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Eleventh Sitting of the Second Meeting (Pages 1-32)

Hon Julianna Y O'Connor-Connolly, JP, MLA, Speaker

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PRESENT WERE:

SPEAKER

Hon Juliana Y O'Connor- Connolly, JP, MLA Speaker of the Legislative Assembly

MINISTERS OF THE CABINET

Hon Alden McLaughlin, MBE, JP, MLA

Premier, Minister of Home Affairs, Health and Culture
Hon Moses I Kirkconnell, JP, MLA

Deputy Premier, Minister of District Administration,

Tourism and Transport

Hon D Kurt Tibbetts, OBE, JP, MLA Minister of Planning, Lands, Agriculture, Housing and

Infrastructure

Hon Osbourne V Bodden, JP, MLA
Hon Marco S Archer, JP, MLA
Minister of Community Affairs, Youth and Sports
Minister of Finance and Economic Development
Financial Services, Commerce and Environment

Hon Tara A Rivers, JP, MLA Minister of Education, Employment and Gender Affairs

EX OFFICIO MEMBERS OF THE CABINET

Hon Stran Ashton Bodden Temporary Deputy Governor, ex officio Member responsible for

the Civil Service

Hon Samuel Bulgin, QC, JP Attorney General, ex officio Member responsible for

Legal Affairs

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

Mr Roy McTaggart, MLA
Second Elected Member for George Town
Mr Joseph X Hew, MLA
Sixth Elected Member for George Town

OPPOSITION MEMBERS

Hon. W. McKeeva Bush, OBE, JP, MLA

Leader of the Opposition, First Elected Member for

West Bay

Mr Bernie A Bush, MLA Deputy Leader of the Opposition, Third Elected Member

for West Bay

Capt A Eugene Ebanks, JP, MLA Fourth Elected Member for West Bay

INDEPENDENT MEMBERS

Mr Anthony S Eden, OBE, MLA Deputy Speaker, First Elected Member for Bodden Town

Mr Winston C Connolly, Jr, MLA Fifth Elected Member for George Town Mr Alva H Suckoo, MLA Fourth Elected Member for Bodden Town

Mr D Ezzard Miller, MLA Elected Member for North Side Mr V Arden McLean, JP, MLA Elected Member for East End

OFFICIAL HANSARD REPORT SECOND MEETING 2016/2017 SESSION **WEDNESDAY 19 OCTOBER 2016** 10:49 AM

Eleventh Sitting

[[Hon. Juliana Y. O'Connor-Connolly, Speaker, presiding]

The Speaker: Good morning.

I will ask the Honourable Minister of Financial Services, Commerce and Environment to say Prayers.

PRAYERS

Hon. G. Wayne Panton, Minister of Financial Services. Commerce and Environment: Let us prav.

Almighty God, from whom all wisdom and power are derived: We beseech Thee so to direct and prosper the deliberations of the Legislative Assembly now assembled, that all things may be ordered upon the best and surest foundations for the glory of Thy Name and for the safety, honor and welfare of the people of these Islands.

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of Cabinet and Members of the Legislative Assembly, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.

Let us say The Lord's Prayer together: Our Father, who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

The Lord bless us and keep us. The Lord make His face shine upon us and be gracious unto us. The Lord lift up the light of His countenance upon us and give us peace, now and always. Amen.

The Speaker: Please be seated. Proceedings are resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

READING BY THE HONOURABLE SPEAKER OF MESSAGES **AND ANNOUNCEMENTS**

The Speaker: Apologies for the honourable Member for the District of North Side, who is attending PAC in London.

PRESENTATION OF PETITIONS

The Speaker: There are no petitions.

PRESENTATION OF PAPERS **AND OF REPORTS**

The Speaker: There are none.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: There are no questions.

STATEMENTS BY HONOURABLE **MEMBERS AND MINISTERS** OF THE CABINET

The Speaker: There are none.

PERSONAL EXPLANATIONS

The Speaker: There are none.

OBITUARY AND OTHER CEREMONIAL **SPEECHES**

The Speaker: There are none.

RAISING OF MATTERS OF PRIVILEGES

The Speaker: None.

GOVERNMENT BUSINESS

BILLS

The Speaker: There are no oaths or affirmations.

SECOND READINGS

EDUCATION BILL, 2016

(Continuation of the Minister's reply thereon)

The Clerk: The Education Bill, 2016.

The Speaker: I recognise the Honourable Minister responsible for Education, continuing her reply on the debate of the Education Bill, 2016.

Hon. Tara A. Rivers, Minister of Education, Employment and Gender Affairs: Thank you, Madam Speaker.

As I was beginning yesterday, even by thanking those honourable Members who spoke to the Bill, and, of course, thanking those that didn't, for their tacit support, but in particular, Madam Speaker, I want to thank the Fifth Elected Member for the district of George Town for his endorsement of the Bill.

The Speaker: Excuse me, Honourable Minister.

Can we ensure that the monitors are turned on upstairs?

Thank you. Please continue.

Hon. Tara A. Rivers: Thank you, Madam Speaker.

Yes, as I was saying I want to thank the Fifth Elected Member for the district of George Town for his endorsement of the Bill, and certainly, for acknowledging that this, indeed, is a comprehensive Bill in terms of not only the approach taken to develop the Bill but the key areas covered in the Bill.

I also want to agree with the statement made. that the legislation needs to be fluid and flexible to accommodate the changes as necessary over time. Certainly, the way the Bill is structured and the legislation is contemplated, that there will be a number of supporting regulations, specifically allowing for the kind of details that would be necessary to guide the operations, but also allows for the kind of mechanics that would enable the kind of responsiveness to changes over time as it relates to how the operations and the mechanism may work whereas the key principles enshrined in the Bill will continue to be the guiding principles. From that prospective, Madam Speaker, I believe what we have in terms of the Bill, as well as what it is contemplated in regulations, will help to ensure that the framework is a fluid and flexile one, being able to deal and accommodate the issues and concerns and priorities and focus of education overtime and over the various government administrations

Madam Speaker, I'd also like to thank the Fourth Elected Member for his resounding endorsement of the process carried out, and thank him for acknowledging that this was indeed a very extensive consultation process that took place to inform this Bill as I outlined in my introduction, and also for his indication to support the Bill as well.

Madam Speaker, I want to thank the Members for East End and the Third Elected Member for the district of West Bay for their contributions to the debate as well. I will certainly be dealing with a number of what appears to be some confusion that the Member for West Bay, in particular, may have about certain provisions in the Bill, a bit later. I also want to thank the Premier for providing the additional and the kind of wider context to the critically important nature of this Bill and why it was drafted the way it was drafted in order to bring the legislation in line with the constitution as it relates to who has responsibly and ultimate accountability for education.

I think it is important that the public understands when we talk about technical breaches and the like, that in the 30 year old piece of legislation there is this anomaly that exists about how has the role and responsibility under the Law but ultimately that is in conflict with what we have now under our Constitution adopted and brought into force since 2009.

Madam Speaker, as I indicated earlier and I certainly won't discuss in too much detail, but there are and there will be a number of committee stage amendments which were contemplated previously and will be brought forward during the committee stage, and discussion of those will take place, as appropriate, during that time. But I would like to attempt to address some of the issues raised during the debate for clarification purposes as necessary.

Madam Speaker, the issue that a number of people raised about references to Minister and Minster having the authority and responsibility for certain things, I think the Premier spoke very succinctly and covered the constitutional bases for those provisions. It is also very helpful to highlight the parallels as it relates to the PMFL [Public Management and Finance Law] and the role of the Minister of Finance to provide some better understanding of the way legislation will now need to be drafted in order to make sure there is compliance with our Constitution. However, we do recognise, Madam Speaker, and we have recognised that there will be some committee stage amendments which have already been contemplated and certainly. some of the issues that were raised yesterday will be included in those. And there will be some amendments to reflect in the Bill, especially those provisions that can be deemed as purely operational and matters that address the concern about the lack of the blurring of the lines about the lines of control of the Director of Education Services and the role of the Chief Officer and all of that. So, there will be some amendments to address some of those concerns we contemplated.

Madam Speaker, the issue of the power of delegation, obviously, is an important one and so, we

feel that that still needs to be retained. As I said, there will be certain clarifications about the roles and responsibilities and drawing whatever gaps that may exist in terms of the accountability between the Chief Officer, the Director of Education Services and the other entities empowered under the Bill.

Madam Speaker, the Fifth Elected Member raised the concern about the way the Bill was drafted, in that it appears each school can set their own policy as it relates to the behaviour policy in clause 26, to be exact. There was a concern raised to him by parents about consistency across the board and across public and private schools. I want to say, Madam Speaker, this was an issue that we had flagged and will be bringing forward in the committee stage, and to give the member comfort in knowing that that is something we will be discussing at the appropriate time in the appropriate provision to deal with that concern about making it very clear that the behaviour policy must be linked to national policy.

Madam Speaker, the Member also talked about the importance of having parents play a role in enshrining this consistency in the behavioural policy aspects of the Bill and what the Bill calls for, and that the policy must include parents, students in schools. There is also agreement to this particular statement and it is actually highlighted in the Bill now, under clause 26(4) where it specifically speaks to behaviour policy development being in conjunction with parents' input.

Also, Madam Speaker, in practice, what happens now is that there is-and certainly this is something that has been revised and strengthened since we took office—a home school agreement that exists, particularly at the high schools where students, parents or legal guardians and schools enter into a tripartite contract of sorts, which clearly outlines the roles and responsibilities of each party. This request to ensure that parents are involved in this process is certainly reflected in the Law currently, under section 26(4) and is something that we have been encouraging since taking office and put into practice as it relates to developing these home school agreements dealing specifically with the behaviour expectations at the high school level. I know there is some consideration about how this can be extended down to the primary schools as well.

Madam Speaker, in response to the concern raised by the Member for George Town regarding, I think, he termed it the child abuse code and I think it was in relation to a particular complaint that he may have received from a teacher about the way the process is handled. As you can see, Madam Speaker, in the Bill under the child protection policy provision, it specifically makes reference for the need for the child protection policy to be in line with the Children Law. Under the Law generally, in the country, it's the Children Law that has jurisdiction regarding child abuse reporting and investigations. It is the Department of

Children and Family Services (DCFS) which is the mandated body to conduct the child abuse investigations once any sort of complaint has been filed or a suspected incident has been noted. The DCFS is then required to follow whatever are the protocols set out under that Law.

I've also been advised by the chief officer in trying to come up with the understanding of how the process works from, I guess, the civil service side under the protocols adopted pursuant to the Public Service Management Law (PSML). And, in this case, if the teacher or anyone in the school system is accused, being a public servant is as a matter of the protocols adopted; they would be placed on required leave during investigations, and as part of that investigation, their side of the story should certainly be ascertained. However, because there are different agencies involved in the process of investigation, DCFS being the primary agency responsible for the initial determination or investigation, of course, it involves RCIPS [Royal Cayman Islands Police Service] Family Support Unit and DES [Department of Education Services] and the likes. So, because of that it was acknowledged that the process can take time but certainly the accused should be given the opportunity as part of that investigation to have their say.

Madam Speaker, in relation to the curriculum and points made pursuant to that section, there were concerns raised, both by the Fourth Elected Member for Bodden Town and the Member for East End regarding the provision as it relates to religious worship and instruction, namely, looking at what the current Law (the Education Law (2010 Revision)) has. And I want to specifically state and remind the Members in the Chamber that this Bill also contemplates the spiritual development as part of the overall promotion of education in the Islands and that's contained in clause 3(1)(b). Madam Speaker, for the avoidance of doubt, this was an area that we started to look at as well, and especially now, as a result of the kinds of discussion and making sure there is no doubt that may linger if people feel that that particular provision doesn't speak clearly enough to the kind of spiritual development aspect which the Bill does call for, there will be a committee stage amendment in his regard as well to address this particular concern.

Madam Speaker, to the points of the Member for Bodden Town about IT [Information Technology] not being included in the curriculum, without going into too many details, because I know and appreciate you don't have the committee stage amendments in front of you at this time, this section talking about mandatory provision for curriculum is also an area we felt we needed to strengthen. There are certain subject areas that, again, because of the passage of time and being able to look at the Bill more closely, we felt that they were certain things we wanted to include in that particularly provision, and I'm happy to say to the Member that IT or ICT [Information, Communication and

technology] is certainly one of those areas because it fits within, as you will see, the boarder strategic policy priorities outlined in the Bill does focus on ICT and STEM [Science, Technology, Engineering and Mathematics] being one of them.

Madam Speaker, in the event that people, you know, may be feeling and asking, Well, how can you fit possibly all of these subjects in one school day or one academic day?—the approach when we were talking about it and certainly when we go to develop the regulations, that kind of outline in more detail how the curriculum process should work, the contemplation is that with many subject areas it doesn't necessarily need to be delivered in a discreet standalone setting but many subjects, and in particular ICT is one of those subjects that naturally lends itself to being taught in a integrative fashion.

So, Madam Speaker, this is how, certainly, we would look to address any concerns people may have with . . . well, you know, how is it that you could possible teach each of these discreet subjects in a limited timeframe in the actual school day. But it's about trying to make sure that your curriculum delivery is innovative enough to ensure that you are inculcating certain skills and exposure in a way that also kind of allows you to give that type of exposure in a very integrative fashion as much as possible.

Madam Speaker, in particular, one of the areas of focus is that of STEM and a STEM curriculum and focusing on making sure there is a greater emphasis. STEM is the acronym for science, technology, engineering and mathematics, which is very closely linked to the Information, Communication and Technology field. Even though this Bill now, for the first time, enshrines this focus on STEM and its related subjects, there have been a number of ways that have been developed, certainly since we took office, in trying to put the emphasis and focus on building capacity in our students, as it relates to their abilities to connect, get engaged, and become more confident in their skills for development relating to STEM subjects.

There have been a number of ways which students can get involved currently in the system, and, as I said, many of them actually started since we took office, where these projects and programmes are offered, either, with the support of the Ministry of Education or directly by the Ministry of Education through the schools themselves. And so, Madam Speaker, there are a few examples to note that I would like to bring to the attention of the Members, in particular, those that may be concerned about the provisions as it relates to this particular area.

Madam Speaker, there is a Healthcare Explorers programme which is a partnership that was developed with the Ministry of Education in June 2014. So, this is when the partnership actually kicked off in earnest and it is run through Health City Cayman Islands and within two short years the Healthcare Ex-

plorers Programme has managed to give real handson health industry experience to over 500 Caymanian high school and college students. These experiences range from having the interaction through their skype calls in the classrooms with specific consultants who are employed at the health centre, to going on actual field trips at the Shetty Hospital and to shadowing doctors or a doctor and even, in some instances, taking part in depth internships. So, it depends on the age range of the particular programme that it is catered for. They have programmes catering for students from as early as year 8 on up to through college and university. And as I said, we have already, just in two short years, had the benefit of over 500 students who have experienced this particular programme and have developed a better understanding of what it means to be in the health care industry.

Madam Speaker, there is also a SeaPerch Programme—the underwater remotely operated vehicle technology and engineering project, which is a competition that again will be likely running this year and involving secondary students. And, Madam Speaker, I think it is really incumbent upon me to stress that last year the team from John Gray High School won the National Competition in the Cayman Islands. And that was a competition that was across all high schools, public and private, and it was the John Grav High School's team that won, and they ultimately got the opportunity to be flown overseas to compete in the US National Challenge. Again, that is a clear example of our young people and, in particular, young people in the public school system that are excelling in these particular areas as well.

Madam Speaker, Cayman Enterprise City (CEC) also has a School's Outreach Programme which is aimed at facilitating a new generation of technically skilled Caymanians. This also ensures that young people get the skills they need to work in many of the STEM related fields that could either be directly linked to companies within CEC, and also leads to possible internships and employment within those companies as well. And so, that is a partnership that certainly started during this time and we are very happy to continue to support those efforts as well.

We also have the Central Caribbean Marine Institute (CCMI) which is based in Little Cayman, Madam Speaker. And they have certainly enjoyed success with their education programmes reaching over 360 students last year. And of those students, 50 of them were from Sir John A. Cumber Primary School, East End Primary School and Spot Bay Primary School, and it was fully funded by a competition driven scholarship entitled "Threat to the Coral Reefs of Cayman". And in addition to this, Madam Speaker, there is the CCMI Young Environmentalist Leadership course as well. So, these again are opportunities where our young people in both the public and private schools, and certainly, we have seen that our public

schools have been well represented in accessing these learning education opportunities to develop and strengthen their understanding in skills in the area of science, technology, engineering and mathematics.

Certainly, Madam Speaker, as Minister of Education, I am committed to increasing the focus and the capability of our students in STEM related subjects. And these were just a few but exciting ways in which the goal is actually being achieved. And, as I said, it is in fact one of the six strategic policy priorities established since taking office and now we actually have it enshrined in law. Going forward, it will hopefully continue because there will be that mandate for it to do so.

Madam Speaker, we know that just this past week or last week there was the STEM Caribe Conference 2016, which I was privileged to give the opening remarks at on the Wednesday morning. To see the number of young people who were actually in attendance was quite encouraging. They were engaged and were certainly looking forward to the Keynote Speaker who delivered his address afterwards. And so, Madam Speaker, the Ministry continues to sponsor and support that event, in particular, through the work of the STEM specialist, one of the additional roles that have come online since we took office, certainly because of advocating for the position as well as advocating for the funding for the position.

As Minister, I am very happy to say that we were able to bring on board a specific role dedicated to ensuring that STEM related subjects and curriculum are looked at across the system to ensure that it is an area that where there are any identified weaknesses or gaps, we can look at how we can take a strategic approach to addressing those from a system wide perspective to see that we actually achieve system wide improvement. So, STEM from as early as the primary schools on up through the compulsory education. And in this case, the STEM specialist works very closely with UCCI [University College of the Cayman Islands] to organise and to ensure that the students had access to the STEM Carib Conference in a way that I think engaged much more high school students and even college students than years passed.

Madam Speaker, all schools as part of their education plan of action for 2016/17, there are a number of STEM related actions which are going to be implemented this year and some includes conducting professional development for teachers, developing a scope and sequence of documents to accompany the national curriculum. And again, as I said, it will be national curriculum once this Bill has gone through the process and had its third reading, and reviewing science resources throughout the government education system with a view of developing school-based resource rooms in each of the schools which will support practical teaching of science, engineering, technology and mathematics. And further, to note as well that there is the LEGO Robotics and coding pro-

grammes which are being reinitialised in the schools as well that will hopefully lead to both national as well as international competitions in the near future.

Madam Speaker, as I said, it is the benefit of not just waiting for the legislation to come into force but we have actually taken proactive steps to ensure that STEM and the focus on STEM is actually operationalised as soon as possible. Certainly, since we took office, this was one of the priority areas. Madam Speaker, as we know, and there has been a lot of talk between the link of the education and leading to employment opportunities, one of the potential outcomes of focusing on STEM and developing the requisite skills for persons to be successful in this field is having almost a guaranteed and lucrative career.

Madam Speaker, STEM related industry is the fastest growing employment sector worldwide and interestingly enough, STEM jobs actually demand up to double the salary of most non-STEM related jobs in today's world. And so, not only is it in high demand in terms of the skillset; it is also a job where you can command a much higher wage as compared to some other industries. And so, certainly, it is incumbent on the Government and for the Minister and the Ministry of Education to ensure that we do place an increased focus on making sure we have adequate STEM provision in our schools. I am happy to say that we have taken through this Bill, a very important first step from the legislative perspective, but we have certainly done so in terms of practice through the development of programmes, launching of programmes and supporting of programmes that started since the beginning of our tenure in office.

Madam Speaker, the Fifth Elected Member for George Town and the Fourth Elected Member for Bodden Town spoke at some length about the issues related to Technical, Vocational and Educational and Training in asking some questions. And also, Madam Speaker, the Member for East End in his contribution talked about provisions as they relate to scholarships in this area. Again, I want to publicly thank the Member for George Town for acknowledging in his contribution that this is an area of Technical, Vocational and Educational Training that has been a priority of mine since the beginning of my tenure and in specific reference made to activities which took place in earnest, starting from January of 2014.

So, Madam Speaker, I am happy to say, that in addition to this Bill being revolutionary in the sense that we do not have any current legislation that speaks to the specific importance of focusing on Technical, Vocational and Educational Training, both at the compulsory school level which is where the compulsory age being those primary, secondary school students, but also at the post-compulsory school level, and that would be what we would consider to be the tertiary and other technical type programmes.

Madam Speaker, that emphasis and that push has already started to bear fruit as well. And so, again, primarily for the benefit of the Member for East End, since he raised the question about focusing on scholarships in this area, and for the Member for George Town in his contribution as it relates to the Education Council Scholarships, I am very happy to report that since we took office, as compared to year 2012-2013, during that time there were only three scholars which were considered scholarships offered under the technical and vocational education and training heading.

Madam Speaker, in 2016-2017 in contrast, in terms of the scholarships that were awarded for students starting this particular year, that number has grown to 10. Madam Speaker, we may say that those are still small numbers but in actual fact, that is an increase of 333 per cent in scholarships for students who are particularly categorised as studying TVET [Technical, Vocational and Educational Training] or under the TVET programme. But, Madam Speaker, we also need to bear in mind that there are many students who go on to study the programmes that would lead to a bachelors, a masters and they would not necessarily be categorised under what is considered to be the TVET training provisions. Therefore, in fact, there may be more students who are studying to the kind of higher degree level but looking very much in the technical areas.

Also, Madam Speaker, I think it is important for the listening public because there is certainly a lot of talk about TVET, what the Government is not doing about TVET and what provisions are not in place for TVET. I want the public to be aware that there are a lot more opportunities than people may be aware of, and by bringing that awareness to the public, hopefully, people will be taking advantage of those opportunities.

The Member for George Town spoke about the provisions under the Education Council. Since we took office the Education Council has actually voted and agreed to earmark funds specifically for persons who are interested in pursuing TVET education and programmes; not necessarily leading to a full bachelors or master's degree but leading to actual certification that allows them to gain employment, develop the skillset needed in whatever those TVET programmes are.

I would, Madam Speaker, like to speak to what some of these opportunities are as it relates to what is, and this information is available on the Ministry of Education's website. Certainly, I believe this is a perfect opportunity for people to appreciate that if you are interested in technical and vocational education and training opportunities as it relates to gaining scholarships in this area, here are some of the actual provisions or some of the areas which have been determined to be priority areas in relation immigration

data. I know the Member for George Town spoke about making sure that the data from immigration is looked at and analysed and I know that that is something that is continuously ongoing. But in developing these priority areas, Madam Speaker, there was an exercise conducted to see that there is that link between skillsets that we need on-island, as well as opportunities for scholarships.

If you would bear with me one moment, Madam Speaker, I will get that information.

The Speaker: Honourable Minister, while you pause to do that, can the Chair just remind you that we are doing the reply and we cannot introduce new material? Obviously, you can use a statement to do that but I would just ask you to keep the comments relevant to matters raised on the floor—

Hon. Tara A. Rivers: Sure.

The Speaker: —so that we can continue with your reply.

Hon. Tara A. Rivers: Sure. Thank you, Madam Speaker. Because this was such a key aspect and people were concerned about TVET and what programmes were available, I thought that that was a good opportunity to address whatever concerns the Members may have. But in light of that, I want to encourage people to go to the Ministry of Education's website. There is a very extensive list of what are determined to be examples and it is not an exhaustive list, it is not the complete list but it is a list of examples of key areas where TVET related programmes are available for funding. So, as I said, Madam Speaker, I know this came up in the debate so I just thought it was important that people got that information.

Madam Speaker, I also want to thank the Member for George Town for articulating the views of. at least the constituent that he was putting forward, of the additional comments in saving that we had taken the time to listen to what was brought forward to us and that we made the amendments from the consultation draft in 2015 to the Bill. I want to say that I very much appreciate that because as both, the Members for George Town and Bodden Town reiterated in their address, this certainly was a very consultative process and the point is, Madam Speaker, it is, and we know that education touches us all. So, I was very keen on ensuring that we had a process that actually took in consideration the comments, the concerns, the aspirations of all of those persons who actually made it their business to take advantage of that public consultation.

In response to the additional concern raised by the constituent who raised it through the Fifth Elected Member, as it relates to TVET again; Madam Speaker, the issue of the definition should include the reference for apprenticeships. I also want to say that this is an area that the definition of TVET is something that we had anticipated or we will be bringing forward as a committee stage amendment and that does certainly contemplate the kind of work based-learning that apprenticeships do provide for. So, I want to give that particular individual or anybody else who may have a similar concern, that that is something that will be addressed as well.

Madam Speaker, the Member for Bodden Town raised the concern about the permissive language or the way that the Bill is drafted as it relates to, in particular, he focused on the word "desirability" but I want to just say to the Member that if you read close at that provision, it is very much an obligation that says that the Minister shall have regard. And I think "desirability" in this case is kind of more of a statement of fact that it is desirable to have TVET in our schools or in our institutions. So, from that perspective I think that use of "shall" makes it very clear that this is a positive obligation on the Minister to address this issue.

Again, the concern about not limiting the power of the Minister in saying that they may consider appropriate mechanisms under clause 19(2)(a), this is drafted to be more permissive as opposed to "shall" because it may not be appropriate in every situation or in every instance to have a TVET programme, depending on what the institution is, the school, the age range that you are dealing with, et cetera. So again, Madam Speaker, just to allay that Member's concern, the language is certainly drafted with very conscious decisions in mind when it comes to how and what is more appropriate for the different considerations.

Madam Speaker, the Member spoke to the question. The Member for Bodden Town asked a question about where in the Bill it deals with the provision for the TVET Council. Certainly, Madam Speaker, there is a provision in the Bill. It is specifically captured in clause 3(4) where it talks about Cabinet's ability to establish such bodies as to advise the Minister on such matters as the Minister may require, and shall perform such functions as may be prescribed, and that would be prescribed via regulations under the Law. And so, that is exactly what was done when we appointed the National Training Council earlier this year. So, whereas the Law now specifically gives that authority for such bodies to be appointed, the National Training Council was in fact appointed by Cabinet to act in this advisory capacity, again, in anticipation of this Bill becoming Law. Certainly, Madam Speaker, on this point of the National Training Council, I hope to make a more fulsome statement in the House during this Meeting.

On the point of gifted and talented and the issue of English as an additional language, Madam Speaker, I think the point was raised, both by the Fifth Elected Member and the Third Elected Member for West Bay. Clause 14 specifically deals with the ability to make provision to be offered in schools for students

who are deemed to be gifted and talented based on the criteria established by the Ministry and for those who speak English as an additional language. So, there is actual legislative provision for this group of students or students that would fall into this particular category or categories. And again, it recognises the need to ensure that all children are catered for, regardless of where they fall on that spectrum.

Madam Speaker, the Member for West Bay made the comment about ESL or English as a Second Language is not SEN [Special Education Needs], and he is correct in that, and the definition actually makes that very clear, that the definition in the Bill speaks specifically to excluding such persons from being considered as SEN. That is under clause 14(b) which makes it very clear that the Government is to make provision for students who have English as a second language. Indeed, one of the additional resources that will be coming online in this coming academic year deals specifically with the provision of a teacher that is qualified and focused on dealing with students who would be under that particular category.

Moving now, and speaking more broadly about the concerns expressed as it relates to Special Education Needs and Disabilities, the concern was raised that Part 12 or clause 30 dealing with the responsible authority, should not be the DES, and the concern was raised in relation to funding. But, Madam Speaker, I think it is important to point out a clarification here, in that the provision of funding for special education needs is specifically dealt with under clause 36(1) whereas it says that the Minister is responsible for the funding provision. So again, that is at that level. But the responsible authority as outlined in Part 12 of the Bill deals more with the procedural matters and those can be found in clause 33(1) and 34(1) and (2). And so, there is no concern about the DES having sole authority for everything under the sun as it relates to SEN and disabilities.

Madam Speaker, the Third Elected Member for West Bay raised concerns about the definition of disability and reasonable accommodation, in particular, and gave some examples of definitions from other jurisdictions. But, Madam Speaker, as I said when I introduced the Bill, certainly, when he talked about this area, these definitions come directly from the Disabilities Bill that we have just passed the Second Reading in this House, and that there is very close connection between what the country has adopted as our disability policy, including the definitions for disability and reasonable accommodation. So, what is reflected in our Law reflects what we have adopted as a country as being the focus in these areas. So, there is definitely consistency between what the Disabilities Law calls for or what this Education Bill calls for. Again, the question about example of undue burden, well, that is covered clearly in clause 2(2) which states the factors that need to be considered in determining that issue.

Madam Speaker, in relation to the concerns echoed by both, the Fifth Elected Member and the Premier, regarding the kind of de facto segregation that exists, due to a large extent, in that public schools as a result of decisions taken many years ago in relation to what provision should or should not have been made at that time, to address the concern. I also, as Minister of Education, want to echo my concern about that situation and, obviously, it is something that, I think, many of us in this Chamber are concerned about. It is certainly something that we have been considering in terms of how we address it, because it is one thing to raise a concern, and we have been raising this concern for a number of years, but now we need to think about how we are going to solve the problem. And certainly, Madam Speaker, anyone who knows me and the Fifth Elected Member knows me well in this regard, knows that it is very much about trying to find solutions to these issues.

So, Madam Speaker, there is a specific provision in the Bill, and I want to stress this because there seems to be a lot of confusion and confliction in the headlines and in the editorials about this no longer having importance of developing and building public/private partnerships in education. But, as I said, this Bill specifically provides the legislative framework which was absolutely essential to have before we can talk about developing any sort of partnerships in the delivery and governance of education going forward. So, by actually enshrining in this Law in clause 3(1)(f) in particular of the Bill, it deals specifically with providing the framework and then the Government of the day being able to look in earnest at how we best address some of these concerns, and as has been raised, there are certainly concerns about resources and not having an unlimited amount of resources particularly within the Government coffers.

Even though we do fund education to quite a degree, there are certainly opportunities to harness not just good will, but the desire of persons in the community, private partners, non-governmental partners, to try to address some of these provisions as it relates to capacity. But again, the Government and, in particular, the Minister of Education, must be integral in setting the policies, setting the regulatory framework and this Bill goes a very long way to do that because it does, as I said, extend beyond just the requlation of public schools which the current Education Law, 2010, primarily deals with the regulation of government schools and private schools are pretty much left to their own devices. This Law makes national education just that. It makes provision for setting the regulatory framework; it makes provision for the Office of Education Standards which is the monitoring mechanism to ensure that there is quality assurance in our school system, both public and private, and certainly this provision will give us an opportunity going forward.

So, when statements were made that, Well, we have to wait . . . well, we had to wait because we can't move to any sort of a system first, without having a clear understanding of what the issues are. We also needed to make sure that we had legislative support. But, in saying that, Madam Speaker, we can't do so in absence of trying to address the issues that exist in the system that we have today, and that is exactly what we have been doing with the focus on dealing with the legacy issues of literacy and numeracy and making sure that we have clear concrete time specified, measurable actions plans on a national level reflected in the Education Plan of Action 2016-2017. But each of those individual schools has their drill down plans to deal with the concerns raised, of course, during the baseline inspections. So, Madam Speaker, I just wanted to reiterate that going forward there will be many opportunities for innovative solutions to address some of our concerns as a country, but certainly we need to have the right people at the helm to be driving those solutions as well.

Madam Speaker, touching briefly on the concerns that arose about the function and the role of the Education Council. Again, bearing in mind the constitutional responsibility for setting policy lying with the Government, there has certainly been, and I know personally as Minister of Education, I have used and utilised the resources, the support and advice and also, the Education Council does in fact approve many of the policies adopted by the Ministry, and certainly, there is provision in this particular Bill that still contemplates a very broad remit in terms of the role of the Education Council. Looking specifically at clause 6(1) of the Bill, we can see that that is an area where the Minister and the Education Council are very much empowered to provide the kind of advice that, I think, both Members were concerned about.

Certainly, Madam Speaker, as I said, we had contemplated a few discreet committee stage amendments to kind of strengthen the role of the Education Council and we will be talking about those more when we get to committee stage. There are regulations that will be dealing specifically with the composition of the members of the Education Council, and I know that the Member for West Bay raised a concern about somebody with special education needs and disabilities background and that is something definitely contemplated in the regulations as well.

Madam Speaker, as I spoke to briefly, a while ago, about the important role of the Office of Education Standards and what it is responsible for or would be responsible for going forward, under the legislation; it is responsible for the monitoring of the provisions and the quality assurance of provisions of educational institutions. Educational institutions are defined very widely to include schools, a number of entities. And to a concern that was raised about who is responsible for the monitoring aspect, the primary role of the Of-

fice of Education Standards is to act as that quality assurance mechanism in the system.

Madam Speaker, we felt it was absolutely critical that we involved and included an actual legislative mandate to, as a country, not drop the ball going forward, as was done previously when it comes to ensuring that there are rigorous standards to which we are striving to achieve the educational centre of excellence that we want to achieve as a country. And so, having this mechanism that works in tandem with the rest of the entities that fall and create this kind of national education umbrella, we will have a better understanding on a regular basis because the Law is very prescriptive in that it states, at least within every four years, institutions need to be assessed, and again, it is more about ensuring that they are meeting the targets that have been set nationally. These include, Madam Speaker, early childhood care and education centres because, as we know, we need to have that solid foundation for our earliest learners. And so, that particular office is going to be responsible for monitoring and the quality assurance of the educational institutions or any institutions that would be covering under that remit.

Madam Speaker, that would also include the provision as it relates to home schools. There was a question raised about who is responsible for the quality assurance as it relates to home schools. Home schools will now need to be registered. There was no provision previously and we know that people are home schooling but there was no real way to have an indication of who and what and for how long. The home schoolings are now specifically contemplated in this Law and therefore they would also be subject to the issues of quality assurance. That would be appropriate, of course, Madam Speaker, for the home school setting.

Madam Speaker, there was a concern expressed about the Minister's authority to shut down institutions and that this should be done based on advice provided, and certainly, the Bill does speak to that. The advice that the Minister would be getting, depending on the issue that the institution may need to be shut down, either, permanently or temporary (depending on the situation), would come from both, the office of the Education Standards which are seen in clause 17; and/or, again depending on the issues, the Hazard Management infrastructure, and that is under clause 12. So, certainly, Madam Speaker, this is an area that has been contemplated and I think the Member who raised the issue, raised that issue as to. Well, it seems like it could be a little high-handed. But certainly it does have the parameters of these decisions being taken on the advice of the relevant expertise (so to speak).

There were a number of concerns, I would say, that were raised by the Member for West Bay about some definitional issues and I think I have dealt with the key ones as it relates to special education

needs and disabilities and reasonable accommodation. But there are some others where I believe it is just important to kind of address to make sure there is no lingering misunderstanding on the part of the Member for West Bay. He specifically spoke to the expressions of use of educational institutions versus schools, and, of course, you know the comment about the flip-flopping. It is actually not flip-flopping, Madam Speaker; what it is, is that it is a deliberate attempt to use the different terms in the different areas because the two terms have two different meanings. So "educational institution" is an all-encompassing term which defines and it has its definition in the relevant section, but a school is defined as being a subset of that term. And so, whereas, some sections of the Bill speak to schools because it is only relevant to schools, some sections speak more broadly to educational institutions, which also encompass early childhood education, caring centres, et cetera, because those sections or provisions speak to the educational institutions more broadly. I hope that helps the Member understand the differences and why certain provisions refer to institutions and others to schools.

Similarly, Madam Speaker, the concern raised about the definition of child versus compulsory school age, again, these are intended to be different because they address two distinct meanings.

Again, Madam Speaker, there was a concern which appeared that the Member felt very strongly about, and that was the use of the term "information" instead of "data". Madam Speaker, I think it is important to point out that information actually includes data and it also includes commentary; it includes feedback from stakeholders; it includes analysis of the data, et cetera. So, if we were to limit the term to just data, we would be limiting and excluding all of this pertinent information that would come from analysing and manipulating the data.

The Member raised the issue about the use of private schools being introduced for the first time in a particular section of the Bill and I want to thank him for that because it must have been a legislative drafting oversight, so there will be a committee stage amendment to deal with that one discreet oversight in reference to private schools.

Madam Speaker, again, not going into too much details about what provisions are in place, I know during the contribution this went beyond the Bill itself but there were concerns raised about what provisions are being made to address students who are either, I think, the term used was "below average" or about students who are not making the grade that they should be making at their relevant age ranges. Without going into too much detail there, I think it is important that we stress that this is something, certainly, since last academic year, there has been a specific and targeted focus on the response to intervention programming system which has been put in place. Instead of waiting for children to fail and then

try to address the concern, there has been a complete shift in the way the interventions have been rolled out, especially, specifically as it relates to literacy; therefore, people are monitored constantly now.

Those students who may be either, at borderline or below where they are expected to be, there is a constant monitoring that takes place during the year and then, interventions are introduced as and when those interventions are needed. And that was very successful as it was for year 1 students, allowing the country to reach the national target set of 85 per cent and to reaching and exceeding that target being 86 per cent. Certainly, because of the effectiveness of these particular interventions, we have rolled that programme up to include year 2 as well. So, from this academic year onwards, all year 1 and all year 2 students will have the benefit of this response to intervention literacy programme with the focus being, in this case, right now, on strengthening literacy. But they are also targeted programmes geared towards numeracy and I did speak in some detail to that when I gave the response to the Private Member's Motion on resources in education.

The Speaker: Honourable Minister, you have 56 minutes remaining.

Hon. Tara A. Rivers: Thank you, Madam Speaker.

That, Madam Speaker, is pretty much what I wanted to address. I think I have addressed the substantive high level comments that came out during the debate. I, again, want to thank all Members who spoke, and I think it was very fitting and very much in keeping with this process of developing this Bill from the get-go. This has been a very highly consultative process. We certainly have not developed this Bill in a vacuum or strictly by the technocrats. This has been done in partnership with all of those 700 plus persons that came out to participate, either, in writing or through direct participation or calling into the programmes, and we certainly appreciate all that has been said, and here, in the Chamber during the debate as well.

Madam Speaker, hopefully, Members will see that the attempt to ensure that we have a Bill and to borrow the Fourth Elected Member's term "to ensure that everybody can take ownership in this Bill" because this Bill will affect everyone. We all have to understand that if we are talking about addressing the issues of education and making sure that we have a system that transcends any particular Government, any particular Minister, any particular political persuasion to some degree, we need to be able to set those tenets and set them in a way that it addresses the concerns of today, but also provides the flexibility and fluidity to address the concerns of tomorrow that we may not have anticipated.

So, Madam Speaker, with that, I want to commend this Bill to the House for its second reading.

The Speaker: The question is that a Bill shortly entitled the Education Bill, 2016, be given a second reading.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

Agreed: The Education Bill, 2016, given a second reading.

The Speaker: We will now take the luncheon break and reconvene at 2:30 pm.

Proceedings suspended at 11:56 am

Proceedings resumed at 3:21 pm

The Speaker: Please be seated.

SECOND READING

UTILITY REGULATION AND COMPETITION BILL, 2016

The Deputy Clerk: The Utility Regulation and Competition Bill, 2016.

The Speaker: I recognise the Honourable Minister responsible for Works.

Hon. D. Kurt Tibbetts, Minister of Planning, Agriculture, Lands, Housing and Infrastructure: Thank you, Madam Speaker.

Madam Speaker, I beg to move the Second Reading of a Bill entitled The Utility Regulation and Competition Bill, 2016.

The Speaker: The Bill has been duly moved. Does the Honourable Minister wish to speak to the Bill?

Hon. D. Kurt Tibbetts: Yes, Madam Speaker, thank you.

Madam Speaker, this Bill along with the next three Bills on the Order Paper, I would ask Members to treat them together. While they are separate Bills, the amendments to the following Bills after this one are all consequential to this one and I pray that the House will see it fit to accept them all.

Madam Speaker, before I go into the details, let me quickly just say that these four Bills are but the first rollout of a series of Bills to allow the Office of Utility Regulation and Competition to be open and to

merge the ERA [Electricity Regulatory Authority], the ICTA [Information, Communications and Technology Authority], the Chief Petroleum or the Petroleum Office, and the Economic Regulation of the Water Sector which is now in the hands of the Water Authority of the Cayman Islands, to bring them all together under the one umbrella which will be known as the Office of Utility Regulation and Competition.

What is in this Meeting, Madam Speaker, for everyone, to be very clear, is the overarching Bill which I am bringing first now, the amendments to the ERA, Dangerous Substances, and ICTA Laws which are coming right after this. When we return in January we will then do all of the Bills, the amendments to the Laws relating to the Water Sector (that is, Water Production and Supply, Water Authority and the Waste Water Treatment). So, with that, Madam Speaker, I just wanted to set the tone so that Members would understand.

Let me also take this opportunity to continue by saying that while I have seen recent editorials and stories in the *Compass* regarding no consultation or, as they claimed, that there was no consultation, Madam Speaker, (speaking about Cayman Water Company), it is so funny that by coincidence, today, while at the Chamber luncheon when I was leaving, I felt a hand touch me on my shoulder and when I turned around it was Mr. Rick McTaggart from the Cayman Water Company who extended his hand and shook my hand and said: "Minister, I just want to thank you very much for the consultation that your team has had with the Cayman Water Company and that we have aired all of our concerns and they have all been addressed and so, we are quite happy to move forward."

I suspect, Madam Speaker, perhaps it was simply that the editorial board of the Compass just did not have knowledge of the meetings that were taking place and perhaps, in an effort to ensure that they were defending the cause, they thought it best to take that route. So, I hope that satisfies them.

Madam Speaker, not only that, but I also want to take this opportunity this afternoon to advise all licensees within all of these sectors, that whatever legislation is approved now, when we come back in January . . . because, Madam Speaker, the truth (and I am coming back to January) of the matter is that this is new territory; it is a new entity that is being created. So, we understand and accept that it is possible that once the Law is enforced, there may be changes that will be required to that Law. And also, the licensees or those who may hold a franchise or have an agreement, will have time between now and then, and I have been telling all of them this as I meet with them, that between now and January, if they encounter anything that is creating any difficulties, certainly we are quite happy to sit and consult with them because it is in everybody's interest. We want the legislation to be the right legislation. We want it to be fair for all of these service providers and most of all, that all of the

service providers understand that the Government's most important task is to protect the consumers.

So, once we establish the platform from which we are working, I do not anticipate any major problems, Madam Speaker. And bear in mind now that we are looking at several sectors. We are looking at the water sector, sewage, the ICT, the ERA, the dangerous substances and fuels, so, between now and January we will have all of these pieces of legislation in place, having amended the existing ones to be able to come under the one umbrella piece of legislation which I am going to speak to now. I hope that sets the tone that Members will understand what we wish to accomplish.

Madam Speaker, in talking about that, it is critical that especially these service providers understand that there is no real intention to be draconian about any parts of this proposed Bill, but at the same time I want to repeat again, the Government has at the fore of the creation of this legislation, the desire, the need and the will to be able to protect the consumers in the best way possible, while allowing these entities to be operating and have the ability to be innovative, competitive, and to be able to survive fiscally. So, there we are.

Madam Speaker, this Bill seeks to establish an independent accountable regulatory body with a view to protecting the rights of consumers, encouraging affordable utility services and promoting competition. The regulatory body will be called "The Utility Regulation and Competition Office" and it will have the ability to supervise, monitor and regulate multiple utility undertakings and markets. The Bill contains 17 parts.

Part 1 sets out preliminary provisions and is comprised of clauses 1 through 3 and I will go through, Madam Speaker, not necessarily clause by clause, the components of the Bill, but will highlight what I consider to be the most important parts. Hopefully Members would have read the Bill itself. And also, Madam Speaker, I take this opportunity and hope that the committee stage amendments for this Bill have been distributed and would ask Members to have a look at those amendments because those proposed committee stage amendments may well answer some of the queries that some Members may have. Those committee stage amendments, Madam Speaker, are as a result of being in consultation with stakeholders and hearing recommendations coming from them.

[Pause]

Hon. D. Kurt Tibbetts: Hopefully, Madam Speaker, it will not take very long.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Okay.

Madam Speaker, just give me one minute please.

[Pause]

Hon. D. Kurt Tibbetts: Madam Speaker, you have to forgive me and I don't want to cause any consternation.

The Speaker: Honourable Minister, if I could beg your indulgence and ask you to kindly take your seat; nothing that you have done. And if Members would just give me about two minutes and if the Acting Deputy Governor can meet me in my Chamber along with the Clerk, I will be back in five minutes.

Proceedings suspended at 3:31 pm

Proceedings resumed at 3:33 pm

The Speaker: Proceedings are resumed.

Please be seated.

The Chair would wish to apologise on behalf of staff for not having circulated the necessary amendments, and I would hope that this is the last occurrence of such. Let's leave it there.

Honourable Minister.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker, and not to drag anything on, but just to quickly say that the intention was purely to make sure Members had the benefit of the committee stage amendments while I was bringing the Bill forward.

The Speaker: I fully understand, Honourable Minister, but the Chair also needs to have cognisance and approve it.

Hon. D. Kurt Tibbetts: I respect that. Thank you, Ma'am, and thank the staff very much.

Madam Speaker, just one more thing that I forgot to mention in my opening preamble, is to say to the *Compass* and others, so that they will understand very clearly now and won't have any misguided thoughts, that the legislation coming in January which is the remaining legislation to fit all of the pieces of the puzzle together, that all of the drafting instructions have been sent to Legal Drafting for the amendments to those pieces of legislation, and I think one of them.

[Inaudible interjection of clarity]

Hon. D. Kurt Tibbetts: Yes, Madam Speaker, I was just clarifying there will be five pieces of legislation coming in January in connection with this. Three of them are amendments to existing legislation in the water sector, and two more are new pieces of legisla-

tion to do with water regulation and to do with regulation of the fuel industry, which I think is absolutely important. And, Madam Speaker, because we could not get all of this drafted one time and I did not want to wait until January to bring all of them together, what we had ready and most importantly, the Utility Regulation and Competition Bill which I am now dealing with, I brought those now and the rest comes in January and then we will be able to have it all together.

During the interim, Madam Speaker, we get time to bring the various agencies together and to make the office become a reality to appoint the board that is necessary to be appointed and to get the office up and functioning, and when we get all of the rest of the legislation in place, we will have everything operating the way that it should. And, as I was saying, Madam Speaker, just so that everyone will understand, there has been absolutely no desire to not let stakeholders know what is happening. And the legislation that is not in place now that the drafting instructions have been given, we have actually sent out the copies of the drafting instructions to Legal Drafting for these pieces of legislation so that they can have a forerunner look-see (that is the stakeholders) of what this legislation is going to look like. Because, as you well know and Members know, the drafting instructions lay out what is wanted for the legislation to achieve and Legal Drafting simply puts it into the terminology that makes it come here as a Bill and then onto becoming a law. That is just to let everybody know. There will be quite ample time once again for stakeholders and the technical review team to be able to interact and for them to take input and comments.

The one thing we may well-be ahead of the game with, Madam Speaker, which I will admit that we were not that far ahead of the game, is that we may have less committee stage amendments because they will have more time to give input. And that is just to let everybody know where everything is.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: And fuel.

So, Madam Speaker, as I was saying, this main Bill, the Utility Regulation and Competition Bill, seeks to establish an independent and accountable regulatory body with a view to protecting the rights of consumers, encouraging affordable utility services, promoting competition and facilitating innovation within the sectors. The regulatory body itself will be called The Utility Regulation and Competition Office.

In outlining the intended effect of the proposed legislation this afternoon, I want to focus on the key changes and the new principles which will be added to the regulatory framework that is being proposed. A new framework has coalesced from the existing regulatory framework and emerging best practices is captured in this new Bill. As this Bill is a body

of work of considerable size, Madam Speaker, I will not attempt this afternoon to address each clause that is in the Bill, but rather, I will explain the changes and the inclusion of emerging practices in competition reform. The Bill is also an attempt to customise regulatory practices for our unique and dynamic jurisdiction. The new framework clearly identifies and addresses three areas of regulation categorised according to their objectives: 1) entry regulation; market entry (that is the barriers and the allocation of scarce resources); 2) economic regulation (that is ensuring the function of an effective competitive market); and 3) social regulation which seeks to ensure the needs of citizens who are considered important by this legislature are met, even though they are not necessarily guaranteed by the market. That, Madam Speaker, is what we call consumer protection and universal services.

In the establishment of the office, the office will assume responsibilities and functions currently carried out by the ICTA and the ERA, and upon successful passage of these Bills and the subsequent bringing into force of the Utility Regulation and Competition Law and the accompanying Bills, Madam Speaker, these agencies will be dissolved (that is, the ERA and the ICTA).

It is the Government's intention that this office will assume the economic regulatory responsibilities currently discharged by the Water Authority, contrary to what the media has published and editorialised. These responsibilities will largely be set out in the Bills to be tabled, as I said, at the next Meeting of this House and to be very specific, Madam Speaker, they will comprise a new Water Sector Regulation Bill, amending Bills to the Water Authority Law, the Water Production and Supply Law, the Waste Water Collection and Treatment Law and also, Madam Speaker, in response to increasing concerns about the opaqueness (I did not say transparency, I said the "opaqueness") of the pricing mechanism used by the Petroleum Products Marketing Companies, the office will be assigned responsibility for that sector.

Madam Speaker, bringing into focus what I believe is the material changes and pertinent topics addressed within this legislation are the following:

- Governance arrangements
- Significant market power
- Promotion of economic development (that is, innovation)

So, when we look at the governance arrangements, they are found in the earlier clauses of the Bill, Madam Speaker, and clauses 4 through 12 deals with the establishment, functions and administration of the Utilities Regulation and Competition Office. It establishes the office as a body corporate and provides for the usual associated obligations.

Clause 6 specifies the principal functions of the office, so as to promote objectives set out in any policy in relation to the market and sectors for which it has responsibility. It is also intended to promote fair and effective competition and to protect the interest of consumers. I can't impress upon that statement enough. And in so doing, Madam Speaker, it will supervise, monitor and regulate any sectoral utility in accordance with this Law, the regulations and sectoral legislation, and any general policies made by the Cabinet in writing. It will ensure that utility services are satisfactory and efficient and the charges imposed in respect of utility services are reasonable and reflect the efficient cost of providing the services. It will publish information, reports and other documents relating to utility services and the markets and sectors for which it has responsibility; and will promote innovation, facilitate economic and national development in the markets and sectors for which it as responsibility.

Clause 7, Madam Speaker, mandates the office to consult with stakeholders prior to issuing an administrative determination which is of public significance while clause 8 requires the office to publish its determinations. And, Madam Speaker, just to explain: administrative determinations are the instruments issued by the office which have legal effect. But just so that we understand it clearly, it won't be draconian, it will be very similar to perhaps how the Auditor General prepares a report. If the report is about . . . let's say, anything; I can't think of any relevant situation now. But if the report that the Auditor General is preparing, concerns me, for instance, what the Auditor General usually is to send a copy of the draft and he will say, This is what my findings are. Do you have any comments to it? That means, giving me an opportunity to say, Well, you didn't know this or you didn't know that or you didn't take this into consideration or you didn't take that into consideration. At that point in time, the Auditor General's Office will look at it to see if there are any changes which might need to be made before the report is published. That is how this will be done similarly. Natural justice can occur and entities have an opportunity to give input before the boom is lowered (so to speak), however that is,

Madam Speaker, clause 9 provides the office with comprehensive information gathering powers with authority at clause 11 to impose administrative penalties for non-compliance. And this is important, Madam Speaker, not to be seen simply to be draconian but we have been moving closer and closer in certain sectors to try to get a real handle on it and the one that is most talked about is the fuel sector and the price of fuel to the customer here in Cayman. And, Madam Speaker, —

[Inaudible interjection]

Hon. D. Kurt Tibbetts: And Cayman Brac—Forgive me—and Little Cayman. Is that the end of it?

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Thank you. I thought there might have been another one that I did not know about.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Yeah, I don't think we have any gas on Little Cayman Brac.

Yes, Madam Speaker, back to serious business to say that in our previous attempts we knew that this was what was going to bring about having the office to be able to really deal with it, and so now we are at that point and I am really happy for that.

Clause 12 provides for Cabinet to give the office general directions as to policy to be followed by the office in the performance of its functions.

Clauses 13 through 25 inclusive, these address board formation and some new arrangements have been introduced with provisions in respect of the Board of Directors of the office with twofold responsibilities, to carry out the regulatory decision making and the general administrative oversight and governance functions.

Madam Speaker, clause 14 sets out the composition and the structure of the board to comprise 9 persons, namely, non-executive members, comprising the Chair and 4 non-executive members, and executive members, that is, the employees of the office, comprising the Chief Executive Officer who shall be a voting member (that is, the CEO of the office); the Executive Director of Information and Communication Technologies who shall be a non-voting member; the Executive Director of Energy and Utilities who shall be a non-voting member; and the Chief Petroleum Inspector who shall be a non-voting member. And if you noticed the last three names I called, Madam Speaker, refer to the ICTA, Energy and Utilities, meaning the ERA, and the Chief Petroleum Inspector.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: I said the ERA but I should have said "and the Water Regulation". So, Madam Speaker, while we say that ICTA, ERA and the Office of the Chief Petroleum Inspector will be subsumed by this office, it does not mean that we won't have within that office, the various offices which will deal with specific sectors. That will be the case.

Madam Speaker, as the executive directors are the principal advisors and technical resources which will be available to the board, the Bill provides that when making a decision on any regulatory issue, the board shall have regard to the views and recommendations of the executive directors.

So, Madam Speaker, clauses 18 and 19 relate to the appointment and reappointment of non-executive members of the board, while clause 15 provides for the Chair to be appointed by the Cabinet;

however, clause 18 provides that the Cabinet shall appoint non-executive members from among the nominations received from a nominating committee which shall consist of the Cabinet Secretary who shall be the Chair person, the Deputy Governor, a Member recommended by the Leader of the Opposition and the appointed Chair of the office. Madam Speaker, this way, the recommending or the nominating committee will look at the skillsets that are needed to be able to ensure that each Member brings something to the table as a potential member of the board, and they will be able to get a basket of choices which the Cabinet can decide on, when they look at each of the proposed nominees and what skillsets they bring to the table. The reason for that nominating committee is to ensure that we don't just have board members being appointed politically and not necessarily having the skillsets to be able to make the real contributions that will be needed during the deliberations of that board.

So, Madam Speaker, clause 18 sets out the procedures to be adopted by the committee and the basis and the criteria on which nominations will be made, so that, as I just said, the non-executive members will together, not only have experience in the regulated sectors, but the broad professional experience and background required to carry out the functions of the board.

Clauses 20, 21 and 22 relate to the tenure of office of the board members, Madam Speaker, specifying a term of three years and the provisions for reappointment. The conditions under which a member's appointment may be terminated are also provided.

The primary objective of these clauses, Madam Speaker, is to provide the security of tenure of the non-executive members to be independent of changes of administration for the duration of appointed terms. The purpose is to engender confidence in the appointment process and the independence of the members of the board. It will be important that these members feel no legislative or political obligation to demit office on the change of an administration or for that matter, a minister. This process is intended to encourage this. The initial appointees will have staggered terms-two for two years and two for three years, so as to ensure continuity as the membership of the board changes over time, so that we don't have four being appointed all one time and then four new ones, being appointed. And once you get your first set, two for two years and two for three, then, your appointments after that, albeit all of them will be for three years, will continue the stagger.

Madam Speaker, clause 24 addresses the procedures to be followed where there are conflicts of interest by any board member in any matter that is being determined by the board. The clause sets high standards for the management of conflicts of interest in recognition that the office must all command the confidence of investors, operators and the public. The

perception of regulatory risk is as much a factor as country and political risk in investment decisions. The management of conflicts of interest is important criterion in mitigating regulatory risk.

Now, Madam Speaker, clauses 26 and 27 provides for the mandatory establishment of a risk and audit committee of the board to be chaired by an independent person appointed by the board for three year terms. It also provides for the appointment of other committees of the board, such as a regulatory committee, remuneration, and human resources committees.

Clauses 28 through 32 make provision for the appointment of the executive members, their competencies and their responsibilities. It also provides for the appointment of the secretary to the board and for the powers to hire, retain and dismiss staff.

The financial and accountability provisions, Madam Speaker, are found in clauses 33 through 43 of the Bill, and these clauses impose strong accountability standards on the office by ensuring independent financial audits, the requirements to consult on, and to publish its annual plan and budget, to publish annually a report on its performance against these plans, and to be subject every three years, which more or less ties in with the tenure of a board to an independent performance audit. Within these clauses, Madam Speaker (that is, 33 through 43), are the provisions for financial management and accountability of the office, including its financial year requirements to maintain proper accounts to a specified standard and for the accounts to be audited annually by the Auditor General.

Clause 41 specifically requires the office to publish its annual plan and budget for the ensuing year, at least one month before the end of each financial year. It also requires the office to prepare a strategic plan for the sectors for which it has responsibility, and to update the plan every three years.

Clause 43 mandates that an annual report on its activities, performances and transactions during the previous financial year, together with the audited accounts, be submitted to Cabinet, not later than four months following the end of the financial year, and that that report be Tabled in the Legislative Assembly no later than six months following the end of the financial year as is a similar case with most of our other SAGCs.

Madam Speaker, clause 42 provides for the Auditor General to perform a performance audit of the office every three years. This audit is intended among other things, to provide a perspective on the effectiveness of the offices major decisions. The point being, that where a decision is taken with the intent of achieving a desired result, the audit will assess the extent to which the result has been achieved. The other important aspect of the audit is to assess the value for money proposition.

Now, Madam Speaker, the introduction of significant market power to the regulatory regime is a new feature that is found in clauses 44 and 45. The intent is controlling market power by giving more flexibility to the regulator to guarantee that their decisions match the economic realities of the markets and to ensure an effectively competitive market. This regime will be gradually introduced where necessary, as licences come up for renegotiation. And the reason why it is stated like that, Madam Speaker, is because those existing licences are agreements between the Government and a licensee and we simply can't unilaterally break the terms of those licences, so hence these things will have to be introduced as we move into new licence arrangements. And while I may say it again, it comes to mind, Madam Speaker, to say that I believe I am correct in making the statement that in the future, no licence arrangement or no licensee will be granted any licence which will extend beyond 10 vears.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: I wanted to make sure I had it right, Madam Speaker. What I said was correct except there could be possible situations if there is a special infrastructure project, for instance, which the life has to extend beyond 10 years. The Cabinet could make that decision consciously. And, I think, immediately of sewage because of where we are from the standpoint view of the country with sewage, any investor who the country might seek to invest in sewage if the Government or one of its SAGCs is not doing it ourselves, might require a longer licence than 10 years in order to get the return on the investment. But those exceptional circumstances would have to be a Cabinet decision, not routinely done by the office; just to explain.

Madam Speaker, this is one of those things that as we go down into the other pieces of legislation that I am coming to, we will see that in there.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Madam Speaker, I said that this regime will be gradually introduced, where necessary, as licences come up for renegotiation; that is what I said.

So, Madam Speaker, clause 44 enables the office to determine whether a person has significant market power by considering various factors, including the person's ability to influence market conditions and the person's access to financial resources. And, Madam Speaker, I did not say it before in my introductory remarks, but let me say this now: as far as I know and am aware, stakeholders have all been included in the discussions, including Caribbean Utilities Company, and, I think, they, like Cayman Water Company, are satisfied with what is being brought forward.

Madam Speaker, clause 45 empowers the office to impose specific conditions on persons determined to have significant market power, including obligations relating to the cost recovery and price controls and retail prices. I want to repeat that, Madam Speaker—clause 45 empowers the office to impose specific conditions on persons determined to have significant market power, including obligations relating to the cost recovery and price controls and retail prices.

These clauses, Madam Speaker, provide the office with a power to impose conditions on undertakings that are determined to have significant market power. An undertaken is deemed to have significant market power if, either individually or jointly with others, it enjoys a position of economic strength affording it the power to behave to an appreciable extent independently of competitors, customers, and consumers. It offers the office certain options for dealing with undertakings that are deemed to have significant market power.

This part of the Bill provides the office with the critical tools, Madam Speaker, to monitor competition and to address situations where there is market failure. This is an important tool that will be available to the office to manage competition. The current arrangements are rules based which facilitates regulation of facilities. Under the regime of significant market power, markets are identified and interventions are designed to promote competition in each of the markets, or if competition is compromised, to impose market rules on the entity that is deemed to have significant market power.

Madam Speaker, can I just pause for a minute, please?

[No audible reply—pause]

Hon. D. Kurt Tibbetts: I want to get this right. I want to say it right, Madam Speaker. There's a committee stage amendment (and thank you for pointing that out) which speaks to utilities that have exclusive service agreements (so to speak) that are to be exempted from the principle of significant market power because of those agreements. But it is almost like when it used to be Cable and Wireless and then there was liberalisation. Once any agreement is up and the terms and conditions of that agreement changes, then, certainly, significant market power, whoever the entities are at that point in time will be subject to the significant market power. But the point is that if it is only one provider of a service, then, the terms of that agreement, I would hope in the future, would ensure that consumers are protected by way of the return on the investment for the service provider or whatever else, which will be part of any other arrangement in the licence agreement.

I did not want to make the powerful statement and to unintentionally mislead anyone. I think that clarifies the situation. I think the committee stage amendment will ensure that that is what obtains because it simply recognises that what obtains now with any single licensee where there is not a competitive market such as CUC, we can't change that until such time as it is up for renewal. And whoever is dealing with that and whatever negotiations will take place, then, we will see where that goes and how it fits into the scheme of things. I can't think of any other one besides CUC to use as an example because I think there is more than one—

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Forgive me, Madam Speaker; that was something else.

I believe that I have explained that.

Now, Madam Speaker, the promotion of economic development and where we use the word "innovation"; this part sets out the office's responsibility to be a facilitator for economic development within the context of the sectors and markets for which it has responsibility. And clause 62 mandates it to provide innovation with a view to contribute to national economic competitiveness while clause 63 addresses the office duties to formulate programmes to achieve universal access to infrastructure services. This is not setting up the office as an economic development agency; I just want to make sure that that is clear. But it has become evident that particularly in emerging economies the role of the regulator should not be blinkered to that of price setting and other related traditional regulatory functions, but because of the regulator's peculiar knowledge of any sector for which it has responsibility, the range of skills that it employs or should employ, it should take a wider view of how relevant government policies are implemented, and at the same time, if it is accepted that innovation is a catalyst for economic development, then, the regulator should be positioned to facilitate innovation in the sectors for which it has responsibility.

Madam Speaker, the duty of the regulator therefore, is not intended to be that of an economic development agency, but rather to be the promoter of innovation which in turn will facilitate economic development; for example, if the Government were to have a policy to promote renewables and new technologies in energy, the office, as we expect it to be when the National Energy Policy is completed, would be mandated to engage with developers, perhaps even innovators, to facilitate the development of these technologies in the Cayman Islands, even before they are economically viable. Similarly, in the ICT sector, if the government policy is, for instance, that it wants a vibrant ICT services sector, the regulator should be able to facilitate this by deliberately tailing its regulatory

interventions to support this policy; aggressive broadband buildout in the Brac, for instance, to make it attractive to Silicon Valley to come to look for your good-self and the Deputy Premier. Singapore has successfully used this model with its info-com development agency.

Madam Speaker, those are what I consider to be the highlights of the proposed legislation. The Bill has other areas to it and certainly, in winding-up I will deal with whatever else is brought to our attention. But I think that sort of sets the tone and speaks to what the Bill hopes to accomplish once it becomes law and the office is set up. So, Madam Speaker, I will await to hear what other Members say and I certainly recommend the Bill.

The Speaker: Before calling on any Member to speak, the Chair recognises the return of the honourable Member for North Side and trusts that he had a most productive trip.

Does any other Member wish to speak?

We have also reached the hour of interruption. I recognise the Honourable Deputy Premier.

Moment of interruption—4:30 pm Suspension of Standing Order 10(2)

Hon. Moses I. Kirkconnell, Deputy Premier: Thank you, Madam Speaker.

Madam Speaker, I move the suspension of Standing Order 10(2) in order that this honourable House may continue past the hour of interruption.

The Speaker: The question is that Standing Order 10(2) be suspended to allow the House to work beyond the hour of interruption.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

Agreed: Standing Order 10(2) suspended.

The Speaker: I recognise the honourable Member for the District of East End.

Mr. V. Arden McLean, Elected Member for East End: Thank you, Madam Speaker.

I don't know if we are going to get through this tonight, Madam Speaker, but I shall attempt to lay out my contribution thereto.

Madam Speaker, whilst, I applaud the efforts of the Government for moving to what is commonly termed a "Utilities Commission", I have some issues that I would like the Minister to respond to. The Minister did try to be helpful this morning in providing me with the proposed amendments and I tried quite des-

perately to get through them. I guess he understood that I would be the first to jump on my feet because I have advocated for a Utilities Commission for a very long time. I don't know if we are here trying to be different by naming it something different, but in essence, that is the cause of this Bill. Madam Speaker, the only reason I did not get it in place was that my tenure in Cabinet was short-lived and for whatever reason, I believe that was the reason why I did not get it because it would have been in place.

Madam Speaker, when I went through this Bill in the limited time we had to deal with the Bill—and I should point out that these Bills are extremely technical and we should be afforded longer time to review them. Regardless of our capabilities, we need to be able to have more time than we did. I think it got to us mid-September; keeping in mind, Madam Speaker, it took this Government three years to get it in place. I recall when we negotiated with CUC it took us almost three years too. And, Madam Speaker, your good-self probably had it two years prior to that or something, because these things take a very long time. And I know I had some of the best doing mine and that was a task that was always uphill.

Madam Speaker, I mentioned earlier that I did have the privilege of seeing some of these proposed changes prior to them being late here, earlier this evening. And, Madam Speaker, I should point out that a lot of the things I saw in this Bill that were . . . I'm not sure if "glaring" would be the word to describe them, or "glaringly out of whack" and now a lot of them have been captured in the proposed committee stage amendments. A lot of them were spelling errors and interpretation of the sectors as opposed to us having licensees in those areas and the likes. So, I saw a lot of those and some of those are corrected, but, there are some others that I believe warrants my bringing to the Minister.

I know the Minister went and made all attempts to try to justify why there are certain sectoral utilities which are not included at this time, and his reasons, I believe, were that they will be coming later, and the size and complexity of this Bill did not allow them to come at this time. And he promised that they will be here in January, I think, he said, and that the drafting instructions have already been circulated and to the stakeholders. That is a good word, Madam Speaker, at this stage, because it looks like they tend to tell a lot of lies too or the *Compass* tends to tell a lot of lies. I don't know which and I shall not point my finger at either one of them, but I know the newspaper says that they said they were not consulted.

Be that as it may, Madam Speaker, if it took us three years to get here and I believe water is going to be as complicated or more so, and provisions for waste management and fuel, I am not overly excited, I must tell you, Madam Speaker. Not waste management, Madam Speaker; sewage waste water management. Madam Speaker, the only utility in this coun-

try that has a conflict just happens to be water. It is a multi-prong conflict because it is a government-owned company; it has a monopoly and is a regulator. I don't know how we are going to do that one; it is an uphill battle. I sympathise with whoever is going to do that, particularly with having those drafters draft that Bill and regulation since they have operated for 40 years or close to 40 years as Caesar and Caesar and Caesar and Caesar. That is going to be—

[Inaudible interjection]

Mr. V. Arden McLean: Pardon me?

[Inaudible interjection]

Mr. V. Arden McLean: Actions speak louder than words my friend. Actions speak louder than words. Anybody can say they will relinquish anything but their minds are poisoned by the chalice.

[Inaudible interjection]

Mr. V. Arden McLean: Madam Speaker, I want to see it done but it has to be done properly. I hear the plea from the Minister to say that nothing is perfect but we need to get off the ground. Madam Speaker, I understand that; I've had to do it myself. One thing I did, though, was to ensure that we got it as close to where we wanted it as possible. The ERA [Electricity Regulatory Authority] Law has not had one amendment in it except to change the composition of the board. I think that was a job well-done on the part of the people that I put there. Remember, I had repealed the old one, eh

Madam Speaker, I noted with interest that some of the provisions in here were taken straight out of the ERA Law and no one had to tell me that. As I saw them I knew where they came from; as is the case with other legislation. But I said all of that to say, Madam Speaker, that when that legislation came to this floor, I was beaten with KCAT 09s on this floor. Now, you and I were on the same side. I was beaten with KCAT 09s particularly for that formula for rates; that rate formula that is now today being revered. But, you know, who beat me? The Opposition of the time, I have never been in the Opposition with the Opposition of that time.

Madam Speaker, oh, what memories I will have when I demit this office. And o-o-o-h, how long will they last. And o-o-h, Madam Speaker, history has been kind to me already but sometimes history is so hurtful that you can't forget it. And I will remember those beatings but I will also remember how now the very thing that I advocated for in the interest of this country is now being used. And many of us will be able to do that too, Madam Speaker; your good-self as well because you and the Honourable Linford

Pierson were part and parcel of some of the trying to get systems in place in the utility industry. Sometimes your legacy advocated is defended by the passage of time.

Madam Speaker, like I said, there are a couple of things that I want to bring to the attention of the Minister. I note with interest that the Minister has decided to make some changes in clause 3 of this Bill. I had one or two red marks by that in the wee hours of the morning. And whilst, Madam Speaker, I do not wish to delve too much into the amendments that are coming, I think that we should also consider the wording of the new amendment which I will address at the committee stage, because there should be no distance further.

Madam Speaker, there is a requirement for balance. We can't have a regulator being a dictator. And there needs to be some balance because we also understand that those providers . . . this is a tripartite thing eh; regulator provider, importantly, consumer. So, all of those entities have to be factored in, in keeping that balance. And we all tend to lean directly to the consumer more so than others and ensuring they have value for money, but one of the things I think that needs to be looked at is the providers giving the regulator consent. It is true that if there are provisions for modifications on any licence that is enforced, there should be no further distance where anyone should encroach upon that licence beyond what those modifications are allowed for in Law.

What it is saying to me is that they can do that if they get the consent and that is going to cause nothing but problems. I can see that causing nothing but problems of the provider saying, Hang on, these are the conditions under which my licence has been issued and now you want me to go beyond what is required of me? And the regulator saying, Well, you know, I need your consent to go beyond there. Do you really think they are going to get it? Nah! That is not going to happen. Section 3 needs to be looked at a little closer, Madam Speaker.

Madam Speaker, I would like to shift to, I think it is clause 10(1) wherein this notification of contravention of information requirements: It speaks to: "Where the Office determines that there are reasonable grounds for believing that a person is contravening, or has contravened, a requirement imposed under section 9, the Office may give that person a notification under this section."

Madam Speaker, I want to go to sub-clause (3). Sub-clause (2) is what the notification will include but sub-clause (3) states: "Subject to subsections (4) and (5), the period for doing the things specific in subsection (2)(c)(i) and (ii) shall be the period of one month beginning with the day after the one on which the notification was given."

Clause 9(1) says: "The Office may require a person provide it with all such information as

considers necessary for the purpose of carrying out of its functions under this or any other law."

Sub-clause (2) says: "The information that may be required by the Office under subsection (1) includes, in particular, information that it requires for- (a) ascertaining whether a contravention of a condition or other requirement set or imposed by or under this Law has occurred or is occurring; (b) ascertaining or verifying the charges payable by a person under the Law; (c) ascertaining whether a contravention of a condition of a licence has occurred or is occurring; (d) statistical purposes connected with the carrying out of any of the Office's functions under this Law; and such other purposes as may be prescribed."

Madam Speaker, here is why I am questioning that one month. Madam Speaker, even the Minister for Works who is responsible for utilities recently spoke of how we have had nothing but complaints from consumers in that they are not getting the service that they contracted from the providers.

[Inaudible interjection]

Mr. V. Arden McLean: Such as internet service and the likes and what-have-you. It is in that sector now. So, I am specifying to that sector right now for the purposes of this example.

[Inaudible interjection]

Mr. V. Arden McLean: Yes, it is a general provision which would include all of the sectors, the sectoral providers, yes. Here we are; a consumer complains that they are not getting the service and the office, after going through their investigation, a week, two weeks, and then notify these people that the service is not being provided and it is another month that the consumer is without it? And, Madam Speaker, that may seem simple but that is the key, that is what we are doing here; protecting the consumers, particularly with value for money. That is the objective of this Bill.

[Inaudible interjection]

Mr. V. Arden McLean: Well-

[Inaudible interjection]

Mr. V. Arden McLean: Yeah. Madam Speaker, I hear the Minister but the thing is that a bit further it talks about that provider must be aware of the condition of the services that they are providing. So, it cannot be that they are providing a service to a section of their service area and they do not know within short periods of time, within a day, within hours that that service is lacking and has breached the contractual agreement that they have with the Government and more importantly, with the consumers. And if that consumer

has to wait another month to get that service corrected, that breach corrected, I don't know why we would be making this Law. Madam Speaker, these are services that are real time. These are essential services for sustaining life—electricity, telephone, water, fuel. Every day we use that service.

Madam Speaker, you see sometimes they even help you with your explanation; it is a quality of life. Did you see how the Minister helped me with that?

I believe that there needs to be a truncated period to get that done, because if the regulator which is the office, says, We need to know what is happening on road so and so because we are getting a whole heap of calls on road so and so, they will say, Wait now, you have to put it in writing and I have one month if I need to respond to you. That is totally unacceptable.

Madam Speaker, if they are going to look at that, I welcome that.

Madam Speaker, I want to go to Part 3—"The Board". Whilst, the Minister may know his intent here, I am a bit concerned that some of this is a little convoluted. I don't think it is with any sinister intent; I hope not. But, Madam Speaker, the appointment of this board, the creation thereof, is in accordance with section 105. You see, Madam Speaker, I said this thing gets from one place to the other.

Clause 105(1) says: "On the date of commence of this section, the Cabinet shall appoint the non-executive member who shall be the first Chair of the Board, and the first Chair shall serve an initial term of three years."

Sub-clause (2) says: "The Cabinet shall appoint the remaining four non-executive members of the first board in accordance with the procedure set out in this Law and two such non-executive members shall serve an initial term of two years and the other two non-executive members shall serve an initial term of four years."

Sub-clause (3) says: "The first chair shall be eligible to be reappointed for the second term, upon expiry of the initial term, in accordance with the provisions of Part 3."

[Inaudible interjection]

Mr. V. Arden McLean: [Clause] 105, sub-clause (4) says: "The remaining non-executive members of the first Board shall each be eligible for reappointment for a second term, upon expiry of their initial term, in accordance with Part 3.

Sub-clause (5) says: "On the date of commencement of this section, the Cabinet shall appoint the individual who shall be the first Chief Executive Officer, and the first Chief Executive Officer shall serve an initial term of three years or such lessor period as may be agreed by the Cabinet and the individual."

Now, Madam Speaker, when we get to Part 3 we have a nominating committee, which shall comprise of the Chairman, the Cabinet Secretary, the Deputy Governor, the Member appointed by the Premier and a Member appointed by the Leader of the Opposition. Why is Cabinet appointing the first Chief Executive Officer when they are going to appoint the Chairman to make up the nominating committee to take the nominations for the non-executive positions and that board will then convene and later be responsible for the hiring and firing of the Chief Executive Officer?

[Inaudible interjection]

Mr. V. Arden McLean: I understand, Madam Speaker, we need to start somewhere, but the fact that we are creating the nominating committee first, to get the board set up to be able to manage the office as an authority, which then has the responsibility for the hiring and firing of the chief executive officer, Madam Speaker, it is too complicated. I see no reason why Cabinet then has to appoint the first one, because that board can do the same thing now, at the commencement of this Law, as they would do later in the three year time period to engage or reappoint that same chief executive officer.

I wonder if the Minister is following me.

Unless, Madam Speaker, the Government intends to read clause 105(2) along with sub-clause (6). I don't know because sub-clause (6) says: "The first Chief Executive Officer shall be eligible to be reappointed for a second term, upon expiry of the initial term, in accordance with the provisions of Part 3." This is not how he or she was initially appointed because he or she was initially appointed under clause 105 which is by Cabinet. Part 3 requires him or her to make an application to that board. I don't know. It is a little off for me.

Madam Speaker, the nominating committee's job is the responsibility of the nominating committee to take applications and vet them for non-executive positions in the office. So, sub-clause (7) of [clause] 18 says, and this is now the responsibility of the nominating committee which vets these things and sends them to Cabinet for their approval or rejections, whatever. It says: "An application for the position of non-executive member shall be submitted to the Nominating Committee in writing, in accordance with the procedures specified in the notice, together with a written declaration that the applicant - (a) has no personal or pecuniary interest, direct or indirect, in a sectoral utility; (b) has not been adjudged bankrupt; (c) has not been convicted in the Islands or elsewhere of any offence involving dishonesty or fraud or any other offence that is likely to bring the office into disrepute; and (d) is

not otherwise unable or unfit to discharge the functions of a member."

Now, Madam Speaker, we then turn to clause 24—Declaration of members' interest: "If a member has any personal or pecuniary interest, direct or indirect . . ." We already got rid of that. We are already finished with that. I don't know why we are repeating it in here.

[Inaudible interjection]

Mr. V. Arden McLean: So, why he thought we asked him for it before his appointment? What did he think we asked him about if for?

Hon. D. Kurt Tibbetts: Belts and braces.

Mr. V. Arden McLean: Okay. Belt—something sinister about someone who would declare they have no interest and then assume an interest and do not notify the board; something sinister about that.

Anyway, Madam Speaker, let me just say that it says in clause 24(1): "If a member has any personal or pecuniary interest, direct or indirect, in any matter which is to be determined by the Board, the member shall, if present at the meeting of the Board at which such matter is to be determined as soon as practicable after the commencement thereof, disclose the fact and leave the meeting, and shall not take part in the consideration or discussion of such matter or vote on any question with respect to such matter."

[Inaudible interjection]

Mr. V. Arden McLean: He has to leave. We are determining . . . Madam Speaker, under [clause] 24 I think it is. No, 18 . . . no, Part 3 anyhow. [Clause] 18(7): we are determining through a nominating committee that the person has no interest. Do due diligence. We appoint the person (and follow my argument please) and then he or she gets a conflict by virtue of some investment or something into one of the utilities—

[Inaudible interjection]

Mr. V. Arden McLean: —and all we are doing is saying that we are going to record in the minutes that disclosure? Oh yeah? No. no, no, Madam Speaker, if we are going to have it clean, then, we do not allow people to come on, use their position and information, get . . . if you want to invest you invest. I don't want to stop people from doing their investment but you are not sitting on my board; I promise you that. Because sub-clause (3) of clause 24 says: "If the Board is in receipt of information indicating that a Member is in breach of the subsection (1), the Secretary

shall- (a) in writing, advise the Member of the information that is the subject of concern; (b) provide the Member with a copy of the information and allow the Member to provide an explanation; and (c) if the explanation is not satisfactory, provide the Member with a warning that, If the Member continues to beach subsection (1), criminal proceedings may be instituted under subsection (6)."

Why?

I can understand that criminal proceedings are going to be brought if there is that the board members are in receipt that Arden McLean may have a conflict. I understand you are bringing it to Arden McLean's attention and if it is not satisfactory, then we have to part ways, but not give a warning that there is and if it continues we are going to prosecute you criminally. It just does not make sense because we are going to get a flood . . . Madam Speaker, we know the only thing richer than a utility in any country, more attractive than a utility for investment, is law firms.

Hon. D. Kurt Tibbetts: That is only in Cayman and they do not allow investments.

Mr. V. Arden McLean: And they do not allow investment. That is closed off, Madam Speaker.

Why are you smiling at me?

[Inaudible interjection]

Mr. V. Arden McLean: So, Madam Speaker, law—

[Inaudible interjection]

Mr. V. Arden McLean: No, my friend, you and I are long past that stage. We are leaving that to those who believe that they can do it.

[Inaudible interjections]

Mr. V. Arden McLean: Madam Speaker, where did I put that?

This is going to take a while, a long time. We repeated clause 15(5) if they are following. In clause 15(5) we repeated that and clause 17(2). I did not get to see the amendments. In the wee hours of the morning they can bring up some things in your head when at home looking at these with coffee, Madam Speaker.

[Inaudible interjection]

Mr. V. Arden McLean: Madam Speaker, I don't know, a break or what, but we will see.

Madam Speaker, I trust that you got some of what I said there to look at. And, Madam Speaker, some of the technical aspects I have not touched yet. I am just trying to go through it to do some of these

highlighted ones that I have seen on the areas that the Minister did not touch earlier.

Madam Speaker, clause 23 sets out procedures and meetings. Now, Madam Speaker, the board comprises of the Chair under clause 14(2)(a) which says: "- the Chair who shall be a non-executive officer, (b) four non-executive members; and (c) executive members, comprising – (i) the Chief Executive Officer; (ii) the Executive Director of Information; (iii) the Executive Director of Energy; and(iv) the Chief Petroleum Inspector." which is another four."

We then have the Chair who is a non-executive member under clause 23(3), MUST "... call a special meeting of the Board within two days of receipt of request for that purpose addressed to the Chair in writing and signed by any two members."

Madam Speaker, we certainly do not want the executive of that office to be controlling the board.

[Inaudible interjection]

Mr. V. Arden McLean: No, no, no, that's the tail wagging the dog now.

[Inaudible interjection]

Mr. V. Arden McLean: Well, wait until we get to the "shall".

[Inaudible interjection]

Mr. V. Arden McLean: Madam Speaker, when we go back to clause16(4), it says: "Three or more of the Members may require the Deputy Chair to call a Board meeting if they have requested that the Chair call such a meeting and the Chair has not done so within a reasonable period of time." So, with the executive members, there is that possibility and we can't have the tail wagging the dog. The head must be in control of the tail in order that the tail will wag.

Mind, Madam Speaker, there may be some legal explanation for my observation because I know the Attorney General is good at that. He has already looked at this and justified in his own mind why it is here. And I will concede those.

[Inaudible interjection]

Mr. V. Arden McLean: That's what he said, that I am right about that?

[Inaudible interjection]

Mr. V. Arden McLean: Uh! I know that would be the members.

Madam Speaker, I want to go now to Part 4, clause 26: "The office shall establish a Risk and Audit Subcommittee comprised of a chairperson and three non-executive members."

(2) The office shall appoint the chairperson and the chairperson shall- (a) not be a Member or a member of the staff of the Office, and (b) have appropriate accountancy skills and experience and shall be registered as an accountant in accordance with the Accountants Law, 2016."

Now, Madam Speaker, we just scrutinised right back there, those who are non-executives by virtue of making them apply to see if there is any conflict and now, we are going to create one; the most important one, the audit risk and audit sub-committee, and we are going to make the office do it?

[Inaudible interjection]

Mr. V. Arden McLean: it is [clause] 26.

And we are not going to check to see if there are any—

[Inaudible interjection]

Mr. V. Arden McLean: I never said not to appoint them. But I do not see where it says that it needs to ensure that there are no conflicts.

[Inaudible interjection]

Mr. V. Arden McLean: Pardon me?

[Inaudible interjection]

Mr. V. Arden McLean: I understand due diligence, Madam Speaker; I understand that. And I hear the Attorney General and respect that we will do due diligence. We have done that many times and failed. We just did one in Part 3 where we are appointing the board that we consider very important. There must be due diligence because I have already said, Madam Speaker, these utilities are a matter of life and death in some instances for peoples' quality of life. And we need to keep these as clean as possible, but when we talk about the Risk and Audit Committee we do not look to see whether there is a direct or indirect conflict.

Madam Speaker, you know, all of the utilities in this country have to get external auditors. So, it is going to be a little ticklish, to say the least, to find someone with the appropriate accountancy skills to be on a risk and audit sub-committee for those utilities that does not have a conflict. Madam Speaker, it could be any of the utilities and we are talking 7 or 8 maybe? The majority of these utilities are publicly traded companies. The only one that is not, I believe is the Water Authority.

[Inaudible interjection]

Mr. V. Arden McLean: That is why I said that that is the only one that is not. So, they must have audited financial returns and to do that, recognised auditors are needed. So, if we are going to look for somebody with the competency in that appropriate accountancy, it is going to be difficult. We can't just go and pick somebody up. Anyway, Madam Speaker, I have brought it to the attention of the Minister and that is entirely up to him as to what he chooses to do with it.

[Inaudible interjection]

Mr. V. Arden McLean: Yeah, I think it is . . . I don't know if I am getting it across right.

[Inaudible interjection]

Mr. V. Arden McLean: So, why do we want it for the board members? They're individuals? So, we are not going to look for competency for the board members? Anyway, you—

[Inaudible interjection]

Mr. V. Arden McLean: Well . . . anyway.

[Inaudible interjection]

Mr. V. Arden McLean: Anyway, let me move on, Madam Speaker.

Madam Speaker, I would like to now look at Part 5. I know the Minister said he did not want to get into the minutiae of this Bill and I understand him not, but still there are certain things I see that I would like some explanation and possible change if it warrants it. I just want to make sure that later when it comes back I can hold up my hand up and say, *not me*.

Madam Speaker, I spoke earlier about the chief executive officer. I now return because I said I would do it under the "Staff" section wherein for the board, in one area of the Bill it says that the Cabinet is going to appoint the first one and this clause, 28, says that: "Subject to section 105, the Board shall appoint the Chief Executive Officer to the Board."

Now, Madam Speaker, I understand that [clause 105] says that the Cabinet is going to appoint the first one. But it also says that it can be reappointed and that is why I asked if sub-clauses (2) and (6) were working together or that now, clause 28 overrules one or the other. Which is it that clause 28 applies to? Is it the reappointment? I don't know.

[Inaudible interjection]

Mr. V. Arden McLean: No. Clause 28 says: "Subject to clause 105(5), the Board shall appoint . . ."

Clause 105(5) says: "On the date of commencement of this section, the Cabinet shall appoint the individual who shall be the first Chief Executive Officer, . . .". So, the Cabinet is appointing the first one. I'm a little confused but anyway, Madam Speaker, I brought it to their attention.

Madam Speaker, the board shall appoint the following as executive members of the board.

[Inaudible interjection]

Mr. V. Arden McLean: Clause 29(1): "(a) the Executive Director of Information, (b) the Executive Director of Energy; and (c) the Chief Petroleum Inspector."

Madam Speaker, I know that earlier, it says that it can be extended: [Clause 14(3)]: "The number of the non-executive members of the Board may be increased by . . ." (Madam Speaker, I have gone back to 14(3) now): ". . . the Cabinet after consultation with the Board, by Order published in the Gazette, but the number of non-executive members shall only be increased if – (a) the Office's responsibilities or assigned sectors are extended; and (b) such an increased in number is necessary to ensure that the requisite plurality of skills among the non-executive members is available to the Board as a whole."

Now, Madam Speaker, I know the Minister spoke of those executive directors (you think I was not listening, eh?), of the possibility of increasing them but even if we did not have one for everyone, I would like to know how much one will be responsible for. Madam Speaker, we now get into the technical of what I talked about calling the meetings. It does not make sense to have increased the executive directors if we are not going to put them on the board like what was done with the initial three. And then, they will be on the board and have voting rights and it further complicates them being able to call a meeting. Are you following me?

[Inaudible interjection]

Mr. V. Arden McLean: Well, if-

[Inaudible interjection]

Mr. V. Arden McLean: We have three now. If we expand into water and fuel and the wastewater and any other utility, we are going to have to have directors for that. There is no creature on this God's earth that can know all of these.

[Inaudible interjection]

Mr. V. Arden McLean: Good. So, you are going to increase it? You are going to have to increase it.

[Inaudible interjection]

Mr. V. Arden McLean: Okay.

[Inaudible interjection]

Mr. V. Arden McLean: Madam Speaker, let me move

[Inaudible interjection]

Mr. V. Arden McLean: What do you mean they don't have a vote?

[Inaudible interjections]

Mr. V. Arden McLean: Madam Speaker, maybe I missed it but I do not see anything here saying non-voting.

[Inaudible interjection]

Mr. V. Arden McLean: No, no, this does not say anything about any ex-officio.

Madam Speaker, may I respectfully read this?

[No audible reply]

Mr. V. Arden McLean: This is [clause] 14, Madam Speaker. We will soon run all over the place.

Clause 14(1): "Subject to section 105(1) to (4), the directors referred to in section 13(1) shall be appointed by the Cabinet on such terms and conditions as the Cabinet may specify in their instruments of appointment."

Sub-clause (2): "Subject to subsection (3) and (4) the Board shall consist of nine individuals being- (a) -the Chair who shall be a non-executive officer; (b) four non-executive members; and (c) executive members comprising- (i) the Chief Executive Officer; (ii) the Executive Director of Information; (iii) the Executive Director of Energy; and (iv) the Chief Petroleum Inspector."

[Inaudible interjection]

Mr. V. Arden McLean: Okay.

So, Madam Speaker, when we go back to the other clause now, we find that is four there and the staff only comprises of three.

[Inaudible interjection]

Mr. V. Arden McLean: True. These are three additional ones.

Madam Speaker, I want to go now to the same staff issue but to [clause] 32(1): "The Office may employ, at such remuneration and on such terms and conditions as may be approved from time to time by the Board, such persons for such

offices and such purposes as the Board considers necessary for the performance of the functions of the Office."

Sub-clause (2): "The Office shall create and maintain and subscribe to a fund for the payment of pensions to employees of the Office in accordance with a scheme, the terms of which shall be approved by Cabinet."

Sub-clause (3): "The fund shall be vested in trustees to be appointed by the Office for that purpose and shall be maintained at a sufficient level according to accepted actuarial principles to enable pensions to be paid to all employees of the Office in accordance with the approved scheme."

Sub-clause (4): "The Cabinet may, subject to such conditions as it may impose, approve of the appointment of any public officer in the service of Government by way of secondment to any position on the staff of the Office and any public officer so appointed, shall, in relation to pension, gratuity or other allowance and to other rights and obligations as a public officer, be treated as continuing in the service of the Government."

Madam Speaker, after 16 years of service in these hallowed Halls I have seen better provisions than that, and people who go to an Authority lose everything and we as legislators have had to fight to help them get it back.

Madam Speaker, I don't know who the Cabinet can appoint. I don't know if Cabinet is going to appoint all of them from where they are because I would like to think we are going to take some of those from ICTA and ERA and Water Authority and whathave-you; the Petroleum Office and the likes. If Cabinet appoints them, they are going to be treated as a government employee as continuing in service, I guess. So, what is the fund for?

[Inaudible interjection]

Mr. V. Arden McLean: Are we going into a new set of funds or what? Are we going to allow them to start a different fund for the rest of the employees that are not seconded?

[Inaudible interjection]

Mr. V. Arden McLean: So, why don't we subscribe to government's fund?

Hon D. Kurt Tibbetts: Well, nobody is saying no to that.

Mr. V. Arden McLean: That's not what this is saying.

[Inaudible interjection]

Mr. V. Arden McLean: Boy, you are getting a little bit out of hand.

[Inaudible interjection]

Mr. V. Arden McLean: Yes, it is parliament and you should treat it as such too.

Madam Speaker, if the Minister wants to engage me in conversation that is up to him. He is trying to clarify something. I don't know why the Premier has to get into it for.

The Speaker: Member for East End, you have approximately 50 minutes remaining.

Mr. V. Arden McLean: Thank you. I am going to burn those too. I am going to burn every bit of it up.

[Laughter and inaudible interjection]

Mr. V. Arden McLean: Oh, you think I can't use toothpick to keep my eyes open? Oh yeah, just for you.

Madam Speaker, my question to the Minister is: Why are we then creating a fund for pension and creating a different pension fund when this is a quasi-government department? Let's stop it. We put it all into one thing. We have seen it with insurance too many times as well, Madam Speaker; pennywise and pound foolish.

If the Authorities Bill is coming then, let's—

Mr. D. Ezzard Miller: You won't see that.

Mr. V. Arden McLean:—deal with it

Madam Speaker, I note with interest under clause 43(1): "The Office shall submit annually to the Cabinet, not later than four months following the end of the financial year, a report on its activities, performance and transactions during the previous financial year, together with audited accounts including a balance sheet and income and expenditure accounts as at the close of the previous financial year." I guess that works; 'do as I say and not as I do'. The Government passed that they are not going to do theirs to the country for two years but they expect the authorities to do theirs every year. I will leave that one right there.

Madam Speaker, I want to turn now to the Significant Market Power—Part 7. The Minister has said that he is making amendments to clause 45 which I see has been circulated. Madam Speaker, whilst I appreciate what the Minister said, that it does not apply to any person who has a monopoly, that they have the market share in that area, which is true, but certainly, it would not bode well that we try to impose upon them a market value. But I trust that everybody understands a control within that market when it

is only them providing service in there, such as, the Water Company, Water Authority, and CUC with distribution—

Mr. D. Ezzard Miller: The gas company too.

Mr. V. Arden McLean: Not gas, but I guess whenever we put in sewerage we will find that kind of a situation. But that is not to say, and I trust that no one believes that there must not be some degree of control of rates. That is absolutely, because first and foremost, consumers must be . . . so that does not apply to them not being rate controlled.

[Inaudible interjection]

Mr. V. Arden McLean: And that's ARCAM. We are all using ARCAM now.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Not all but it is headed that way

Mr. V. Arden McLean: It's headed that way?

[Inaudible interjection]

Mr. V. Arden McLean: Wow!

Madam Speaker, I welcome clause 45. I had problems with how it was placed in there and I am happy that they have clarified some, and I will deal with that when we get to committee stage, for fear of being told that I can't discuss it in here at this stage.

Madam Speaker, one of the things, under Part 9, that I have struggled with, and maybe I should go back to [clause] 54 and point out that I believe 54(2) may have a typographical error. I don't know if it has been picked up. I believe it should say, ". . . to have an adverse effect. . ."; that is [clause] 54(2).

[Inaudible interjection]

Mr. V. Arden McLean: I believe it should read "an".

The Speaker: Honourable Member, those are consequential changes that the Attorney General is authorised to make once we hit committee stage but thanks for bringing it.

Mr. V. Arden McLean: Madam Speaker, I see um go up there and they still come back down here; even get revisions with them in it.

The Speaker: In other words, if you are not absolutely sure that that will happen, for whatever reason, you may deem to come to come to that conclusion, you have an opportunity at committee stage to raise it again.

Please continue.

Mr. V. Arden Mclean: I shall allow the luminaries in here to deal with it.

Madam Speaker, I want to go to Part 9—Consumer Protection because this is important that we get this thing right, Madam Speaker.

Madam Speaker, this one is quite interesting: Clause 55(1): "The Office may authorise industry self-regulatory or co-regulatory bodies to adopt codes of practice concerning the provisions of covered services to end-users."

Sub-clause (2): "Any code adopted pursuant to subsection (1) shall comply with any applicable requirements contained in sectoral legislation, and may contain any or all of the following(a) procedures regarding disclosure of the rates, terms and conditions on which a sectoral provider will supply covered services to end-users; (b) quality of service requirements; (c) requirements regarding the accuracy, contents and timeliness of bills for covered services provided to end-users."

Madam Speaker, I want to stop there for a minute. We need to go further. These providers are requiring end-users to pay for detailed bills and in the absence of detailed bills, I don't know what I am paying for, nor does the end-users.

Madam Speaker, when you get your bill for your telephone it is probably one page nowadays. It used to be that it gave details; mind you, Madam Speaker, it may be bulky but the fact is you could trace what you have used it for. Nowadays, they give a summary of that bill and say, you had \$500 overseas or \$2,000 overseas and \$1,000 local and your internet is so and so, and these are just line items. If you go to question either of those services that you have bought, and want a copy to show how it was used, you have to pay for that bill.

Madam Speaker, how many times have we not heard our constituents, not people of great means (so to speak) that wondered how their bill got so high or they got cut off or whatever the case may be and no one explains it to them or they are required to pay for this paper explanation where they can pick out the number, or for that matter, anything else; they can scrutinise it by day, by week or whatever the case may be.

Madam Speaker, this Bill needs to make provisions, or, the regulations need to make provisions to ensure something is done about that. In many instances it is just a simple explanation that the people will say, *Oh yes, I called New York to my cousin last month* or something like that. That is all it is. But then, we get into this argument back and forth between our constituents and the providers and we need to try to alleviate that problem for our people.

Madam Speaker—

The Speaker: Honourable Member for East End, is this a convenient time for a quick afternoon break?

Mr. V. Arden McLean: Yes, Madam Speaker. Thank you.

The Speaker: Members, let's try our best to get back within 15 minutes please.

Proceedings suspended at 6:01

Proceedings resumed at 6:36 pm

UTILITY REGULATION AND COMPETITION BILL, 2016

[Continuation of debate thereon]

The Speaker: Proceedings are resumed.

I recognise the honourable Member for the district of East End with 35 minutes remaining for your debate.

Mr. V. Arden McLean: Thank you, Madam Speaker.

Madam Speaker, I just want to touch briefly on a couple of other clauses that I noticed when reviewing this Law that I had; I don't know if it is concerns or maybe a little confusion with.

One of the things that I recall when we did the ERA Law, that there was much discussion surrounding the ability to go to court, and I see under [clause] 84—"Discontinuation of Activities", that we have lifted some of the provisions of the power from the ERA which I think was a good idea; that is 85. It's Part 13, "Discontinuation of Activities". I think in the ERA Law it is called "cease and desist orders" where it clearly spells out what gives the court some options under those conditions when there was an order for discontinuation of activities. And, Madam Speaker, the Minister may want to consult with the Attorney General.

When we get to Part 15—"Review of Determinations of the Office", which is [clause] 92 and [clause] 91, for that matter, as well. Clause 92 says: person affected by an administrative determi-nation of the Office may, within forty-five days of the administrative determination. appeal to the Grand Court by way of judicial review of the ad-ministrative determination." But there is no further determination . . . well, there is nothing that says un-der the circumstance what the court can do, like in clause 86 where it says: "The Court may, under an application under 85 (a) order the offending licen-see to pay to the pecuniary penalty Government such exceeding five hundred dollars in the case of an individual, and not exceeding three mil-lion dollars in the case of any other person.; (b) grant an injunction restraining the offending li-censee from engaging . . . "

I am sure under judicial review there would not be such penalties applied. I don't know if we need to specify there whether or not it should be the office where the court has the jurisdiction to allow the review to go to court or if there is need to stop it there. And I believe judicial review is just asking for leave or a determination on that review of determination of the office

Madam Speaker, if it is a given that they have a broad scope, then fine, but obviously the restriction is that the court has instructions under discontinuation of activities and I wondered if that was the case here to avoid us getting ourselves into some judicial review every minute.

Madam Speaker, I know the other section was the approval for changing of ownership and I see where they are now changing that to 10 per cent because there was nothing there and in the ERA Law it—

[Inaudible interjection]

Mr. V. Arden McLean: Yeah, we talked about 10 per cent or more in that Law.

Madam Speaker, I believe that I can say with some degree of confidence, as I said in the beginning, I have always supported a Utilities Commission. I believe that we need to go further in this one to ensure that we have all of the utilities encompassed therein. It is absolutely necessary. There are some small things that we need to ensure happens in the interest of the consumer, the end user. I believe that the Law will be less than effective if we do not have all of the utilities thereunder. I am concerned about that, and the sooner that is done, the better it is.

I understand the other three Bills are consequential changes because we are just moving out the regulatory part, the administration part of those. So, I see no need for me to get involved in any controversy with my good friend, the Minister.

Madam Speaker, in his presentation he mentioned something that captured my attention, which was about his hopes, I believe, or the ideal situation will be in the future when we try to reach the point where we only issue a licence for 10 years. I don't know how that is going to work. There are a number of licences that are in place for sectoral utility providers which go far beyond that; such as CUC, their licence is tied to the life of their engines and as the life expires, the engine drops off but if they get the additional power requirements it increases by the length of that engine.

[Inaudible interjection]

Mr. V. Arden McLean: Now, Madam Speaker, maybe we can look at this from the point of those LCCLs.

[Inaudible interjection]

Mr. V. Arden McLean: Yes, but if we tie that in, Madam Speaker, a 12 year LCCL [Local Companies Control Lawl, reduce it to 10 years but then the licence is 23 years, we could be looking at some difficulties there and the competition will not . . . Madam Speaker, let me say I look forward to who is going to craft that, how creative they can be. It is not that I don't want to see it but, I would like to see how we are going to do that because that was one of the points of contention when your good-self and I went into negotiations with CUC. Those were high on the agenda, particularly, for continuity of electrification where the ability for that utility to attract investments and be able to maintain the same level of service that we had enjoyed for years. And it will happen with the water as well. We will find that we will have that same bone of contention (so to speak).

[Inaudible interjection]

Mr. V. Arden McLean: Right.

Madam Speaker, I thank the Minister for saying that because that is why one thing does not fit all and each one is unique in their own perspective and we have to be very careful with this overarching Law, that we do not get ourselves in a situation where we make a law that we hope will cover them all with one broad brush and it does not. So, I look forward to seeing how that section of it will be done, and, hopefully, we will have that back by January as well, to see how that is done. And I certainly will welcome the opportunity to review that and make my comments thereon.

Madam Speaker, I wish the Minister good luck. I had my times with these utilities. It is not an easy thing to do; I understand that. But I believe with time it can be done. I believe the breadth of fossil fuel products—I ain't talking about gasoline at the pump alone; I am talking about all of the by-products of crude oil which includes cooking gas as well—need to be properly looked at and we come up with a reasonable approach that we satisfy (well, there are four things we have to satisfy) the country, the consumer, the regulator and the provider; because, in the absence of good secured utilities, a country suffers. So, this is about compromising and that is why I have not totally jumped on the Minister about this particular Bill.

I believe that we all try our best in these circumstances, Madam Speaker, because it is not easy to satisfy those three entities. It is not easy, particularly when it is for a country. If it was a business it would be a completely different negotiation where if we do not get it there, we would go to someone else. This is a country providing for its future and development and economic stability. There is no other important entity in this country than utilities, because everything is hinged upon proper utilities in a country and if we do not get it right we are going to lose something.

I often say that Cable and Wireless and CUC in the day, were to Cayman what Chevrolet was to America; the "Heartbeat of America". And they, Cable and Wireless and CUC, when no one else would come, were the integral part of the development of our financial industry. Our development in the 50 years hence started with those two companies. If we did not have proper electricity people would not come here. If we did not have proper communications, people would not come here. We would not have had one iota of financial industry. We would not be able to communicate with the outside world. And I have seen it too often in other countries where it has stifled the development of a country. Do you think people would have come here to build condominiums and homes if the electricity was going to be off every night or they could not get telephone service to keep in contact with the outside world? Those were the heartbeats of this country, Madam Speaker. And whilst we expect them to get a fair return, we also expect them to be fair to the very consumers that keep them in business, and fair to the country because that is what keeps them alive. And our country will be better, depending upon the service that they provide for us to be able to conduct world business.

We like to talk about our global position in the financial industry. Were it not for the ability and the kind of companies that we have, the utility companies, we would be nothing. I have seen it in more places than one. I have seen it in Africa, in the Caribbean, in Central America and, Madam Speaker, I can say with hand on heart, we are the gem of this area when it comes to that. When we are bragging of 97 per cent efficiency in electrification; it must be a proud moment, not only for this country but for the companies that provide that service. They are an integral part of the development of this country; could not have done it without them—could not. So, we have to be reasonable in our approach. It is expensive for the services and we deregulated the telephone over 10 years ago. Madam Speaker, the telephone bill is still high but we don't have to use it, you know. Sometimes it is more now. And we complain of the service we are getting now because technology is not being installed on a fast enough pace but that is where they need to be reasonable now too and if not, we need to put some pressure on them to make sure they do it.

Madam Speaker, again, I congratulate the Minister and hopefully he can get the rest of it done for us. He did something that I always hoped I would have done. There are two political regrets that I have—1) this utility commission and 2) the dump. I will go into the evening of life with that as regret. Here is one that I feel like I could contribute something in debate, I hope, so I will take one of them off of my bucket list and look forward to the next one, if and when that gets done.

Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak?

I recognise the Fifth Elected Member for George Town.

Mr. Winston C. Connolly, Jr., Fifth Elected Member for George Town: Thank you, Madam Speaker.

Madam Speaker, I rise to give a very short contribution to this Bill entitled a Bill for a Law to establish a multi-sector regulatory body corporate to be known as the Utility Regulation and Competition Office, to set out the office's broad functions and powers on the administrative arrangements for its governance and operation and for incidental and connected purposes.

Madam Speaker, I will be supporting this Bill because it is timely, it is needed and I wish we could have brought it sooner. But nonetheless, we are here now and the Minister should be commended as to the steps that he has taken, the tone he has set, and the direction we are going in.

Madam Speaker, I wonder if in his response and windup, the Minister can talk about whistleblowing. In terms of regulating the industry, there may be sometimes when there is a need for people to raise certain concerns; perhaps about improper practices in the workplace, perhaps about things like health and safety risks, potential environmental problems, fraud, corruption, cover ups and such other types of problems, because, Madam Speaker, I think, especially with a body that will be regulating the utilities, there is that public interest disclosure that could help with such regulation. And we need to ensure that those people who are brave enough to come forward are protected and establish what kinds of disclosure may be protected and the circumstances in which such disclosures are protected and the persons who may be protected.

I know we have been talking about a whistleblowing law, Madam Speaker, and maybe that is the place for this with direct reference to this law. But when going through this Bill I did not notice any such reference and I did not notice any such protections or provisions so I said I would leave it to the Minister to comment on that when he is winding-up, because along with the other powers to investigate, I think that is a powerful deterrent.

Madam Speaker, with the people that are on the board, as the Member for East End and the Minister, I think, responded accordingly in some of those answers, there needs to be robust enough penalties if they are found in their duty to be doing something untoward, because it is too important to our consumers, the people we represent, to just let people off with a slap on the wrist if they are in this—

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Absolutely; the fear of God

Madam Speaker, the Member for East End touched on a number of issues, so I will not go into those; I think he did a comprehensive job. But just looking specifically at clause 6 in Part 2, I am just talking about what clause 6 specifies as to the principle functions of the Office and the four things that included. I wondered and perhaps aloud where in subclause (b) it talks about promoting effective and fair competition, if the words "appropriate and" could come before "effective" because I think that those are nuances that actually add more focus.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: "Appropriate and effective". Or "appropriate, effective and fair competition". And in sub-clause (c): "protecting the short and long term interests of consumers in relation to price and quality of utility services".

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Yes.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Yep.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: [Laughter] Maybe. I just thought in (b) that it could again focus in on that.

My only other question, Madam Speaker, through you to the Minister, is the word "satisfactory" in (c)(ii). I wonder what satisfactory means. Is it based on the ability to come up with the criteria by the board? Or, should we strike out "satisfactory" and use something like high quality or some . . . I'm not fussy but I am just saying that "satisfactory" can mean—

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Yep.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Madam Speaker, I wondered also whether or not part of the board's role is interpreting other laws including the LCCL or working with those boards because, we have heard in the past about the retail agreements and who owns the pumps and the tanks and those sorts of contractual relationships which may or may not have been what the original intention was with the laws. So, I am wondering again, if the board then has the ability to go out

and get opinions, work with other boards or interpret those laws.

Again, Madam Speaker, talking about consumer protection and also the people that would contractually engage with some of the gas companies. and whether or not that board in itself would have the ability to perhaps embargos on things like gas stations in saying that enough of them exists now and make recommendations in that vein. Because again, protection of the retailers, those will be Caymanian, those will be constituents, those will be people that we want to be able to make a reasonable living in Cayman that have some protections. And I am sure that the board will set its pricing arrangements and I know the Minister in his introductory remarks talked about being able to see the prices et cetera. But I did not see any specifics, meaning, will they use, say, Platts Oilgram or those sorts of things or what they can use to come up with (a) baseline and then (b) ask the relevant questions, and to try to ascertain whether or not prices are fair and transparent. And I know they have wide powers under this Bill and I am grateful for those because I think this is what the people have been questioning and crying out for so long.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Absolutely. And I commended you, Mr. Minister, on bringing that.

Those are my few comments, Madam Speaker, and I throw them out there for whatever consideration will be forthcoming. Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? [pause] Does any other Member wish to speak? Final call—does any other Member wish to speak?

If not, I will recognise the Honourable Minister responsible for Works.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

Madam Speaker, I just have to get a few minutes. I have a couple of things to talk about but in a few minutes I will be able to answer the queries by the Member for East End. There were many and long so I could not retain all of that without having some notes. So, let me start from the end and come back to the beginning and address the points that the honourable Fifth Elected Member for George Town spoke to.

Firstly, Madam Speaker, let me say that I have no problem in accommodating the Member's wishes by adding the word "appropriate," after "promoting". And I need him to understand that I am doing that because I know it will please him greatly. So, I do not have a problem with that.

Also, where he wants to put "protecting the short and long term interest of consumers in relation to utility services", I do not have a problem with that

either. And as he said, that is for emphasis and I do not have any difficulty with that.

The supervising, monitoring and regulating specified utilities ensuring that their services are satisfactory and that other charges are reasonable, the word "satisfactory" is a general term used and I do not feel comfortable changing that word because I do not want it to intend to try to set a bar when, in fact, the rules and regulations will be very specific. So, when this speaks to "satisfactory" it is in total relationship to what the rules and regs will say.

Madam Speaker, I have been advised by the Honourable Attorney General that the general whistleblower legislation which was passed in this honourable House that exists now, is for that purpose and it includes what the Member was asking about in this piece of legislation. So, there really needs to be no reference in this legislation because it can be utilised in instances which would be dealing with what this legislation deals with in those sectors and all across the board, including health, safety and matters to do with environmental controls and that kind of stuff. So, I am satisfied based on his explanation that there really needs not be any specific mention or a specific section. The truth is if we did that, it means that we need to do that in every piece of legislation. But I hear where the Member is coming from. I think the Member simply wanted to ensure that legislation existed which could allow protection for anyone who wants to come forward.

Madam Speaker, when I was listening to the Member, I envisaged somebody working at one of these places and knowing something specific that was going on that was not right, was untoward or could create safety hazard or something like that and being afraid of losing their job or anything of that nature. So, I quite understand but I am satisfied that there is ample protection in the legislation which exists for that.

Madam Speaker, to quite explain it, the Honourable Attorney General has . . . and I think . . . no, no, I understand the Member is satisfied but just for general information, "improper conduct" means "a criminal offence which has been committed, is being committed, or is likely to be committed; a failure to carry out a legal obligation; conduct that has resulted, is resulting or is likely to result in a miscarriage of justice; conduct which is or is likely to be a detrimental action". So, it is a lot of generalities. And that is not all of them but that was the first three of nine or ten.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: He wants me to read (f) and (g).

In (f), this speaks to "conduct that has resulted, is resulting or is likely to result in a threat to the health or safety of a person or of the public; or conduct that has resulted, is resulting or is likely to result

in a threat or damage to the environment." So, I think we are covered.

Madam Speaker, I would crave your indulgence just for two minutes. Now, in answering the Fifth Member for George Town, I just wish to collect the hard copies of the other one so we do not have to leave the Chamber. I just need two minutes if you are okay with that, Ma'am.

[No audible reply]

Hon. D. Kurt Tibbetts: Thank you.

The Speaker: Out of the abundance of caution, I will just suspend the House and remain in Chamber but cut the audio.

Proceedings suspended at 6:42 pm

Proceedings resumed at 6:44 pm

The Speaker: Proceedings are resumed.

Hon. D. Kurt Tibbetts: Madam Speaker, I think based on sound advice given, in order to expedite the process here, what I will do is to give an undertaking that as soon as we get to the committee stage and when I am going to propose the committee stage amendments for this Bill, I will give a thorough explanation of the queries which have been asked during the contribution given by the Member for East End, and, at the same time, when we go through each of the committee stage amendments we will be able to further explain, hoping not to take too long.

Having said that and having answered the queries of the honourable Fifth Elected Member for the district of George Town, I want to thank all of my colleagues for what I consider in anticipation, their tacit support and I certainly look forward to moving the process on when we come back in January; in fact, to complete the process with the amending legislation and the two new Bills in order to be able to get the office up and functioning properly in fairly short order.

So, I commend the Bill, Madam Speaker, and look forward to being able to have it enacted and for us to do the work that is needed to be done in the future.

The Speaker: Members, if I could have your indulgence just for a few seconds before I actually put the question, in that we suspended and Members may not have heard me saying that the House was reconvened. I have asked the Serjeant to call Members in and will just wait for a reasonable amount of time because Members are probably waiting to see the AG and the other gentleman come in; just to be fair.

[Pause]

The Speaker: The question is that a Bill shortly entitled the Utility Regulation and Competition Bill, 2016 be given a second reading.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: I believe the Ayes have it.

Agreed: The Utility Regulation and Competition Bill, 2016, given a second reading.

SECOND READING

INFORMATION AND COMMUNICATIONS TECHNOLOGY AUTHORITY (AMENDMENT) (No. 2) BILL, 2016

The Clerk: The Information and Communications Technology Authority (Amendment) (No. 2) Bill, 2016.

The Speaker: I recognise the Honourable Minister responsible for Works.

Hon. D. Kurt Tibbetts, Minister of Planning, Agriculture, Lands, Housing and Infrastructure: Thank you, Madam Speaker.

Madam Speaker, just before I move the Second Reading of this Bill, with your permission I just want to advise Members that this Bill and the other two amending Bills which are on the Order Paper for today, simply contain consequential amendments to the existing legislation of each, in order to import from these existing laws the necessary sections which will be in the Utilities Regulation and Competition Bill. So, these are not brand new things which need long discussion. As a result, Madam Speaker, in moving each of these, I will simply go through the Memorandum and Objects of Reasons of each and hopefully that will satisfy Members. But if there are questions I certainly will do my best to answer them.

Madam Speaker, I move the Second Reading of the Information and Communications Technology Authority (Amendment) (No.2) Bill, 2016.

The Speaker: The Bill has been duly moved. Does the Honourable Minister wish to speak to this Bill?

Hon. D. Kurt Tibbetts: Very quickly, Madam Speaker. And this is the longest one, by the way.

Madam Speaker, this Bill seeks to amend the ICTA Law in order to dissolve the ICTA (Information, Communications and Technology Authority) and transfer its powers, functions and responsibilities to the Utility Regulation and Competition Office.

Madam Speaker, unless Members are desirous of me doing so, I would not wish to read what each clause says. I just outlined the entire intention and if Members are satisfied, I will recommend the Bill to Honourable Members and hopefully it can have passage. Thank you.

The Speaker: I recognise the honourable Member for the District of East End.

Mr. V. Arden McLean, Member for East End: Thank you, Madam Speaker.

Madam Speaker, as I said in my other debate, I personally had no intentions of debating and it appears like the other Members on this side have no intention either because there are only consequential changes to it; the regulatory part of it is going into the overarching Bill. So, Madam Speaker, we have no intention of debating either one of those three Bills.

The Speaker: I take it that the honourable Member for the District of East End spoke on behalf of all Opposition Members. From the expression of the Honourable Minister for Works, he is speaking also for the Government bench. So, with that background I will now recognise the Honourable Minister to do his reply.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

I certainly wish to express my gratitude to all of my colleagues in the Legislative Assembly here this evening. It seems like we might actually get through the three of these in record time. So, I recommend the Bill and thank everyone for their tacit support.

The Speaker: The question is that a Bill shortly entitled the Information and Communications Technology Authority (Amendment) (No. 2) Bill, 2016, be given a second reading.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: I believe the Ayes have it.

Agreed: The Information and Communications Technology Authority (Amendment) (No. 2) Bill, 2016, given a second reading.

ELECTRICITY REGULATORY AUTHORITY (AMENDMENT) BILL, 2016

The Clerk: The Electricity Regulatory Authority (Amendment) Bill, 2016.

The Speaker: Honourable Minister of Works.

Hon. D. Kurt Tibbetts: Thank you.

Madam Speaker, I beg to move the Second Reading of the Electricity Regulatory Authority (Amendment) Bill, 2016.

The Speaker: So ordered.

Hon. D. Kurt Tibbetts: Does the Honourable Minister of Works wish to speak very briefly to this Bill.

Hon. D. Kurt Tibbetts: Very briefly, Madam Speaker. Thank you very much.

Following in the same vein as I did in the first one: The Bill seeks to amend the Electricity Regulatory Authority Law (2010 Revision) in order to dissolve the Electricity Regulatory Authority and to transfer its powers, functions and responsibilities to the Utilities Regulation and Competition Office. Madam Speaker, to advise, with this one, there is a very small committee stage amendment because section 4 of the Law actually needs to be repealed also, and in the original amending Bill that was not included.

The Speaker: Based on the previous commitment from all other Members of the House, I now recognise the Member for a reply for completeness sake.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker. Again, to thank all Members for what is obviously genuine support for this legislation to come in place and hopefully we can get through the same thing come January. Thank you.

The Speaker: The question is that a Bill shortly entitled the Electricity Regulatory Authority (Amendment) Bill, 2016 be given a second reading.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: I believe the Ayes have it.

Agreed: The Electricity Regulatory Authority (Amendment) Bill, 2016, given a second reading.

DANGEROUS SUBSTANCES HANDLING AND STORAGE (AMENDMENT) BILL, 2016

The Clerk: The Dangerous Substances Handling and Storage (Amendment) Bill, 2016.

The Speaker: I recognise the Honourable Minister of Works.

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

Madam Speaker, I move the Second Reading of a Bill entitled the Dangerous Substances Handling and Storage (Amendment) Bill, 2016.

The Speaker: The Bill has been duly moved.

Does the Honourable Minister with to speak thereto?

Hon. D. Kurt Tibbetts: Thank you, Madam Speaker.

Madam Speaker, the Bill seeks to amend the
Dangerous Substances Law, 2003, which is the principal Law, in order to provide for the administration of
the Law by the Utility Regulation and Competition Office.

The Speaker: It has been previously indicated that no Members wish to speak.

Does the Honourable Minister of Works wish to reply?

Hon. D. Kurt Tibbetts: Yes, Madam Speaker; only to say that it has been a long day and I thank Members for their support, and I am sure your good-self and all of us will be happy to be able to leave the precincts until tomorrow morning. Thank you.

The Speaker: The question is that a Bill shortly entitled the Dangerous Substances Handling and Storage (Amendment) Bill, 2016, be given a second reading.

All those in favour, please say Aye, Those against, No.

AYES.

The Speaker: The Ayes have it.

Agreed: The Dangerous Substances Handling and Storage (Amendment) Bill, 2016, given a second reading.

The Speaker: I recognise the Honourable Premier.

ADJOURNMENT

The Premier, Hon. Alden McLaughlin: Thank you, Madam Speaker.

Madam Speaker, we have gotten through all of the government Bills and I thank Members for their cooperation and willingness to work long hours to ensure that this has occurred. I think despite the concerns expressed in some quarters about the lack of time and opportunity for debate, that all of the Bills that required and warranted debate, received good scrutiny and observations and comments and criticisms have been received and taken into account by the Government.

I know the Committee stage is going to be grueling and so, I hope all Members are able to get some rest. Tomorrow is Private Members' Motions day and so we will return to those and hopefully conclude the business of the House on Friday.

Madam Speaker, with that, I move the adjournment of this honourable House until 10 am tomorrow.

The Speaker: The question is that this honourable House be adjourned until 10 am tomorrow.

All those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

At 7:38 pm the House stood adjourned until 10 am, Thursday, 20th October, 2016.