recommended. Perhaps the country may have some diaspora waiting for an opportunity to return home – (retired lawyers willing and able to assist). Can the government indicate if there are any intentions along the lines which were just provided to handle the concerns as just outlined?

Ministry of Finance

The faction is a proponent of incentives to the people of Sint Maarten especially if it means that they can open their own business which is part of a sustainable environmental development. The government has demonstrated that it is able to give incentives to foreign investors. The faction looks forward to the government providing incentives to local investors. Possibilities are obviously special low long lease tariffs; tax holidays for starter businesses to name a few.

Chapter 4. Post # 40. The faction has observed a significant difference in the budgets of the various ministries, but in particular in that of the Ministry of Finance, which budget increased by a million guilders. Can the government clarify this difference and provide the variables that caused the significant differences in the ministries' budgets?

Page 11 Post # 43476, Ministry of Finance: Legal and other expert advice increased by NAf. 1 million. Can the government elaborate on what this increase will be allocated to specifically? How will this improve the operation of the Ministry of Finance?

Page 11 Post # 43479 Auditing. This post went from NAf. 444,395 to NAf. 1 million. Can the government provide information on this increase? Is government employing the services of auditors? Does the government have insufficient or sufficient capable auditors?

The Ministry of Finance, page 9, Preliminary actual expenses 2015 NAf. 962,269. Budget 2016 NAf. 521,458 and Budget 2017 NAf. 1,518,674. This is an increase of almost 1 million guilders. Cabinet Minister of Finance, Preliminary actual expenses 2015 NAf. 532,053. Budget 2016 NAf. 536,110 and Budget 2017 NAf. 662,996. Can the government provide an explanation for these differences?

Parliament approved a balanced budget in 2016 and later they found out the country had a big shortfall. Some money came from GEBE and Central Bank. What will the government do if we have another shortfall in 2017?

What solutions is the government coming with to make Sint Maarten an investors friendly island?

NAf. 10 to 12 million will be used for the upgrade of the tax department. Was a public bid done for the IT part? What is the price to train personnel? Is the figure only for IT or also for training of personnel? Does the government have something in place for maintenance of the system?

Does the government have an instant solution for shortfalls? The government has to come up with solutions and very fast.

How come there is a NAf. 1 million increase in the ministry of Finance and not the ministry of Tourism, Economic Affairs, Transport and Telecommunication?

What will happen to Bearing Point? Is the government using Bearing Point? Will the government continue to use them with the new IT system?

The faction suggests in terms of revenues declining that government should think outside the box.

Based on the Tuitt-regulation all taxes from 2006 have been written off. This faction suggests that a "inkeerregeling" just like in Curaçao and the Netherlands is implemented for Sint Maarten to generate income.

How much does the government collect from profit tax? Why does not the government abolish it or else lower it if it is not collecting as much from it?

Once a Ministerial decree goes into effect, can the decision go into effect while law is being prepared?

What is the government doing to attract investors here? Is it going to create a free zone?

What is the clarification on the list of projects that were not carried out? Projects were mentioned that were not carried out based on capital expenditures.

The request is that the document that was shared be treated with some form of confidentiality where it relates to the questioning of the document as due to names of various companies mentioned.

Ministry of Justice

Chapter 5, page 12. Post # 50 Ministry of Justice. Preliminary actual expenses 2015 NAf. 968,937, budget 2016 NAf. 471,200 and budget 2017 NAf. 468,416. Can the government provide an explanation for this substantial difference between the budget and the preliminary expenses in 2015?

Page 13 Post # 5206 Advies- en Onderzoeksraden. There is a sum of NAf. 7.3 million budgeted on this post. Can the government indicate what these Advisory and Research Councils do? Who do they report to?

The faction has the following observation. On Page 14 Post # 43440: Rent Buildings and spaces an amount of NAf. 2 million appears on Preliminary Actual Expenses. In the budgets 2016 and 2017 an amount of NAf. 975,000. Can the government explain this?

Page 14 Post # 43476 Ministry of Justice Legal and other expert advice. The Preliminary actual expenses 2015 shows NAf. 1 million. The budgets for 2016 and 2017 show an amount of NAf. 246,000. Can the government explain the significant drop? Is it compensated in another post? Is it at all related to the increase as shown on page 11 Post # 43476 of the Ministry of Finance Legal and other expert advice?

The Ministry of Justice, page 12, Preliminary actual expenses 2015 NAf. 968,837. Budget 2016 NAf. 471,200 and Budget 2017 NAf. 468,416
Cabinet Minister Justice, Preliminary actual expenses 2015 NAf. 637,697. Budget 2016 NAf. 690,824 and Budget 2017 699,203.

Ministry of Education, Culture, Youth and Sport

Total Budget NAf. 122 million. Page 16, post # 6230 Student Support Services, Preliminary actual expenses 2015 NAf. 1.1 million. Budget 2016 NAf. 1.3 million and Budget 2017 NAf. 1.7 million. Same budget post Total material cost Preliminary actual expenses 2015 NAf. 118,000. Budget 2016 and Budget 2017 both NAf.160,000. What does the student support consist of? To which students is this allocated? Students attending tertiary educational institutions abroad: Curaçao, Aruba, other Caribbean Countries, US, Netherlands, etc. and in St. Maarten (USM, NIPA, others)?

The faction would just like to highlight the fact that the Culture budget is of NAf. 1.445 million and that of Sports is NAf. 2.3 million of which NAf. 1.1 million is for salaries.

Would the government consider recruiting our seniors to assist with the development of sports and culture? The faction is 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.

Education has the most monies budgeted. Is this just to maintain education? Or does this include new initiatives on culture and sports?

Programs for youth. Can the government use some of this money for programs for the youth?

Ministry of Public Health, Social Development and Labor

On page 18, Preliminary actual expenses 2015 NAf. 703,592. Budget 2016 NAf. 720,808 and Budget 2017 804,573.

Cabinet Minister VSA, Total expenses Preliminary actual expenses 2015 NAf. 834,908. Budget 2016 NAf. 876,073 and Budget 2017 836,159.

Page 18, Post # 7210 Social Service. Total personnel costs NAf. 814,750, Total material costs NAf. 279,300 and Total social service NAf. 1,094,050. Are the elderly and the vulnerable in general assisted by this department? On the budget of 2016 there is an amount of NAf. 1,165,850 of which NAf. 386,000 is for material cost. Can the government provide an initial indication of what this money was spent on? Can the government provide an overview of the assistance provided since 2014 by this department and from this budget post in particular?

Have any reports been made and provided to the government? If so, can the government share them with Parliament?

The faction has the following observation concerning page 19, Post # 7230, Total Social Insurance and Medical Costs. For the preliminary actual expenses an amount of NAf. 37,604,976 were budgeted in 2015. For budget 2016 NAf. 31,980,000 and for budget 2017 NAf. 31,980,000.

The Preliminary actual expenses 2015 are NAf. 5.5 million higher than what is budgeted for 2016 and 2017. Can the government provide an explanation for maintaining the 2016 amount in 2017?

Department of Social Development, Families and Humanitarian Services, page 19, Post # 7260. The budget reflects for Preliminary actual expenses 2015 an amount of NAf. 882,146. The budget of 2016 NAf. 975,380 and the budget of 2017 NAf. 1,054,241. This is an increase of about NAf. 80,000 from 2016 to 2017. Roughly 80% thereof is for Personnel costs and 20% for Material costs.

Can the government provide a breakdown of the Social Development carried out with this budget and other social developments that may have been done with other funds? If the latter is a fact, provide the details such as the source of the funds, the number of persons that it benefitted and the type of development that was involved?

Page 21, Post # 43480-47810. Many of these items, such as Benefits Elderly or Pension Benefits have zero budget. Have these been moved to another section of the budget?

Page 21, Post # 44301 Subsidy to Companies. There are no monies budgeted for 2015 or 2016. For the budget of 2017 an amount of NAf. 1,576,800 is budgeted in 2017. Can the government explain what this budget is for? Which (type of) companies qualify to be paid from this post? What are the requirements for qualification? What are the reporting requirements?

Ministry of Tourism, Economic Affairs, Transport and Telecommunication

Page 22, Post # 80 Material Costs decreased by NAf. 80,000 in 2017 compared to the budget of 2016. Compared to the Preliminary actual expenses 2015 the decrease is of NAf. 147,383. Considering the fact that tourism is the pillar of the economy, it is suggested that the same amount as the 2015 preliminary actual expenses of NAf. 281,283 are budgeted in 2017.

The faction has the following remark regarding page 23, Post # 8240 Tourist Bureau. An amount of NAf. 3.5 million are budgeted for material costs. This is a decrease of 1.3 million compared to 2016. With competition increasing

with respect to tourist destinations and the efforts required to meet the intended objective set in the Governing Program, the Tourism budget must increase overall.

Can the government provide the names of the other companies whose contracts have not been signed? Mention was made of three.

With regards to permits the faction wants to know if the government is saying that a person who has a job should not have a permit because someone else is out of a job?

Home porting and bigger ships. How much increase is Sint Maarten going to have at the Harbor in the coming years compared to the loss we had before?

In terms of culture to get tourism back on track. We have unique cultural things on this island to offer. Slow season is looked at as a holiday. We can invite tourists with special packages to compensate for this period.

Ministry of Housing Spatial Planning, Environment and Infrastructure

Staat E: Compilation of Long-term Loans, on page 56:

Purchase Emilio Wilson Park NAf 30,700,000

Annual Interest NAf 567,950.

Overview Long lease page 74. This faction is of the opinion that the government confirmed that the amount of the long lease is of NAf 533,344 with a balance of 82.7 years, which is in fact the amount that has been paid and the government will continue to pay for the Emilio Wilson Estate annually. The same property that government purchased for NAf 30.700.000 for which it is repaying an annual amount of NAf. 567,950.

It was mentioned that there was a bond floating for 30 years, however the question was more based on the amount of money being paid on long lease. The budget mentions an amount of NAf. 34,606 less than that which the government will have to pay. Can clarity be provided on this? Based on the contractual agreement, does this mean that government would have to provide subsidy?

According to the Long lease overview which is part of the 2017 budget a total of NAf 5.1 million was generated in 2015. Can the government provide a breakdown hereof in commercial and domestic revenue?

Which amount in long lease does the Emilio Wilson Estate generate?

There is a loss for budget 2017 for the ministry of Public Housing, Spatial Planning, Environment and Infrastructure. Is that a regular thing for this ministry to run at loss? Or does the ministry carry its own weight?

Many investors that want to invest in Sint Maarten, however the height of the buildings is a problem. The government needs to start thinking about high rise. What is the policy of the ministry of Public Housing, Spatial Planning, Environment and Infrastructure? Are the policies of the ministry hurting the establishing of investments that are needed such as high rise?

The members of the Democratic Party faction have the following questions.

Ministry of General Affairs

With reference to the question on the motion to establish English as the official language and mother tongue language, the faction would like the government to comment on this. With reference to the statement about 2 languages, there is a difference between a dual and a second language system. Is the government aware of a motion initiated and carried by Parliament in 2015 in which Parliament expresses its wish for government to establish English as the official language and mother tongue language?

With regards to the rent for new government building the faction wishes to know if the government has any idea of what the rent will be as it is not in the budget yet. As the building is already in use, what are we supposed to be paying for rent? What was the transition cost of the other buildings involved? Is there an indication of the amount to be paid in lease for the new government building? The building is being occupied building but there is no indication of the rent that has to be paid.

Can the government give an indication as to the debt overview once the government has completed the government building and the asset division?
What is the picture of SZV and APS?

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

The red thread through the budget 2017 is the need for legislation. If government does not have the money or capacity, where is government going? How is this going to be done? What legislation can Parliament expect before the end of the year?

Ministry of Finance

Mention was made that there is no room for new policy initiatives. Then how must Parliament view the different priorities put forward in the budget by the different ministries? How does this relate to this budget?

What is the status of the pending budget amendments?

The matter of taxes is to include upgrading tax administration and the reform of the tax system. Can the government give a specific and concise explanation regarding both; e.g. the IJs-report? Can the government provide a specified overview of the actions taken thus far, of the results of these actions and what is to be expected?

With regards to the Tuitt-proposal, in the entire reform and collection policy the faction wants to know where these are considered in the matter of tax reform, concession and appointing of Government representatives on the boards? How far are these in line and how far with the CGC code?

The faction asks based on the comment made by the Minister of Finance “that losses of government owned companies must be compensated in the government budget” if this process can be explained. How, when, and why, if there are losses by government owned companies, must these be compensated in the government’s budget?

How are the changes to the tax law which are necessary with respect to associations and foundations progressing?

What is the status of the Harmonization law?

Where or how far is the third quarterly report 2016? Can an indication be given regarding the execution of the budget up to the third quarter?

This faction is concerned because of the statements made regarding the tax system. Can an explanation be given of what the government is doing right now to realize changes to the tax system? What is the current status? Based on what blue print changes are being made to the tax system?

What is the situation with respect to the collection policy?

Can the government provide a concise explanation on the intention to implement a departure fee?

Is there a policy for the payment of dividend? How and when will government seek dividend? What are the accounts of TELEM showing for government to be so set on receiving dividend from TELEM? The dividend from TELEM will increase. Based on what? On the annual accounts of TELEM? Is this realistic?

Budget 2016 could possibly run into a deficit of NAf. 25 million. The reasons are the loss of cruise passengers and online purchases. Has this info been put in some kind of economic model? Where are we getting these economic conclusions?

Has an analysis been done on online purchasing? Would the yield be commensurate?

The ills at GEBE, traffic, lack of communication, all-inclusive approaches, decline foreign investors. Why does not Parliament not see any concrete actions to be taken to address these?

The faction is concerned about the economic future of this country. What is the government's outlook? Parliament needs to hear more from the government, not only woes and ills but also to give some type of hope and perspective.

Can an overview of the money allocated for the reform in the tax system and a timeline, etc. be provided?

Mention is made of an annual account of the government. Can Parliament receive an exact timeline for the annual accounts 2013-2015? Where are they and when can Parliament expect them?

What is the amount budgeted for law school? Is it correctly budgeted under the Ministry of Finance?

Has the law on the departure fee been prepared? Can Parliament expect it before or during 2017?

Financial management: Inkomstenverhogende/uitgaven verlagende program. What is status of this?

It is interesting to see the differences of salaries of Cabinet members. Where is the limit? Is there a differentiation also in the salaries of ministers? Is the government going to pay minister for half the time?

Regarding the salaries of the government, is this based on a formation plan or actual formation? What is the basis for the salaries in the budget?

Dividend Central Bank: Did the government collect NAf. 11 for 2016? How is this dividend paid?

What falls under income bijzondere baten for an amount of NAf. 14 million?

GEBE: Could Parliament be provided with an overview of the overall finances of GEBE and investments? The same request goes for SMMC.

What, if any, is the synchronization with Sint Maarten development fund and the government in giving out monies?

Maximizing implementation costs: What is government's vision pertaining to this statement?

Can the government provide details of how the government expects to apply money that will come from division of assets of Netherlands Antilles?

How is the government going to approach the issue of the budget, the role of Cft in the budget and the Dutch role as being the first one to subscribe to loans the government of Sint Maarten would like to have? Is there a need to renegotiate? What is the government's fallback position?

Reserve fund and reduction. Can anything like that be done before there is legislation thereto?

Ministry of Justice

Criminality fund: Can Parliament receive an overview as far as this fund is concerned?

Can a status update be provided on the protocol signed with the Dutch in 2015 with regards to the Integrity chamber and assistance in area of justice?

What is the government's position on Integrity Chamber? What has happened to the other part of the protocol? Assistance in area of Justice? Where is money being put?

Is NAf. 6 million part of the prison project? Will the prison be on priority list for capital expenditures?

Ministry of Public Health, Social Development and Labor

SMMC is selling land to bring down its debt to the government. What is overall picture of SMMC?

Decrease ZVOV funds: Does this require change in legislation? Where is this legislation?

Can Parliament be provided with the preliminary results of the health survey?

Is the increase of the pension age to 65 years being studied? Has it already been decided that the age will now be established at 65?

There are plans to reduce pension premium pressure. Is legislation being prepared?

Ministry of Tourism, Economic Affairs, Transport and Telecommunication

The faction is of the opinion that the hiring freeze is out of sync seeing that the elucidation on the ministry of Tourism, Economic Affairs, Transport and Telecommunication is proposing amongst others to recruit 19 persons in 2017. If there is a personnel stop, how do these actions and proposed actions relate to the monies in the budget to carry out these measures?

Under post overige goederen en diensten in 2016 an amount of NAf. 4.7 million was budgeted. What of this money has been spent? Was it spent to promote Sint Maarten?

Sint Maarten Tourism Authority: Consumer Authority and Tourism Authority, etc. Nowhere is the relationship between government and the Sint Maarten Tourism Authority (STA) explained. What is relationship between them?

In budget it is stated that legislation of casinos will be submitted before January 1, 2017 to Parliament. Will this be the case?

Did the government mention that the harbor had a loss in 2014? Based on the information that was provided on the harbor it can be concluded that the harbor made a profit for 2013 and 2014.

With reference to STA and the fact that there is no money, is there more information regarding this?

Ministry of Housing Spatial Planning, Environment and Infrastructure

Concerning the long lease and the discussions of many years regarding the adjustment of the lease for commercial and residential plots, the question is where these adjustments are?

Capital budget or lack thereof. Ads were placed in newspapers asking for offers for upgrading and beautification of Cole Bay, Welfare Road (from the Casino to Simpson Bay Bridge). Based on the ads persons were required to submit suggestions and ideas as to what it should be rather than government indicating what it had to be. From what budget post would this be done? What is the current status of these plans?

Because of the announcement placed the faction had hoped that it was a priority. Announcements were made, bids came in, but there is no money. How many types of situations like this were there?

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

The follow up with reference to the negotiations that are ongoing or wish to entertain with EU for funds that would be allocated for a joint sewage system, what gives the impression that the EU would be willing to allocate the funds towards a project that is not only for the Sint Maarten part of the island?

The members of the United People's Party-faction have the following questions.

General

The faction gives thanks for the verbal presentation. According to the faction a PowerPoint Presentation would be nice for the English version of the

Budget. The minister should make an effort in the future to have the English version available.

Where does this Budget come from? Is it from the governing program? Is it an initiative from the governing parties? Is this the National Development Plan? Mention was made that there is no National Development Plan. However in 2014 National Development Plan was developed and approved by the Council of Ministers. The faction believes that this budget must have some form of vision, idea, and ideology. Can an explanation be given if Parliament is going to see something in this regard?

Ministry of General Affairs

All the ministries have budgeted the COLA as 0. This is a blatant insult to civil servants seeing that since 2012 they have received the COLA-increase. This will be a problem as fees are going up but the salaries remain the same. There should be a balance somewhere.

Mention was made that Cft has recommended that the government should move away from the COLA payments. Is this something that the government really should do? How is the government going to step away from that? Is the Cola regulated by law? Cft has recommended other things in the past, like that the government should stay at 20 million for capital investments, but we are up to 50 million. So the government does not follow their recommendation all of the time. How are we going to move away from the COLA? Does the government owe it to the employees?

Can the budget for the Christmas decoration be provided? How much money was spent on Christmas decoration this year? From which budget post was it taken from? Can a copy of this be provided?

TELEM is not meeting the expectations. What kind of expectations can Parliament expect from TELEM and the government in terms of the installation of fiber optic cables for the community? What will the rates be?

Can the government give information about the rent that is being paid for the lease of buildings? What is the amount being paid?

The contract of these buildings, do they have a start and an end date? How much does the government have to pay?

What can be done to mitigate the rent from the building?

Can the government provide clarity on the amount of rent being paid and how long the rents for other buildings will continue?

What does the government do to prevent another cyberattack?

Does the government have a fully functional IT department?

Which companies were hired for the software part? Was there bidding for this process? Did this go through a bidding process as well? Can Parliament see the quotations, etc.?

The fire trucks are very aged. Can the government allocate monies for this and also to hire some more people? Can the government consider hiring maybe 10 of the 20 persons needed for the Fire department? The government needs to better prioritize in relation to the Christmas décor.

NAf. 80.000 was spent on Christmas décor. Was an additional NAf. 250.000 paid for décor lights throughout the year? Can Parliament have a copy of purchase (ok or sign off) for both Christmas décor and other décor?

For the Civil registry the budget shows an increase of NAf. 44.000. Is this amount accurate? Is it sufficient for the machine that makes for driver's licenses and id-cards? Will the amount include an upgrade of the machine that is 5 years old now? From February the government was informed that the 3M system would not be able to print ID cards and driver's license and would need to be replaced. Are monies budgeted for the new system that is needed?

The Fire department has problems with its setup and the functieboek (scales, etc). Is the ordinance being revisited? Was this already started? Will budget be allocated for this to be done? When was the last training with police done for fire fighters? How much does this cost? Do they do any other training? Can something be placed in budget?

The money budgeted for 2016 for material cost of Fire department, was all that money actually used? Can the Parliament receive proof thereof? Does material cost go specifically to a budget post or management has to request monies every time? How is the amount for material costs determined each year? What was the last time a request was denied and why? How are the amounts of material costs for all departments determined?

How much did the government parking lot generate in 2016? What is the projection for 2017? There are two parking lots; one across the police station and one across the Central Bank. Are there ordinances in place so they can be used as government parking lots? When will they be getting equipment to collect revenues from them?

Ministry of Finance

In the budget an amount of 10 million is budgeted for IT purchases and training. Is this for all ministries? Can a financial overview be given of the reform of the tax system, in the capital expenditures? What will be done in order to reform the tax system? Regarding the monies reserved for the upgrading of the tax office the faction wishes that the government provides detailed information as to what and how and where this amount of money is going to be spent, e.g. software upgrade, personnel, etc. What is the expected return on that investment? In what year will that be visible? How will the budget of 2018 look based on the return on that investment?

What was the role of the tax office in this investment? Was an impact study done and will it be carried out? Was the SER involved in this? Was there a report from them as far as the decision to move forward with this project? With regard to the multiyear plan for the implementation of the budget of the fiscal reform this faction needs to know if there is a timeline (stappenplan) for the next few years. If not, will all this happen in 2017? Does the government have any insight what the results will be? Is there a timeline in which it is scheduled when all of that will be realized; for example, the multiyear plan? Can the government indicate if the 10 million was only for the startup of the project of the tax office? Should this also have included integration and simplifying of the building? Which of these two aspect will be financed by the 10 million? Or will they both be financed? Would the training also be included in that amount? The faction wants to verify if it was said that in the year 2017, 500.000 would start of the return on this investment? Hence, would that money come in in 2017? A Report that was produced by the expert Mr. IJs. Can this report be shared with Parliament?

There is a proposal to increase the departure and arrival tax. How has the government come to that decision? Has an impact study taken place? What was

the feedback from the airlines, the port and the SER? Was there any room for negotiations? How did we come to that number?

There is already an existing departure fee for PJIA established by law which PJIA is charging. If there already is a departure fee in existence, how can the government implement a new departure fee? Can the government clarify this?

No impact study was done by the SER for this project but the SER has made some other suggestions pertaining to the registration of the containers in the harbor. The faction is of the opinion that the government should look into it. By doing such the government would have a better overview for the taxes. How long did the minister have this report? Why did not the minister look into this? An elaborate explanation was given how the amount of NAf. 10 came about but why the 10 guilders? How did you arrive to this amount of NAf. 10? Which calculations were done? What study was done? Which travel agency etc. did the minister speak to? Who will this have an impact on, etc.?

With respect to the proposal to increase the “leges” the question is whether this will be implemented for all permits for which “leges” have to be paid? Is there an impact study of the increase made? Were the proposals of the SER taken into account? Have there been other proposals to create more revenue by other means? Is the draft in which 2017 is mentioned as the starting date approved? How does this affect the functioning of the small businesses?

The increase of “leges” mentioned will go into effect January 1, 2017 although the law is not complete thus going into effect retroactively while not presented to Parliament as yet. How come this is in the budget?

For Small Business Development Fund. NAf. 100.00 was budgeted for 2017. How much will be catered towards the small businesses?

A sum of NAf. 1 million for the law school that is being set up at this moment was mentioned. Why is that amount of NAf. 1 million not mentioned in the budget?

What was the policy of the government in terms of the creation and presentation of budget? Mention was made that the budget was approved by Council of Ministers. Was this an unanimous approval by the Council? Mention was made that the budget decision by Council was not unanimous. Can Parliament be provided with the decision how it went?

Mention was made that each cabinet per ministry has specific monies budgeted for staff. What is the amount per ministry? Staffing freeze, does this extend to cabinet of ministers as well?

The amounts which according to the budget were paid to organizations are consistent; 99 million out of a budget of 450 million. How were these monies supervised? What type of oversight is provided with these organizations? How does the government manage these monies on a yearly basis? Can an overview be provided as to how these monies were managed in order to bring clarity as to how these monies were spent; e.g. suggests, pointers, advices or opinions from the government to the various organizations.

Can the articles of the budget be provided which are the bases for the subsidy that are structurally provided to organizations on an annual basis? What is the situation of these various organizations which receive these subsidies? How is this being managed seeing that the budget is a structural source of income on which some of these organizations rely for their operations?

Mention was made that government owned companies are functioning as island of themselves, and that they are not reporting properly to the government. What is the government's position in terms of correcting this as these companies are 100% owned by the government?

The financial picture and outlook of the Country depicts a worrisome picture because St. Maarten is a service driven economy. What are the plans of the government in terms of improving this? 96% of country GDP comes from tourism, if we do not improve the revenue side of financials, e.g. service industry, then where are we going?

The government wants an injection into the budget? How does he think to realize this?

What are the capital investments going to be for the tax office? With regards to the monies reserved for the upgrading of the tax office, can the government provide detailed information hereof? Can the government elaborate as to what and how, where this amount of money is going to be spent on; e.g. software upgrade, personnel, etc.?

Reference was made to recommendations from the SER that the TOT should not be raised? The faction would like to know under which administration this was done? What were the recommendations by the Cft when the TOT issue was raised?

Capital investments: Does the government have any other alternatives in case these are not approved?

Based on the NAf. 10 million for the tax administration the question arises about what is being done for a better financial system to link all the departments including Tax departments together? Why is this not a priority?

Are there reports of the management or head of the Tax department concerning the tax reform? With regards to the tax system reforms it is stated that there will be a shift from direct to indirect taxes. What kind of indirect taxes? Where is the land for the tax department building?

The Daily Herald mentions a NAf. 10 departure fee while Today mentions that this fee will yield NAf. 79 million a year. The documents submitted by the government say that it is NAf. 21 million. Is it the intention that all passengers going through the airport will pay NAf. 10 or only passengers coming to Sint Maarten? Will all passengers in transit be levied this fee? Is it the intention for airport to continue grow hub function? How will numbers of the government give this kind of revenue? Can an indication be given how the amount of NAf. 21 million was arrived at?

How many consultants are there per ministry on the payroll? Who are they? How much are they paid?

What the document and the preface of the budget lack is what make this economy run. What exactly is government's intention in terms of raising new revenues?

The government speaks about tax reform, tax enhancement. However there is nothing in the budget about economic development. What is happening to the economic development plan? What exactly has happened since 2014 with the economic development plan that was started?

There is a claim that SMMC has remitted two taxes in past few years. Can an explanation be given of the sale of the land in relation with this (intent to sell land for Naf. 6 million). Is the land that SMMC is on government long lease land?

Is there an employer/employee withdrawal term in NHI program? How much is it?

Court case VAMED: Aare there provisions made in budget to pay for losses based on court cases?

It is stated that the developments around SMMC will be done outside of government. How does the financing affect the ownership after it has been developed?

Ministry of Tourism, Economic Affairs, Transport and Telecommunication

What does the government think of the creation of a system where persons who already have a job may obtain a vending permit at a higher license fee and also allowing a person to have a 2nd or 3rd job to improve his standard of living?

With regards to the vending permits the faction asks if the law can be changed allowing the Council to allow persons with jobs to earn extra income distinctively increasing the fee for those who already have a job. Allowing locals to have a job.

The steep decline of 500,000 cruise passengers has caused the short fall in budget 2016. This decline was caused by cruise ships which do not call on Sint Maarten anymore. Does the government have plans to bring back these cruise lines back? If yes, how?

With regards to the 119 million deficit caused by above-mentioned decline this faction wished to be informed which criteria were used to come up with that projection? Which calculations were used to come to that specific amount of money?

In addition to vending permits, how does it define? What is the definition of a main income? How do we define that?

The Pearl of China project is being executed without impact study. Is the government talking with any other companies to invest in Sint Maarten? Is it safe for the country that the government alone is taking unilateral decisions without the approval of Parliament? With regards to the Pearl of China project the faction observes that there are other areas the government can focus on also.

Why is the government not beefing up those who go out and collect taxes instead of changing the system? The government needs to use what it has more effectively to get better results. How many persons/ftes are there in the Tax office that is actively collecting outstanding taxes?

How far can the government be from the reality where it pertains to tax assessments?

There is a steady decline of taxes; example land tax, fuel tax, etc. What is government's vision in trying to generate more taxes? Not everything can be put on Pearl of China. How can the government improve sale of fuel in connection with tax to be derived?

What was actually budgeted and actually received in 2014, 2015 and what is projected in 2016 for profit tax? What is government's expectation from the tax reform? Does this imply more taxes for the people? Can the government look at the possibility to decrease profit tax? In other parts of world they are looking at decreasing profit tax.

Fees and charges, business licenses have remained unchanged but there is an increase of the post with NAf. 8.7 million. Can this increase be explained?

Room and timeshare taxes: there is a proposition to introduce a \$10 time share fee per day? Is that per room or per person?

What are the ramifications of not being able to carry out the plans of approach? Is the government aware of other plans of approach that Sint Maarten has? What are the costs to try to finalize them? How should this be done with the current financial situation?

In the budget there are subsidies to companies to the amount of Naf. 4.6 million. Can Parliament get a detailed list of these companies? Do they have to meet requirements of the subsidy ordinance? Who checks if they stick to rules and regulations?

Onvoorziene uitgaven. How is this calculated? How can funds be drawn from this account?

With regards to Unforeseen expenses the Minister of Finance states that the Naf. 4.7 million is the slice of the pie that pertains to the Ministry of Finance. Can de minister explain this statement?

Ministry of Justice

In the 2017 budget no monies are budgeted for the Justice Academy and Youth Detention Center. Does this mean that these institutions will no longer receive any subsidy? If yes, provide clarity with regards to the plans for the future for these institutions moving forward?

The population wants to see more blue, more police on the street. This will make people want to contribute to the economy.

Has more money been made available for the police? Have the problems of putting the police officers in the correct scales been solved? Will they get the monies to which they are entitled? Will the police be issued the bulletproof vests they have been promised? What is the status of the shooting range? Will there be more substations for the police? How much money has been made available for this? How will these stations be manned?

Can information be provided on the portion to be paid to the prosecutor? Is the government behind with the payments? Does the government have a plan to update? Does the government have court cases held up because of this?

A few months ago the pro deo lawyers went on strike. Is their payment calculated in this budget? Has a projection been done how much will have to be paid to them for cases still to come?

The HR department will be merged into the central HR dept. What will happen with the employees there? Will they now fall under the Ministry of General Affairs? Was this taken into account?

Coastguard personnel only work for 5 years after their training. Is there any way the government can amend the laws to allow them to transfer into the Ministry of Justice? What are the possibilities to create a transfer program?

Ministry of Education, Culture, Youth and Sport

How will the problem with the school busses be solved? Will this problem be dealt with in the meetings of parliament?

There is an ordinance tertiary education. Is this going to be specifically for svbo? Can USM be part of this? Is there any communication between the ministry and USM to look into acknowledging this institution and to finance and to subsidize the institution?

NAf. 2.9 million has been allocated for NIPA. What is the certification program? Has an impact study been done? Was this aspect discussed with USM? Is a combination a possibility?

Improving the quality of education is important not only properties and buildings. Policies are not being exercised. How about the policy for hiring educators? What are the requirements for educators? What is the policy towards especially foundation based education? Are the requirements followed? Do these policies also apply to schools outside the public education? What are the possibilities to address private school that are not considered a school based on the business licenses obtained? Can the government establish a law to avoid certain unwanted developments to happen there?

What are the possibilities to provide short training to teachers who have just arrived in Sint Maarten on for example the culture of Sint Maarten?

Because of the compulsory education there the question is if here is any way the government can categorize children as visitors as to avoid that these children overstay and then have to be enrolled into a school?

How does the compulsory education affect quality of education of students who can enroll any time throughout the year?

What is the policy on building of schools? For the maintenance and for the cleaning of schools? How does the government determine which company cleans school?

What is the working relationship between the ministry of Education, Culture, Youth and Sports Affairs and the ministry of Public Housing, Spatial Planning, Environment and Infrastructure? Is there a designated person when repairs need to be done in a school? How much is budgeted for school repairs? Where does the government purchase materials? How much is allotted?

What qualifies a student to attend NIPA? When can a student be denied? Can Parliament receive a copy of the policy to realize the plan to facilitate and stimulate cultural expressions?

Can the government provide a detailed plan for the realization of culture in 2017 as far as cost is concerned?

Can the government give a breakdown of the acquisition of the John Larmonie Center?

Can the government provide Parliament details about the purchase, design and construction of the performance arts center?

Ministry of Public Health, Social Development and Labor

National Health Insurance: Were discussions held with the relevant stakeholders seeing that this will have very far reaching financial effects?

What is the government's position towards the financing of the new SMMC? How will the financing be done? What kind of subsidy is currently being given to the SMMC? Is it still the case that the SMMC is unable to pay its bills? Was a financial injection needed? For what was this needed? How effective was this injection?

Economy: What is the government's strategy on getting back the businesses to Sint Maarten and to stimulate the economy?

Tourism and marketing campaign: Regarding the monies spent during 2016, what was exactly spent on marketing and where was it spent? Where in the world do we have marketing? Which contracts were actually signed?

What kind of expectations can the government have from BTP in terms of monitoring the communication system (availability of internet and telecommunication service) in Sint Maarten? What is the amount (dividend) that BTP will be paying to the government in 2017? Can Parliament have the travel budget of BTP? What has the BTP accomplished with these travels?

There is a loss in harbor fees close to \$9 million. Can the government provide information on the other government owned companies e.g. Post office? Are they up to date? Did any of them need a financial injection? What are the future expectations? Is there transparency in the other government owned companies?

Lottery regulation: There are 3 license holders. How many lottery companies are there in Sint Maarten? Why different fees are collected are from them? Two of them pay NAf. 25.000 a month and the other one NAf. 50.000 a month.

One marketing contract was signed. Others are pending. How is it then that the government manages the Sint Maarten marketing in the various markets? Is it an ad hoc situation or structural way?

Ministry of Housing Spatial Planning, Environment and Infrastructure

Government owned companies: What is the exact amount the Government has received from GEBE? Was it planned and for which specific need was it meant? Does the Government have an overview of when this has to be paid to the government? What was the process with GEBE? What has been done with these monies?

What happened with the 17 million from GEBE? It was mentioned that GEBE had a substantial amount. Is this money gone? GEBE had asked government for more time to be able to make new investments.

Can details be provided concerning the Pearl of China project? When, who and how will this affect the country's budget? Provide all information that is available to the government with reference to the Pearl of China project in order to be able to understand the future of Sint Maarten.

If there is a major windfall of 17 million that can be taken out of the water company, what is the backlog in investments? Has the government looked into what these investments means for the future of the country? Does that mean a future water shortage? Can the water and electricity company continue to function if 17 million is being taken out? Can the population expect a decrease in the water prices in 2017? E.g. giving back 8 million in price reduction to the population? Mention was made that a reduction of the GEBE rates is a management decision. The faction differs with this statement; it is up to government 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?

Mention was made that dividend was issued by GEBE. If this is the case, how much? The government also intends to take dividend from the electric company in 2017. Has a plan been presented to the government as how GEBE intends to keeps the light burning? Will another engine be purchased in 2017?

It is stated that in the budget there is no dividend from GEBE. However in government's answers to SER mention is made that there is 12 million that the government looks forward to receiving in 2017. See page 10 of the answers to SER. Can this be clarified?

How is the cleaning up taking place? What is the policy? How did the bidding take place? Who is monitoring the guidelines?

It was indicated that the recent groundbreaking for Pearl of China was based on 2007 development plan of the area. Due to changes in the development plan this will be adjusted. The government cannot put all of its eggs in one basket. What happens to what is there right now? How many percent of our GDP/economy does government envision that this project represents?

What is government's intention with regards to the landfill and waste-to-energy plan debated over the past years? What happened to the joint sewage project between the Dutch and the French side?

What is government's intention with Kim Sha beach?

The APS intends to build an underground parking garage. Who does this land belong to? How can it be sold to pension fund? How can APS buy government's land?

With regards to policy of government dealing with GEBE the faction wants to know if the vision is to allow GEBE to continue to make huge profits and collect dividend or rather give the people relief (elderly, schools etc.)?

When is the sewage levy going to be implemented? How are the monies for garbage collection budgeted? Are there any financial issues with garbage collection? What is the plan to improve on this?

Is the budget in place for recycling and waste management? How does the government plans to solve this? Can Parliament be looking into this any time soon? Have there been bidding processes to hire a company? Is offloading being considered? Did the government do any research if there is interest anywhere to purchase the garbage of Sint Maarten?

Will there be a recovery facility? Has contact been established with third parties?

Is there a general recycling campaign or awareness program? What equipment will the government use? How much will this cost? Is this included in budget? How is it allotted?

This report can be considered the end report.

Adopted at the meeting of the Central Committee of the 8th December 2016.

The Reporter,

Sara. A Wescot-Williams