



GOVERNMENT OF
MONTSERRAT

BUDGET STATEMENT 2024-2025

**From Vision To Reality:
Transforming our Economy,
Protecting our Environment, and
Empowering our Communities**

Presented By:
The Premier and Minister of Finance
and Economic Management
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Contents

Acronyms.....	2
Introduction.....	4
A Look Back.....	6
Economic Context.....	8
International	8
Regional.....	9
Local	10
Looking Forward	13
Improving the Quality of Life.....	17
Governance, Security and Justice.....	19
Governance.....	19
Security.....	20
Justice.....	20
New Fiscal Measures	20
1. Tax Reform	20
2. Salary Increases.....	21
3. Sand Mining.....	22
Tourism, Access, Immigration, Culture and the Arts,	22
Tourism	22
Access & Connectivity.....	23
Immigration.....	24
Arts and Culture.....	25
Digital Transformation	26
Education and Capacity Development.....	27
Housing.....	27
2024-2025 Estimates of Revenue and Expenditure	28
Acknowledgements	28
Conclusion	30
Appendices	32
Appendix 1 – Recurrent Expenditure by Vote.....	32
Appendix 2 – Recurrent Revenue	32
Appendix 3 – Capital Expenditure	33

Acronyms

BNTF	Basic Needs Trust Fund
CARICOM	The Caribbean Community
CDB	The Caribbean Development Bank
CXC	Caribbean Examinations Council
CIPREG	Capital Investment Programme for Resilient Economic Growth
DITES	Department of Information Technology & E-Government Services
ECCU	Eastern Caribbean Central Bank
EMAP	Emergency Management Accreditation Programme
EU	European Union
ECPA	Enhanced Country Poverty Assessment
FCDO	Foreign, Commonwealth and Development Office
FtP	Fibre to the premises
GDP	Gross Domestic Product
GO	Green Overseas
GoM	Government of Montserrat
GWAN	Government Wide Area Network
HBS	Household Budgetary Survey
IBSU	Integrated Border Security Unit
ICT	Information and Communications Technology
IMF	International Monetary Fund
MAC	Montserrat Arts Council
MCAP	Movement for Change and Prosperity
MSS	Montserrat Secondary School
MUL	Montserrat Utilities Limited
NHS	National Health Service

OECS	Organisation of Eastern Caribbean States
PAYE	Pay as you Earn
PMO	Programme Management Office
RESEMBID	Resilience, Sustainable Energy and Marine Biodiversity Programme
RMPS	Royal Montserrat Police Service
UAT	User Acceptance Testing
UK	United Kingdom
UKCIF	Caribbean Infrastructure Partnership Fund
UKHSA	UK Health Security Agency
UN	United Nations

UNPF	United Nations Population Fund
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Introduction

1. Madame Speaker, it is with a profound sense of pride and gratitude that I present to members of this Honourable Assembly the final budget of this parliamentary session.
2. Madame Speaker, as I have always done on occasions like these, I must begin this presentation by thanking Almighty God for His continued blessings which He continues to bestow on this our beloved Island. Blessings that we sometimes take for granted.
3. This evening, please permit me to quote words found in **1st Samuel 7:12** **“Samuel then took a large stone and placed it between the towns of Mizpah and Shen He named it Ebenezer (which means “the stone of help”), for he said, “Up to this point the LORD has helped us!”**
4. Madame Speaker this scripture passage has the promise of the future. What that future holds or what it brings is known only to God, but it is enough that he has promised to go with us.
5. Madame Speaker, on June 18, 2020, I presented my first budget in this Honourable Assembly, I did so in the midst of great uncertainty.
6. Four (4) months into the life of this administration we were called upon to marshal all the skills and resources which were available to us, as we joined the rest of world in working to save the lives of our people.
7. Lest we forget, Madame Speaker, the entire globe was impacted by the little-known Corona Virus, (COVID-19) it was a period of trial and error, we were forced into managing a crisis of significant proportions, and we did!
8. For two (2) years this administration, with the support of our local medical professionals, nurses and doctors recruited from the Republic of Cuba, the UKHSA, NHS, the FCDO, and all of our regional and international partners was able to manage the crisis with minimal loss of life.
9. Throughout the crisis, Madame Speaker, this government listened to the advice and acted even when the detractors were crying at the top of their voices.

10. Madame Speaker, we recognized that in times like these a country needs leaders with level heads, who listen to sound advice and act in the interest of its citizens, and this MCAP government provided that kind of leadership.

11. Madame Speaker during the crisis when our spirits were low, we were often reminded by some seniors of words found in the latter part of Ruth 4: “who knows whether you have come to the kingdom for such a time as this?” Indeed, Madame Speaker we were elected for such a time.

12. Madame Speaker, over the past four (4) years, as a united and purposeful government, we strived tirelessly to fulfill the promises we made to the people of Montserrat and in the process of doing so, we have restored honesty, confidence and trust into government.

13. Today, as we present the budget for the fiscal year April 2024 to March 2025, we reflect not only on the continuing march to make Montserrat truly great again, but the achievements already won, and the investments we are putting in place for delivering a prosperous Montserrat.

14. Last year, Madame Speaker, I told this house that the budget presented was unprecedented. Today, I am pleased to say that I must repeat myself.

15. The budget for 2024-2025 is indeed unprecedented in terms of its value, and the scale of impact it will deliver.

16. Last year, my Government secured the largest ever increase in budgetary aid in recent times, with an increase of 25% to the recurrent contribution.

17. Madame Speaker, this was intended to be a one-off settlement, a specific response to the prevailing circumstances at that time.

18. However, Madame Speaker, I am proud to announce that my Government has secured that increase for another year, and that we have surpassed it further still with an additional \$2.23m for new spend priorities.







19. Today, Madame Speaker, I therefore present a budget totaling \$236.3m consisting of \$155.7m for recurrent expenditure and \$80.6m in capital investment.

20. Our theme for this budget, "**From Vision to Reality: Transforming our Economy, Protecting our Environment, and Empowering our communities,**" encapsulates the essence of our mission in translating these dollars into outcomes.

21. From the outset our administration was committed to building a prosperous, sustainable, and inclusive future for all Montserratians. And, Madame Speaker, as I stand here today, I am proud to say that we have made significant strides towards realizing that vision.

A Look Back

22. Madame Speaker, in 2023-2024, my government achieved many major milestones;

-  The Little Bay Port Development project – an initiative in the planning for almost a generation – has moved confidently into construction and will be actively commissioned later this year.
-  Our new national Hospital Project – after waiting for more than 25 years, Madame Speaker – has broken ground with early works already underway and the main construction tender in the final stages.
-  Our healthcare system has seen transformative multimillion-dollar investment in diagnostic and life-saving equipment including the installation of a CT Scanner and 3D mammography machines.
-  We reintroduced a new, modern ferry service, and continued our support to the airlines, to provide major access improvements, and to enable the most successful St Patrick's season since COVID-19.
-  We have commissioned our new asphalt production plant enabling the next phase of road investment to begin.
-  We have invested in the rehabilitation of the old Salem Primary School into a Community Centre in the first stage of that village's transformation;

- We have launched the Parliament Building Project, with the solicitation of the bids for the design.
- We have improved stability of our national electricity grid through implementation of new gen-set equipment, after years of failed investment.
- We have supported forty-three (43) local businesses with financial support through the small business relief fund.
- Madame Speaker, we have pursued a new, vital approach to investment opportunities in Montserrat – in renewable energy, aviation, agriculture and tourism.
- We have moved to protect the most vulnerable with investments in safeguarding, domestic violence prevention and child protection campaigns. The Police Service in conjunction with the Social Services department have been working assiduously to investigate and address concerns of criminal offences.

Safeguarding and domestic violence policies have also been introduced to address and reduce the likelihood of harm, abuse and distress of such occurrences.

- We have invested in our social housing, with the first new capital investment in new build since 2018, and the completion of maintenance works for some of the most vulnerable in our society.
- We have completed the refurbishment of Block M at the Montserrat Secondary School, restoring much needed classroom capacity in the sector.
- Madame Speaker, we assisted all households in Montserrat with a food voucher during the year. We recognised the impact of the cost of living crisis and acted. Madame Speaker 6,775 vouchers were issued to 2,259 households – at a total value of \$700,000.
- Madame Speaker, long has the financial stability of MUL been in jeopardy and it has been ignored or deferred but the stable provision of utilities is critical and my government provided MUL with direct financial assistance to support its operations.

- Madame Speaker, my government has taken the very tough but necessary steps to improve the viability of the Social Security Fund to ensure its long-term sustainability. We continued to support the Fund with additional injection of funds.
- We successfully completed 1.2 kilometers of road overlay, addressing critical potholes, generally improving road conditions through verge and drain cleaning and implemented a proactive maintenance schedule to prevent further deterioration.
- We have provided quality education to our students with our curriculums administered by an increased number of trained teachers. We saw an 84% pass rate in CXC 2023 examinations and performance improvements in tests of standards at Grades 4 and 6 and increased open access to Day care and Nursery Centres.

And this year, will build upon this momentum.

Economic Context

Madame Speaker, permit me to address the Socio-economic context within which our 2024/2025 budget is presented.

International

23. Madame Speaker, more than ever, the global economy has become more integrated and interconnected.

24. Our beloved island operates within the global economic system, which means that we are influenced by any development in the international and regional market.

25. The past four (4) years, Madame Speaker, have been challenging to say the least. But, our response is a testament of our fortitude and dedication, as governments across the globe navigated the COVID-19 pandemic.

26. This was aggravated by geopolitical tensions such as the Russia-Ukraine war and conflicts in the Middle East.

27. Madame Speaker, the cost of living crisis which resulted in global inflation at their highest levels since the mid-1990s, worsened by some extreme climatic conditions resulting in drier-than-usual weather in key food producing countries. My government, Madame Speaker, had to navigate these issues throughout our entire term.

28. Madame Speaker, The United Nations (UN), has pointed out in their Sustainable Development Goals Report for 2023 that “We have entered an age of polycrisis”¹. If there is one lesson to be learnt from our experiences it is that the global situation is very volatile. These unusual, complex and interconnected forces, weighed heavily on global growth.

29. During 2020, Madame Speaker, we witnessed global economic activity contracting by 3.1%.

30. This hampered progress towards the 2030 Sustainable Development Goals but like us, the global economy is proving to be surprisingly resilient and has been on a path to recovery.

31. Madame Speaker, the IMF estimates global growth at 3.1% this year with a modest increase to 3.2% next year due to increased economic activity in our major trading partners.

Regional

32. Madame Speaker, although we have considered the global environment that sets the pace for each economy’s outlook, it is important for us to understand the growth trajectory of the countries within the Eastern Caribbean Currency Union (ECCU).

¹ The Sustainable Development Goals Report 2023: Towards a Rescue Plan for People and Planet, United Nations (2023)
p. 3 (<https://unstats.un.org/sdgs/report/2023/The-Sustainable-Development-Goals-Report-2023.pdf>)

33. Similar to other regions, the ECCU has experienced a relatively strong rebound from the pandemic and energy price shocks. Real GDP is estimated to have grown on average by nearly 7% per year over 2021 to 2023, and has finally surpassed pre-pandemic levels.

34. Madame Speaker, this growth was led by tourism and investment and anchored on government policies geared at cushioning the impact of those successive external shocks.

35. The outlook remains positive across the ECCU countries, Madame Speaker, collectively a 5% growth rate is projected for this year.

36. Our EC dollar remains strong and financial conditions in the ECCU remain stable.

37. However, Heads of Governments are aware that uncertainty and the slowing of the global economy may hamper strides towards achieving economic growth targets.

38. Madame Speaker, the outlook for the ECCU is dependent on initiatives to spur wealth creation, food and nutrition security, energy security and digital transformation.

39. The Government of Montserrat alongside other Heads of Governments will be implementing innovative and transformative initiatives and policies to build the region's economy.

Local

40. Madame Speaker, under my leadership our economy has overcome many obstacles. We have fulfilled our solemn duty to sound fiscal management and proven our steadfast commitment to facilitating and promoting sustained economic growth on the island.

41. We have focused on creating employment opportunities for residents through a number of capital projects, coupled with implementing carefully targeted expansionary fiscal measures and programmes when necessary.

This has all been in an effort to boost private sector activity and lessen the dependency on public resources.

42. Our economy has returned to growth following the slowdown in economic activity in 2020 where our GDP growth rate was negative 1.1%.

43. Even with the turmoil in the global economy, I am delighted to report that Montserrat is expected to see growth of nearly 5% this year.

44. Madame Speaker, this positive outlook enables Montserrat to be one step closer to achieving our strategic vision of being a prosperous and resilient country with a healthy economy where people want to live, work and visit.

45. The intended manifestation of this strategic vision is underscored by the importance of stabilising our population numbers, especially the labour force. It is a priority of our administration to address our country's demographic and sustainability challenges.

46. Madame Speaker based on the preliminary key findings from the 2023 Population and Housing Census conducted by the Statistics Department, Montserrat's total population stands at 4,386, reflecting a 10.9% decrease from the 2011 Census.

47. The gender distribution remains fairly balanced, with males comprising 49.9% and females 50.1% of the population. Notably, there has been an increase in the number of males compared to females since 2011.

48. Analysis of age demographics, Madame Speaker, indicates a decline in the population under 15 years old, while the proportion of individuals aged 65 and over has increased, signaling an aging population trend.

49. Geographically, the distribution of the population across the island remains consistent with 2011, with the majority residing in the Northern Region.

50. These findings offer crucial insights for informed decision-making and planning for Montserrat's future.

51. We eagerly anticipate receiving comprehensive data to aid our planning and policy efforts to ensure Montserrat's prosperity and well-being.

52. Madame Speaker, in February of this year, we received assistance from the United Nations Population Fund (UNPF) to conduct a Population Situation Analysis. This, coupled with data from the Census will be the ground work for the upcoming National Population Policy which will influence population size, growth, distribution and composition.

53. Madame Speaker, let me now turn to the developments in our key sectors.

54. **The Construction sector** remains a strong pillar for our economy and has been experiencing recovery since the pandemic. Based on the value of the major construction projects this year such as the Port, the Hospital, and the Parliament building, this sector is expected to grow by 10-15%.

55. **The Mining and Quarrying sector**, Madame Speaker, is crucial for Montserrat in terms of potential growth. Aggregate is the main export commodity from Montserrat.

56. Since the regularisation of the sector, miners have been applying for licenses and planning permission.

57. We now have five (5) major miners. It is estimated that the sector will grow by 5-10% this year with exports exceeding that of last years. If external demand expectations are met positive spill offs will be felt in the transportation sector.

58. **The Hotels and Restaurant Sector** has been one of the drivers of economic recovery. We have seen a gradual increase in arrivals year on year since the reopening of our borders.

59. As at December 2023, total visitor arrivals for the year were 151% more than 2022. With the increased growth of our St. Patrick's Festival and the increased global demand for travel it is estimated the sector will expand by almost 31% this year.

60. As we seek to improve access to the island, the pathway will become clear for a more sustainable tourism industry and a more diversified economy.

61. **The Agriculture sector** is at the heart of our sustainable development. Our farmers and fisherfolk are the backbone of our food production. Our administration has made a concerted effort to safeguard and invest in this essential industry.

We have increased access to farmland, provided irrigation support to local farmers, sourced data management systems, enhanced crop protection and improved terrestrial pest management.

62. As predicted, Madame Speaker, climate change has affected our food security by disrupting food availability and decreasing access to imported food. Our administration intends to ensure that all our infrastructure and agricultural programmes are resilient against climate events.

63. Madame Speaker, the Agriculture sector is slated to grow by around 8% this year.


64. Madame Speaker, our administration will continue to implement the necessary policies and programmes designed to grow our economy, improve the quality of life on the island whilst protecting our environment for future generations.

65. Madame Speaker, we must look back in order to propel forward, whilst looking back we can all see that there has been no challenge that we have faced as a people that God has not endowed us with the strength and wisdom to overcome. This encourages us to forge ahead with renewed determination.

Looking Forward

66. Madame Speaker, as well as seeing further progress and completion in our major capital investments, 2024-2025 will see even more investment come on stream, together with responsible fiscal interventions to provide additional support to the Montserrat public and business community.

67. In terms of capital investment, Madame Speaker, this government will continue to implement a range of capital initiatives including the portfolio of projects under the CIPREG Programme – extended last year by £10m; the Essential Equipment Programme; the UKCIF and EU Development funded Port Project; the BNTF Programme; and the EU Programmes, RESEMBID and GO.

 The new hospital will move into main construction following tender award.

- The Little Bay Port will be commissioned and handed over into operations. We will see up to 100 employees by the end of this year.
- The new Parliament building will complete the detailed design phase.
- The social housing construction programme will begin in earnest, together with continued investment in existing social housing maintenance.
- The MSS Rehabilitation Project will complete all works on the secondary school site.
- The Salem Community Rehabilitation project will be completed.
- The Davy Hill basketball court project will be completed and available for community use.
- The A01 road rehabilitation will truly get underway.
- Energy initiatives will continue to be implemented, such as the Geothermal Wellhead Maintenance project; Energy Efficient Lighting and Environmentally Friendly Disposal project and the Post COVID Reduction through Energy Efficiency project.

68. Beyond these projects, Madame Speaker, my government has also allocated funds to deliver the following priorities:

- To leverage the investment in Montserrat's sea-side port development, this government will bring new focus on the landside development of Little Bay.

It is time to revisit the Little Bay Masterplan and to bring it in line with our ambition for a new capital; it is time to implement new infrastructure to make investment in Little Bay more attractive; and it is time to advance our engagement with potential investors in commercial, residential and civic spaces in Little Bay. This investment will include \$2.0m of funding this financial year.

- To invest in sports and community facilities, we will launch the Sports Rehabilitation Project to deliver a new motor Sport race track in Montserrat for this burgeoning and high-potential sport.

- We will complete the refurbishment of the multi-purpose sports centre flooring, and we will install new sporting facilities at Lookout, Davy Hill, and Drummonds. This investment will include \$1.0m of funding this financial year.
- To enhance our island's food sovereignty, we will launch the Agricultural Products Expansion Project, which will include initiatives to increase the production, yield and efficiency of our agricultural product. This investment will include \$1.5m of funding in this Financial Year.
- To enhance our government's commitment to the green economy, we will also invest in new electric vehicle charging stations to provide important infrastructure for EV users.
- And to protect the most vulnerable in our society, Madame Speaker, we will also invest further in our safeguarding infrastructure, policies and partnerships to ensure that children and adults accessing safeguarding services do so with the appropriate protection and dignity.

This investment will include \$500,000 of funding in this Financial Year.

69. Madame Speaker, we have reaped significant financial benefits by being proactive. We have been able to capitalise on funding from the FCDO after the main budget is passed.

70. It is against this context, Madame Speaker that we have a range of additional pipeline projects, to be brought on stream as soon as additional funding become available.

71. These projects, Madame Speaker, include asset care and maintenance of the Montserrat Cultural Centre, continued rehabilitation of the Montserrat Secondary School, and further investment in the youth, critical maintenance of our main water springs, to name but a few.

72. Last year, the CIPREG programme was extended from £30-£40m, but, Madame Speaker the programme remains overcommitted and pressurized, leaving a clear funding gap for new and emerging capital priorities. My government has ensured that this investment has been well planned and delivered.

73. We have presented a robust case for additional capital investment in Montserrat's fundamental and enabling infrastructure, transformational improvement programmes, and community investment.









74. We are working with our UK partners to secure a time-critical extension to CIPREG, or a new capital business case altogether, to address unmet essential needs of national importance, critical life-safety infrastructure, and enabling investments for economic development.

75. Over the last 18 months, Madame Speaker, the Government of Montserrat has been implementing investment from the UK's Essential Equipment Programme.

76. This fund, delivered through the Ministry of Finance and Economic Management, began as a \$9.6m business case for major life-safety critical equipment.

77. In a matter of months, the investment had been committed and procured, resulting in additional top-ups to this fund over the course of the financial year to \$14.6m.

Under this fund, Madame Speaker, this government has delivered:

-  A new medium speed generator, and an emergency high speed generator
-  A new CT Scanner and enclosure, together with enabling infrastructure
-  A new 3D Mammography machine
-  A new neonatal transport incubator unit
-  A suite of new medical crash carts, complete with defibrillators
-  A new medical oxygen generator, and transport truck
-  40 new hospital beds
-  5 generators for the primary healthcare facilities




78. Building on the success of this programme, Madame Speaker, and Montserrat's swift implementation of priorities, the Government has secured an extension to the Essential Equipment programme for the new financial year, amounting to an additional \$2.6m of capital funding from the FCDO towards additional equipment priorities.

79. Madame Speaker, recognizing the need to ensure the effective delivery of public services, to support economic development, to promote safety and security and to save costs in the long run, provision has been made in this budget for an additional \$2.0m to deal with the upkeep of government assets.

80. This helps to plug an immediate maintenance gap, while we build the case for much needed future investment in this area.

81. Madame Speaker, this government is committed to putting our people at the centre of the transformation journey occurring in the healthcare system. In 2022, we formalised a non-infrastructure reform agenda to run alongside our infrastructure investments in the new national hospital.

82. In the new fiscal year, we are building upon this investment through a commitment of a further \$2.0m to continue to prioritise the following:

-  The adoption of a health information system which will lead to the development of a National Digital Health Strategy.
-  Prioritizing operational restructuring to ensure our healthcare professionals have the work environment and capacity to transition into a new hospital.
-  Key legislative requirements surrounding Health Finance Reform, and the complimentary operational requirements at the point of care delivery.

83. We are ideally poised, Madame Speaker, to construct and deliver a National Health Strategy for 2025-2030 by the end of this fiscal year. Our infrastructure and non-infrastructure projects and performance by all stakeholders has led to this moment.

Improving the Quality of Life

84. Madame Speaker, meeting the needs of the vulnerable in society has always been a priority of this government and so, Madame Speaker, this budget includes an allocation to support the undertaking of an Enhanced Country Poverty Assessment (ECPA) which will include a Household Budget Survey (HBS).

85. These surveys will provide valuable insights into household spending behavior, income distribution, and help us determine poverty levels. The information, Madame Speaker will inform social policies such as setting a minimum wage, which will in turn improve the quality of life of individuals.

86. We will continue Madame Speaker, to inject the necessary resources into the Montserrat Utilities Limited.

87. Concurrently, a comprehensive review is being undertaken to determine a suitable business model and the structure which will deliver services in an evolving environment; ever conscious of the move away from a total dependence on fossil fuel.

88. Madame Speaker, our social security system remains at risk if sustained financial support is not provided over the short to medium term.

89. It is our intention, Madame Speaker to safeguard the senior citizens in our society and to ensure that the Social Security Fund continues to be in a position to enhance their quality of life. An allocation of \$1.0m has been provided to support this initiative.

90. Madame Speaker, we have been grappling with capacity issues for some time now. As a government, there is a very real challenge to identify and retain the appropriate human resources to meet the daily demands of the service.

91. This year Madame Speaker, government will invest in building the capacity of our workers, empowering them to reach their full potential, achieve their goals and make a meaningful impact.

92. This will ensure, that skills are identified and enhanced; performance across the service is improved, to foster a spirit of innovation and empower our workers to create positive change in the workplace. Madame Speaker we have allocated up to \$500,000 towards this initiative.

Governance, Security and Justice

Governance

93. In the pursuit of good governance and the continuous improvement of public service delivery, Madame Speaker, we will be reviewing key legislation and policies that are critical to the efficiency of our public sector operations.

94. Our government will build on the work done on the Public Administration Bill with a view to implementing the act as a means of strengthening the framework that governs the functioning of the public service.

95. The legislation will serve as a cornerstone in promoting accountability and professionalism within the public service.

96. By updating the legislation, our aim is to streamline processes, and establish clear guidelines for effective public sector management.

97. Madame Speaker, we will also undertake a comprehensive review of the current remuneration structure, processes and levels in public service. This aligns with our policy of promoting good governance, attracting and retaining top talent and improving organisational performance.

98. Our government recognises the importance of rewarding excellence in the public service, while also ensuring that appropriate measures are in place to address inefficiencies.

99. By reviewing and refining this system, we will also seek to create an environment that motivates employees to excel and uphold the values of accountability, ethics and integrity.

100. We recognise the importance of having a financially sustainable pensions system while upholding a fair and transparent system that values the contributions of employees and safeguards their wellbeing in retirement. To this end, we will continue to implement pension reform that ensures a robust, equitable pensions system for all.

Security

101. Madame Speaker, we as a government stand committed to upholding the island's reputation by maintaining law and order and support the efforts to guarantee the safety and security of our residents and tourists.

102. We support the RMPS in their efforts to enhance awareness and build trust within the various communities through increased community policing, the revision of legislation and to improve presence, professionalism, and effectiveness.

103. The Fire Service have also pushed ahead with continuous improvements. 95% of the fire crew are now certified aerodrome firefighters. Additional training will be conducted this year to ensure that the Service meets the future needs of our new sea port prior to its completion.

104. Madame Speaker, we are aiming for a modernised approach to disaster management to include accreditation by EMAP, and continuous review of equipment and resources.

Justice

105. We believe in protecting rights and promoting equity and fairness. And so, Madame Speaker there is a system in place to ensure access to justice for all.

106. Madame Speaker, I will now turn to some significant fiscal interventions.

New Fiscal Measures

1. Tax Reform

107. Madame Speaker, Tax Reform has long been on our government's agenda, and we know that a simplified and competitive tax system is the foundation to a strong employment economy. While we are often constrained in our ability to make radical tax policy changes, I am delighted to confirm the following today.

108. From April 2024, my Government will implement revised tax bands for Pay as you Earn (PAYE) taxation, and reduce the amount of tax paid on overall income. This is good for hard working families, and businesses.

109. Madame Speaker, from this month the tax-free threshold will rise from \$15,000 to \$18,000.

110. In real terms Madame Speaker, this means that the average Montserratian will not pay any income tax on earnings up to \$18,000, increasing the amount of tax-free income by \$3,000.

111. Further still, the amount of tax to be paid beyond this threshold will also fall, Madame Speaker. The thresholds and tax rates will be adjusted accordingly.

112. Let me provide an example, Madame Speaker. A Clerical Officer earning \$27,660 per annum, paying tax of \$1,250.10 will save approximately \$700 per annum in taxation.

113. Madame Speaker, this tax reduction will not only benefit civil servants, but the entire workforce. It will increase the disposable income of every worker on the island, this is a small step towards improving productivity and staff morale and attracting and retaining our local talent.

114. Madame Speaker, this government will always look to put money back into the pockets of hardworking individuals, and I am proud to commend this tax reform to the House. But it does not stop there, Madame Speaker.

2. Salary Increases

115. Last year, this Government delivered sweeping reform to the salary structure for Montserrat's public servants.

116. In April 2023, we put into effect a 3% increase on all Government salaries, whilst also abolishing the lowest levels of the public service salary scale.

117. Madame Speaker, we also reformed the salary scales for teachers and nurses – recognising the important contribution of these front-line workers.

118. Today, Madame Speaker, I am delighted to go one step further, with the announcement of a further 3% salary increase for all government employees, with effect from April 2024.

119. Our public service is the cornerstone to drive national progress, and I wish to recognize their contributions which often go beyond the call of duty, and double down on MCAP's promise to raise the bar for public service remuneration.

3. Sand Mining

120. As a responsible government, Madame Speaker, I am also pleased to announce an additional fiscal intervention to boost local revenue collection. The volcanic sand is a national asset, a key export and a driver of our economy. But it is vital, Madame Speaker, that we feel the benefit of this activity.

121. It is our aim to balance the economic benefits by reviewing government revenue structures and concessions to the Miners.

122. Collectively, Madame Speaker, these interventions help to rebalance our economy in favour of the working class, and seek to address cost of living issues that we know our people are facing.

Tourism, Access, Immigration, Culture and the Arts,

Tourism

123. Madame Speaker, I now turn to the specific achievements and announcements from my other Portfolios.

124. The Office of the Premier continues its transformative journey, focusing on bolstering our capabilities in Tourism and Access while streamlining Immigration processes for seamless experiences.

125. In our commitment to showcasing Montserrat's rich cultural tapestry, we aim to position our island as the premier destination in the Caribbean, offering not just an experience, but an accessible one with policies that are attractive yet robust in safeguarding our borders.

126. Madame Speaker, I'm delighted to announce that in this fiscal year, the Tourism Division will transition into the Montserrat Tourism Authority, with the reinstating of the Tourism Board, creating new opportunities for the development and marketing of Montserrat's national tourism product.

127. Looking ahead, we will intensify marketing efforts, introduce visitor surveys, and enhance product offerings, including the reopening of St. George's Hill and initiatives to preserve our environmental treasures.

128. To support this effort, Madame Speaker we will leverage the Montserrat UK Office, by expanding its available budget to allow it to act as our conduit in trade and marketing matters in the United Kingdom and Europe.

129. Let me pause, at this juncture Madame Speaker to publicly recognise the commitment, hard work and valuable contribution of Mrs. Janice Panton to Montserrat through her dedicated leadership and management of the Montserrat UK Office. Thank you for the many years of dedicated service and sacrifice.

130. Your professionalism in representing Montserrat in the UK throughout the changing landscapes, both in Montserrat and the UK is commendable and deserving of praise. We hope your new journey allows for time to relax and reap the benefits of your hard work.

131. I would also like to welcome Miss Kei-Retta Farrell to the post of Head of the Montserrat UK Office. It is a great opportunity to be innovative, drive positive change, forge strategic relationships, and expand on the existing foundation. We wish you success in the role.

[Access & Connectivity](#)

132. Madame Speaker, access to Montserrat remains a priority. I am pleased to inform this Honourable House that my government was able to successfully procure a ferry service for a 5-month period to cover November 2023 to March 2024.

133. This was necessary to ensure that our travelling public had a viable option particularly for our peak travel months of December and March for the Christmas festivities and the St. Patrick's respectively.

134. Our data indicated that the total passenger movements by sea for March 2024 was 3664 of which 2770 were regular, 203 were day tours and 691 were specials.

135. This Government, Madame Speaker, is mindful that any access strategy must provide sustained access to the island. This will prove beneficial to the travelling public, excursionists and other operators in the tourism industry as well as providing additional revenue to the government.

136. Madame Speaker, we are actively considering all options for short and long-term solutions for improved access to the island.

Immigration

137. Madame Speaker, in 2023, my Cabinet took a policy decision to restructure the Office of the Premier.

138. One major change was the integration of the Immigration department under this structure with effect from January 2024.

139. This move regularised a pilot initiative which created the Integrated Border Security Unit (IBSU) which undertook immigration functions in conjunction with the Customs Department and the Royal Montserrat Police Service.

140. Madame Speaker, as a progressive government and being mindful of our population issues, we have enacted legislation which seeks to remove barriers.

141. Previously, a visitor who wished to work on island would have been required to leave the country to make an application.

142. These changes, Madame Speaker, will remove unnecessary burdens to our worker economy, whilst our Immigrations Unit will ensure appropriate measures are in place to manage effectively.

143. In a similar vein Madame Speaker, I am pleased to inform this Honourable House of the transformation of Immigration functions to include the automation of services at the ports of entry, aided by the use of passport scanners.

144. The technicians are currently working to implement to use of these scanners which will reduce the time taken to process persons at our borders and improve service delivery.

145. Additionally, Madame Speaker, I am pleased to announce the launch of the User Acceptance Testing (UAT) environment for the Montserrat Online Immigration and Customs Portal.

146. Inbound passengers to Montserrat, will be required to complete the online Immigration and Customs Electronic Declaration Form to avoid lengthy processing delays. This online system which is expected to be implemented early in the third quarter of this year, will enhance the experience of travelers to Montserrat.

147. At this juncture, Madame Speaker, I wish to thank the staff within the various programs under the remit of the Office of the Premier for their sterling contributions to the realization of the organisational objectives and look forward to more successes in this financial year.

Arts and Culture

148. Madame Speaker, we will continue to embrace our culture and the arts by spearheading numerous cultural initiatives, preserving our heritage and fostering artistic expression through publications, annual festivals and workshops.

149. This year St Patrick's Festival was deemed a huge success based on all data and feedback received to date. This year's focus will be on the creation of hallmark events such as an International Music Festival or African Music Festival.

Digital Transformation

150. Madame Speaker, Montserrat's digital journey started many years ago, and a solid foundation has been set with the reintroduction of international subsea fibre connectivity and the rollout of universal fibre to premises (FttP) across the island.

151. Madame Speaker, all government facilities are interconnected by a robust wide area network (GWAN), and a growing number of internal systems as well as customer facing online applications are already in use.

152. The rollout continued with additional fibre connections to the St. Johns Health Center, Salem and Cudjoe Head clinics, the new control tower and the PMO Office. On the software development side, the GoM Procurement Portal was significantly advanced and work started in earnest on a Registry application for births, deaths and marriages.

153. Montserrat is poised to leverage on its existing infrastructure and on-the-ground resources to enhance and upgrade its effort under the banner of digital transformation.

154. Madame Speaker, in line with our commitment to digital advancement, a new Ministry will be created – the Ministry of Communication and Digital Transformation – incorporating DITES and other IT-related services across GoM – including cyber, regulatory, infrastructure, and solutions.

155. This strategic move, Madame Speaker, underscores our dedication to harnessing technology to drive economic growth, enhance public services, and empower citizens.

156. Governments around the globe are embracing the process of digital transformation to drive economic growth and global competitiveness, and I have the ambition to place Montserrat at the forefront of this agenda in the region and amongst small island developing states.

Education and Capacity Development

157. Madame Speaker, Our Government continues its drive to educate and upskill various groups of people in ICT skills enhancement through its various programs. Four training initiatives were completed this year to include new and emerging technology and basic computer skills aimed at the youth, community and public servants.

158. During this financial year, the government of Montserrat intends to commission a comprehensive Public Service Compensation Review which aligns with Government's policy objectives of promoting good governance, attracting, and retaining top talent and improving public sector performance.

159. This review, Madame Speaker, will produce recommendations for improving the existing structure and will offer guidelines for streamlining job roles and functions across the public service.

Housing

160. The Government of Montserrat has made a commitment to boost our social housing sector by increasing access to affordable housing for low and middle-income individuals and by increasing and improving our social housing stock, while making them resilient to disasters and climate change.

161. To demonstrate this commitment, over the past year we completed rehabilitation works on fifty-one (51) homes in Lookout and Shinnlands to the tune of \$1,213,900. This means that residents are now much more comfortable and safer, and vulnerable persons can now reenter their apartments.

162. Additionally, we received \$1.3m as part of the CIPREG Addendum, for corrective maintenance of government housing stock which will continue to bring our housing up to minimum decent housing standards.

163. Of great significance, was the approval of funding of \$1.5 million for the development of phase 1 for Drummonds Social Housing development. This will fund the construction of two (2) new housing units and some surrounding road and infrastructural works.

2024-2025 Estimates of Revenue and Expenditure

164. Madame Speaker, here is the breakdown of allocations of the 2024-2025 recurrent expenditure by economic classification.

165. A further breakdown by Ministry and Department, details of revenue and the Capital Budget are appended to this document.

CATEGORY	\$	%
Compensation of Employees	55,029,700	35%
Goods and Services	53,240,900	34%
Subsidies	15,627,800	10%
Grants	5,605,100	4%
Social Benefits	20,150,400	13%
Interest and Other Expenses	6,048,900	4%
	155,702,800	

Acknowledgements

166. Madame Speaker, I must reflect on the challenging nature of the last 4 years, and the determination of my government to overcome and persevere against global winds of change.

COVID 19, War in Ukraine, unrest in the Middle East, inflationary pressures, trade and market interruptions, currency fluctuations, and pressures on budgetary aid – to name a few international pressures on our recovering economy.

167. Yet, despite these challenges, Madame Speaker, I am proud of the foundation we have built, and the vision we have established for the future. As is Montserrat's story, we have grown through adverse times, risen to the challenges, forged paths of opportunity, and secured new sources of investment for the future.

168. I would therefore like to acknowledge the support of those individuals and institutions without whom, this journey would not have been possible.

169. Thank you to Her Excellency, the Governor, the Honourable Deputy Governor, the Honourable Parliamentary Secretary, the Honourable Attorney General and the Honourable Financial Secretary, who along with the rest of my ministerial team have forged positive agendas, collaborated on the difficult decisions, and shepherded Montserrat through some critical strategic decisions.

170. Many thanks to you Madame Speaker and staff, and members of this Honourable House. The healthy debates and challenging thoughts helped to propel our agenda forward.

171. I wish to also acknowledge the contribution of Deputy Director of the Overseas Territories and his team at the FCDO for the engaging discussions and support to the government of Montserrat.

172. This is a relationship that works best through openness, honesty and mutual respect, and I have appreciated the attention to Montserrat's current and emerging needs.

173. It is to be underlined that Montserrat has secured numerous increases in support, in a context of broader budget cuts across the overseas development aid budget. This is also a testament to the advocacy of the team within Government of Montserrat.

174. I wish to also acknowledge the contributions of the Governor of the Eastern Caribbean Central Bank and team, President and staff of the Caribbean Development Bank and by extension the UKCIF for the support on the capital programme and the Port; The Director Generals of OECS and CARICOM, fellow Monetary Council Members, and the EU through the Resembid and GO programmes; thank you for the continued support on major priorities.

175. I also want to recognize the sterling efforts of all government workers from the various Ministries and Departments, the Statutory Bodies and government companies. I especially would like to single out the staff of the Ministry of Finance who have provided stellar support. Thank you for going the extra mile.

Conclusion

176. Madame Speaker, in conclusion, this MCAP government presents an investment budget – driving growth, development, and improvements across our major infrastructure and social fabric. No other government in recent times has delivered more capital investment, and increased confidence in our ability to deliver.

177. This MCAP government, Madame Speaker, presents a tax cutting budget, increasing the tax-free threshold, and reducing the amount of tax paid by hard working individuals.

178. This MCAP government, Madame Speaker, presents a wage increasing budget, doubling down on our previous salary enhancements to provide a cross government increase of 3%.

179. This MCAP government, Madame Speaker, presents a budget that sets the stage for further investment in our essential needs, and our future growth.

180. Madame Speaker, I would like to express my heartfelt gratitude to the people of Montserrat for their unwavering support and trust over the past five years. It has been an honor and a privilege to serve as your Premier and Minister of Finance.

181. Together, let us continue to work towards a better, more prosperous future for Montserrat.

182.

Madame Speaker, as I close, I do so by borrowing a phrase from Charles Dickens’ – “A Tale of Two Cities.”

“It was the best of times; it was the worst of times....”, and

from Robert Schuller who said **“Tough times don’t last, tough people do”**

TOGETHER WE CAN

Madame Speaker, I present the Appropriation Bill to this Honourable House for consideration.

May God Almighty continue to bless Montserrat.

Appendices

Appendix 1 – Recurrent Expenditure by Vote

		2024-2025	2023-2024
		\$	\$
POLICE SERVICE		8,081,700.00	8,503,100.00
LEGAL		1,697,200.00	1,859,700.00
MAGISTRATE'S COURT SERVICE		243,300.00	234,400.00
SUPREME COURT		1,424,800.00	908,500.00
LEGISLATURE		1,870,200.00	1,610,200.00
AUDIT OFFICE		1,402,800.00	1,410,200.00
OFFICE OF THE DEPUTY GOVERNOR		33,281,600.00	31,988,400.00
PUBLIC PROSECUTION		901,400.00	870,500.00
FINANCIAL INTELLIGENCE UNIT		637,000.00	-
OFFICE OF THE PREMIER		13,229,900.00	12,657,400.00
MINISTRY OF COMMUNICATIONS AND DIGITAL TRANSFORMATION		2,303,900.00	-
CABINET SECRETARIAT		2,078,400.00	1,614,600.00
MINISTRY OF FINANCE & ECONOMIC MGMNT		31,731,200.00	31,739,600.00
MINISTRY OF AGRICULTURE		6,672,500.00	6,917,500.00
MINISTRY OF COMMUNICATIONS, WORKS & LABOUR		14,560,600.00	14,743,500.00
MINISTRY OF EDUCATION, YOUTH AFFAIRS AND SPORTS		11,960,500.00	12,278,600.00
MINISTRY OF HEALTH AND SOCIAL SERVICES		23,625,800.00	23,211,800.00
	TOTAL RECURRENT EXPENDITURE	155,702,800.00	150,548,000.00

Appendix 2 – Recurrent Revenue

		2024-2025	2023-2024
		\$	\$
Taxes on Income, Profits		19,695,000.00	18,075,700.00
Property Tax		775,000.00	775,000.00
Taxes on Domestic Goods and Services		2,171,000.00	2,061,000.00
Licenses		2,907,100.00	3,010,500.00
Taxes on International Trade and Transactions		21,724,900.00	21,362,300.00
Arrears of Taxes		1,100,000.00	1,000,000.00
Fees, Fines and Permits		2,590,000.00	2,779,700.00
Rents, Interest and Dividends		1,984,500.00	1,485,400.00
ECCB Profits		-	-
Reimbursements		539,300.00	1,052,500.00
Other Revenue		2,051,000.00	1,921,900.00
	Total Local Revenue	55,537,800.00	53,524,000.00
Budgetary Aid/Grants		100,165,000.00	97,024,000.00
	TOTAL REVENUE	155,702,800.00	150,548,000.00

Appendix 3 – Capital Expenditure

	2024-2025
	\$
OFFICE OF THE DEPUTY GOVERNOR	88,100.00
PUBLIC PROSECUTION	-
OFFICE OF THE PREMIER	890,400.00
MINISTRY OF COMMUNICATIONS AND DIGITAL TRANSFORMATION	438,400.00
CABINET SECRETARIAT	53,700.00
MINISTRY OF FINANCE	12,622,200.00
AGRICULTURE	2,822,500.00
COMMUNICATIONS, WORKS & LABOUR	41,880,700.00
EDUCATION, YOUTH AFFAIRS AND SPORTS	1,691,400.00
HEALTH AND SOCIAL SERVICES	20,144,600.00
TOTAL CAPITAL EXPENDITURE	80,632,000.00