



# CAYMAN ISLANDS LEGISLATIVE ASSEMBLY

## OFFICIAL HANSARD REPORT ELECTRONIC VERSION

**2009/10 SESSION**

*26 June 2009 – 28 April 2010*

**Hon. Mary J. Lawrence, JP  
Speaker**

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# **\*MEMBERS OF THE LEGISLATIVE ASSEMBLY**

## **2009/10 Session**

*(6 November 2009 – 28 April 2010)*

### **SPEAKER**

**Hon. Mary J. Lawrence, JP**

### **MINISTERS OF THE CABINET**

Hon. W. McKeeva Bush, OBE, JP, MLA	Premier, Minister of Financial Services, Tourism and Development
Hon. Juliana Y. O'Connor-Connolly, JP, MLA	Deputy Premier, Minister of District Administration, Works and Gender Affairs
Hon. Rolston M. Anglin, MLA	Minister of Education, Training and Employment
Hon. Michael T. Adam, MBE, MLA	Minister of Community Affairs and Housing
Hon. J. Mark P. Scotland, MLA	Minister of Health, Environment, Youth, Sports and Culture

### **OFFICIAL MEMBERS OF THE CABINET**

Hon. W. F. Donovan Ebanks, MBE, JP	Deputy Governor, First Official Member responsible for Internal and External Affairs and the Civil Service
Hon. Samuel W. Bulgin, QC	Second Official Member responsible for Legal Affairs

### **ELECTED MEMBERS**

#### **GOVERNMENT BACKBENCHERS**

Hon. Cline A. Glidden, Jr., MLA  
Deputy Speaker  
Third Elected Member for West Bay

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

Mr. Ellio A. Solomon, MLA  
Fourth Elected Member for George Town

Mr. Dwayne S. Seymour, MLA  
Third Elected Member for Bodden Town

#### **INDEPENDENT MEMBER**

Mr. D. Ezzard Miller, MLA  
Elected Member for North Side

#### **OPPOSITION MEMBERS**

Hon. D. Kurt Tibbetts, JP, MLA  
Leader of the Opposition  
First Elected Member for George Town

Mr. Alden M. McLaughlin, Jr., JP, MLA  
Third Elected Member for George Town

Mr. Moses I. Kirkconnell, JP, MLA  
First Elected Member for Cayman Brac and  
Little Cayman

Mr. Anthony S. Eden, OBE, JP, MLA  
Second Elected Member for Bodden Town

Mr. V. Arden McLean, JP, MLA  
Elected Member for East End

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*(26 June—6 November 2009)*

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Hon. Samuel W. Bulgin, QC	Second Official Member responsible for Legal Affairs
Hon. G. Kenneth Jefferson, JP	Third Official Member responsible for Finance and Economics

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Elected Member for East End

*\* On 6 November 2009 the Cayman Islands ushered in the new Cayman Islands Constitution Order.*

*On this date, the country's first Premier, the Hon. McKeeva Bush, OBE, JP, took the oath of office and allegiance before His Excellency the Governor Mr. Stuart Jack, CVO.*

*Also sworn in were Deputy Premier the Hon. Juliana O'Connor-Connolly, JP and Deputy Governor the Hon. Donovan Ebanks, MBE.*

## **OFFICERS OF THE HOUSE**

**Mrs. Zena Merren-Chin**  
Clerk of the Legislative Assembly

**Mrs. Sharon K. Smith, JP**  
Deputy Clerk

**Mr. Shane Bothwell**  
Serjeant-at-Arms

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## **STAFF OF THE LEGISLATIVE ASSEMBLY**

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Anita Salmon-Beezer, Refreshment Coordinator

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**OFFICIAL HANSARD REPORT**  
**FRIDAY**  
**26 JUNE 2009**  
**10.40 AM**  
*First Sitting*

**The Speaker:** I invite the Honourable Minister responsible for Community Affairs and Housing to say Prayers.

**PRAYERS**

**Hon. Michael T. Adam (Minister responsible for Community Affairs and Housing):** Let us pray.

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, honour 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**

***Oath of Allegiance***  
*By Mr. Samuel Bulgin, QC, JP*

**Hon. Samuel W. Bulgin (Honourable Second Official Member responsible for the Portfolio of Legal Affairs):** I, Samuel Washington Bulgin, do swear that I will be faithful and bear true allegiance to Her Majesty

Queen Elizabeth II, Her heirs and successors, according to Law. So help me God.

**The Speaker:** I invite the honourable Second Official Member to take his seat.

Please be seated.

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

**Apologies**

**The Speaker:** I have received apologies from the Leader of Government Business, who is absent from the Chamber today. I also wish to apologise to the House for the late start of the sitting. This was not intentional; there were several things that cropped up at the last minute. I shall endeavour to make sure that it does not happen in the future.

**House visitors—Students from John Gray High School**

**The Speaker:** I also wish to welcome the students from John Gray who are participating in work experience with various departments of government. Welcome to the Chamber. I hope you enjoy the sitting today.

**PRESENTATION OF PAPERS  
 AND OF REPORTS**

**Cayman Islands Law Reform Commission 1st  
 April, 2008/31st March, 2009 – Fourth Annual Report  
 of the Law Reform Commission**

**The Speaker:** Honourable Second Official Member responsible for Legal Affairs.

**Hon. Samuel W. Bulgin:** Thank you, Madam Speaker.

With the leave of this House, I beg to lay on the Table the Cayman Islands Law Reform Commission Report for the period 1st April, 2008/31st March, 2009.

**The Speaker:** So ordered.

Does the honourable Member wish to speak thereto?

**Hon. Samuel W. Bulgin:** No, Madam Speaker, the Report is basically self-explanatory. It sets out in detail the work of the Commission during the relevant period and I commend it to honourable Members of this House as well as the general public for reading.

Thank you.

**The Speaker:** Thank you.

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** There are no statements by Honourable Members and Ministers of Cabinet.

## GOVERNMENT BUSINESS

### MOTIONS

#### Government Motion No. 1/09-10— Authorisation of Executive Financial Transactions for 2009/10 Financial year

**The Speaker:** I call on the Honourable Third Official Member responsible for Finance and Economics to present the Motion.

**Hon. G. Kenneth Jefferson (Third Official Member responsible for Finance and Economics):** Thank you, Madam Speaker.

I beg to move on behalf of the Government, Government Motion No. 1/2009-10 and, with your permission, I would like to read the Motion.

The Motion is entitled Authorisation of Executive Financial Transactions for 2009/10 Financial year and the body of the Motion reads as follows:

**WHEREAS** the Government's budget for the 2009/10 financial year would normally have been completed and presented to the Legislative Assembly by 1 May 2009;

**AND WHEREAS** the 2009/10 Budget needs to reflect the policies of the Government and, Government was established on 27 May 2009 following the 2009 General Elections, and there is not sufficient time to enact an Appropriation Law for the 2009/10 financial year before the 1 July 2009 commencement date of the 2009/10 financial year;

**AND WHEREAS** Section 11(1) of the Public Management and Finance Law (2005 Revision) states that "the executive financial transactions in respect of a financial year may be authorised by a resolution of the Legislative Assembly in advance of a law making appropriations for those transactions if

(a) the resolution is arranged according to each of the appropriation types specified in section 9(3); and

(b) the resolution provides that it shall lapse after a period of four months from the date of the resolution."

**AND WHEREAS** the Government, pursuant to section 11(1) of the Public Management and Finance Law (2005 Revision), is seeking the approval of the Legislative Assembly for the attached Schedule of appropriations for the four-month period from 1 July 2009 to 31 October 2009;

**BE IT NOW THEREFORE RESOLVED** that for the period 1 July 2009 to 31 October 2009 the Governor in Cabinet be authorised to incur executive financial transactions totalling no more than C\$544,133,011 in aggregate, and not exceeding the limits specified for each of the following appropriation categories, further details of which are provided in the attached Schedule to this Motion:

And, Madam Speaker, the appropriation categories are:

<b>Output Groups:</b>	<b>\$150,074,782</b>
<b>Transfer Payments:</b>	<b>\$14,686,450</b>
<b>Equity Investments:</b>	<b>\$61,097,790</b>
<b>Financing Expenses:</b>	<b>\$6,166,667</b>
<b>Other Executive Expenses:</b>	<b>\$11,632,513</b>
<b>Executive Assets:</b>	<b>\$19,049,811</b>
<b>Loans Made:</b>	<b>\$424,999</b>
<b>Borrowings:</b>	<b>\$282,000,000</b>

**The Speaker:** The Motion has been duly moved and is open for debate.

Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Madam Speaker, in accordance with the provisions of Standing Orders 25(1), (2) and (3), I beg to move that Government Motion No. 1/09-10 be amended.

**The Speaker:** I so authorise.

#### Amendment to Government Motion No. 1/09-10

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

The amendment to the substantive Motion reads as follows:

- 1) By deleting the Resolve section in the substantive Motion and substituting the following therefor:

**BE IT NOW THEREFORE RESOLVED** that for the period 1 July 2009 to 31 October 2009 the Governor in Cabinet be authorised to incur executive financial transactions totalling no more than C\$573,625,099 in aggregate, and not exceeding the limits specified for each of the following appropriation categories, further details of which are provided in the attached Schedule to this Motion:

Output Groups:	\$150,074,782
Transfer Payments:	\$16,619,783
Equity Investments:	\$64,735,354
Financing Expenses:	\$6,530,000
Other Executive Expenses:	\$11,632,513
Executive Assets:	\$26,432,668
Loans Made:	\$424,999
Borrowings:	\$297,000,000

EA 112	North Side Community Resource Centre	90,000
EA 119	Emergency Shelter - Cayman Brac	395,000
EA 9	Land purchase – Gazetted Claims	1.5 million
EA 36	Miscellaneous Road surface upgrades	3,981,190
EA 63	Central Business District project	250,000
EA 83	Landfill improvements	941,667
EA 99	Public Facilities- Jetties and Ramps	435,000
EA 42	Street lighting programme, Cayman Brac	25,000
EA 121	New cemetery, Little Cayman	50,000

2) By deleting from the Schedule the following items under Appropriations to the [Ministry] of District Administration, Works and Gender Affairs,

Transfer Payment		
TP 35	Hurricane Paloma Relief - Cayman Brac and Little Cayman	1,933,333
Equity Investments		
EI 52	Ministry of District Administration Works and Gender Affairs	3,725,035
EI 57	National Housing Development Trust	1,929,000
Executive Assets		
EA 47	New Farmers Market	350,000
EA 53	Cayman Brac and Little Cayman Ramps and Jetties	375,000
EA 93	Public Beach Facilities - Cayman Brac	100,000
EA 117	Beautification Project - Cayman Brac	100,000
EA 118	Swimming Pool Upgrade - Cayman Brac	50,000
EA 119	New Board Walk - Cayman Brac	50,000
EA 121	New Cemetery - Little Cayman	100,000

3) By deleting from the Schedule accompanying the substantive Motion the following items under Appropriations to the Financial Secretary:

BO (which means borrowing),  
BO5—Central Government Borrowings 2009/10: \$113,000,000.

4) By inserting into the Schedule the following items under Appropriations to the Minister of District Administration, Works and Gender Affairs:

Transfer Payment		
TP 35	Hurricane Paloma Relief - Cayman Brac and Little Cayman	\$3,866,666
Equity Investments		
EI 52	Ministry of District Administration Works and Gender Affairs	7,362,599
Executive Assets		
EA 47	New Farmers Market	510,000
EA 53	Cayman Brac and Little Cayman Ramps and Jetties	200,000
EA 93	Public Beach Facilities - Cayman Brac	50,000
EA 117	Beautification Project - Cayman Brac	30,000

5) By inserting onto the Schedule the following item under Appropriations to the Minister of Community Affairs and Housing:

Equity Investment,  
EI 57, National Housing Development Trust, \$1,929,000.

6) By inserting onto the Schedule the following item under Appropriations to the Financial Secretary,

BO5, Central Government Borrowings 2009/10: \$128 million.

Thank you.

**The Speaker:** The amendment has been duly moved and is open for debate.

Does the Honourable Third Official Member wish to speak thereto?

**Hon. G. Kenneth Jefferson:** Yes, thank you, Madam Speaker, briefly.

The substantive Motion and the accompanying Schedule were delivered to the Legislative Assembly and it was distributed to all honourable Members of the House on 19 June 2009. Since that time, the Government has had a look again at the Schedule that accompanies the original Government Motion which was delivered to the House and it decided to make some changes to the items on the Schedule. Essentially, that is precisely what the amendment proposed to the Government Motion does.

Honourable Members, if they look at the second section of the amendment will obviously see that a series of items are being proposed for deletion from the original Schedule that accompanied the Motion. By and large, the proposal is to delete them from the Schedule but to replace them by virtue of the proposed fourth amendment where it speaks to inserting onto the Schedule for the same item, in the majority of cases, but a different amount.

For example, in the second section of the proposed amendment, we see TP 35, Hurricane Paloma Relief, Cayman Brac and Little Cayman. The proposal is to delete the current figure on the Schedule (\$1,933,333) and replace it with the first item appearing under the fourth proposed amendment, TP 35

(\$3,866,666). So, by and large Madam Speaker, the items in the original Schedule, as shown in section 2, are being proposed for deletion and replacement by new items shown in section 4 of the proposed amendment to the initial Schedule.

We also see, just by way of example, that the items in respect of Equity Investment 57, to the National Housing Development Trust, was shown on the Schedule for the Minister of District Administration, Works and Gender Affairs. That is incorrect. It should not have been under that particular Ministry. So the proposal is to delete it from that particular Ministry and place it as it correctly and properly deserves under the Minister for Community Affairs and Housing, and that is shown in the fifth item in the amendment to the Motion.

So, Madam Speaker, generally that is the explanation for what is proposed in the Motion. Honourable Members should have received a revised Schedule which, if adopted and approved by the Legislative Assembly would show the effects of the proposed amendments set out in this Motion. That should have been distributed to all honourable Members.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause]

**Mr. Alden M. McLaughlin, Jr. (Third Elected Member for the district of George Town):** Madam Speaker, on a point of procedure.

This is not taking any exception to what is being done; it is just rather confusing to us.

There are now two motions on the Floor of this honourable House. It is not possible, Madam Speaker, for us to have two motions on the Floor of the House at the same time. There is the substantive Motion and there is the amended Motion. I am not sure when we get up to speak to which motion we are speaking. When the vote is called, I am not sure which motion we will actually be voting on.

I think we need to resolve this procedural difficulty.

I suggest, Madam Speaker, that what needs to happen, or what needed to happen was that the substantive Motion ought to have been moved and then tabled and the honourable Third Official Member, explain, as he just did, that there are amendments necessary to that Motion, that those amendments are then debated . . . well, a debate as to whether or not those amendments ought to form part of the substantive Motion. And when the Motion is actually amended as a result of a resolution of this House, then we debate the substantive Motion as amended. That is what needs to be done, otherwise we are going to wind up in real confusion in this House as to what it is we are actually debating.

**The Speaker:** Honourable Minister for Education.

**Hon. Rolston M. Anglin (Minister of Education, Training and Employment):** Madam Speaker, the argument by the honourable Third Elected Member for George Town does have merit. However, on 29 June 2005, the House found itself in this exact same conundrum. If you go to the *Official Hansard Report* (on page 72, for the benefit of Members) you will see the substance of it.

What the Government proposed to do was follow the exact—and I emphasise that, exact—procedure followed on that day with these exact circumstances before us. At the time, the then incoming Government distributed a pre-appropriation motion. Amendments were made, and we were very careful to try to follow the exact procedure because we ourselves, as we were going through it, were not quite sure how to handle it. We figured that if we used that precedent that would put us in safe harbour.

Just by way of reference, Madam Speaker, what happened at that point was that a Member of the House got up and asked, coincidentally, the exact same question that was just asked, and that being my now colleague, the Minister responsible for District Administration.

The Speaker ruled at that time that she would accept the procedure as was; we simply vote on this amendment and agree to debate the Motion.

Thank you.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I am grateful for that. That is exactly what I am suggesting, that we need to vote on the amendment now, and then we go back to debate the substantive Motion, as amended.

**The Speaker:** Does any other Member wish to speak? [pause]

If no other Member wishes to speak, the question is—

**Hon. Rolston M. Anglin:** Madam Speaker, just on a point of clarity, the Motion before us is the amendment Motion, which we need to vote on. Once we have agreed to the amendment, then we will revert back to the original Motion as amended by virtue of us accepting this amendment.

**The Speaker:** May I have a copy of the amended Motion please?

Those in favour of the amended Motion please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The amendment to Government Motion No. 1/09-10 passed.**

**Government Motion No. 1/09-10 as amended**

**The Speaker:** I will now invite the honourable Third Official Member to speak to the Motion as amended.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

The Government operates on a 1<sup>st</sup> July to 30<sup>th</sup> June financial year. The preparation of the annual budget is normally a seven-month process. It begins in October and culminates in the presentation of the Annual Plan and Estimates to this honourable House on or before 1<sup>st</sup> May in the following year. That is followed by the approval of the accompanying Appropriation Bill. The Budget, Madam Speaker, is meant to reflect the plans and intended policy actions of the sitting government.

As occurred in 2005, the general elections in May 2009 have made it impractical to prepare the substantive 2009/10 Budget and finalise the Legislative process of approval prior to the commencement of the 2009/10 financial year, which is 1 July 2009.

The legislative authority: As per section 7 of the Public Management and Finance Law (2005 Revision) (PMFL), without an Appropriation Law in place, the Government is unable to incur expenditure, it is unable to make investments or undertake borrowings or conduct other types of financial transactions necessary to fund the operations of Government. The Appropriation Law is approved as part of the annual budget process.

However, section 11 of the Public Management and Finance Law, which is entitled "Authorisation in Advance of Appropriation", states that executive financial transactions can be authorised by a resolution of the Legislative Assembly in advance of a law making those appropriations. And that is precisely what the Motion seeks to do.

Section 11, was intended to be used in a year where circumstances within that year make it very difficult to enact the Appropriation Bill prior to the start of the next financial year.

Madam Speaker, the structure of the Motion: This section (section 11) also states that: *the resolution has to be arranged by appropriation types*. And we see that in the Resolve section of the Motion which speaks to output groups, equity investments, et cetera.

This section also says *that the resolution will expire after a period of four months from the date of the resolution; and that the resolution will be subsumed by the amounts respectively provided in the law making the appropriations in respect of the transaction when the law comes into operation*.

Therefore, the purpose of this Motion before the House is to seek the approval of the Legislative Assembly under section 11(1) of the PMFL for the Governor in Cabinet to undertake the various types of executive financial transactions necessary to finance

the ongoing operations of Government in advance of an Appropriation Law for the 2009/10 financial year.

Madam Speaker, approval is being sought for the four-month period 1 July to 31 October 2009 during which time the Government will prepare the substantive 2009/10 Budget and present it to this honourable House for review and consideration. The present envisioned timeline for doing that is in September.

Madam Speaker, Members will see in the Schedule attached to the resolution the amounts relating to the various appropriation categories, specifically, Output Groups, Transfer Payments, Equity Investments, Financing Expenses, Other Executive Expenses, Executive Assets, Loans Made and Borrowings. The Appropriations have been grouped according to the new Ministry/Portfolio structure implemented by the new Cabinet.

Madam Speaker, when developing the amounts shown in the Schedule to the Motion, the Portfolio of Finance and Economics used the original 2008/9 budget, which was subsequently amended by the 1<sup>st</sup> Supplementary Budget for 2008/9, which was considered and passed by this House in March 2009. That was used as the starting point. The Portfolio requested each Ministry and Portfolio to provide expenditure forecasts for the first four months of the 2009/10 financial year both in terms of operating expenditure and capital expenditure. These amounts were then adjusted to account for known commitments and the seasonality profile of certain items.

What that means, Madam Speaker, by way of example, is in the case of overseas scholarships, for example, the bulk of those scholarships would have to be paid by September. In that particular example we would not necessarily take four-twelfths of the annual budget appropriation for that particular item and place that amount in this pre-appropriation budget. It would have to be a substantially greater amount than simply four-twelfths. So that is what is meant by the seasonality profile of certain items.

Members will see that the majority of the expenditure items reflect the ongoing business of Government.

Let me provide details of some of the appropriation types that are shown in the Schedule that accompanies the Motion.

Operating Expenses: Madam Speaker, for the 1 July to 31 October period the Motion seeks approval for a total of CI\$178.3 million in operating expenses in the following Appropriation categories: Output Groups, \$150.1 million; Transfer Payments, \$16.6 million; and Other Executive Expenses, \$11.6 million.

The Appropriations for these categories represent the indicative Core Government's operating expenses for the four-month period. But it should not be taken for granted as being one-third of the amount that the Government will spend for the full 2009/10 financial year.

I and the Portfolio of Finance and Economics call on all government agencies to exercise fiscal con-



straint and prudence during the coming financial year as the Government is still assessing the extent of the fallout from the global financial crisis. While there are signs that the economic outlook may be improving, there is still a long way to go before we can truly say that this crisis is behind us. As a result, as we go through the 2009/10 full year budget preparation process, government agencies need to be cognisant of the fact that their budgets may be decreased below what they had last year. In this current environment we must all seek ways to deliver services at reduced costs and to be innovative.

Financing Expenses: An appropriation of \$6.5 million in financing expenses is sought to cover the interest payments on the outstanding public debt during the July to October 2009 period.

Madam Speaker, a significant item in the Schedule to the Motion is in respect of Equity Injections. These are amounts that central government pays over to not only its own Ministries and Portfolios, but also to statutory authorities and its government companies. The equity investments total shown in this Government Motion in the Schedule that accompanies the Motion total \$64.7 million. The main items included in this Appropriation category are as follows:

- \$43.8 million is sought to fund the ongoing construction of the new John Gray and Clifton Hunter High Schools;
- \$7.36 million is sought for the Ministry of District Administration, Works and Gender Affairs of which some \$3.0 million is being requested as working capital to fund the Public Works Department; A further \$1.38 million is sought to fund the ongoing construction of the new facility for the Department of Vehicle Licensing; a further \$0.8 million for a new hangar for the MRCU aircraft;
- \$3.87 million is being sought to fund the Health Services Authority;
- \$3.0 million is being sought to fund the Cayman Turtle Farm;
- \$2.98 million is being sought for the Portfolio of Internal and External Affairs;
- \$1.93 million is sought to fund the National Housing Development Trust;
- \$1.37 million is sought for the Ministry of Community Affairs and housing.

Executive Assets are also another type of appropriations shown in the Schedule. And for the four-month period these total \$26.4 million. The main items are:

- \$12.3 million is sought to fund the ongoing construction of the new Government Office Building adjacent to the existing Government Administration Building;
- \$3.98 million to fund Road Surface Upgrades on Grand Cayman;

- \$2.12 million to fund Cayman Brac and Little Cayman road development;
- \$1.5 million is to settle ongoing Gazetted land claims arising from roads development;
- \$1.4 million is sought for further development of the Bluff Playing field on Cayman Brac;
- \$1.0 million for the development of a new Bodden town Civic Centre/Hurricane Shelter;
- \$0.94 million is to fund upgrades to public beach facilities, ramps and jetties.

Another appropriation category is Loans Made. These total approximately \$0.42 million for the four-month period. These are sought to fund loans made by the Government to qualified persons requiring overseas medical care and to Civil Servants.

Madam Speaker, borrowings appropriations totalling \$297 million are sought in respect of borrowings. Of this amount some \$154 million is sought to allow for the refinancing of a short-term bridge financing facility used to finance government operations in the 2008/9 financial year. So, Madam Speaker, the intention is that this \$154 million component of the \$297 million will be used to obtain longer term financing to repay an existing short-term debt that exists now. This item in and of itself would not increase the total government debt position.

Madam Speaker, a further \$128 million is for new borrowings in 2009/10 year and a remaining \$15 million (of the \$297 million) is in respect of the government overdraft facility and the authority for that lapses on the 30<sup>th</sup> of June each year. So the appropriation shown here is for a renewal of a further year of that customary and annual overdraft facility of the Government.

Madam Speaker, the Government has much work to do over the next four months in order to prepare the substantive 2009/10 Budget. I ask all Members of this honourable House respectfully for their support of this Motion which will allow for the continuity of Government operations while the 2009/10 full year Budget is being prepared.

Thank you.

**The Speaker:** Thank you, honourable Third Official Member.

Does any other Member wish to speak?  
[pause]

Before we continue the debate, I am going to ask for a suspension for 15 minutes, on the request of the Leader of the Opposition.

**Proceeding suspended at 11.28 am**

**Proceedings resumed at 11.58 am**

**The Speaker:** Please be seated.

Continuation of debate on Government Motion No. 1/09-10. Does any other Member wish to speak? [pause]

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts (First Elected Member for the district of George Town, Leader of the Opposition):** Thank you, Madam Speaker.

I have some quick, initial observations that I would like to make, and perhaps get some clarification on a few of them from the honourable Third Official Member.

As I glance down the list of output groups in the amended Schedule, I notice item OE68 speaking about Special Police Investigation, \$1.48 million. I am wondering whether that \$1.48 million is for one-third of the year. Is there any anticipated end to the funds the country has to pay for this investigation? I am not going into the merits of it, I am just asking about the figure. We all know the history of those investigations. I think most of us know where they have reached in recent times, and we had some indication as to what was thought to be the way forward. So I wish to have an understanding regarding that amount.

Madam Speaker, also, OE54. There is the CCRIF annual premium. Just before the elections we were at a point where we were seeking some clarification as to coverage, and this \$560,000 . . . I thought the way the premiums were paid was that there had to be one amount up front. I am not sure how that payment was made, and I do not know whether the premium has changed or whether the coverage has changed. I would just like to get that clarified.

We also see OE72, Judicial Tribunal of Inquiry, just under half a million dollars for that. We would also like to have clear understanding whether that is a third of the year, whether that is expected to complete the work of the tribunal or what else is expected from that.

Madam Speaker, when we look at the proposed borrowings, I think we all understand the \$154 million at the end of the day in the 2009/10 fiscal year, that amount is simply to cover the bridge financing being done presently. That does not change the bottom line. What we are looking at is the renewal of the \$15 million revolving overdraft facility, which we know every year has to be renewed. And then a central government borrowing of \$128 million. The new amended figure, compared to the initial \$113 [million]. So the amendment adds \$15 million to the borrowing.

Madam Speaker, when we look under the appropriations to the honourable Minister of Education (the equity investment under T112, \$43,761,000), I am assuming that that amount is for the ongoing two schools. I think the honourable Third Official Member mentioned that. What we wish to have clarification on is whether that is what is expected to be paid for the works during the course of the fiscal year, or whether that is partial payment for the ongoing construction.

My colleague, Madam Speaker, the Third Elected Member for George Town [Mr. Alden M. McLaughlin, Jr.] may extend the discussion on that in his debate.

Madam Speaker, one of the curious amounts that I wonder about in here is under Executive Assets, EA78, the Government Office Accommodation project. The amount here is just under \$12.3 million. The reason why I am asking the questions is simply because I am presuming from the honourable Third Official Member's initial delivery that the borrowings indicated in this Motion for authorisation of executive financial transactions for the upcoming fiscal year are the total borrowings which are expected to be had.

Just going by memory, the projected amount to be paid out for the fiscal year 2009/10 for the Government Office Accommodation project, while I do not have an exact figure, seems to be more like \$25 million rather than the \$12 million. So, if the four-month appropriation is \$12.3 million, then do the borrowings that are anticipated take care of the entire year's pay-out for the Government Office Accommodation project construction?

In the Schedule and the Motion itself we do not have a clear picture of what is anticipated as beginning cash balances as of 1 July, what is anticipated revenue for the year (or for the four-month period of the year), but we do have the borrowings. We do not have a clear picture as to what type of projections there are for us to anticipate what the year-end will look like. It is not that I do not understand that, I am simply making the point that we do not know all of those.

Madam Speaker, I note with interest that the honourable Third Official Member said that he was taking this opportunity this morning to advise civil servants that for the upcoming fiscal year there would be need for some belt-tightening as assessments are ongoing with the global financial crisis and there is still some uncertainty as to when we will make the bend and have a clearer picture as to exactly what is happening.

Madam Speaker, I take a minute speaking to this Government Office Accommodation project just to quickly say that I am certain . . . well, I am not really certain of some things anymore. Let me not say I am certain, but I would *hope* that everyone here would appreciate the need for this project to be completed as swiftly as possible because it will realise millions of dollars of savings once it is occupied by all the various departments, ministries and portfolios that are scheduled to occupy the building once it is completed.

If memory serves me right, projects are that by 2013, without that building and with continuing leases in a myriad of locations, the government will be paying out in excess of \$10 million a year for those offices that would occupy that building. Certainly for the \$85 million cost of the building, that is well worth it and it certainly would be self-financing over the short term, not the long term.

But, I just would seek clarification, Madam Speaker, with regard to the \$12.3 million that is allocated in the Schedule.

As I move on down the list of output groups and down to equity investment under the Minister of Community Affairs and Housing (EI57, \$1.9 million for the National Housing Development Trust), I am presuming that it is anticipated that the drawdown of the second tranche of the government guaranteed bond will actually take place and the construction of the affordable homes will begin. And this amount will entail the annual payments of the two bond issues.

The way the project was anticipated was that once the US\$14.5 million drawdown was done and once the government continued to allocate in its appropriations the payment of the two bond issues (that is, the previous bond issue—which certainly has to be paid without a shadow of a doubt because there is no income from the National Housing Development Trust to pay that amount) . . . but the whole idea behind it was that once the government paid the bond issues as the payments came due, that that second tranche would allow for the continuation of the affordable homes being built on a continuous basis and the income from each home being put back in to build another one. I just want to make sure, Madam Speaker, that what I understand from that amount is the case, or, if it is not so, then perhaps we can hear what any possible new plan might be.

Madam Speaker, in looking at this, I see appropriations for the honourable Chief Secretary. The appropriations bring to mind . . . and with your indulgence, Madam Speaker, I just wish to take this opportunity on behalf of the Opposition to congratulate the incoming Chief Secretary, the Hon. Donovan Ebanks, and also to do likewise to the Deputy Chief Secretary Designate, the former Chief Immigration Officer, Mr. Franz Manderson. I believe both will serve well in their new positions.

Having said that, if I bring those two in, I certainly have to speak of one who is leaving. I think there may be other opportunities to do that, but let me not leave the First Official Member [Hon. George A. McCarthy] out of the fray here because he might think it is a personal offence if I were to do so. I will just quickly say that I believe it is 36 1/2 years. I believe I have known him for all of those years. I may know things about him that he wished I did not remember! But that was a long time ago. He might have the same memories of me!

Truthfully, Madam Speaker, the 36 1/2 years that the honourable First Official Member has spent in the service of government has been time well spent in the service of his country.

Madam Speaker, looking at the Government Motion, and looking at all that has been said, I would crave your indulgence to speak for a few minutes on our arrival at this point with the Motion.

Once the Government knew (I am anticipating this) that they were going to have the Motion brought,

as is customary, once they had sorted the matter out, they issued a statement prior to the Motion which, their claim was, set out the financial position of the country. Madam Speaker, the relevance of that statement in the course of my debate is because even though the honourable Third Official Member has spoken to belt-tightening, if we add up the four-month appropriations for the operational expenditure, it is some \$177 million. That comprises the output groups with just over \$150 million, transfer payments of \$16.6 million and other executive expenses of \$11.6 million.

Now, Madam Speaker, while the honourable Third Official Member made it a point to make sure that he wanted no one to assume that while these were amounts for the first four months of the fiscal year, it did not mean business as usual, and it did not mean that that would be a third of the annual appropriation. The fact of the matter is, when we look at all of the line items which comprise these appropriations, and if we were to extrapolate by saying three times that amount, then, certainly, Madam Speaker, it is business as usual.

So, if in their statement the situation was so pale and was so terrible, it has to beg the question: Why, then, business as usual? Even if my question is answered by saying it is not; someone has to explain why.

Madam Speaker, most of us, if not all of us, understand the way the budget cycle works, and that every budget presented is based on the best possible information at that time which allows for reasonable and rational projections to be made. That is a given.

When the Government issued their statement on 11 June, they purported in their statement to give year-end projections, fiscal year-end projections, which completely showed a different picture from year-end projections that the now Opposition provided the public just prior to the elections. There are some specific numbers in here which, in my view, need clarification because if the Government Motion and the amended Schedule are to be looked at and voted upon, certainly, one has to have an appreciation of what the overall financial position is.

There are three specific issues which will always affect the government's position at any given time. With your permission, I would just like to refer to those three positions, and I wish to seek clarification on those positions so that when we examine the Schedule of Appropriations put forward we will have a full appreciation of what is expected and what is going to be projected down line as the year continues.

Madam Speaker, let me make it absolutely clear that we understand by experience that one cannot always make certain presumptions because situations are not always as stable as one would like it to be. Right now, the entire world economy is in a very volatile situation. So day-to-day things can change. We understand that. We have to be as diligent and watchful as we all can be in order to make sure we

are keeping up-to-date with what is happening around us. I think all of that is accepted.

Madam Speaker, we were told in Finance Committee that . . . let me make sure that I do not make any incorrect statements. Between Finance Committee and the Cabinet Note, between the two we were told, first of all, that as of 31 March there was an actual operating deficit of \$18.8 million, and that restricted and unrestricted cash balances adding together as of March 31 was some \$110 million. That was given as actuals for 31 March.

Then it moved on to where projections for year-end 30 June were for a \$29 million operating deficit and restricted and unrestricted cash balances totalling \$126 million. Madam Speaker, we were told during the first week in May that those figures were running true to projection.

It is reasonable for us to be slightly shocked when just a few weeks later our understanding is that instead of a \$29 million operational deficit, the new projected operational deficit for the fiscal year is \$74 million—a \$45 million difference! And instead of cash balances of \$126 million, the way it was craftily crafted (if I might) in the statement had the public believing that there was only \$17 million available.

Madam Speaker, I say “craftily crafted” because . . . with your indulgence I may be allowed to read one paragraph of the statement, I will explain my point.

**The Speaker:** Certainly.

**Hon. D. Kurt Tibbetts:** Thank you.

Madam Speaker, the statement of 11 June 2009, issued by the Portfolio of Finance and Economics Public Relations Unit, first of all said, “**This information was provided to the administration by the Hon. Financial Secretary, Mr. Kenneth Jefferson. The Hon. Financial Secretary has therefore provided and approved all of the financial information contained in this report.**”

And then they say, “**Those reports leave the administration with a forecast that can be summarised as follows: a record deficit (CI\$74 million); a record-high level of public sector debt (CI\$590 million); and minimal cash balances (CI\$17 million) to continue the daily operations of Government.**”

It is that last part of a sentence, Madam Speaker, that caused me to say “craftily crafted.”

I do not know the author or authors, but I can tell you that they knew what they were doing and they knew what their intentions were. Their intentions were, as has happened in many instances, to make the public believe that we will have moved by fiscal year end from a position of \$126 million to \$17 million. But they craftily said, “. . . **to continue the daily operations of government.**”

After that little sentence, they immediately say: “**The UDP: Its Performance During its Prior Period in Office, in 2005**

**“When the UDP left office in May 2005, the following results and position in respect of the Government’s financial year to 30th June 2005, existed:**

- **a Surplus for the year of CI\$ 42.6 million;** [as compared to a projected \$74 million deficit.]
- **Debt owed by central Government of CI\$164.5 million;”**

By central Government, that is the figure they used. Central Government’s figure. Of course, the figure they said before of \$590 [million] is totally public sector debt including government owned companies, statutory authorities and everybody.

So, they want people to compare \$164 million to \$590 [million]. But one of them is just *core* government debt and the other one is *everybody included*.

- **Total Cash Balances from all sources of CI\$106.0 million.”**

*Total cash balances from all sources*, so, again the intention there was so that people would compare projected year-end now, 2009, 30 June, of \$126 [million]—is what we were saying, which was what we were told—and they are saying there is only \$17 [million]. Then they come back and say total cash balances in 2005 year-end when they demitted office, was \$106 million.

But, you see, that is not even apples and oranges. I don’t know what to call that one! But the way it is put forward in the statement, the average person reading it is going to interpret it the same way they wanted it to be interpreted.

The Leader of Government Business then calls in and says that we are liars. Always “lie”, that is what he says. I did not say it, Madam Speaker.

**The Speaker:** But not on the Floor of this House.

**Hon. D. Kurt Tibbetts:** All right. I am only repeating what I heard with my own ears. I was not saying it myself. I know better.

Madam Speaker, the whole point in the issue is not so much what obtains, but it is how information is disseminated to the public. I understand the politics of all of it. But it has a wider ramification.

It sends the message that the country is in dire straights—which is not the case. I am not suggesting that we are not in challenging times. We knew that. None of us hid that. I said that on many occasions during the past fiscal year. And we gave out all of the information that we could give.

I also know, Madam Speaker, as we kept tracking revenue and expenditure that . . . and this is something that this Government is going to have to do, that governments to come are going to have to do, governments that have gone have had to do. You have to keep watching and tracking revenue and expenditure to make sure you keep it under control because of the requirements of the Public Management and Finance Law. Only in extreme circumstances,

when there is absolutely no other way for the Government to continue to function, do you look to say we cannot meet this legal requirement because the result of doing that is graver than breaking that legal requirement. That may very well possibly happen again in the future until we bend that corner that I was speaking about.

But when I used those figures, Madam Speaker, and for those who might think I was a little bit more than curt with my statement, I want them to understand that I do not practice deceit. I am not going to stand idly by while anyone tries to make it appear that that is what I do, because I do not do that.

Madam Speaker, as I understand it, the difference between the projections that we were given and the projections now which, without going into all of those individual figures again, speak to a \$74 million operational deficit rather than a \$29 million operational deficit, is as follows: I understand that between 31 March and 30 June as the Portfolio of Finance has been tracking revenue, while we were told that it was holding true on 5 May, that the new projections for 30 June show a \$17 million downturn in revenue over that three month period. So that's \$17 million.

Then I am told that when the Supplementary Appropriations were prepared for the projections for year end there was \$10 million allocated for statutory authority and government-owned company losses, but that they are now reporting that instead of it being \$10 million it is going to be \$19 million. So that's \$9 million more that has to be found.

And then, Madam Speaker, my understanding is that since we were back and forth with chief officers and getting projected figures and going through the motion of saying we wanted 6 per cent savings on their operational budgets because revenues were down, and realising some savings, and going through Finance Committee end of March, and going through Supplementary Appropriations, some of which we had no control over—like these same old investigations and whatever tribunal and also the Paloma situation, which is still ongoing, and we understand that. After all those, Madam Speaker, we are now being told that after going through all of those exercises with ministries, portfolios and departments, that there is a \$19 million increase in operational expenditure within that short period of time for those ministries and portfolios.

Madam Speaker, it is obvious to me that that \$19 million does not and cannot reflect a simple straightforward increase of needs because, contrary to what some may say, I do not live in a dream world. I was close to the workings of getting expenditure down and doing the best we could and hearing chief officers and others say, *Listen, we cannot do any more*, because we did not want to cut services. Neither were we prepared to look at cutting any staff levels. I understand that.

But where is the sudden \$19 million increase in operational expenditure within the Service? It has to reflect the new Government's policies and what they

want to be done between now and 30 June. It has to be that, Madam Speaker. Understand this clearly, Madam Speaker, I am not questioning that because that is their prerogative. But do not get a writer to craft a statement of this nature and then land it all on the shoulders of the Opposition as if it is us!

Madam Speaker, pray tell what that \$19 million increase in operational expenditure consists of. Pray tell.

Maybe one of these days.

They say in their statement, Madam Speaker, that the Health Services Authority—one of those authorities who moved the figure from \$10 million total up to \$19 million in losses—is going to report a \$12 million loss by year end. Madam Speaker, I cannot swear (because the figures are not done yet) . . . but I am going to lay down a marker today that instead of \$12 million that is going to be closer to \$5 million or \$6 million. But we have to wait to see that. That in itself throws the projected figures out by \$6 million. We do not know. Much of this will not be fully known until we get year-end actuals. And then we will simply have to see.

But, Madam Speaker, my point is not simply what the figures are; my point is how they were portrayed. And no one can tell me that it was right. Everyone can tell me that that is the nature of politics. And I can understand. But that does not mean it is right. Therefore, it cannot just go the one-way street. I hope that who needs to understand that, understands that. I understand that, whenever, wherever and however the lines are drawn. I know that. And I accept that. But when they are drawn, they are drawn for both sides, not just one.

Madam Speaker, having said that, and with the questions in mind, it causes a bit of a . . . not a quandary, but it causes a bit of turbulence in the mind as to what is being proposed now, which is the Government's prerogative, and I do not think we can look at the individual output group items and take any one of them to severe task as if to say it is something that should not or need not be done. That is really not the issue at hand in my view.

What we have to appreciate, Madam Speaker, is the way the situation is being portrayed. It is obvious the way that the situation has been portrayed that when the Government looked at all of their figures and the policies they wish to implement that they best get it all dealt with at one time and done; bundle it all up into one and dump it on the Opposition, say it was all to do with the Opposition and their incompetence, and move forward so that no one thinks anything of the way they are doing what they are doing.

Madam Speaker, if I were selfish I would make selfish statements. But I am not going to do that. We do not know how long this thing is going to last, and there is no miracle cure for it. So we do not know by the time the honeymoon is over how tight the belts are going to have to be drawn. We do not know

that. I said that before and I still say it now because I am sure we really do not.

We will hear the different spins as to what was done, what was not done; who does not know what, who does not have a grain of sense, and ya, ya, ya. We hear all of that. But I know, Madam Speaker, that what I have spoken today rings a certain level of truth even though some of it I do not know to be fact because I am not privy to that direct information. Some of the questions I have asked are simply asked for clarification.

The points that have been made regarding the deficit projected and the other figures . . . somebody will have to read that out to me and show me another use of the Queen's English to prove to me that what I read as the intent was not the intent. And if anyone is to say that I had nothing to do with it—as I know will not happen—then they will have to say what the intent was.

So, Madam Speaker, with all that has been said, even when it is repeated again, I repeat that we are going to have to wait until year end to see what the actuals are. At some point in time we will get to know—I hope—what this additional \$19 million in operational expenditure is for. The spin, the last one I heard about that was that it was not a \$29 million operational deficit, it was more like \$68 [million]; but we would not have anything of it and we still went with the \$29 [million].

Madam Speaker, listen . . . and I do not mean to be rude, when I say that. Forgive me. I did not mean it like that. Madam Speaker, in Government when the purse strings are tight it is something that has to be managed all the time. There are sometimes initial allocations that are given that when projections show that they are not falling true to what was anticipated, then you have to adjust accordingly, just like at home. You thought you would have X amount of money, so that's your plan to do so, but you end up with not that much money.

So you have to adjust what you can do. It is as simple as that. The principles do not change for a second, it is just that in most instances we talk about more money than what we would be used to on an individual basis. That is all it is. I am not trying to oversimplify it, but the principles do not change.

If we as a Government had an agreed level of expenditure and nothing was said to us after that, we could not anticipate or expect a \$19 million increase. That is why I come to the conclusion that that \$19 million operational increase must reflect the new Government's policies and what they expect to be achieved by 30 June. If it is not, then somebody will have to explain. I do not know what the \$19 million figure entails, so I do not know what else to assume. Maybe somebody will pick it out, maybe somebody will not. I do not know.

Madam Speaker, regarding this Government Motion, we know the Government has to operate. We also know that they have the numbers. The tables

have turned, and we accept that. But I have to say personally that I am going to be very careful and guarded in listening to all that is said. Hopefully, certain issues will become clear so that when the time comes for a vote we are able to do so from an informed position.

Madam Speaker, I should perhaps stop there based on my line of argument because I certainly do not want to be overly repetitious. I certainly do not want to tempt you. I am certain the Government bench will speak to some of the issues. I will just listen to what is said and what comes in and we will take it all from there.

I thank you very much for allowing me, Madam Speaker. I will now take my seat to listen to the remainder of the contributions.

**The Speaker:** I think this is a convenient time for the lunch break. We will suspend proceedings until 2.30.

#### **Proceedings suspended at 12.51 pm**

#### **Proceedings resumed at 2.37 pm**

**The Speaker:** Please be seated.

Proceedings are resumed. Debate continues on Government Motion No. 1/09-10. Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

I recognise the First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell [First Elected Member for the district of Cayman Brac and Little Cayman]:** Thank you, Madam Speaker.

I rise to make my contribution to Government Motion No. 1/09-10. I note that in the offering of a budget we usually have an opportunity to go to Finance Committee. I want to just take a couple of minutes to bring out some points that I normally would have had the opportunity in Finance Committee to ask, comment on, or compliment.

The appropriations to the Chief Secretary, OE68, Special Police Investigation, has a funding of \$1,481,000. I believe the people of this country are well aware of the expense that is continuing. I believe that at some appropriate point we need to have a little more information on where we are. If this is a four-month appropriation, are we really saying that this is going to turn into \$4 million or \$5 million by the end of the year? I think this is a fair question. I am sure that at some point in the debate here this honourable House will have some comments on that.

Madam Speaker, the other topical issue also falls under a similar heading, OE72, which is the Judicial Tribunal of Inquiry. It continues. It is topical and I would wish to bring to the attention of this honourable

House that that, too, being presented on a four-month budget could turn into \$1.5 million. I am not sure if this appropriation is subject to that kind of increase through the year's budget when it is presented.

Also, Madam Speaker, the Caribbean Catastrophic Risk Insurance facility, \$560,000. I believe that there are two representatives in this honourable House who have seen the effect of last year's policy. Whether it was a decision to self-insure Cayman Brac and Little Cayman because the cost would be too expensive, or if this policy does cover Cayman Brac and Little Cayman, I believe is a fair question.

It is a fair question because the honourable Minister and I faced what a category 4 or 5 hurricane does to Cayman Brac and Little Cayman. We are very aware of that. If there is money coming from a catastrophic policy, it needs to be known [so that we have] the ability to plan around that. It is my belief that no matter what is paid out it will not be enough to cover a category 5 hurricane whether it is here, or in Cayman Brac and Little Cayman.

Madam Speaker, the timing of these appropriations for four months is topical from the standpoint of where Cayman Brac and Little Cayman are in the Paloma recovery effort. I just mention in a positive way FTD10, FTD11, and FTD12, that is Tourism Advertising Activities, Tourism Sales and Promotion and Tourism Marketing. If I had the opportunity (and this were Finance Committee) I would ask for a quick summary. I believe at this time the recovery of the tourism market in Cayman Brac especially is extremely important to the labour market and to the people of Cayman Brac because it is one leg of our private sector economy.

I am sure plans are being put together and laid out because one hotel has opened with a soft opening. Its grand opening will be the 31<sup>st</sup> of July. But the other properties that offer themselves to tourists will bring us on line with a new tourism product demanding new marketing challenges, especially in the world's economy right now. It will also demand a new way of looking at airline service.

But the reason I bring this up is because, again in a positive way, I believe there are plans and I believe the identification of these numbers will allow us to put this programme in place so that when the rooms open in December/January, that we will be in a position to support the private sector and that leg of the economy in Cayman Brac.

I might mention at this time that Little Cayman also will be involved in the tourism marketing and sales promotion.

Also, following along the same appropriations, the Minister responsible for Financial Services, Tourism and Development, there are two amounts earmarked CAL1 and CAL2. CAL1 is the Inter-island Air Service by CAL Express, and CAL2 is Air Service to Strategic Markets. One is for \$500,000 and one is for almost \$4 million (which would follow to be \$12 million for the year and \$2 million—\$14 million total).

Again, these are extremely important to the development and redevelopment of Cayman Brac and Little Cayman. The jet service that I am assuming is earmarked in the strategic markets (because I believe that a strategic market may be Washington, but it may be New York) . . . but on that trip the Cayman Islands include three islands—Cayman Brac, Little Cayman and Grand Cayman. So the jet service must continue on a regular basis into Cayman Brac.

Madam Speaker, again I say this as if I had the ability to ask . . . TP12, Tourism Scholarships. There is a young lady in Cayman Brac who has made an application for a tourism scholarship and the interviews will not take place until sometime next month. These young people who will be awarded these scholarships are trying to start school in September/October. I am sure that this can be looked at to help accommodate our young people who are going to further their education.

I know that the Minister for Education, Training and Employment knows that education is very important in Cayman Brac and Little Cayman. I am sure that the appropriations here follow a consistent way forward so that our education system will continue to be one of the strongest in the Cayman Islands as far as test scores, and that all of the necessary support needed for our students will be looked at and taken care of. He knows that this Member will certainly support whatever education needs in Cayman Brac and Little Cayman.

Madam Speaker, the honourable Minister of District Administration and Works has DWG19, DWG20, \$1,800,000. These are for government services in Cayman Brac and Little Cayman and management of executive assets. These are extremely important numbers, and I certainly support whatever is needed for these services because this is talking about one of the other legs of our economy—the public service leg. The employment offered by the Government in Cayman Brac and Little Cayman is what stabilises the community itself. So, I am pleased that the honourable Minister has continued the labour force the way it is and will look at replacing (even though there is a freeze on) members of staff from the different departments who retire or transfer to some other authority.

I just want to take a minute with the amendment, Madam Speaker, TP35, \$3,866,000 for Paloma relief. This specific item is extremely important, I believe, the change from the \$1,900,000 to the \$3,800,000. We are at a crossroads now in Cayman Brac, and the recognition of how much more is really needed is something that I certainly support in the amendment.

We have been trying to encourage the rebuilding of Cayman Brac and Little Cayman in a way that continues our culture and our traditions so that we can pass on our heritage. This amount represents that commitment and that continued way forward, allowing people . . . because you see, Madam Speaker, it was

not the fault of the people of Cayman Brac. We live there, but we certainly did not expect [Hurricane] Paloma to destroy our Island. If there is a craftsmanship specific to a certain carpenter, we do not want to lose that. We want to be able to rebuild and keep that.

It is a trying period when you really do not know where the help and the funding will come from to maybe put that special piece of crown moulding that your grandfather did, or that a certain carpenter, like Mr. Scott, did. These are some of the things that have been taken into consideration in the Paloma Relief. We are trying to encourage people on a daily basis letting them reach these milestones so they can start to feel that they will have an opportunity to rebuild the way they were, and better, than the day before Paloma hit us.

Madam Speaker, I take this amount to talk about it in the next four-month period because I believe the importance of how this funding comes available has been extremely well received by the community. It is looked at through a committee that takes into consideration local contractors who deal with local homes. The person receiving that help knows the contractor doing the work and knows that after they have done the work and received the money they are not leaving the Island. So, if in six months or a year there is a problem or an issue that needs to be dealt with, the contractor is still in Cayman Brac and the person can continue to feel they will get some help and not be left alone. The people of Cayman Brac will be working together to recover from Paloma.

Madam Speaker, this also has served to inject money into the community. With the global situation we have now, with us being in uncharted waters, certainly the economic situation has hit the shores on all three Islands. But in the way that this has been administered (and I am sure the honourable Minister's vision is to continue in that respect), it allows us to keep employment and help weather the downturn until our other businesses can get back on line and create employment for the people who have lost their jobs in the tourism industry and some of the restaurants that had to be closed down.

Madam Speaker, it is an amount that does a lot of things. It gives us a buffer from the downturn in the economy, it rebuilds our homes and our spirit and our culture, and it pushes us in the direction that people know they are going to get help.

I also looked at the timing of the injection through the Paloma Relief, but the positive step at the same time of rebuilding our tourism sector through sports tourism. There is an amount here for \$1,400,000 for a playfield and Bluff improvements, and the continuing programme and project of turning that into the sports complex that has been designed.

Madam Speaker, the other part of this that certainly speaks directly to the need, since we are now in hurricane season, is the storm drains and deep wells. The programme certainly needs to be continued

as it has been started. I am happy that there is \$200,000 in the budget for that.

Madam Speaker, the roads took a tremendous pounding from Paloma and they have been in disrepair for a long period of time. I think it has been about 20 years since they were first paved. They have been maintained. There are also many new roads. So, if this is a four-month projection, I am sure that will be a tremendous help to the improvement of roads in Cayman Brac and Little Cayman.

Again, Madam Speaker, just hitting a couple of the points that are put out here, a large part of our population is elderly. Under the appropriation for the Minister of Health, Environment, Youth, Sports and Culture, there is an amount for the health insurance for seamen and veterans of \$1,700,000. That is extremely important to our ageing population. It is certainly a need, not a want.

The same thing applies to the heading HEA6, Medical Services in Cayman Brac. I am assuming that this is Faith Hospital, and the funding for it would turn this into the \$5 million range for the year. Again, that is a need not a want for the people of Cayman Brac and Little Cayman.

I see OE64, National Heroes Day. I am not sure if that is really in the next four months. Maybe there is . . . I would just question that, Madam Speaker. Is the date going to be changed? Or is there some lead-up marketing to that?

Madam Speaker, the last part of the appropriations, the Minister of Community Affairs and Housing, again the importance of that Ministry for Cayman Brac and Little Cayman. Rental accommodations for persons in need, the poor relief payments, poor relief vouchers, ex-gratia benefits for seamen and the benefits for ex-servicemen. These are important parts of the daily life, especially now after Paloma as we go through the recovery.

I am happy to see that they have been identified. I am sure there are ways we can make it even quicker to access in a friendly way of doing business. So, I am glad to see that those amounts have been put in and acknowledged, and I look forward to those continuing and seeing how we work through those.

Madam Speaker, that is my short contribution. I think it would have been remiss of me if I did not take a couple of minutes here today to point out some of the positives that are here in some of the . . . I don't know whether you would call the judicial money or the special investigation money negative, but they are certainly amounts that need to be questioned and explained. With those few words, I thank you, Madam Speaker.

**The Speaker:** Thank you.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

The Member for North Side.



**Mr. D. Ezzard Miller [Independent Member for the district of North Side]:** Thank you, Madam Speaker.

I rise to make a short contribution to Government Motion No. 1/09-10. I am a little uncomfortable making a contribution to this because nobody has given me any idea what kind of revenue we expect from which we are going to extract this expenditure. I am a lot more comfortable voting to spend money when I have some idea that there is some coming in or where it is coming from.

Secondly, I would say that I hope that the Members of this parliament of this elected session are going to be bold enough to have elections in November 2012 so that we do not find ourselves in this kind of situation ever again. As I understood it, the whole idea of moving the financial year from a calendar year of 1 January to 31 December was because Members were uncomfortable with the old practice of having elections in November and having to deal with this same kind of appropriation without proper opportunity to study what was going on and see what the trends were. And then, because of Hurricane Ivan, we moved the election to May, so we are right back to zero.

I would invite all Members of parliament to be bold enough to agree that we should have elections in November 2012 to prevent us from having to face this same situation again in 2013.

I believe it is fair to say that all of the Members in this parliament are uncomfortable with voting this large amount of expenditure without really knowing what the whole year looks like. We know that some of the things in here are one-offs. I hope that they are not going to be three times the amount that is voted here. I see in this provisions just on the health sector for somewhere close to . . . if you projected to three times that, we are looking at some \$58 million in expenditure in a country that has compulsory health insurance. That gives me some concern.

I hope that in his winding up the Financial Secretary can give us some indication of whether the revenue expectations are going to cover this expenditure over the next four months or whether that is not going to happen, but we anticipate.

The last time I had the pleasure of standing up and speaking in this House is was common practice that all government fees were collected on a calendar year. So the great months of revenue were January, February, March. July, August and September were very, very lean years in government revenue. So I really have some concerns that we are setting ourselves up here and voting blindly for this expenditure without some indication of what kind of revenue is going to come in.

I am not going to get involved in the detailed outputs. If it has a dollar sign before it, it means expenditure, so let us not confuse things by making the public believe that this output is not expenditure. What we are talking about today classifies this motion as *outputs*, but we are talking about *expenditure*.

I would also be happier if the resolve section was actually broken down and that I was voting for the approximately \$178 million in expenditure instead of \$573 million. I hope we are not looking at an annual budget to grow to close to \$2 billion next year! I would be more comfortable voting if that resolve section was more appropriately broken down and we dealt with the overdraft facilities, et cetera, differently, but we knew what the core expenditure was going to be.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, I rise to offer my contribution to this Motion seeking to appropriate funds so that the Government may continue to operate in the period between now and the time it is able to actually bring a proper budget to this House, given the fact that the Election has resulted in a change of Government and the budget preparation which normally precedes the budget did not take place.

I believe this would have been a fairly straightforward matter if there were not this raging controversy over the actual state of Government finances when the former administration, of which I was a part, was in office and what is purported to be the present state of affairs.

What is curious about these proceedings this morning is the complete absence of context presented by the Third Official Member when he moved the Motion and consequently spoke to it. If you did not know that there was a war of words raging in the media about this matter, you would proceed blithely on the premise that all was as would be expected in these circumstances.

I am astounded, Madam Speaker, that given all that has transpired, given what has been attributed to the honourable Third Official Member as to his position both in relation to what was said to the previous Cabinet and what has been said by the current Leader of Government Business and reported to have been endorsed by the honourable Third Official Member himself, that at the very least this honourable House and this country would have had the benefit of an explanation from the honourable Third Official Member about this position. It is, Madam Speaker, in my respectful view, a dereliction of duty not so to do.

We are talking about the gravest state of affairs when it comes to the reliability of the advice, the veracity, of the figures that are put forward as representing the financial position of the Government of the Cayman Islands.

Up until this point—and some three Members have spoken before me, not including the honourable

Third Official Member himself—we have been told absolutely nothing about the context in which this is presented and in which this honourable House is being asked to vote for \$544 million worth of appropriations—\$178 [million], or there about, relating to operational expenditure.

I am not sure, Madam Speaker, how we can proceed with the complete absence of that context. Perhaps when it is believed that the Opposition has exhausted all of its ammunition, along will come the Big Bad Wolf and all sorts of statements will be made on the basis that the Opposition will now not have the opportunity to respond in this honourable House. But I believe that at least some of those here have been here long enough to know that the articulation of the Opposition's position is not on the Floor of this House. But it is improper, Madam Speaker, in my respectful view, for this debate to be proceeding without that context, without an explanation as to how we have gotten to this point.

I take real umbrage to it, Madam Speaker, both as a Member of this honourable House representing the people of this country, but also a Member of the former Cabinet to whom these representations were made.

If I sound aggrieved, Madam Speaker, it is because I am!

Madam Speaker, when I first heard the rumblings about things not being right in the period between the elections on 20 May, and the swearing in of the new Government on the 27<sup>th</sup>, I got a call from a member of the media (who happens to be sitting in the gallery now) saying that the Fourth Elected Member for George Town [Mr. Ellio Solomon] and the Third Elected Member for West Bay [Mr. Cline A. Glidden, Jr.] had made representations to his paper saying that there was this huge deficit projected by the Government, and that the Government was going to have to borrow money to pay civil servants' salaries, and so forth and so on.

I called the honourable Third Official Member and asked him about it. I asked him to speak to the journalist concerned because I was in a state of shock at what was said. But I have been around politics long enough to know that, as the old people say, *Tongue say anything once it learns to talk*, and that one of the first things just about any new government does is to try to discredit as far as possible what has gone on by the last government. I have been here long enough to understand all of that, Madam Speaker.

It was certainly not represented to me by the honourable Third Official Member then that there was any truth to any of this. In fact, he said he wanted to stay out of it. I could not figure out how the Financial Secretary of the country could stay out of matters like this, but . . . so be it. There is not much I can do about that.

Madam Speaker, I sat in Cabinet for four years with the honourable Third Official Member. I went to school with him. I consider him a friend, and

still do all this notwithstanding. But, Madam Speaker, there is something radically wrong with our system if what has been said and what has been indicated as having been endorsed by the honourable Third Official Member is in fact the truth.

I say this to my colleagues on both sides of this honourable House, and I say this to the nation: If we do not do something about the basis on which we are able to predict government revenues and expenditures, I do not care who sits on that side of the House, this country is going to Hades in a hand basket!

When there are times of plenty, we do not really need people to predict and prognosticate what government expenditure is going to be and what government revenue is going to be. It is when there are challenges—not just locally but globally, as is the case now—that we truly need to have the ability to properly judge what government is able or not able to do.

But there is probably and even more fundamental issue that we have to address. Having sat on both sides of this House (back on this side for the second time) I understand that we are extremely vulnerable as a country with a very narrow tax base to whatever happens elsewhere. Tourism and financial services—both impacted globally. And while all sorts of posturing will always be the case, sometimes more than others depending on who is sitting where, the reality is that we have little control over the principal sources of revenue for this country.

We can make things worse because we can create environments which are hostile, or at least not attractive enough for business and tourists. But there is not a great deal that we can do to change the realities of the global economy. So, while the government of which I was a part had the misfortune of being at the helm in these very, very turbulent times—which have seen countries with far greater resources, far bigger populations than us on their knees—I say to those on the other side who are quick to place all the responsibility for whatever the financial position of the country is now at the feet of the now Opposition that all of those factors apply equally to whoever is in government.

One of the real problems, one of the reasons why I, in particular, have pushed so hard over the course of the last eight years for constitutional change is so that responsibility can be matched with authority right throughout government. The elected government is held responsible in many situations where they have little authority over what actually occurs.

When we move to having a Minister of Finance, then I want to see who is going to get up and say, *Well, I did not know*; or *I was misled*. But at the end of the day, Madam Speaker, decisions taken by any government can only be as good as the advice on which they are based. I do not believe anyone will suggest that the Leader of the Opposition now or any other elected Minister of the Cabinet have within themselves the ability, the wherewithal, to ascertain what the global financial conditions are to make the

predictions in relation to how that would impact the local economy. We had to rely on the advice that we were given.

Then there is another reality which is being ignored in all of this, and being ignored even now as this Motion is being put forward by the Government. And that is that the biggest single component of the operational budget for the country is the cost of the Civil Service, of emoluments to civil servants, pension, healthcare and all of the things that go just to keep the Civil Service complement what it is. So, whoever is going to say that they are going to cut operating expenditure for the government needs to tell the country what they are going to do to achieve that.

I heard the honourable Third Official Member say that he wants Members to understand that they should not take what is being budgeted here as an indication of what the overall budget will be and simply multiply the \$178 million by three. If we do that, Madam Speaker, we are up to \$535 million budget right away. We are actually roughly where we are in the present financial year. So it is business as usual.

*[inaudible interjections]*

**Mr. Alden M. McLaughlin, Jr.:** It is business as usual.

I hope that the present Government understands this: You do not carry forward an operational deficit; you start with pretty much a blank sheet. Obviously, a means has to be found to fund whatever deficit there is. I acknowledge that. But an operational deficit is simply the shortfall between what the revenues of the country are in a particular fiscal year and what the expenditure is. I should put it the other way around, because the expenditure in this case is going to be higher, I predict.

So, what the honourable Third Official Member and the Government as a whole have got to say to this country is, *What are we going to do? because the other guys got it all wrong. It is all their fault. So we are running . . . the present fiscal year is \$74 million deficit. Now, in the year to come, we have responsibility. We have to produce a budget; we have to find a way to fund the expenditure that is proposed.*

Are they saying to us by not mentioning it that there is an assumption that revenue streams are going to be enhanced because somehow the economy is going to turn around? They have indicated—at least their leader indicated in his statement on 12 June—that they would not be proposing any new tax measures. So how are we going to make up that shortfall?

I think, as the Member for North Side said, that we are entitled to some sort of an explanation, some sort of proposal since we seem to be proceeding on the premise that expenditure is going to be pretty much what it was the last budget. I have little doubt, Madam Speaker, that there is going to be little that can be done short of taking very radical measures to reduce expenditure in the year to come.

Madam Speaker, on the 23<sup>rd</sup> of October last year, at the initiative (I should say) of the elected Ministers, a meeting was held with chief officers because we had projections from the Budget & Management Unit indicating that government revenue would see a shortfall of some \$15 million in this budget year. Then we took the decision that we needed to have government expenditure contained, restricted, by some 6 per cent across the board. The objective was to reduce overall expenditure in the budget year by some \$30 million. I can say to you, Madam Speaker, that that effort was a monumental failure!

We also issued the directive that there should be a restriction on public service hiring, except in exceptional circumstances. I think there was greater success in that regard, but there has still been significant new hiring over that period.

We got to a point, Madam Speaker, when the public service said to us that the 6 per cent could not be achieved because of the high level of what are essentially fixed costs for which there was no room for manoeuvre. I think the figure projected that would be achieved when we came down here to Finance Committee on 20 March was some \$15 million or \$16 million.

Madam Speaker, in Finance Committee the honourable Third Official Member, the Financial Secretary, dealt with this issue to some extent. With your indulgence, Madam Speaker, I would like to read an excerpt from the unedited verbatim transcript of Finance Committee at its meeting on 20-21 March. I am reading from page 7, Madam Speaker, with your permission.

**The Speaker:** May I have a copy?

**Mr. Alden M. McLaughlin, Jr.:** Certainly, Madam Speaker.

*[pause]*

*[inaudible interjection]*

**The Speaker:** Please restrain the comments.

**Mr. Alden M. McLaughlin, Jr.:** May I, Madam Speaker?

**The Speaker:** Yes, you may continue.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, the honourable Third Official Member, the Financial Secretary, was responding as Chairman of Finance Committee to comments made by the then Leader of the Opposition, the Hon. McKeever Bush, in which he was doubting that the budget that had been brought by the PPM Government back in April was realistic.

The honourable Third Official Member, the Financial Secretary, said at page 7 [of the unedited excerpt] (about two-thirds down the page):

"I am saying all of that to say that the budget which the Government prepared and presented in April 2008, I believe, I am confident was a realistic budget. It reflected what the Government could do with the revenue expectations it had for this particular year, and it indicated that the surplus expected for that year was approximately \$14 million . . .

"We are now saying here today that for the year to June, the forecasting of that is not going to be possible, and we are actually going to have a deficit.

"I think in all reasonableness, had the Government brought a budget here today which was in surplus or even at a break-even position no one would have believed the figures. We have presented a document here which indicates a forecast deficit position.

"I can also say to the committee that in the course of presenting and compiling our latest forecast, which is shown here reflecting a deficit position, I do not have a list of the dates of meetings held with me, but I can say that there were many meetings held with chief officers, chief financial officers, and we grilled and we grilled and we grilled the revenue expectations, the cost expectations, and these are, in the best of our efforts, realistic figures.

"For example, because we knew that we and governments throughout the world were facing a deficit position, we wanted to reduce our expenditures as best we could without affecting economic activity in the Islands. So, as the honourable Leader of Government Business said, personnel cost was the last area to which any attention would have been turned to in a view to that objective. In fact, we have not done so.

"But if Members look, for example, at page 180, the Supplies and Consumables classification, we see that the initial budget for that classification was almost \$98 million for the year. We see that the current forecast for that now is \$81 million. So we are down almost \$17 million there. That is because as a result of our numerous meetings, it was felt that that was an area that could be trimmed in a fairly significant way without too much of an adverse impact on our local economy.

"In contrast, Members can look at the Transfer Payments classification in which the initial budget presented back in April envisaged that Transfer Payments would have been of the magnitude of \$22 million. Just as an example of some of the types of items that constitute Transfer Payments, poor relief payments, financial assistance, poor relief vouchers, ex-gratia benefit payments to seamen, ex-servicemen payments, and so forth. We see that we are forecasting an actual increase to that classification. We anticipate, we forecast that that will actually amount to \$32 million—an increase of \$10 [million] because of the difficulties

being experienced by individuals locally. That, therefore, reflects the Government's wish to help in an increased way those particular individuals. So, some costs have actually increased rather than decreasing.

"In summary, we believe that the revenue figures and the expenditure figures are as realistic as possible and they represent a long period of deliberations with chief officers and chief financial offices starting as early as October 2008."

Madam Speaker, that is the honourable Third Official Member addressing Finance Committee on 20 of March [2009]—two months before the elections. Two months before the elections, the Financial Secretary of this country was saying to the nation and to the Members of this House what we had done and where the projections were.

Now, Madam Speaker, on my honour, nothing was said to this Government of which I am aware between then and these startling announcements that anything had gone awry.

Madam Speaker, anyone who knows me knows that I am a stand-up kind of guy. I accept responsibility. I get it wrong sometimes because I am human. But I do not have any difficulty, painful though it may be, to accept responsibility for what I am responsible for.

I do not have much in life besides my integrity and my honour. And both of those have been challenged by the way this matter has been handled. The way the Third Official Member has dealt with this matter has told the people of this country—many of whom have called me—that I have been part of a great deception! That I stood up on the platform and told people of this country that we projected a deficit of \$29 million and cash reserves of \$126 million and it was all a big lie! And that I was part of a conspiracy to make that up. And I take personal umbrage to it!

If anyone wants to wonder why I feel so aggrieved about this whole matter, that's why I feel that way.

I have been around this process long enough, Madam Speaker, and I know all sorts of things are said from the public platform, all manner of evil, all sorts of rumours are made up about people personally. I have been through all of it. I am not unused to it. But when we get to a situation where I have been a Member of Cabinet for four years and I get presented on 5 May with a Cabinet Note which sets out the financial statements relating to this country, which sets out actual positions in relation to the cash position of the country, to the deficit position of the country, and then the next thing I know is that a statement by the Leader of Government Business was endorsed by the Third Official member—who gave me that same information—and I am expected to sit by and say nothing and say it is just part of the way government works?

This goes to integrity. That's what this goes to. And that is why I feel as strongly as I do about it.

Madam Speaker, how I feel is one thing. That is neither here nor there. Members come and Members go. That is the way of politics. That is the way of the world. And I do not claim any right to this seat. When you have challenged for and won and lost both, you truly understand what it is and what it requires to earn the right to represent your people. So I do not claim any right to this seat. But all who sit in this House and who sit in Cabinet have a duty to the people we represent to present the positions fairly and objectively, particularly when it comes to issues like this.

Now the country is in a quandary because the country does not know what to believe. I do not know what to believe. I only know what I was told. Luckily, Madam Speaker, I have kept the records. So when the beatings come as they inevitably will—

**An hon. Member:** And more of them.

**Mr. Alden M. McLaughlin, Jr.:** More of them! I hope those who are going to hurl the criticism and the accusations are prepared to back up what they say.

**The Speaker:** Third Elected Member for George Town, we are debating the Motion before the House. I have given a lot of leeway on this matter, but I would appreciate it if you would go back now to the original Motion in your debating. Thank you.

**Mr. Alden M. McLaughlin, Jr.:** I am grateful to you, Ma'am.

Madam Speaker, I believe that the Motion needs considerably more explanation than we have thus far been given. As the elected Member for North Side said, we need to have some comfort that the Government, given the dire set of circumstances painted, will have the wherewithal to fund the appropriations that are being asked for in their Motion.

We also need explanations in relation to the borrowings that are being sought. Is the proposed borrowing to be spent in its entirety during the four-month appropriation period? Or are the proposed borrowings for the entire fiscal year?

If it is not the borrowings for the entire fiscal year, why do we have to borrow all of it now, particularly given the huge criticism by the Government of the amount of borrowing which had been undertaken by the previous Government, of which I was a part?

Madam Speaker, what is proposed here is a central government overdraft facility of \$15 million. No difficulty there, that's pretty standard. Government usually renews that every year. But there are also central government borrowings of another \$128 million on top of the provisions for the \$154 million. We have not been told whether or not it is proposed to draw all of that down. That is the borrowings that were

approved for the current fiscal year which are to be converted into a bond issue, if I am not mistaken.

I am less concerned about that than I am about the \$128 million. Is that the entire borrowings for the fiscal year or not?

I am not objecting to the borrowings, Madam Speaker, I am just asking for those explanations. There are ongoing capital projects, some of which are near and dear to my heart, particularly the two schools which I know will require substantial funding and borrowing over the course of the coming fiscal year. But I believe that we ought to have some explanation in relation to that.

Madam Speaker, while I am on the subject of the borrowings, I could not help but notice when I was looking through this that in the statement made by the Leader of Government Business on 12 June he said that the debt owed by central government when they demitted office in 2005 was \$164.5 million. And he compared that with the position as it currently stands which claims that there is a record level of public sector debt of some \$590 million.

Well, Madam Speaker, the reality is that when the UDP demitted office in June 2005, the debt owed by the total public sector was some \$271.2 million. So he was not comparing apples and apples. That is just an aside.

Madam Speaker, we know who has been in this honourable House for some time. But the business of government must go on. Whether you are in the Government or you are in the Opposition it is your role to put your point of view across, put your counter positions across for that matter, but at the end of the day to do everything you can to facilitate the business of Government.

While there is an Opposition and there is a Government, the system is created that way. The Opposition is an important check and balance on what the Government does. But we are all part of one Assembly and this is one nation, and we all serve this nation. So, the Opposition is not at all interested in delaying this matter or in attempting to scuttle the Motion. We do not have the numbers anyhow, but that is not our objective. We are just keenly conscious of how important it is for the Government to pay attention to this issue of the deficit.

We know, we said so when we left office, that there was a deficit. The issue is about how much now. But, unless money falls like manna from heaven, there is going to be a projected deficit in the next fiscal year. The Government must tell us and tell the country what they are going to do to address it. So far, that has been missing from the discussions in relation to the Motion that is on the Floor of the House.

Madam Speaker, there are other matters which I do not see directly mentioned in the Schedule or in the Motion which have been bandied about in the public forum over the course of the past weeks—issues about outstanding claims of some \$17 million in relation to the construction of the schools. I heard

something about \$20 million in unpaid road claims. Madam Speaker, I believe that we are all owed some explanation about these matters in this context because these are matters . . . if the allegations are correct, even though they have been very vague and very broad in their nature, they are going to impact government's finances if they are real.

I believe that while in the short term it may well have served the objective of the Leader of Government Business and the Government to paint the financial picture of this country in its bleakest possible terms, because that is a way of discrediting the previous administration, I believe that that view is very short-sighted. That view ultimately does great damage to this country and to the confidence of both the local and international community in this country.

I do not believe, Madam Speaker, based on what I have seen and my own knowledge, that the picture is actually as bleak as it has been painted. What we have is what has been said. The reality will come, assuming we can trust the figures when they are put forward.

Madam Speaker, I regret, I deeply regret that this matter has been played the way it has been played. I do not think it does a great service to this country. I am not asking anyone to feel sympathetic or sorry for me or for the Government of which I was a part. Governments come and governments go. The people decide. But what ultimately matters, what this is all about and has always been about, certainly for me, is what is in the best interest of the people of this country.

Madam Speaker, I hope that over the balance of this debate some enlightenment will be given to Members and to the country as a whole about how the Government proposes to address these issues that have been raised, not just by me, but by some other Members. And, Madam Speaker, [I hope] that the call by the Leader of the Opposition for Finance Committee to discuss this particular issue of the disparity, the variance in the figures given to the last Government and those being presented by the current government, will be heeded. This issue needs to be properly ventilated. It will not be ventilated by the Leader of Government Business simply getting up and making a statement bull-bruising the last administration and claiming that what he is saying is gospel. This needs the benefit of examination in Finance Committee in the usual way, and it needs it sooner rather than later, Madam Speaker.

I repeat the call by the Leader of the Opposition for a meeting of Finance Committee immediately so that the issue in relation to the state of Government finances as at the end of this fiscal year, 30 June, can be inquired into and that resolution can be reached as to what the true position is and how we have gotten there.

Thank you, Madam Speaker.

**The Speaker:** Thank you.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, I would like to first say that I agree with an earlier sentiment, that normally this would have been a rather straightforward exercise. However, I have been around long enough to know that we can desire that, but it rarely is ever the case.

Madam Speaker, I must say that all in this particular class of legislators has had the shoe on the other foot, so we can appreciate the perspective.

Let me first deal with the very last point by the Third Elected Member for George Town [Mr. Alden M. McLaughlin, Jr.] and that is the whole issue of Finance Committee. I do believe that the Opposition is well aware that the financial year has just about come to an end. We are on 26 June. It is a Friday. The Government's financial year only has two business days to run. Obviously, once the books are closed for 30 June and the financial statements are put together there will be a need to convene Finance Committee to deal with what would then be a supplementary appropriation.

I believe the country and, indeed, the House will be given every opportunity to properly ventilate this matter. I do not believe it would be wise for us to try to convene any meeting of Finance Committee without the benefit of closing the books of Government. Indeed, with it being so close to the financial year-end, I think it would actually be unwise. I believe that in the interests of transparency we should try to ventilate these matters and conclude what will be the final statement of income and expenditure for the year ended 30 June 2009 as quickly as possible, for I do agree with the point that the country deserves to know the state of public finances.

Madam Speaker, in regard to the pre-appropriation request, there have been a few calls as it relates to how this fits into the big picture and where we are heading. Obviously, having just come out of a general election and trying to come to grips with some rather important matters—such as the two secondary high schools, the government administration building, the state of tourism, the state of financial services, OECD grey list . . . the Government has been extremely busy trying to come to grips with those matters as well as trying to get us to this point. Indeed, as I said in an earlier clarification, in [20]05 we came down on 29 June—and that is no criticism of anyone. The reality is that we have a May election, and we are trying to get all those things done. It is nigh to impossible to have the type of clarity that Members would desire.

As a legislative class we ought to think carefully as to what we may be minded to recommend to

the FCO via His Excellency the Governor as it relates to the next general election. The honourable Member for North Side painted an accurate picture in terms of his analysis as to why the financial year was changed in the first instance, and that we are back to square one, having general elections in May and the government financial year ending 30 June. Some may be tempted to suggest that we change the government year end. One of the two would have to change to make some sense of this.

I personally would not recommend that because that, as we all know, is also a very massive undertaking. All of a sudden you start getting into comparatives and you have to wait some 18 months before you can even get comparative statements. You have to do half-year statements. That, I think, would only further delay accountability, delay completion of financial statements, increase the number of audits . . . and so we ought to be thinking as a group. And that issue is not about Government or Opposition; that is an issue that we need to discuss with our constituents and make a recommendation to the FCO via whoever is the governor at that time.

We ought not to leave it to the end of this term. We should be talking about that now so that we can make those sorts of decisions. Obviously, for anyone who is newly elected, 2012 would not seem very attractive because that's three and a half years and everyone else has had a four-year term. We have heard those arguments before.

We ought to throw into the mix whether or not we want our election cycle to coincide with the change of presidency in the United States of America. There are pros and cons to that. That too ought to feature in the decision making as to what we do. But that was a side bar, Madam Speaker. I think that is a very important one that we need to think about.

Getting back to the way forward and precisely where we are. Given the picture that has been painted to the Cabinet and backbench members of Government, and given the fact that 1 July is going to come whether we like it or not, if God spares life, we had a decision to make in regard to how the pre-appropriation would look and what we would need to rely on to try to come up with the safest position in hopes that we would not have to reconvene the House again to go through this exercise.

I say that to say, Madam Speaker, that once this process is over and we embark upon developing the proper budget, we are going to be working with chief officers and chief financial officers to ensure that the belt is tightened as much as possible to limit any deficit that the country will incur. It is quite right, every year you start with a clean slate as it relates to your profit and loss statement, your income and expenditure statement. But as mentioned earlier . . . well, if it is a deficit, that obviously means that there has to be some level of funding that has to be secured to fill the gap if there is not adequate monies in the general reserve fund to do so.

We know that the country has not had any situation where the general reserve fund has grown to the proportions that it can sustain any significant budget deficits, that is, funded out of cash that government has on hand in terms of (for lack of a better term, or as an analogy) savings.

The whole issue of the borrowings and what the borrowings are being sought to do, it is a mix, Madam Speaker. Part of the mix is obvious from the pre-appropriation schedule in that part is naturally the pay-down of the overdraft facility, the wrap-up of the prior year's borrowings approvals, and repayment of the bridge financing that was put in place to execute that into a bond issue.

But, the year ended 2010 naturally has to feature in it borrowings that assist in filling the deficit of the June 30, 2009, year and assisting in funding the projected deficit for these four months that are being pre-appropriated unto the Cabinet; in addition (and lastly, Madam Speaker), continuing capital projects for which borrowings would have been required in any event.

Take for example the schools and the government administration building, the continuation of those projects would have required borrowings in any event. Absent the country having been in such a robust financial position that it might have had a surplus, it might have increased general reserves and the government may have been minded to use part of those reserves for savings. Government has to fund capital works in one of those forms or fashions. Given our current state of finances, naturally our only option is borrowings.

Madam Speaker, we have also taken the conservative view that revenues are not going to be the same as the year 2008. That is, the revenue of July, August, September and October 2008 are not going to be equalled this year. So factored in here is a reduction of revenue that would negatively impact whatever that end deficit for those four months would be. So, we have taken that into consideration in the preparation of what we are doing.

If revenues turn around and the economy starts to get some steam and financial services and tourism start to turn around, then fine. We do not think that is going to happen in four months. That would have been foolish of us to think that it would happen that quickly. That was raised in an earlier contribution and that too has been factored in the preparation of the projected position that we are going to be in.

Now, Madam Speaker, I certainly am not in a position to jump in the middle of the fray (as it were) as it relates to the shock previous ministers in that administration are in over the current state of affairs. What I can say is that, certainly, if we look carefully at where the state of public finances has been heading, and I think it is going to feature in a paper coming before the House before this meeting is over, and I think it is a statistics report . . . I think if anyone looks at that they will start to see that there were some weak-

nesses that more attention could have been paid to as it relates to where the country was heading.

I find it ironic, though, that the previous administration speaks to personnel emoluments and the burgeoning of personnel emoluments when we in fact (that is, the United Democratic Party), as I recall vividly were roundly roasted by them as they were issuing and dispensing COLAs [Cost of Living Adjustments] throughout their term. We were trying to preach that we ought to be conservative about where we are heading and that it was better to keep the country in a safe financial position and ensure that we can meet our targets and not run large deficits.

The truth is that there are many public officers and civil servants who are very concerned at this stage. They are concerned because they recognise that in a lot of countries the ways and means in which governments balance budgets is by reducing head count. They recognise that. So, I can say safely that the burgeoning civil service cost . . . the previous administration cannot run from their record and their performance.

I also remember vividly when they brought the Public Service Management Bill to this House. I remember sitting exactly where the Third Elected Member for George Town [Mr. Alden M. McLaughlin, Jr.], sits today and I remember where the honourable Leader of the Opposition [Hon. D. Kurt Tibbetts], who is to his right, sat, which is to my left . . . I remember challenging the then PPM administration to give this House a cost benefit analysis of that Bill, show the House that going along with this New Zealand model of reform was going to be more beneficial and financially sustainable. I challenged them, since they were ministers before and the information is pretty easy to come by, certainly in ballparks. At the time I made an estimation as to what that single Bill was going to cost the Cayman Islands. The Government did nothing. The then Government laughed at me and said, *For cost benefit we must continue down the road of reform.*

What a responsible Government would have done was to look at the entire public service and make a determination up front about which ministries, which departments would get chief human resource officers, who would get HR managers, who were going to get HR support staff. I use this as a simple example, Madam Speaker, as to how it is so easy to make decisions as a government, recklessly run this country into massive amounts of additional expenditure and, at the end of the day, wind up surprised.

Let me use the Ministry that I am constitutionally responsible now for as an example. I inherited a Ministry that in the Ministry itself has a chief HR officer and an HR manager. That is just in the Ministry. In the Department of Education Services there is another chief HR officer and an HR operational manager, an HR admin support staff below them. Had the PPM Administration listened—listened to a lot of what we as the Opposition were simply asking them to con-

sider—this country and the financial coffers of this country would be substantially better off.

They continue to make the claims that no one could see it coming. They refused to listen!

How is it that so many companies in the private sector may be a little worse off? But they listened and looked carefully at what was happening and made their adjustments and planned accordingly and today they are not in the dire situation that the Cayman Islands Government finds itself in. That is what a Cabinet ought to be focusing on.

It cannot be focusing on building empires and PR exercises. It cannot be focused on refining a ministry that has 30-something staff. I have a chief graphics designer in my Ministry! The Member who just sat down should tell the country why that is the case. Why is there so much waste in Government? Why has the civil service burgeoned under their administration?

Two things happened under the PPM Administration: Burgeoning of personnel emoluments in the civil service, and increased borrowing and debt. Plain and simple. They cannot run from their record. This is the state of financial affairs that we find ourselves in. This is not about painting anyone black or grey or white; being a lighter shade of grey; or grey being a darker shade of white. It is nothing about that. This is about plain and simple. Where is the Cayman Islands Government at this point in time? Where are we?

Madam Speaker, I know this much. For them to be shocked really now convinces me, if I was not convinced before, why the state of financial affairs is so dire—because they lived through extravagance.

I can remember standing on the Floor of this House and saying to the Government, you are riding the wave of the Hurricane Ivan rebuild. Check the *Hansards*, Madam Speaker. I can remember in one budget alone being the sole Member in this House who voted against their budget—13 to 1 that day. The bottom line is that if you are not going to recognise the context and the times in which you operate, and act accordingly . . . Let me get back to the Public Service Management Bill. I challenged the Government to do a cost benefit analysis. Nothing! Rammed the legislation through. Why? New Zealand model.

I have an interesting piece of information that I am going to share with all Members of this House about this New Zealand model and how people have done the research, and clearly demonstrate that it does not fit small island states or small government models.

Madam Speaker, the fact of the matter is that if the then Government . . . let us just use that example. If the then Government had looked at the public service and said, *Okay, we will then decentralise the HR function, we are delegating down from the Governor to the Chief Secretary to Chief Officers and, in some instances, to Heads of Departments the ability to hire and fire, so they do need to be underpinned by a stronger and decentralised HR function.* If that is the decision you make, why do you simply say to the sys-



tem that we know for a fact that if you give them an option they are always going to choose a Bentley or a Lamborghini? Plain and simple. That is not criticising anyone, that is the public service worldwide.

What the Cabinet at the time should have done was sit with someone who knows, strategically look at government and say, *Okay, you (agency, minister or entity), you are going to share this chief HR officer. This person is going to be chief and responsible for all of this and we are going to independently support this, support this, support this.*

What do we have? We have multiplicity just in that one function within the Civil Service. And if you search the Civil Service, and we all see the advertisements in the *Caymanian Compass* and in the *Cayman Net News*. We know what a chief HR officer makes, ballpark. If we simply use the low end of the spectrum and count them up, we will know and we will quickly see why we have gotten to where we have gotten to.

As I said, it was good politics at the time to criticise us and say that we did not care about civil servants and we did not care about this, that and the other. And that they were the saviours and that they were going to give away all this money. Now we have people sitting there in shock and in awe, the country looking on and saying, *My gosh! What are you (the United Democratic Party) going to do about this?* Add those two items and I suggest to the PPM that they will quickly come to the inescapable conclusion that just those two items alone have cost the country multiples of millions of dollars.

The entire matter as it relates to how we are going to tighten the belt is one that I am not going to stand here, no Member is going to stand here, and try to predict today. The reason the system allows this pre-appropriation is in recognition of the fact that any new administration needs the time to drill down, look closely at everything that Government is doing and see whether or not it needs to be done, if it can be done more efficiently, or if it can be done at a lower cost.

I hasten to say that we need to do this hard work and it cannot simply be about sending mandates that say, *Cut your budgets by 6 per cent; cut your budgets by 5 per cent.* That is a salami approach. What that does is hurt good performers and necessary services in government. And those who are under-performers and perhaps may not be services that need to be provided are just left alone. We need as a country to look and take stock about what we are doing and what we are providing to the public and how we are providing it. There are no two ways about that; plain and simple.

There are many, many services . . . for the size of our population, no one can argue about the plethora of services that the Cayman Islands Government provides to the public. They may argue about the efficiency of the provision of those services, and

they may argue about the cost; but the multiplicity of services is wide for our very small island jurisdiction.

Madam Speaker, a question was raised and I can—

#### **Moment of interruption—4.30 pm**

**The Speaker:** Excuse me, honourable Member, we are coming up to the hour of 4.30.

**Hon. Rolston M. Anglin:** Madam Speaker, I did not realise it was 4.32.

**The Speaker:** Are we going to continue, or do you wish to move a motion for the adjournment.

### **ADJOURNMENT**

**Hon. Rolston M. Anglin:** No, Madam Speaker. I beg to move the adjournment of this honourable House until 10.00 am, Monday, 29 June.

**The Speaker:** There is a motion before the House that this honourable House be adjourned until Monday at 10.00 am, 29 June. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it. The House is adjourned until Monday morning at ten o'clock. I would remind Members and Ministers ten o'clock am.

**At 4.29 pm the House stood adjourned until 10.00 am Monday, 29 June 2009.**

**OFFICIAL HANSARD REPORT**  
**MONDAY**  
**29 JUNE 2009**  
**10.39 AM**  
*Second Sitting*

**The Speaker:** Proceedings are resumed.  
 I will ask the Elected Member for East End to say Prayers.

**PRAYERS**

**Mr. V. Arden McLean:** Let us pray.

*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, honour 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.

Proceedings resumed at 10.41 am

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

**Apologies**

**The Speaker:** I have apologies from the First Elected Member for Cayman Brac and Little Cayman, and the

Leader of the Opposition (who is going to be unavoidably late).

As we have a late start again this morning, I would like to inform Members that there will not be a break before the lunch break which we will take at 12.30 pm. Thank you.

**PRESENTATION OF PAPERS  
 AND OF REPORTS**

**Cayman Islands Annual Economic Report 2008**  
*(Deferred)*

**The Speaker:** The Honourable Third Official Member responsible for Finance and Economics.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

Madam Speaker, if I could beg your indulgence please, in that the speaking notes that I have in respect of the Annual Economic Report are not here as yet so could I have a few minutes or if this could be put off further down on the Order Paper. I'm not quite ready on this. We were not expecting for it to be on the Order Paper this morning but it's only a matter of minutes.

**The Speaker:** Thank you, Third Official Member.

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move the motion that this item be taken at a later point on the Order Paper when the Honourable Third Official Member is ready to proceed.

**The Speaker:** Thank you, [Honourable] Minister of Education.

Do we have a vote on that?

The question is that this Report be postponed for a later [time] on the Order Paper. Those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed:** Annual Economic Report appearing under the item Presentation of Papers and of Reports placed at a later time on the Order Paper.

## STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF CABINET

**The Speaker:** Honourable Leader of Government Business.

### Update on recent trip of Cayman Islands delegation to Europe relating to Tax Information Exchange Agreements (TIEA)

**Hon. W. McKeeva Bush:** Thank you very much, Madam Speaker.

Madam Speaker, the purpose of this statement is to update this honourable Legislative Assembly and the wider public on the recent trip of the Cayman Islands delegation to Europe relating to Tax Information Exchange Agreements (TIEA). Before doing so I wish to provide some brief background as to the status of things before this Government started working on this initiative approximately three weeks ago. In this regard I wish to outline exactly what was achieved in previous years, the status of things as reported to us when we were elected to office and our accomplishments over the past three weeks.

It is also important to acknowledge the work done in previous years by the former administration as well as senior civil servants who have worked on this project over the years.

The status of Tax Information Exchange Agreements on 2 June 2009: Upon its election to office our Government was informed of the following status of negotiations which was primarily based on a briefing note received from the Deputy Financial Secretary on 2 June 2009. Negotiations with the United Kingdom were complete. There were four countries with which it was reported that the negotiations were at an advanced stage. These four countries were: Canada, New Zealand, Australia, and the Netherlands. Each country has several outstanding items to be further discussed and agreed by both countries.

Agreements were signed in April of this year with the Nordic group of countries resulting in seven agreements being signed. The country had reached a total of eight agreements signed, including the United States Agreement which was signed in late 2001. The Cayman Islands had introduced a unilateral mechanism which listed additional countries but this mechanism had not had any positive effect on the country's position on the grey list, and in fact, it had become uncertain whether the Organization for Economic Co-operation and Development (OECD) would even recognise this mechanism. To date there is still no acceptance [by the OECD, of the mechanism which the last government put in place.]

I wish to acknowledge, Madam Speaker, the work carried by the previous negotiation team, working towards the above-mentioned. It is my regret however, that the former administration by its own admit-

tance publicly had not moved more quickly on these matters. As a result, the country was placed on the OECD grey list after the G-20 meeting in April.

The challenge facing the newly elected Government: At the time of taking up office, the new Government was faced with the following situation which we believed required urgent attention. The Cayman Islands had been placed on a grey list indicating that the OECD felt that the jurisdiction was not sufficiently co-operating on tax matters. The OECD had indicated that financial centres which did not have a minimum of 12 tax information exchange agreements in place, would not be elevated to the so-called *White List*. This *White List* represented countries which the OECD felt were fully compliant and co-operative on tax matters.

The Government had received feedback from numerous representatives of the financial services industry since the country was grey-listed. This feedback indicated that being on the grey list, particularly when some of our competitors were not, was causing damage to the reputation of the financial services industry. It was also understood that not only did being on the grey list damage our international reputation as a financial services centre, but that it also had some direct negative commercial effects as some clients were considering doing business elsewhere because of the attention the jurisdiction was getting due to being on the grey list.

The Cayman Islands had given an advance commitment to the OECD in 2000 and achieved very little progress to date in terms of implementation. The financial services and the wider economy were already facing significant challenges due to the global economic downturn and being on the grey list made this situation worse.

Our administration decided to take a new approach to the negotiations on tax information exchange agreements with a view to being removed from the grey list as soon as possible, while at the same time ensuring that any new agreements were consistent with the interest of the Cayman Islands as a leading international financial business centre.

We also recognised that it was necessary to put in place a much larger team of negotiators to work on this important project in an expeditious manner. Finally, it was decided that in cases where additional supplemental agreements may be beneficial, we would take the approach of commencing these once the basic tax information exchange agreements were concluded and signed.

As a result of this new approach, the negotiations with the four countries, Australia, New Zealand, Canada and the Netherlands were significantly advanced by us as the new Government to the point where all of the previously outstanding matters were resolved within a two-week period, and the status of the agreements being negotiated are now as follows:

- a) Australia—the draft text is now fully agreed at the technical level.

- b) New Zealand—the draft text is now fully agreed at the technical level.
- c) Canada—only one issue remaining and there were four outstanding items previously.
- d) The Netherlands—the draft text is now fully agreed at the technical level and I will sign with the Minister in Holland on 8 July.

In addition to the above, the new team initiated contact and commenced new negotiations with several other countries and has achieved significant results. In each of the cases that follow, the Government took the approach of starting with the OECD model agreement and the Cayman Islands model agreement. At my government's request some assistance was provided by the OECD in making the initial contact with some of these countries. The results of our new negotiations are as follows:

1. Germany—the draft text is now fully agreed at the technical level.
2. Mexico—the draft text is now fully agreed at the technical level.
3. Ireland—agreement was formally signed on 23 June [2009]
4. Italy—the draft text is now fully agreed at the technical level
5. Netherlands—the draft text is now fully agreed at the technical level and ready to sign.
6. France—negotiations are at a very advanced stage.
7. Portugal—negotiations are at a very advanced stage.

In addition, the Netherlands have also indicated their willingness to sign the Agreement officially on 8 July, and I will be travelling to the Netherlands to execute this Agreement. This will bring the total number of signed agreements to 11.

Having agreements, Madam Speaker, at the technical level means that we have concluded negotiations and senior representatives from both countries have signed off on the text. Each country will go through the necessary steps to obtain approval at the ministerial or cabinet level after which the official signing will be arranged. The length of time it takes to sign officially will vary from country to country depending on their unique legislative and approval processes.

Based on our discussion with the various countries, we estimate that in most cases the Cayman Islands will be able to sign official agreements with the above countries by September at the latest.

Madam Speaker, it is of significance that our Government as a new government has managed to secure agreement at the technical level or official level with five new countries in three weeks. And with two of these being members of the G-7, that is Germany and Italy, this is a direct result of the very hard work of the recently appointed negotiation team led by the Honourable George McCarthy.

This team must be commended, not only for bringing the four previous negotiations to the current advanced stages where we now have agreements at the technical level, but also for commencing a new series of new negotiations resulting in securing these five additional technical agreements as well as bringing the other newly commenced negotiations with France and Portugal to an advanced stage in such a short time period. I would hope, Madam Speaker that by the time we get to Holland (that is, the Honourable Attorney General and I) we would hear the good news that Portugal would be ready.

In summary of the Cayman Islands' Delegation trip to Europe, Madam Speaker, as the Minister with responsibility for financial services, and as Leader of Government Business I led the Cayman Islands' Delegation to London, Paris and Berlin from 15 – 24 June 2009. The Delegation was jointly led by His Excellency the Governor, Mr. Stuart Jack, who accompanied us on the London and Paris portion of the trip. The primary purpose of the trip was to sign a number of Tax Information Exchange Agreements, and related agreements, and to pursue negotiations with several other countries with a view to securing the removal of the Cayman Islands from the Organization for Economic Co-operation and Development (OECD) grey list in the shortest possible time.

While in London I signed a double taxation agreement between the Cayman Islands and the United Kingdom, which among other things provided for exchange of information on tax matters between Cayman and the United Kingdom. Signing on behalf of the United Kingdom was the Right Honourable Stephen Timms, the Financial Secretary to the Treasury. The Delegation also met with senior officials of the United Kingdom Treasury and discussed the status of negotiations and similar tax agreements between the Cayman Islands and other countries.

The final meeting in the UK was with Mr. Michael Foot, who is conducting for the Foreign and Commonwealth office, a review of long term opportunities and challenges facing the British Crown Dependencies and Overseas Territories as financial centres. Mr. Foot updated the Delegation on the progress of his review. He also wanted to find out the status of our current finances.

In Paris the Cayman Islands' Delegation met with Mr. Jeffrey Owens, Head of Fiscal Affairs of the OECD and his Delegation, and we discussed the OECD's agenda on tax co-operation and how the Cayman Islands could continue to play a proactive role in the agenda of the OECD's global forum on tax co-operation.

In a separate meeting members of the Cayman Islands technical negotiating team, on the agreements laid by the Honourable George McCarthy, Chief Secretary; along with the Honourable Kenneth Jefferson, Financial Secretary; Mr. Langston Sibbles, Deputy Managing Director of the Cayman Islands Monetary Authority; Mr. Paul Byles, a consultant to the Min-

ister of Financial Services; and Mrs. Michelle Bahadur, Senior Assistant Secretary, also met with senior staff of the OECD's Department of fiscal affairs to have more comprehensive discussions on the progress the Cayman Islands has made in negotiations with other jurisdictions in order to conclude the agreements.

While in Paris, I also signed several commercial agreements with the representatives of the seven Nordic countries (that is, Denmark, the Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden) which, Madam Speaker, are supplemental to the agreements previously signed in April between the Cayman Islands and the Nordic countries.

The commercial agreements signed with the seven Nordic countries lay a platform for the expansion of the Cayman Islands aircraft and shipping registries, and prevent the double taxation of certain items. These agreements were signed with the embassy of Norway and Paris on 17 June.

In Berlin an agreement between the Cayman Islands and Ireland was signed at the British Embassy. Members of the Cayman Islands Delegation attended the signing ceremony along with representatives from the Government of Ireland, the Right Honourable Stephen Timms, Financial Secretary to the UK Treasury, the British Ambassador and staff of the British Embassy in Berlin.

The negotiation team also had separate meetings with representatives from the Government of Mexico, Italy and Germany while we were in Berlin. As mentioned earlier, negotiations with these countries have been successful and in each case there is technical agreement on the text of the agreement. In the case of Mexico and Italy these technical agreements have resulted in the documents being initialled by both parties and Minutes confirming this agreement were also signed by representatives of both countries. In the case of Germany, in accordance with their procedures, Minutes were also signed by both countries confirming agreement, although the document itself has not been initialled by Germany as yet.

During the trip I gave press interviews to: a leading French Newspaper, the BBC Caribbean News, and the Sunday Times in the United Kingdom.

In summarizing the status of the negotiations of the agreements by the Cayman Islands, we currently have 10 signed Bilateral Tax Information Exchange Agreements; 8 of which are with OECD Members. We have commenced new negotiations with Germany, Mexico and Italy, and we are at very advanced stages of negotiations with France, New Zealand, Australia and Canada. We also settled all outstanding matters with the Netherlands and will be signing this agreement on 8 July.

In addition, the Cayman Islands has had expressions of interest to sign TIEAs from the Czech Republic and Japan, and has, through the OECD indicated our willingness to enter into negotiations with other OECD member countries.

Moreover, the Cayman Islands will approach other significant non OECD countries to negotiate agreements in the near future. This proactive approach is not only consistent with the commitment given to the OECD by the Cayman Islands, but it is also necessary to demonstrate to the international community that we are serious about engaging in co-operation with other countries in the exchange of information for legitimate enforcement of their tax laws.

The Cayman Islands has no direct taxes, Madam Speaker, and our Government has no intention to change the situation. We want to, however, send the message that we are not a tax haven, but on the contrary, we continue to be a responsible member of the International Community that adheres to relevant international standards of compliance with respect to tax co-operation. Hence, we should be properly recognised for what we are: an international financial centre that happens to be a small but significant country in the Caribbean, the use of whose regime add significant value to the global economy.

Madam Speaker, the Opposition has played a lot of politics in relation to these matters since the appointment of the new negotiation team and while we were in Europe achieving what I have just outlined in my remarks. The fact is that the Cayman Islands is on the OECD grey list and it happened in the last four years, and I see it as the new Government's job to do what is necessary to remove this jurisdiction from the grey list and to restore our good reputation. The reason why the Opposition is where they are today is because they played politics, the blame game, with such matters and I have no interest in going down that road. My job as Leader of this Government, the Premier Designate, whatever they want to call me, is to get this country out of this mess, and my Government is going to achieve that with the help of our negotiating team.

At the end of the day, the previous Government failed.

I thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Leader of Government Business.

I think the Financial Secretary is ready to present his Report. We will take that before we continue debate.

## PRESENTATION OF PAPERS AND OF REPORTS

### Cayman Islands Annual Economic Report 2008

**The Speaker:** Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker. And Madam Speaker, thank you for your kind indulgence earlier.

Madam Speaker, Honourable Members of the House, I beg to lay on the Table of this Legislative

Assembly the Cayman Islands Annual Economic Report 2008.

**The Speaker:** So ordered.

Do you have any comments on this Report, Sir?

**Hon. G. Kenneth Jefferson:** Yes, thank you, Madam Speaker.

Madam Speaker, I am pleased to present to this honourable House the Annual Economic Report of the Cayman Islands for 2008 (AER).

The Annual Economic Report is a comprehensive report on the state of the domestic economy based on data and other economic information for the calendar year 2008, as collected by the Economic and Statistics Office as of June 2009. It also includes an overview of the global economic environment based mainly on published updates from the International Monetary Fund (IMF) and the World Tourism Organization (WTO), as of June 2009.

Madam Speaker, the Report contains an executive summary and a summary indicators sheet which are intended for ease of reference to the key economic developments during the 2008 year.

I will first present a background of the international and regional economic environment of the Cayman Islands in 2008 as compared to 2007, and then summarise our own domestic performance in 2008 as compared to 2007.

### **International and Regional Economic Environment**

The Cayman Islands' economic performance in 2008 was recorded against the backdrop of unprecedented economic downturns in most developed economies, particularly the United States. The global economy grew by 3.2 per cent in 2008 compared to 5.2 per cent in 2007.

The advanced economies, which provide most of the demand for our financial and tourism services industries, grew marginally by 0.9 per cent in 2008 against 2.7 per cent in 2007. This increase was underpinned by recessionary conditions in the United States and, to a lesser extent, in Western Europe. The US was at the epicenter of the economic crisis as its private sector suffered from a severe squeeze on credit, despite large cuts in policy interest rates. During 2008, the US grew by 1.1 per cent as compared to 2.0 per cent in 2007.

In 2008, the GDP growth of the Caribbean region slowed to 3.0 per cent, compared to 5.8 per cent in 2007, mainly due to a falloff in visitor arrivals and construction activity.

As expected, the general price levels in advanced economies rose due to higher oil prices in the first half of 2008. Average inflation in these countries was at 3.4 per cent in 2008, which was higher than in 2007. Madam Speaker, increasing signs of an escalating recession and deflationary pressures in the US during the latter half of 2008 led to the Federal Re-

serve Board's aggressive reduction of interest rates to boost consumer spending.

The global tourism market was adversely affected as the volume of international arrivals, which rose by 5.0 per cent between January and June compared to the same period in 2007, slowed to 1.0 per cent over the second half of the year. In the Caribbean region, stay-over arrivals declined for most destinations such as Barbados (2.0 per cent) and Puerto Rico (2.4 per cent), while Jamaica and Cuba continued to enjoy favourable performances of 3.9 per cent increase and 9.1 per cent increase respectively.

Similarly, the Caribbean cruise tourism business had a mixed performance in 2008. Based on preliminary data, whereas the volume of cruise visitors to Aruba, Bonaire, and Martinique accelerated, Antigua and Barbuda and Bermuda had fewer cruise passengers in 2008.

### **Our Domestic Economy**

Madam Speaker, turning now to the Cayman Islands: Our country began to be impacted by the global economic downturn in 2008 as growth of our (GDP) slowed to 1.1 per cent compared to 2.2 per cent in 2007. Nonetheless, per capita income, or average GDP in 2008, recorded a modest increase to reach \$40,253 compared to \$39,587 in 2007. This increase was achieved amidst an upturn in the inflation rate, which increased nominal GDP by approximately 5.3 per cent in 2008.

The Consumer Price Index (CPI) inflation rate was recorded at 4.1 per cent in 2008 compared to 2.9 per cent in the preceding year. Inflation in 2008 was impacted by higher international prices for food, and oil and petroleum products. Consequently, the price index for food, which accounts for approximately 12.0 per cent of the household expenditure basket, went up by 5.6 per cent. Transportation and communication, and household equipment prices went up on average by 4.1 per cent and 7.5 per cent respectively. All other categories in the CPI basket recorded positive increases: housing including utilities, 4.2 per cent; education and medical services up by 4.2 per cent; personal goods and services increased by 2.9 per cent; alcohol and beverages by 2.2 per cent; and clothing by 0.1 per cent.

Madam Speaker, I will now present highlights of the economic performance in the major sectors, followed by an overview of the labour force indicators and the fiscal sector.

Overall, the financial services industry weakened in 2008 as all indicators registered lower positive or negative growth rates. Mutual funds grew by 4.9 per cent compared to 15.7 per cent the previous year. Insurance licences expanded by 1.5 per cent while bank and trust licences continued on a downward trajectory by 1.0 per cent. New companies registration and stock exchange listings decreased by 16.7 per cent and 9.7 per cent, respectively.

The tourism sector staged an anticipated weak performance in 2008 stemming from the economic recession in the US—our major source market. Total visitor arrivals stood at 1,855,932 in 2008, a 7.5 per cent decline compared to the performance in 2007 on account of the downturn in cruise arrivals. Air arrivals accounted for 302,879 visitors, an increase of 3.9 per cent from the 2007 level. Cruise ship arrivals reached 1,553,053 visitors, 9.5 per cent lower than the previous year.

In construction, building permits and project approvals rebounded while real estate activity showed marginal improvement during 2008.

In the utilities sector, demand for electricity rose by 2.1 per cent while demand for water fell by 0.7 per cent compared to 2007.

In 2008, the supply of labour, based on the results of the 2008 Fall Labour Force Survey, rose by 4.3 per cent, and stood at 38,999 persons.

Total employment in 2008 reached 37,449, which was 3.9 per cent higher than in 2007. However, the unemployment rate increased to 4.0 per cent in 2008 (from 3.8 per cent in the previous year). Despite the decline of construction activity, this industry remained the largest employer in 2008 as it accounted for 15.5 per cent of employment, although this share is lower compared to 16.1 per cent in 2007.

The other major employers were real estate, renting and business activity, 13.4 per cent, wholesale and retail, 12.6 per cent, and financial services, 10.1 per cent.

Finally, in 2008, the overall fiscal performance mirrored our local economic condition, where marginal increase in revenue together with strong growth in expenditure resulted in an increase in the overall fiscal balance. Total revenue grew timidly by 1.8 per cent to reach \$522.2 million. This is associated with the trend of imports, a major revenue base, which expanded marginally by 1.9 per cent in 2008. Meanwhile, expenditure grew by 18.4 per cent, to reach \$653.3 million.

Capital spending reached \$150.6 million in 2008, which is 42.2 per cent higher than the previous year.

Madam Speaker, I should carefully point out that the figures just detailed are in respect of the 2008 calendar year, and not the financial year of Government (which runs from 1 July to 30 June in the following year). Thus, the overall fiscal deficit, that is, total revenue less total expenditure (and total expenditure includes in this instance, in economic terms, operating as well as capital expenditures.) The overall fiscal deficit in 2008 reached \$131.1 million or 5.8 per cent of GDP as compared to a deficit of \$39.0 million in 2007 (or 1.8 per cent of GDP).

Madam Speaker, I should once again carefully say that the fiscal deficits that I just mentioned do take account of capital expenditures and are not comparable to the normal surplus deficit balances which we expressed in our annual budgets and accounts,

which was in accounting terms and those deficits or surpluses are a result of comparing operating revenues with operating expenditures, and not capital expenditures.

Madam Speaker, I would like to conclude this presentation by mentioning that we have been constantly improving the contents of the Annual Economic Report.

The Report for 2008 [features] five articles. The first article is found in Box 1 on page 13, which presents key background notes on the recent financial crisis. The second article in Box 2 on page 30 features an analysis of commercial bank credit in the Cayman Islands. The third article is found in Box 3 on page 34 and presents the impact of the global financial crisis on financial services. The fourth article in Box 4 on page 37 looks at the legislative changes in the financial sector. The fifth article in Box 5 on page 42 analyses the impact of the global financial crisis on tourist arrivals.

Madam Speaker, the Annual Economic Report will be circulated to the general public through the website of the Economics and Statistics Office [www.eso.ky](http://www.eso.ky). Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable third Official Member.

## GOVERNMENT BUSINESS

### MOTIONS

#### **Government Motion No. 1/09-10—Authorisation of Executive Financial Transaction for 2009/10 Financial Year**

*(Continuation of debate thereon)*

**The Speaker:** The Honourable Minister for Education, Training and Employment continuing. You have an hour and 31 minutes left.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, when we adjourned on Friday, 26 June, I was attempting to frame the current financial position that the country is in. I will also draw some important reference points as to some of the matters that have occurred over the past four years that have brought us to this point.

Madam Speaker, having looked carefully at some of the stories that have been carried in the press and listening carefully to some of the debate on some of the local talk shows, I think it is important that we frame the context in which this pre-appropriation Schedule which underpins the pre-appropriation Motion was prepared, and to also put forward some important reminders as to the process of what we are

actually doing and what the next steps are going to be.

Madam Speaker, it is obvious that there is some real confusion between a pre-appropriation Motion and the development of a full fledged budget. That is understandable, because this is only the second time the country has had to go through this particular exercise (June 29 2005 and June 26 2009), both on the heels of general elections.

Madam Speaker, The Public Management and Finance Law anticipates that given a May general election and a 30 June financial year end, and the 7-day window between the calling of the polls and the swearing-in of Members that there will not be sufficient time for a new administration to drill down, go through, make its own priority plans, update itself as to the current status of each ministry—and when I say status I mean what is actually happening on the ground in each ministry—and plan a sensible way forward and produce a budget that underpins that way forward. That's a process, Madam Speaker, which naturally would take any administration several months to achieve. Let us use the current state of affairs as a classic example.

My Chief Officer and I have spent more time over the last four weeks on the Clifton Hunter High School project and the John Gray High School project than anything else in the Ministry. I cannot count the number of hours. I can tell you that the last meeting alone that we were involved with lasted half of a day. We started early in the morning and did not conclude until afternoon. And that was just for us to continue to gather information to ensure we understood exactly where that project is.

Those two projects are extremely complex projects to unpick and try to figure out what is inside, what is in the schools, what is being proposed on each of those buildings, and therefore make sensible decisions about how we perceive some of those plans. Let us use one example.

On the Clifton Hunter School, we are told that the design calls for a recording studio for students who may be interested in music production. As you will be aware, there is at present, as I understand it, a recording studio in the country that is owned by a private individual. And, as I understand, there is even a second that we can think of that has been completed in our district of West Bay. So, we need to make the types of decisions like, Are we going to go forward with that piece of the project? Is that pie-in-the-sky? Is that waste? Is that unnecessary? Is that going to improve teaching and learning? Is that really required at this time in the country's history, especially finding ourselves in this particular financial condition?

We also toured the project and saw real life, what this open space learning is going to look like. So, it is impossible for any of us as Ministers collectively in these short number of days to be able to settle in as Ministers, understand where we are, juxtapose our programme, then develop a sensible budget, and in

these tough times look critically at all services being provided by Government holistically, and make decisions about how we could go about saving money.

Hence the reason The Public Management and Finance Law allows an incoming administration to bring to the Legislative Assembly a pre-appropriation Motion. It is not a budget! That is the reason we do not go to finance committee. There are no discreet outputs underpinning these broad areas, these output groups that we have developed. So there is nothing for us to defend.

If you pick any of these output groups the outputs actually underpinning them are the carry over outputs from the PPM Administration.

What our Chief Officers and Chief Financial Officers have been charged to do, as they were in 2005, is to go through the entire list of outputs and attach a cost to them of the amounts that they expect to expend over a four-month period of time.

The Honourable Third Official Member and I went to great pains on Friday to give some examples of how that does not necessarily even equal one-third a year. I used the example of scholarships. Scholarships under the Ministry of Education require disbursements twice a year – August and December. Therefore, what is contained in this pre-appropriation is not one-third for scholarships but 50 per cent. And so it is impossible to take this Motion and try to extrapolate it to come up with what a full financial year would look like simply because that is not a part of the exercise.

The exercise is to ensure that on 30 June, midnight and one minute the Cayman Islands Government can function. The Cayman Islands Government will have legal authority to spend money and carry on the business of running the country.

I thought the arguments put forward by the Opposition were quite cute because I know full well that they understand what this process is. I believe their positioning only serves to confuse the matter even more. On the one hand, the Honourable Leader of the Opposition acknowledges the fact that you cannot take this total, the total that is being expended, and compare it to what we think of as pure Government expenditure, because that total is a mixed bag. It includes our normal operating expenses, but it also includes borrowings, and it also includes capital works.

If you take the number in and of itself and multiply it by three, yes, you would come up with a rather large number; but that would be the case if you even took any of the prior budgets prepared under The Public Management and Finance Law, and if you sought to just throw everything into one basket.

What needs to be looked at is the spend for output groups—the spends for transfer payments, financing expenses and other executive assets, to come up with what is truly the operating expenses projected for these four months. The one thing that we



can tell the country is that we do not expect to spend this full amount of money.

Why do I say that? I say that, Madam Speaker, because the Cabinet will issue a directive to all chief officers and CFOs, that even in the intervening four months upon which we have before us a pre-appropriation that is an extension of the last PPM Government's budget, we are going to ask them to contain expenses as much as possible.

The thing that we have not had the opportunity to do in these short 20-something days has been, as I said at the very beginning, to drill down and make sense of all of the details that underpin these output groups. We could have simply told them to use some arbitrary system—a salami approach, as I called it on Friday—and say, *Try to cut 6 per cent, 10 per cent, 5 per cent.* We resisted that temptation because we did not want to have necessary and vital services cut, run out of money in the four months for those items, whilst other items that could be pulled in and reined in, wind up having the opportunity for funding.

Madam Speaker, let's use one example of an item, and it is the only one that we have been able to identify thus far that is a relatively new (and I say relatively because even that is a continuation) . . . the hurricane Paloma recovery. As we understood it, the commitment was that approximately C\$3 million were going to be used for funding the rebuilds in Cayman Brac. As we understand it, only \$1 million thus far has been forthcoming. So featuring in the amendment, TP-35 is \$1,933,333, which (from what we have been told by the chief officer and CFO in the relevant ministry) is the amount that is needed urgently to continue the Paloma recovery efforts.

Madam Speaker, what we have before us, as I said, is not a budget. Hence the reason we are not going to finance committee, hence the reason it is clearly titled "Government Motion for Pre-Appropriation of the Authorisation of Financial Transactions."

We have heard the charge "business as usual." Perhaps one of the things that can be done during the intervening period between 30 June and our production of the final budget, or shortly thereafter, is to come up with perhaps a modified way in which we handle these matters post-general election. But until we come up with a different system all that the Portfolio of Finance has available to it and the Cabinet has available to it was the 2005 precedent.

We have used the 2005 precedent and we believe that that and a strong directive from the Cabinet to Chief Officers and CFOs, to spend only the necessary amounts during the period between now and the production of a budget will allow us to keep things as tight as possible in terms of expending monies.

A question was raised and I really had to laugh. One of the matters the Honourable Leader of the Opposition was querying was how in the Ministry of Education we could have in the three months \$43,761,000 for the equity transactions (which, of

course, relate to the two school projects). Well, Madam Speaker, I find that rather disingenuous, given the fact that I inherited a ministry that has two current contracts for building of high schools. Exhibit E attached to those two contracts has the projected cash flow requirements for the schools. This is what the PPM Government signed the contract to. This is what we have inherited.

On Clifton Hunter and on John Gray there are two balloon payments in July. Certainly, from everything we have seen, from what has already been done to the existing John Gray campus, the country has to continue these two school projects. We have no choice in the matter whatsoever. Final outcome? How much monies can be saved? That is another thing. But the actual continuation of the projects, we are locked in.

John Gray has already lost its school fields, its playfields, part of the campus was already gone and they were already in a mobile canteen. So, as it stands the teachers have told us that last year was their most challenging year and this school year is going to be the most challenging year for the school. So we need to get through this as quickly and painlessly as possible.

But, Madam Speaker, I will get back on track. The fact is all you do is to add up July, August, September and October from the contract that was signed under the PPM Government and for Clifton Hunter, \$21 million and John Gray, \$20.5 million. That brings you to \$41.5 million. And then there are some ancillary matters relating to the contracts and then there is a small amount that was a carryover for some other minor works that would bring you to the \$41.7 million.

Madam Speaker, that right there, I think, tells me that the Opposition understands the quandary and the quagmire we're in. They also understand, I believe, that if they look back on the precedent that has been set as it relates to these pre-appropriation motions, that if you do not clearly delineate operating expenses, capital expenditure, and the borrowings to fund those, you can really wind up with a confused state.

As I understand it, one of the major newspapers clearly just grabbed the number and ran with it, and it was not the *Net News*, which is surprising. That headline just really baffled me. Absolutely baffled me! But that is what the public had seen. The public had seen \$544 million, multiplied it by three and asked, *Where in the world are we heading?* Not recognising that you have to unpick that entire situation.

What has made it even more pronounced, Madam Speaker, is that \$154 million of borrowings which was authorised for the 30 June 2009 year end—that is, the PPMs last budget—is money that has been borrowed and will be borrowed before 30 June to fund their existing programmes. However, it is under a bridge financing arrangement, as I understand, with the Royal Bank of Canada, HSBC and I think Scotiabank.

The idea is that a second bond issue will be raised to pay down that bridge financing. Madam Speaker, simply because of how the Public Management and Finance Law works, that too is included in here. So naturally when you see the \$282 million of borrowings you cannot just take that and multiply it by three and try to come to what will be the eventual borrowings for the entire year of the Government.

Madam Speaker, we also have to look at the capital projects and understand at what stage each one is. The Clifton Hunter [School] is expected to be completed next year. When you take the \$21 million in this pre-appropriation that is in compliance with the current contract, you will see that of the total contract value the vast majority will be exhausted . . . in fact, it will be expected that approximately \$6 million will remain on that contract. So, we cannot take the \$21 million, for example, Madam Speaker, and again multiply it by three to come up with the amounts required. And that is the same case with Government Administration Building, and the same case with the John Gray High School project.

Admittedly the whole matter is not the type of thing that is easily discerned by simply picking up the motion. However, Madam Speaker, we have been through this process once before. I think the vast majority of who has been around the process—especially those who are elected Members—would know precisely what we are undertaking to do, precisely what the differentiation between what is truly operations and what are old borrowings, proposed new borrowings, and capital works.

Now, Madam Speaker, the ongoing furore as it relates to what will be the final deficit for the 30 June 2009 year-end is an important marker. It is an important marker because the fact of the matter is that we are out of compliance with a number of principles of prudent fiscal financial management as prescribed by the Public Management and Finance Law.

Will we be working diligently to try to rectify all of those as we produce the first budget? Yes, we will.

What I can say, Madam Speaker, is that we are not going to come down to this Legislative Assembly with an unrealistic budget that paints a rosy picture, come midway through the year and flip-flop from a \$13 million surplus projection to \$29 million deficit and then all of a sudden we get to a \$74 million deficit.

The fact of the matter is, as an incoming Government, we could have looked at this pre-appropriation and said *No, let's change the numbers*. We asked the staff in the Ministries to undertake a technical exercise to get us to the point where we can spend the money necessary to keep the country running from midnight 30 June onward, and we were not going to interfere with that without the benefit of the time that we require to ensure that we can produce a proper budget.

When we go about producing the budget the country is going to clearly be told what the facts are as

they obtain. There is no sense in us coming down to this Legislative Assembly in a few months with fanciful projections on revenue, unrealistic projections on expenditure. We will know where we are at. We are going to take the time necessary to produce a sensible budget.

Do I think and predict at this moment in time that we can reverse the trend of flat revenue, some seriously fixed operating expenditures—and I say “fixed” because I remind honourable Members that I laid down two important markers—just two—of the reckless behaviour of the previous administration as it related to playing politics with giving pay increases and playing politics with the Public Service Management Law, which both have cost this country multiples upon multiples of millions of dollars.

Now, we have called for belt-tightening. But the fact of the matter is payroll is where it is at at this particular moment and time. We are not going to entertain a double whammy of un-employing people into a soft private sector market. That we believe would only go to exacerbate the situation and make it worse. Madam Speaker, I say all of that to say that the country ought to recognise that we are not going to be able to reverse this in one financial year. And so we will have a budget deficit again this year. However, we are working diligently on a number of fronts that we do believe will assist in the exercise of turning government finances around.

The Honourable Leader of Government Business had a statement earlier as it relates to getting the Cayman Islands on the *white list*. Make no mistake about it, being on the *grey list* has caused us to lose business and has been a competitive disadvantage for us. That is a fact! We have heard this from a number of persons in the private sector who have seen pieces of business that they bid on go to other jurisdictions and they have felt very confident that that was business that normally would have come to the Cayman Islands.

Part of the first leg of the trip made by the Honourable Leader of Government Business was to deal with tourism. I do not know if the full Cabinet knew, but certainly the people of Bodden Town knew that the previous minister of Tourism had run the good ship *Cayman* on the rocks as it related to Tourism.

Relations were strained with key partners. The product had not been paid attention to and all they were doing was running up and down changing everything that they could change, producing no results. [The country is] yet to [be told] what going into New York costs; [it is] yet to [be told] why time was not taken to allow some of the new routes that were entered into to mature. The Government and the Honourable Leader of Government Business are hopeful that the work they are doing will allow certain key pillars of the economy to turn around and produce more revenue.

We also have to recognise that in December 2003 when we came to this Legislative Assembly with

the Immigration Reform Bill, it was indeed a first cut. Every one that was here voted. It was unanimous. Every single Member voted. The then PPM Opposition, the then UDP Government and its Backbench, all of us voted for that Bill. I clearly remember because I sat as part of the IRT saying that the four-year transitional provisions, the first four years of those provisions had to be monitored closely so that we ensured that what we had put in place in theory was working in practice and producing the result we desired.

There has been much furore about the rollover in the press, and I think the Government has made it extremely clear. We are going to look at the rollover policy as it relates to the economy and in specific industries. No one can tell me that it is logical for us to continue with a policy that treats domestic helpers in a similar way as it does financial services—in particular, some of the new business that we would like to attract.

Let's turn our minds back a few decades: What would have happened to this country if we had had extremely restrictive immigration policies before the big four accounting firms set foot in this Island about 40 years ago? Think about the number of Caymanians who have been educated by those firms. Think about the amount of wealth that has been created among Caymanians as a result of those firms' presence.

There is a next wave of activity that we believe the Cayman Islands can compete in: things like investment management business of the hedge fund world, trying to bring more substantive presence to the country.

If we believe that the Cayman Islands, through a couple of pieces of legislation and a seven-mile strip of white sandy beach, means that people have to come here, people have to spend money and we are indeed the heaven on earth that is automatically blessed, we are kidding ourselves. And these last four years—particularly these last two years—should prove it to us.

We have to stay competitive and if it means looking at the term-limit policy then that is what it means. We have to ensure that what the country gives up is less than the overall benefit.

It is easy to play the politics of this. It's easy to jump up and run up and down in the streets and get on the talk shows and write letters in the press and talk about theory and scaring people. The fact of the matter is, I can say this Government is not going to make any change that we do not believe will produce more benefits and opportunities for the wealth and job creation for Caymanians than would otherwise be the case and that would be on the cost side of the ledger. We will work diligently to keep the Cayman Islands competitive.

We have to recognise what is going on around us. We have to recognise that we have competitors like Canada, with literally hundreds of qualified chartered accountants just waiting for hedge fund

administration business to come. We have to recognise that a specific province in Canada has gone as far as to let businesses in before their business licences and work permits are even granted because they recognise that they need the business to keep their people employed. And their people being employed, you put that multiplier effect in the economy and all the knock-on and spillover effects as it has into all of the other service industries. That's how you build a robust economy.

We have long been listening to the nationalistic rhetoric talk about taking Cayman back. Certainly, in large measure a lot of the problems we face right now are a direct result of that rhetoric and the behaviour of the previous PPM administration. I will never forget, Madam Speaker, one of their previous members standing on the Floor of this House and saying that all the best business and job opportunities in this country go to foreigners.

Madam Speaker, do we not realise the world in which we live? Do we not realise that we are in a competitive world? We're not some island that business has to come to and stay with. We're not! Plain and simple! And the big world out there, the G-8 nations in particular, are going to continue to attack us. We have to stay competitive. We have to be sensible about what we do. We have to ensure that our scholarships and social contributions by entities in this country and entities that are going to enter this country are firm; that they understand that if they come and are doing business in the Cayman Islands that there must be positive contribution back to the country, not just government coffers.

Madam Speaker, let us not underplay how important the industry is as it relates to direct revenue earned by the Government. We do not see in front of our faces all of the time how the equity investment into the Health Services Authority (HSA) to provide medical care and the equity investment into Cayman Airways contributes to the running of schools so that we can have a public school system that is practically free. We don't see that without paying direct taxation to fund it. We don't see all of those things very clearly and evidently.

The fact of the matter is if you go to the budget which is online and you add up the direct contribution of just the financial services industry to this country, well in excess of \$160 million and take that out of the equation, you will quickly see that this country cannot survive without it; plain and simple. Are there people in that industry who are on work permits? Yes. But the fact of the matter is you remove them and what happens to all of the Caymanian developers? What happens to all of the Caymanians who have built townhouses who rent to those particular persons?

So, Madam Speaker, we have built a small economic miracle with a limited capital base. Despite what we say, whilst the education system over the years has not helped a lot of Caymanians who did not

go on to tertiary education, we still have managed to produce for our size, a large number of Caymanians for whom education has been their means of upward mobility. Do I want to see more? Yes! I want to see 30 to 40 per cent of Caymanians getting five or more O'Levels. Do I want to see vocational and technical training that is meaningful to this economy? Do I want to see programmes that are meaningful to the financial services industry and tourism that produce skills so that you can get a job tomorrow? Yes.

But the fact of the matter is we are where we are. The last time I checked the vast majority of us either have children or grandchildren and we want to continue to build the Cayman Islands so that they can have a secure future, and not go back to what used to happen when the men had to go to sea. Now I don't say that to play scare tactics, Madam Speaker, but the fact of the matter is if we are not careful we can wind up back in those types of situations quicker than we think.

Madam Speaker, as we were going through the campaign I chose for my theme: "The changing face of the Cayman Islands." Change creates opportunity. The country needs to embrace change. We do, however, need to ensure that the interests of Caymanians are maximised. We need to work diligently at that. Diligently!

We cannot have change for the sake of change if Caymanians are not being the beneficiaries, and if our lot is not being lifted substantially. I believe, Madam Speaker, that as we recover from this current economic crisis we will see that a lot of the average Caymanians will be enhanced. That is the duty of any administration. The duty is not to spread rhetoric. The duty is not to be divisive. The duty is to build, and we must build to secure a better future and a better way forward.

Madam Speaker, getting back specifically to this particular pre-appropriation Motion, a question that may be asked is, *What amount contained within the \$128 million of borrowings is being projected to cover operating expenses?* It is somewhere in the region of \$57 million. That is a number that we are going to work diligently with our chief officers and chief financial officers to certainly underperform. We are going to work diligently to get the budget to this House as quickly as possible so that we can come out of this pre-appropriation mode, and we are also going to work diligently to keep the reins on expenditure as tight as humanly possible. At the same time we must recognise the plight of the average man and woman on the street in these Islands.

People are hurting. When you hear that people have to go to CUC to get payment plans just to pay their electricity, when we see the large numbers that come to our doors and offices who are in real financial trouble, when we talk to small business owners, when we see the large numbers that have already gone out of business, the picture in the economy is

bleak. So, as a government we cannot contribute to that by being too tight from a fiscal standpoint.

We do not have the benefit of large countries like the United States of America to run large deficits, but the fact of the matter is that the country will need to continue operating. We will need to ride the storm out together. This Government is going to work diligently to plug as many holes in the vessel and try to make the vessel as streamlined as possible by diligently going about our work to produce our first budget. But it is what it is.

No one can expect that we could come into office with a soft economy, with unemployment on the rise, with a projected deficit that is now somewhere in the region of \$74 million and think that we are going to turn it around right away and that there will be some overnight quick fix.

Madam Speaker, I just wanted to ensure that we painted the picture as it is. This is not a budget; this is a pre-appropriation Motion that will allow the Government to expend monies to keep the country going. Our financial year-end is 30 June. That is the bottom line. So, we need to get this done.

Are we in bleak times? Yes, we are and we have to be open to the country about that.

Do we believe collectively that we can have a secure future? Yes, we do. There is already confidence growing in the economy. There are people out there who were waiting on the sidelines until the result of the Election who are saying that they are willing to now proceed with some of their projects in the private sector and that is what we need.

We need private enterprise to start to spend money again. We need to provide a ray of hope so that key industries like the Financial Services Industry will look at Cayman differently and will not see us as a jurisdiction that they ought to move away from and go to more friendly jurisdictions with larger volumes of professionals. We need to take advantage of the inherent lead position that we have. And because we are in a lead position, in my humble submission that means that unless we are working extra hard there is only one way to go. When you're on top there is usually only one way to go and that is down. And we have been on top of the hedge fund industry for years.

We caught up pretty much with Bermuda in captive insurance, an industry they dominated 20 years ago that no one thought they could be caught on. But a lot of things have happened since, and we need to get back to the basics: listen carefully to the industry; work closely with them; see them as partners, not villains; make people feel as though the Cayman Islands is a place that they can live, move and invest in; bring more opportunity to Caymanians; more opportunity for jobs; more opportunity for scholarships. That is the job of an administration. No administration should see itself as the creator of wealth and opportunity. We don't have that capacity. We don't have direct taxation. What we have is an economy that is service-driven and based on volume and

activity. We need to have more volume and greater and deeper activity. That is what the Government is working diligently to turn around. That is the reason why the Honourable Leader of Government Business has been traveling so extensively and is going to travel soon again, God willing.

Madam Speaker, I can say safely that I commend this pre-appropriation Motion to all Members of the House. The fact of the matter is the budget we produce is going to be the first test of the new administration.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Minister.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If no other Member wishes to speak does the Honourable Third Official Member responsible for Finance and Economics wish to exercise his right of reply?

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

Madam Speaker, I would like to start by addressing some of the major points made by the Third elected Member for George Town [Mr. Alden M. McLaughlin, Jr.].

One of the points he made—Madam Speaker, full of theatrics—was that he found it strange that the Financial Secretary would say that he wanted to stay out of it when the subject matter involved the financial affairs of this country. That comment needs explanation, Madam Speaker, because it is not fulsome. It is not fulsome, Madam Speaker!

Around 11 June of this year the Third Elected Member for George Town phoned me in the evening to say that he understood that one of the local newspapers would carry an article the next day to the effect that the Government was facing a massive deficit for the year to June 2009, and that I should speak to the reporter (who was here earlier, I am not sure if he is still here now). I was told to speak to that reporter. Indeed, the reporter called me, Madam Speaker.

The Third Elected Member for George Town told me that I should speak to that reporter and explain that it was not the case that there was going to be a massive deficit to 30 June, and that if I did that, Madam Speaker, the story would go away. The story would go away.

Madam Speaker, I did not speak to the reporter because I could not contradict the forecast \$74 million deficit figure for the year to 30 June 2009—tomorrow—when the year ends. I could not contradict that because I had provided that figure to the current Government on their request.

The Third Elected Member for George Town phoned me a second time to ask if I had spoken to the

reporter, and I said no. I said that I would rather stay out of it.

Madam Speaker, honourable Members of this House and the listening public, I am not in the business of making stories in the press go away, which seems to have been the objective of the Third Elected Member for George Town. So, Madam Speaker, my words of “staying out of it” did not refer to staying out of the finances of the country, but, rather, that meant staying out of making stories go away in the press.

Madam Speaker, there was no need for me to contact the press because the figures quoted in the 12 June 2009 statement were amounts produced by the Portfolio of Finance. I could not contradict those details because that was the best information that we had on hand as to the outcome of the year ending 30 June 2009, which is tomorrow.

I want to clarify to the public that I stayed out of trying to make a story disappear from a newspaper. And that is the truth, Madam Speaker. That is the whole truth. It is not about staying out of the finances of the country; it was about staying out of trying to make a story not appear in a newspaper because the results were bad.

Madam Speaker, the Third Elected Member for George Town also said that he considered it a dereliction of duty on my part, that I had not made a statement in the intervening period to explain the state of public finances in the country.

Madam Speaker and all honourable Members of this House, I have been off Island from Saturday, 13 June. I arrived back on Island between 5 pm to 6 pm on Thursday, 25 June 2009. I was away as part of an official delegation doing Government’s business involving Tax Information Exchange Agreements, discussions in an attempt to remove the Cayman Islands from the OECD’s Grey List, a position which could have been avoided if suitable efforts [had been] made within the immediate past four years.

*[inaudible interjections]*

**The Speaker:** Be quiet, please.

**Hon. G. Kenneth Jefferson:** Madam Speaker, the statement by the present Leader of Government Business and Premier Designate was printed in the *Cayman Net News* on 12 June 2009. The thorough response thereto, which the PPM Members said they wanted some time to compile . . . that thorough response to the 12 June statement by the Honourable Leader of Government Business, that thorough response by the PPM occurred on 24 June 2009—some 12 days later, Madam Speaker. Some 12 days later!

So, the PPM—having taken 12 days to formulate a response—then describes the Financial Secretary as being derelict because on his first day back in office . . . and the first day back in office involved my being here, Madam Speaker. It was not as if I was in the Glass House and had an opportunity to prepare

the statement on my first day back. My first day back was on Friday, 26 June, in the Legislative Assembly. I was accused of being derelict because I did not have a statement ready.

Madam Speaker, I will let the public decide whether it is reasonable for the PPM—and the Third Elected Member for George Town, in particular—who had their full force on the ground in Cayman and who took 12 days to put together a full response to then describe me as being derelict for not having a response the first day back. Madam Speaker, my travels involved (as I said, from 13 to 25 June) London, Paris and Berlin on official Government business. So, on that point of being derelict, Madam Speaker, I will let the public decide what to conclude.

If the Financial Secretary's first-day-back expected response is derelict, then what can we say about the PPM's 12-day-later response?

What would we call that?

Would we call that dereliction, Madam Speaker, or would we call that treason?

**The Speaker:** Language sir. Please be careful.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

Madam Speaker, let me give the House and the listening public an indication of what occurred when I got back on Island on Thursday, 25 June.

As I said before, I arrived back between 5pm and 6 pm. At 11 pm that same night the Deputy Financial Secretary (who is actually sitting in the chamber), Mrs. Sonia McLaughlin, dropped off the next day's Legislative Assembly material to me and I got up at 4 am on Friday, 26 June, to read the material.

I arrived at work by 8.30 am. I was asked by you, Madam Speaker, to come to your office to go over the day's business in the Legislative Assembly, the day's business for Friday. So, between 9.30 am and 10 am, I, along with the Honourable Minister for Education and the Deputy Clerk of the Legislative Assembly were working in your office going over the day's business.

Madam Speaker, does that sound like someone who is derelict in his duty? The answer is no, Madam Speaker. The answer is no!

So, when the Third Elected Member for George Town raised a procedural point at the start of Friday's proceedings, you, Madam Speaker, the Honourable Minister for Education, the Deputy Clerk and I knew the answer because we had gone over that same matter in your office earlier that morning.

I will admit to the Third Elected Member for George Town one area that I have been derelict in, and that is in defending myself against unjustified attacks and baseless criticisms for far too long, Madam Speaker. For far too long the Financial Secretary has been seen as a scapegoat that certain Members of the House—certain Members, not all—can criticise because they are comfortable in their belief that there

is not going to be a reply. But, Madam Speaker, that will change. That will change, Madam Speaker!

The Third Elected Member for George Town said that we attended school together, and that is correct. He also said that he still regards me as a friend, and I don't feel any differently towards him. I don't consider him to be an enemy; but, Madam Speaker, I am not so naïve as to believe that friendship is going to stop the criticism and the attacks. That will continue. It might even get worse. But, equally, I will defend myself. And I can assure the House and the listening public that I will make a statement on public finances and it will be before 12 days after my return.

Madam Speaker, perhaps the answer that most on the Opposition Bench seem to want and need comes from a comment made by a former member of the PPM Administration, a former Minister. On occasion I questioned the necessity of expenditures and the magnitude of expenditures. More than once I was told that the function of Ministers of the PPM Administration in their Cabinet was to incur expenditure and the function and role of the Financial Secretary was to go out and find the money so that they could incur the expenditure. That is what I was told, Madam Speaker.

So perhaps the fuss about \$29 million to \$74 million . . . perhaps the answer is as simple as the outlook I have just expressed—that the function of Ministers in the PPM Administration's Cabinet was to incur expenditure and the Financial Secretary's task was to go out and find the money to allow that to happen. That is a simple possible explanation as to the fuss out there in the big wide world.

Madam Speaker, the Third Elected Member for George Town also made the point that he considered it a dereliction of duty for the Financial Secretary not to present revenue figures to accompany the request for expenditures. The honourable Member for North Side also made the same point, but his language was less animated.

I want to say to the House that the Government has complied completely with the requirements of the Public Management and Finance Law in the amount of information it has presented in this Government Motion now before the House.

Section 11(1) of that Law states: “. . . **the executive transactions in respect of a financial year may be authorised by a resolution of the Legislative Assembly** [and hence, Madam Speaker, this Government Motion that is now before the House] **in advance of a law making appropriations for those transactions if- a) the resolution is arranged according to each of the appropriation types specified in section 9 (3); and b) the resolution provides that it shall lapse after a period of four months from the date of the resolution.**”

Madam Speaker, when we look at section 9 (3) of the Law, we see that the appropriation types are (a) output groups, (b) transfer payments, (c) borrowings, (d) loans, (e) other executive expenses, (f) equity investments, (g) executive assets, and (h) financ-

ing expenses. Madam Speaker, this is precisely what the Motion and its accompanying Schedule provide, and it is, therefore, in complete compliance with the requirements of the Public Management and Finance Law.

There must also be consistency in Members' positions from one administration to the next. In June 2005, Madam Speaker—when we did exactly the same process as we are doing now with Government Motion No.1 of 09/10—there was no plea from the then Minister for Education that revenue figures should be presented along with the Government Motion. We must be consistent with our positions and our arguments. But, Madam Speaker, we must not hide behind legal cuteness. We must not hide behind the fact that the Public Management and Finance Law, in this particular environment and situation, does not require an income statement that shows revenues and expenditures during this four month period. We must not use that as an excuse.

Madam Speaker, I will provide some forecast figures for the four-month period July through October 2009, because that is the period of time envisaged and detailed in respect of this particular pre-appropriation Motion. I want to perhaps go slowly so that I cover all of the points that I need to cover.

**The Speaker:** Honourable Member, is this a convenient time for you to take a break?

**Hon. G. Kenneth Jefferson:** Yes, thank you, Madam Speaker.

**The Speaker:** We will suspend proceedings until 2.00 pm.

**Proceedings suspended at 12.29 pm**

**Proceedings resumed at 2.05 pm**

**The Speaker:** Proceedings are resumed.

The Honourable Third Official Member continuing his debate.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

Just before we took the break I was making the point that, although the strict provisions of the Public Management and Finance Law do not require that the Government produce details of revenues for the pre-appropriation Schedule and Motion that is now before the House, whilst the strict requirements of the Law do not dictate that that is necessary, we should not hide behind legal niceties. And so, Madam Speaker, I want to provide the House with details of forecast revenues and expenditures in the four-month period envisaged in the pre-appropriation Motion, July 2009 to October 2009.

Madam Speaker, the forecast revenues for these months have been set at a level equal to the

actual revenues earned by the Government in July 2008, August 2008, September 2008, and October 2008. These are set at exactly equal to the revenues earned in those same months in the previous calendar year.

The operating revenues during that period are approximately \$0.3 million for July 31; for August 2009 (equaling August 2008), \$32.3 million; September 2009 (equaling September 2008), \$31.4; and October 2009 (equaling October 2008), \$38.7 million, for a total for that four-month period of approximately \$134.2 million.

Madam Speaker, the Schedule that I am looking at has been prepared by the Treasury. In terms of its operating cost it has taken as operating expenses exactly the amount of the scheduled expenses that accompany the Government Motion.

Personnel costs during the four-month period total \$82.4 million (approximately); supplies and consumables, \$26.5 million (approximately); depreciation \$5.9 million (approximately); output from public authorities, \$35.7 million; outputs from non-governmental organisations, \$7.6 million; and transfer payments of \$12.75 million, along with other operating expenses of \$1.6 million.

The approximate subtotal of operating expenses, Madam Speaker, is \$172.5 million.

When that is subtracted from the forecast operating revenues of \$134.2 million (approximately), there would be a resulting deficit at the end of that four-month period of \$38.2 million. And when we take into account that there are further financing expenses of \$6.5 million in that period and that the public authorities could very well make a net loss during that period of \$6.1 million, and the fact that . . .

*[inaudible interjection]*

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

Madam Speaker, the extraordinary items for the four-month period could very well total \$5.8 million. For the four months ending October 2009 there could very well be a deficit of the magnitude of \$56.7 million. I believe the Honourable Minister for Education referred to it as \$57 million.

Madam Speaker, I say "could very well be" because, obviously, operating revenues in that four-month period might not behave exactly the same way as they have been assumed to behave equaling the 2008 comparative figures. Also, on the expenditure side it need not necessarily be the case that the Government abide by and actually accept the level of expenditures set out in the accompanying Schedule to the Motion.

In the ensuing months the Government will look at the level of expenditure and it could very well be that the actual level of expenditure in that four-month period is less than the scheduled expenditures that accompany the Motion. But, Madam Speaker, if it

was the case that expenditures and revenues behaved exactly as I have said, the resulting deficit for the four-month period would be approximately \$56.7 million.

So, the question which must naturally arise in everyone's mind is, How would the new administration cope with or finance a deficit of \$57 million for four months into the new year?

It is expected that the current year will close and there will be cash balances in the Government's current or chequing account approximating \$16.8 million or \$17 million. When we take into account the deficit that I have just spoken about, the Government will have to incur borrowings during that four-month period. Members will see that the accompanying Schedule to the Motion indicates an amount of borrowings for the current year of up to \$128 million.

Madam Speaker, in full frankness, a portion of the loan proceeds may very well be used to cover operating expenses. The exact extent will depend upon how revenues behave and how costs are attacked by the Government with a view to reducing them. The analysis in front of me indicates that approximately \$92 million of \$128 [million] possible loan proceeds will be used on capital expenditures and the remaining amount will be used to help defray actual operating expenses.

Madam Speaker, the Honourable Minister for Education said that approximately \$57 million of loan proceeds would be used in respect of operating expenses. I beg to differ slightly from that. The deficit for the four months is expected to be \$57 million—but included in that is depreciation of \$6 million. So, if you subtract that away as a non-cash item, you are then left with a shortfall of \$51 million.

If we use up the cash brought forward expected in the current account at 1 July of approximately \$17 million, then approximately \$34 million of the \$128 [million] would be used to cover operating expenditures.

I should also say to the House, Madam Speaker, that, unfortunately, we have reached the point where because of non-compliance with certain of the principles of responsible financial management—that is the expectation at the end of 30 June—we will not be in compliance with certain of those principles. By virtue of section 34 of the Public Management and Finance Law that means that the approval of the Foreign and Commonwealth Office (FCO) will become necessary in order for the Government to undertake any new borrowings in the financial year that starts on 1 July.

Madam Speaker, section 34 of the PMFL says that when the net debt ratio is not complied with (and the limit there is 80 per cent, and our expected ratio at 30 June 2009 is approximately 86 per cent), and when the cash reserve coverage is less than 90 days, there is non-compliance. We are expecting at the end of June to have 65 days of coverage. Because those principles will not have been met, approval of the For-

eign and Commonwealth Office is required for any future borrowings of the Government. And that will remain the position until there is compliance with those principles.

I also want to address the important point which was touched on earlier. It is so important that it is worth going over.

The Motion speaks to a total figure of \$573 million. This has, unfortunately, been reported incorrectly by saying that the expenditure by the Government in the four months to October will be \$573 million. That is incorrect, Madam Speaker. That is incorrect.

The operating expenditures that are included within this overall \$573 million mentioned in the Motion are as follows:

- Output groups \$150 million (approximately)
- Transfer payments \$16.6 million
- Financing expenses \$6.5 million
- Other executive expenses \$11.6 million

That gives us a total of \$184.8 million, approximately. And that \$184.8 million, approximately, has been included in the analysis I detailed earlier in coming up with a deficit for the four-month period of approximately \$56 to \$57 million.

It is unfortunate and incorrect that it is being reported that for the four months the expenditure of the Government is \$573 million. That is not the case, Madam Speaker.

The \$573 million includes other items such as borrowings of approximately \$297 million. It also includes equity investments and the investments in executive assets. These are the other components of the \$577 million, and so they are not the traditional operating expenditures which determine whether there is a surplus or deficit. They are not included in that calculation.

Madam Speaker, it is also very important to understand that \$184.8 million of operating expenses for the four months to October 2009 does not mean that we should automatically multiply that figure by three times and say that the resulting figure is an indication of what the full-year expenditure budget will be—for two main reasons, Madam Speaker.

There are items of expenditure that are already incorporated in the \$184.8 million expenditure figure which reflect substantially the 12-month or the full-year appropriation figure. Therefore, it would be incorrect to magnify these particular amounts by three times.

I think the Honourable Minister for Education gave the example of scholarships and that a substantial portion (I believe, he said half of the entire year's allocation in respect of scholarships) would be found within the first four months of the new fiscal year which starts on 1 July. So, it is not the case that we can multiply \$184.8 million by 3 to give an indication of the full year's expenditures.



The point was also made that perhaps Finance Committee should be required in this instance. Madam Speaker, there will be an opportunity to examine the Government's full-year budget when it is expected to come before this honourable House in September. That budget will be more reflective of the current administration's policies. This pre-appropriation Motion reflects the continuation of the policies and decisions of the previous administration; therefore, any proceedings of Finance Committee would simply involve a review of those policies and decisions. It is more appropriate for Finance Committee to take place—and it must take place—on the full-year budget which the Government envisages being brought to the House in September.

Madam Speaker, there were a few individual areas that were queried by honourable Members, one of which related to Other Executive Expenses—OE-68, Special Police Investigation, of approximately \$1.5 million in that four-month period. This amount was included in the pre-appropriation Schedule and it reflects and represents one-third of the approved 2008/09 budget.

The Portfolio of Internal and External Affairs was unable to provide any further details on the investigations. To the best of our knowledge, the investigations are ongoing and it would not be prudent for us to exclude an item of recurring expenditure from the appropriations and the financial forecast. Once again, the \$1.5 million (approximate) for this particular item is not necessarily indicative of the full-year budget for this item. The Cabinet would need to make some decisions in respect of this particular matter.

Another area queried was the Judicial Tribunal cost, Other Executive Expenses—OE-72, an amount included in the pre-appropriation Schedule of \$479,000 (approximately). Madam Speaker, the Tribunal has not concluded its deliberations. As a result, there are going to be costs in the 2009/10 pre-appropriation period related to fees to the Tribunal members, to the secretary of the Tribunal and to legal advice to the Tribunal.

There was also a question on CCRIF, Caribbean Catastrophic Risk Insurance Facility, an amount included in the pre-appropriation Schedule of \$560,000. Madam Speaker, this being placed on the schedule is simply an accounting entry. The payment for the premium was approximately US\$2 million, and that occurred very late in this current year. But what obviously needs to happen is that the year that starts on 1 July 2009 needs to reflect the vast majority of that particular payment. So the amount appearing on the Schedule here is simply an accounting entry to set up an appropriation so that a portion of the US\$2 million that applies to the four-month period can be charged to this four-month period. In the end, Madam Speaker, the majority of the amount will be applied to the year that starts 1 July 2009.

Madam Speaker, honourable Members also questioned the Government Office Accommodation

project, Executive Asset-78. They questioned the amount included on the pre-appropriation Schedule of \$12.3 million (approximately) in this pre-appropriation period. The Ministry responsible for this project has informed that the project remains on target to be delivered within the overall project budget of \$85 million, that the expected 2009/10 full amount for this project is approximately \$39 million, and that the \$12.2 million (approximately) in the pre-appropriation Schedule reflects what has been agreed with the contractor. So this is what has been envisaged to take place within the four months to October, the \$12.2 million.

In concluding, Madam Speaker, I would like to thank all honourable Members of this House for their contribution to Government Motion No. 1 of 2009/10. The matters raised here have been addressed as best as we can.

I would like to thank all staff in the Portfolio of Finance and Treasury for all their hard work. In particular I would like to name Mrs. Sonia McLaughlin, Mr. Michael Nixon, Mr. Ronnie Dunn, Mrs. Debra Welcome, Mr. Terrance Outar and Ms. Sheila Thomas, for their great assistance in preparing and helping to provide information in connection with this Government Motion.

Madam Speaker, I should also say thanks to the staff of all statutory authorities and government companies for their help in arriving at this Schedule of Appropriations attached to the Motion.

Madam Speaker, I commend Government Motion No. 1 09/10 to all honourable Members of the House and ask for their support of the Motion.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Third Official Member.

The question is: BE IT NOW THEREFORE RESOLVED that for the period 1 July 2009 to 31 October 2009 the Governor in Cabinet be authorised to incur executive financial transactions totalling no more than C\$573,625,099 in aggregate, and not exceeding the limits specified for each of the following appropriation categories, further details of which are provided in the attached Schedule to this Motion:

Output Groups:	\$150,074,782
Transfer Payments:	\$16,619,783
Equity Investments:	\$64,735,354
Financing Expenses:	\$6,530,000
Other Executive Expenses:	\$11,632,513
Executive Assets:	\$26,432,668
Loans Made:	\$424,999
Borrowings:	\$297,000,000

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

**Ayes.**

**The Speaker:** The Ayes have it.

**An Hon. Member:** Can we have a division, please?

**The Speaker:** Madam Clerk.

**Division No. 1/09-10**

**Ayes: 15**

Hon. W. McKeeva Bush  
 Hon. Rolston M. Anglin  
 Hon. Juliana Y. O'Connor-Connolly  
 Hon. Michael T. Adam  
 Hon. Mark Scotland  
 Hon. George A. McCarthy  
 Hon. Samuel W. Bulgin  
 Hon. G. Kenneth Jefferson  
 Mr. Cline A. Glidden  
 Capt. A. Eugene Ebanks  
 Mr. Ellio A. Solomon  
 Mr. Dwayne S. Seymour  
 Mr. D. Ezzard Miller  
 Mr. Anthony S. Eden  
 Mr. V. Arden McLean

**Noes: 0**

**Abstention: 1**

Mr. Alden M. McLaughlin, Jr.

**The Speaker:** The result of the Division is 15 Ayes, 0 Noes and 1 Abstention.

**Agreed: Government Motion No. 1/09-10 passed.**

**The Speaker:** That is the conclusion of today's Order Paper. I would call on the Honourable Leader of Government Business to move a motion for the adjournment.

**ADJOURNMENT**

**Hon. W. McKeeva Bush:** Thank you much, Madam Speaker.

Madam Speaker, I move the adjournment of this honourable House until 10 am Wednesday, 1 July 2009.

Before we take the vote, Madam Speaker, I propose to make a statement on the adjournment.

**The Speaker:** So granted.

**STATEMENT ON THE ADJOURNMENT  
 (SO 11 (1))**

**Retirement of First Official Member  
 Hon. George A. McCarthy**

**Hon. W. McKeeva Bush:** Madam Speaker, Tuesday, 30 June 2009, marks a significant event for all in the Cayman Islands. Our First Official Member, Cabinet colleague, Chief Secretary, Head of the Civil Service, and former Financial Secretary, the Hon. George A. McCarthy, OBE, JP, retires—tomorrow being his last day of work with the Government.

His retirement marks the formal closing of a notable career spanning 36 and a half years of dedicated, distinguished and invaluable service in the public sector. Madam Speaker, his stellar contributions as Cayman's third Financial Secretary and the sixth Chief Secretary, under the current Constitution, have forever made a place for him in our country's history. It is no wonder that Her Majesty the Queen bestowed on him Officer of the Most Excellent Order of the British Empire (OBE) in her New Year's Honours back in 1994.

He has performed admirably over the years, like a master mariner guiding the good ship *Cayman* navigating challenging waters, perhaps turbulent financial waters of the 21<sup>st</sup> century.

It is indeed my privilege and, may I say, my honourable duty, to record the Government's heartfelt sentiments about these contributions to the financial progress of these Islands, where a pragmatic regulatory regime has been the norm. I am confident that I speak with one voice in these hallowed Chambers in expressing these sentiments today.

I have known and worked with him. He has been a Cabinet colleague for a number of years. I believe one of the reasons that he has been such a successful Head of the Civil Service and Financial Secretary is because he has traversed up the corporate ladder from the ground up and knows first-hand the challenges faced by employees at different levels. So I know he can empathise—a quality I have valued highly all my life.

Born in the Creek, Cayman Brac, on 21 January 1950, he had his schooling in Jamaica, as a number of Caymanians did in that era. He moved on from there to the United Kingdom to be educated in government accounting and auditing. He returned home and obtained an associate degree in applied science from the International College of the Cayman Islands. He then went on to study in the United States at Pace University in New York to get his bachelor's degree in accounting, graduating to study for his CPA.

He began his career in June 1968 as Temporary Clerk in the Cayman Islands Government in the Education Department, followed by a similar stint with the Customs Department. For the next five years he worked in the private sector in finance and banking, returning to the Civil Service as a Clerical Officer with Treasury in November 1974. He steadily continued up as Senior Clerical Officer, Higher Executive Officer, Assistant Internal Auditor and Internal Auditor to Deputy Financial Secretary.

In September 1989, he was attached to Ernst and Young to gain practical experience to qualify as a CPA, which he obtained in 1992. He was then elevated to Financial Secretary, a position in which he garnered sterling accomplishments for the Cayman Islands until November 2004. He then accepted his next challenge as Chief Secretary and the first Head of the Civil Service Portfolio with his customary unflappable efficiency.

So, Madam Speaker, I exaggerate not when I declare that in his case, the private sector's loss was a definite gain for the Civil Service. But his foray into the private sector certainly helped to form his pragmatic approach as Head of the Portfolio of Finance and Development. It laid the foundation for his unerring acumen to ensure a unified approach by the financial sector in meeting proactively head-on the increasing challenges for the Cayman Islands, particularly from overseas initiatives.

His steady hand at the wheel has helped Cayman not only stay the course but gain momentum as a world player, while at the same time steering clear of obstacles thrown at us by overseas entities coveting our financial progress.

It should come as no surprise that the Chief Secretary played a visionary role during Cayman's financial boom years in the 1990s. He brought to bear his genuine energy, commitment, and above all, a passionate zeal for these Islands retaining their edge in all things financial. Add to that his integrity, his hard work and leadership from the front, his unswerving ethics and his deep Christian faith and practice and we have a formidable personality in our Chief Secretary.

He has kept his finger firmly on the pulse of the actual needs of the Cayman Island's financial industry over the years. He regularly met and maintained a constant dialogue with industry principals as Chairman of the Private Sector Consultative Committee. As we are all aware, I have now revived the committee and named new members from both the public and private sectors. I held the first meeting of the day after I took office.

Madam Speaker, as Financial Secretary, he entered into a realm of changing global business practices. Through his significant and proactive contributions, he proved his mettle in Cayman's battle with the OECD and European Union over the years, when these dark clouds began to rain on our parade. Throughout the 1990s, considerable time of Government, and, therefore, his time, was taken up in articulating, detailing, arguing and ensuring Cayman's voice was clearly heard among all the principal players in the United Kingdom, the United States, the OECD, the FATF, the European Union and other entities.

Even to this day, Madam Speaker, I congratulate him for carrying the ball for successive elected governments with dignity and grace without being political. He played the pivotal role in coordinating measures that kept Cayman out of the OECD Black List in the early 2000s. His consistency and courage of conviction, which he never hesitated to display, not only gained us the proverbial foot-in-the-door, but also ensured that we were heard—and, may I add, with respect, Madam Speaker—at relevant international forums as well as in these Islands.

And the beauty of it all, Madam Speaker, is that he acted, as he does so well, with his signature unassuming and distinguished manner.

Another matter that began to rear its head during his 12-year tenure as Cayman's Financial Secretary was the European Union Tax Savings Directive, which we actively worked on to ensure that we were out of the shadow. Again, he played a stellar role in ensuring that Cayman was one of the first countries to show commitment and serious intent to remain one of the best regulated off-shore financial centres in the world.

Indeed, it was during his watch that Cayman proactively undertook a number of vital amendments to fine tune existing laws. He also played a critical role in the enacting of a number of significant laws such as our landmark Proceeds of Criminal Conduct Law that was spearheaded so ably by the then Second Official Member, and The Public Accountants Law that gives a healthy mix of legal provisions, regulations and autonomy to accountants to ensure this vital segment of the financial industry remains on the cutting edge.

By consistently liaising with the Hon. Attorney General, he has guaranteed that the Cayman Islands remain proactive to the needs of the industry and tailors and establishes an appropriate yet strict regulatory regime.

Madam Speaker, we can say that had it not been for the work that he did, as far as putting together a strong regulatory regime, that this country would have seen many more cases before the court. And some people would say that that is not a good thing, but it is. What it says to the world is that we have a strong regulatory regime—so strong, that you do not get that kind of investment. Therefore, we do not have those kinds of cases.

Madam Speaker, he served several years as the Chairman of the Caribbean Financial Action Task Force (CFATF), an offshoot of the FATF, and played a crucial role in raising its profile. He has also chaired the Board of the Caribbean Development Bank, providing the Cayman Islands a firm voice in the region.

Cayman's shipping registry grew considerably under his stewardship, so much so that he saw the pragmatic value of establishing the Cayman Islands Maritime Authority as an autonomous body, the Cayman Islands Stock Exchange and the Financial Services Secretariat for each of these entities to perform vital tasks that collectively maintain the vitality in the global financial industry.

We have said as a new Government, Madam Speaker, that although the Secretariat practically lay dormant for four years prior to now, it is being revived and made to play the useful role it is supposed to. Again, with the help of the Hon. George McCarthy.

His stewardship also positioned us well to ride through a storm the magnitude of Hurricane Ivan and its aftermath, and, may I add, all the other storms that have blown in from overseas.

Madam Speaker, I am watching the time because I am supposed to be at a church at three o'clock, but I could not miss this, Madam speaker.

I remember well when Hurricane Ivan took us. I remember well because when I took two hours to get from West Bay to George Town, the person who met me at the fire station was the Hon. George McCarthy. He said, "Mac, we are going to get through this. There are going to be a lot of problems for you as the Leader, but we are going to get through this." And he offered his help.

This country at that time could not have had the kind of results we did if it were not for him being at the wheel. It was just about the time when a new Financial Secretary was taking over and he was going into the post of Chief Secretary. But his guidance, his strength of character against the things that were trampling us at the time . . . it was not politics, Madam Speaker. He saw his duty as a good civil servant. He played no politics.

As we all know, presenting the budget annually is no mean task, and Mr. McCarthy always rose to the occasion every single time, putting his stamp on the process.

As Financial Secretary, and later as Chief Secretary and Head of the Civil Service, he was at the vanguard of efforts to streamline the way Cayman's public sector conducts business internally.

Madam Speaker, during his watch, and ably assisted by his hard-working complement of Civil Service personnel, reforms driven off a single model and supported by legislation were articulated, debated, codified and finally implemented in all areas of governmental activity—finance, personnel, public authorities and the Civil Service. As a result, Cayman has changed the way it does government's business.

We have in place the Public Management and Finance Law that now drives Cayman's central and decentralised budgeting process. The reforms include an output accruals budget, a three-year focus rather than one year, an overall public sector focus, a new appropriations system based on outputs and not inputs, and ensuring the principles of good fiscal management are embodied in the law including surplus, debt ratio and cash reserves.

In those days we had them. And while I pay tribute to him, I pay tribute to governments, including mine at the time, that came out with one of the biggest surpluses the country ever saw at that time—it is history—and money in government's account. We took it from \$10 million to well over \$105 million in government accounts at the end of May 2005 (or, at least by May 7, 2005). Good work, Madam Speaker. Good Government.

The Public Service Management Law employs business principles in the Civil Service. Its key features include its explicit focus on results, changing the emphasis to outputs and outcomes, improved financial measurement through accrual accounting, improved accountability starting with Cabinet as well as Chief Officers, and greater delegation of input authority for human resources and finance to managers.

Over the past five years, Mr. McCarthy has guided the Civil Service with all his considerable skills incisively yet humanely, since he understands so well that the greatest asset of the Islands' Civil Service is its personnel functioning as a cohesive unit in the service of the people.

Madam Speaker, it would be most remiss of me if I did not mention his Christian heritage and practice. He has served for a number of years as a church elder and displays these qualities in all walks of his life. He practices what he imbibes in church. He has encouraged prayer groups in government departments, an action that reflects his conviction about the unshakeable place of God in every human endeavour. Also, he has been an active leader in the Gideon movement in the Cayman Islands.

I can say that he has been an inspiration to me, because this Christian walk is not an easy one, especially when you come to the Floor of this House. It is not easy, Madam Speaker. But he prayed for us, and when he prays even for a simple meal, he does not leave out anybody—Opposition, Governor, Government, the people, our families, all who serve in Government. That is the kind of person we have in him.

He is a devoted family man and an inspiration to the community in this regard. He is the proud and greatly supportive husband to his accomplished wife Alliyah, and a super dad to their talented daughters Schwannah and Schmarrah. I remember when they started college. I would hear him talking to them on the phone. He's a good father. He is deeply involved in educating his daughters.

I will never forget when one of them got sports person of the year. I was sitting behind him and he turned around and said, "Now Mac, I have to congratulate you because I wasn't too sure about the expenditure for the sports facilities." And he said, "Now I see that it is paying off, not just to my daughter this morning, but in so many other young people". And how true!

I do remember that day, Madam Speaker, when I took [a paper] for the Truman Bodden Centre to be built. I had no support, or those who told me that they were going to support me did not open their mouth when I went to Cabinet. So, it was put off. And I went to the then Minister of Education and I said "You didn't know I was going to name this after you?" The next Tuesday it passed without *quehey* being said.

Ah, Madam Speaker, the joys of politics.

I began by saying that the curtain falls on a distinguished career. But, as I have already announced, it is only the closing of one door for him. His talents and assets are far too valuable to be turned off at his retirement. I don't like this 60-thing anyway. So I asked, and he has accepted, that after a brief respite from active duty he will assume a key role in Government's renewed efforts in the Financial Services segment. And I say here—I have not asked any permission from him to say it, but he has accepted—he will

be the new Chairman of the Monetary Authority Board.

When I knew that he was going I asked him how long he needed to be off and he did not ask me what I wanted, he just said, *give me a couple of days and I am willing to come back to do whatever*. He is needed. So I am going to hold him to that and as soon as possible he will be called upon. There is far too much the country needs at this time for George McCarthy to go home to rest. Not yet! He will assume a key role as he did so many times in the past and just a few days ago in Europe in keeping the good ship *Cayman* on an even keel.

A new Government needs that kind of advice, Madam Speaker. We can't get that kind of sage advice anywhere. It is like you, Madam Speaker. I'm not saying you are getting old! I would not say that, Madam Speaker. I'm not saying that he is getting old. And, as I said, this 60-thing . . . I don't like it either.

So let me say to him on behalf of my Cabinet and this honourable House, enjoy your well deserved freedom with your family while it lasts, and I look forward to your return to the work that you are so good at. My Cabinet colleagues and I anticipate receiving your advisory input and working with you once again, albeit in a different role.

I thank you, Madam Speaker. And I thank the Honourable Chief Secretary for all he has done for the people of these Islands.

Madam Speaker, I will have to run at this point as there is a funeral that I have to be at which is for a former colleague, another good civil servant. But I thank, Mr. McCarthy, for all that he has done and ask God to continue giving him health and strength so that he can continue giving us his advice.

Thank you.

**The Speaker:** Thank you, Honourable Leader of Government Business.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

Honourable Chief Secretary.

**Hon. George A. McCarthy:** Madam Speaker, there are times when words are not easy to come by and this is one such occasion.

My colleague to my right, the Honourable Attorney General, said to me that I should not cry.

[laughter]

**Hon. George A. McCarthy:** And the Honourable Financial Secretary looked over and said, "It seems as if you are crying." But, Madam Speaker, today I'm humbled by the remarks of the Honourable Leader of Government Business, Premier Designate. It has been a privilege and joy for me, and, at times, trepidation, to have served in this honourable House since 1 April 1992.

Madam Speaker, as I listened to the contributions that were enumerated by the Honourable Leader of Government Business, I can only think in terms of the privilege that this country has afforded me to have been a part of all that that the Honourable Minister has outlined. He himself has played a significant and integral role in all of that, and has provided leadership. I thought to myself as he was reading, *How could he have remembered so many things?* But, on reflection, I recognised that he was all part of the processes that he outlined; a significant and integral part.

Madam Speaker, today will be the last sitting for me as a Member in this honourable House. And, as I said earlier, it has been a privilege. The good ship *Cayman* is on a steady course, in a bit of turbulence at this time, but that is not particularly unique to the Cayman Islands. It is within the world community. But, Madam Speaker, like all honourable Members, I am very much optimistic that we will continue to ride until we get into calmer waters. The reason is the way this wonderful country has always been crewed.

We have always been a God-fearing community, and we have always been a Christ-centred community. As long as we keep our focus on God, seeking His direction, seeking His guidance, we will have absolute assurance and we can have confidence that with the difficulties that we are in, or in what lay ahead . . . we will overcome all of this.

What is wonderful, Madam Speaker, is that being in this honourable House we are here as stewards. We are not here as bosses. We are not here to laud it over the man that is out there on the street. It is a privilege to serve. As I said earlier today, God himself in the person of Christ Jesus, who now sits at the right hand of the Supreme Being, God, the Creator of this universe, on the night before he was crucified took off his robe and wrapped a towel around his waist and washed the feet of his disciples. Anyone wanting to make a contribution to the legacy of the Cayman Islands will have to take that position—a position of humility and one of willingness to serve.

We have in this honourable House wonderful Members—individuals who are very committed and altruistic—both on the Government side and on the Opposition side, Madam Speaker. But I will suggest to all of these honourable Members that wisdom is not manufactured. We must submit our plans to God if we are to have any success in what we do.

In Proverbs chapter 3:5 and 8, it says, "Trust in the LORD with all your heart; and lean not on your own understanding. In all your ways acknowledge him, and he will direct your path." And that, Madam Speaker, is a foundation of wisdom.

In the Book of Colossians we are told: "Whatever you do, do it heartily, as to the Lord, and not to men; knowing that from the Lord you will receive the reward of the inheritance: for you serve the Lord, Christ."

Each breath that we take on a daily basis, Madam Speaker, moment by moment, is a gift to us

by God and we are accountable to Him. Therefore, we should regard the privilege of being here as very sacred knowing that we are accountable to our Maker. It is a privilege to serve and to be in the service of our fellow human being.

Madam Speaker, I leave here today with mixed feelings. I am sad to know that this is going to be the last day I will be sitting here as a Member of this honourable House. But what is wonderful, Madam Speaker, is to know that there are very able Members in this honourable House, guided by yourself as the Honourable Speaker, to continue to direct the affairs of the Cayman Islands community. There are others out there who are full of energy, who are being equipped to take over from persons such as myself and others who are here when that time comes about.

Madam Speaker, we are in a beautiful, beautiful country. We oftentimes take it for granted. We can drive from one end of Grand Cayman to the next; one end of Cayman Brac to the next; one end of Little Cayman to the next. In fact, we don't even have to drive, we can walk. Invariably if someone stops along the way it is to offer a helping hand.

I remember on one occasion I went on a training course for the International Monetary Fund and I was going home that afternoon walking with a gentleman who was also on that training course from Jamaica, Derick Latibeaudiere. He is presently the Governor of the Bank of Jamaica. We got in front of an Eckerd Drug Store and there was a man who had a coat folded around him and you could see that he was going along with great strain. He fell in front of us. The natural inclination at that time was to reach to help and Derick cautioned me and said, "George, remember this is the United States, be very careful in terms of what you do." And some nuns rushed out from the drug store and provided necessary assistance.

I thought to myself that in the Cayman Islands people will probably make up stories about you, they will do things sometimes and say things that may not necessarily be as truthful as they should be. But you know that no human being is going to fall by the way here and another person pass him by without extending a helping hand.

We have a wonderful community. It is up to us to nurture it, to cherish it, and to do our endeavour best to pass this on to future generations. And in whatever capacity we serve, we should do so to the best of our abilities because at the end of the day we are only going to be here for a short period of time and what is going to make the difference is how we live and how we act and the lives that we have impacted.

More importantly, Madam Speaker, we should all be turning our attention to our young people. Often we hear about drugs, we hear about the deviant activities in which they are involved; but they are facing some serious challenges. And when we look in terms of the influences to which they are subjected, all we

need to do is to turn on BET and some of the other media channels and see what is there.

Madam Speaker, despite all of this and the mix of things that we have to deal with, if we continue to seek the guidance of God, I am confident, like many throughout the Cayman Islands community, that the good ship *Cayman* will continue to sail and remain on a steady course.

Thank you.

**The Speaker:** Thank you, Honourable First Official Member.

Before I call for the vote, I would like to add my thanks for your years of service to this country. The Cayman Islands has benefited from your knowledge and your consistent service. That is what has built the stability of the Cayman Islands, people like yourself who have served us year after year consistently. Governments may come and go, but people like you have held the ship on a firm course.

Thank you very much sir. We appreciate your service.

I will now call for the vote.

Sorry, Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, before the vote is taken Ma'am, the Opposition would like some indication as to what business there will be on Wednesday, because as far as we are aware we have completed the business that has come down to the House. We are not objecting; we would just like to know what business there is on Wednesday. The Leader indicated that we would be adjourning until Wednesday.

**The Speaker:** Honourable Minister for Education and Employment.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, we do need to call a quick meeting of the Business Committee. As I understand, there are a couple of reports that are ready. I think the Public Accounts Committee (PAC) has a report and I think there may be a Complaint Commissioners' report. There are a couple of reports that we would just like to dispense with so that we can get those out as quickly as possible.

**The Speaker:** Thank you.

The question is that this House do now adjourn until 10 am, Wednesday, 1 July 2009. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**At 3.13 pm the House stood adjourned until 10 am  
Wednesday, 1 July 2009.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**1 JULY 2009**  
**10.33 AM**  
*Third Sitting*

**The Speaker:** I invite the Honourable Leader of Government Business to say Prayers.

**PRAYERS**

**Hon. W. McKeeva Bush:** Let us pray.

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, honour 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, the Opposition 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 resumed at 10.36 am**

**The Speaker:** Proceedings are resumed.

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

**Apologies**

**The Speaker:** Once again, I must apologise for the late start.

We have apologies for absence from the Honourable First Official Member and from the Honourable Minister of Education, Training and Employment. The Honourable Minister for District Administration, Works and Gender Affairs has sent apologies for late arrival.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**Report of the Standing Public Accounts Committee on the Special Report of the Auditor General on the Caribbean Utilities Company Limited Summary Report and other activities to date including the schedule to dispose of the backlog of Reports**

**The Speaker:** I call on the Chairman of the Public Accounts Committee, the Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

In accordance with Standing Order 77, I beg to lay on the Table of this honourable House the Report of the Standing Public Accounts Committee on the Special Report of the Auditor General on the Caribbean Utilities Company Limited Summary Report and other activities to date including the schedule to dispose of the backlog of Reports.

**The Speaker:** So ordered.

Does the honourable Member wish to speak on this Report?

**Mr. D. Ezzard Miller:** Yes, Madam Speaker, thank you.

The Standing Public Accounts Committee, which was established by this House on 27 May, has held four meetings to date. The Minutes that are attached to the Report reflect the deliberations of each of these meetings.

The work of the Committee at these meetings concerned itself mainly with the backlog of reports that have accumulated over the past four years. There are some 10 such reports, some dating back as far as March 2005.

The Committee resolved itself to dispense with all of these reports in time for them to be tabled in the September meeting of this honourable House. These 10 reports include:

1. Special Report – Caribbean Utilities Co Ltd – Summary (which is being dispensed by tabling it today);



2. Special Report – The Affordable Housing Initiative;
3. Auditor General's Report on Government financial statements Year Ended 30 June 2004
4. Port Authority: Tendering and Construction of the George Town and West Bay Cruise Ship Terminals;
5. Hurricane Ivan Insurance Settlement and Equity Investment in Cayman General;
6. Review of Debt Financing Arrangements for Boatswain's Beach;
7. Special Report on the State of Financial Accountability Reporting;
8. Value for Money (VFM) Audit – The Scrap Metal Tender and Contract with Matrix International Inc;
9. VFM Audit – Purchase of a Helicopter by the Royal Cayman Islands Police;
10. VFM Audit – Pedro St James – Review of Gasoline charges July 2003-April 2007.

Madam Speaker, the Committee has also resolved itself to keep current and deal with any reports that may be presented to it in a timely basis.

The papers considered by the Report in accordance with the provision of Standing Order 77 were the Special Report of the Auditor General on Caribbean Utilities Co Ltd, Summary Report. It considered the remaining backlog of reports and set a schedule of meetings to dispense with these reports commencing 27 July 2009.

The Chairman and members of the Committee are: Ezzard Miller, as Chairman; Mr. Cline Glidden, Jr.; Mr. Ellio Solomon; Mr. Dwayne Seymour; and Mr. Moses Kirkconnell. The Committee held meetings on Wednesday, 10 June, Wednesday, 24 June; Thursday, 25 June; and Tuesday, 30 June 2009. The attendance of the members at these meetings is recorded in the Minutes to the proceedings, which are attached and form part of this Report.

Other persons in attendance at the meeting were Mr. Dan Duguay, Auditor General and Mr. Garnet Harrison, Deputy Auditor General.

In accordance with the provisions of Standing Order 77(4), the Committee may invite Controlling Officers and support staff to give information or explanation to assist the Committee in the performance of its duties. It was duly considered in this case that no witnesses were required for this Report.

The Committee agreed that, in accordance with the provisions of Standing Order 77 (6), its meetings at which Controlling Officers are invited to provide information should be held in an open forum. This decision was taken to promote openness and accountability in Government.

Introduction and comments on the Caribbean Utilities Report: Due to the passage of time, the advent of the new license with Caribbean Utilities Company, and in the interest of promptness, the Committee considered the issues raised in the Special Report of the Auditor General on the Caribbean Utilities Company Limited Summary Report without the need for calling witnesses forward.

There are no specific recommendations in the Report from the Auditor General; however, the Committee noted several concerns and issues communicated in the Report and wish to make the following recommendations:

- that any ongoing or future negotiations should be cognizant of the concerns raised in this Report and work towards mitigating those concerns; and
- that the Auditor General review the new license with Caribbean Utilities Company Limited to ensure it adequately addressed the issues and concerns raised in the Report.

Madam Speaker, there are three reports before the Committee (announced earlier) which have not yet been reported to the public because they were presented to the Public Accounts Committee prior to the decision being made that reports would be released to the public at the same time that they are presented to the PAC for its deliberations. Those reports are:

- Special Report – Caribbean Utilities Co Ltd – (That one has been dealt with by the PAC and is being tabled as part of this Report today so that it can now be released to the public.)
- Special Report on the Affordable Housing Initiative.
- Auditor General's Report on Government financial statements Year Ended 30 June 2004.

The Committee has set down a week, Monday 27 July through 31 July, to meet and dispense with the other nine reports to have them ready to be reported in the September Meeting of the House.

I want to thank the members of the Committee for their commitment and work to complete this exercise.

The Committee is most appreciative of the efforts of the Auditor General and his staff in presenting a very fair, detailed and informative Report on the Caribbean Utilities Company Limited Summary Report and for the support, assistance and constructive advice given throughout its deliberations.

Finally, I wish to thank the staff of the Legislative Assembly for the assistance they have provided. Madam Speaker, here I must make special mention of

the staff because at this particular time the Legislative Assembly is rather short staffed and they have managed to accommodate and assist the PAC in meeting as frequently as it has over the past several weeks and in producing the necessary report. For that I would like to express the sincere and heartfelt gratitude of myself and members of the Committee.

The Committee agrees that this Report be the Report of the Standing Public Accounts Committee to the House on the Special Report of the Auditor General on the Caribbean Utilities Company Limited Summary Report, and other activities to date, including the schedule to dispose of the backlog of Reports.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Member for North Side.

**Do Government Entities hear their customers? An Audit of their Internal Complaints Processes—Own Motion Investigation Report Number 11, prepared by the Office of the Complaints Commissioner, dated 22 October 2008**

**The Speaker:** Third Elected Member for West Bay.

**Mr. Cline A. Glidden, Jr.:** Thank you.

Madam Speaker, in my capacity as Chairman of the Committee of the Legislative Assembly responsible for overseeing the Office of the Complaints Commissioner, I beg to lay on the Table of this honourable House the Report, Do Government Entities hear their customers? An Audit of their Internal Complaints Processes.

**The Speaker:** [So ordered].

Do you have anything to say on that Report, sir?

**Mr. Cline A. Glidden, Jr.:** No, Madam Speaker.

**The Speaker:** Thank you.

**Annual Report 2006-07—Third Annual Report of the Office of the Complaints Commissioner of the Cayman Islands addressing the Fiscal Year July 2006 to June 2007**

**The Speaker:** Third Elected Member for West Bay.

**Mr. Cline A. Glidden, Jr.:** Madam Speaker, I beg to lay on the Table of this honourable house the Annual Report 2006-07—Third Annual Report of the Office of the Complaints Commissioner of the Cayman Islands addressing the Fiscal Year July 2006 to June 2007.

**The Speaker:** So ordered.

Do you wish to speak to that Report?

**Mr. Cline A. Glidden, Jr.:** No, thank you, Madam Speaker.

**Written Complaint Number CO708-10859 made 28 September 2007, and the Department of Immigration—Refund Request Processing—Special Report to the Legislative Assembly, prepared by the Office of the Complaints Commissioner, dated 26 November 2008**

**The Speaker:** Third Elected Member for West Bay.

**Mr. Cline A. Glidden, Jr.:** Thank you, Madam Speaker.

I beg to lay the Report, Written Complaint Number CO708-10859 made 28 September 2007, and the Department of Immigration—Refund Request Processing.

**The Speaker:** So ordered.

Do you wish to say anything further on that Report?

**Mr. Cline A. Glidden, Jr.:** No, thank you, Madam Speaker.

**Appropriate Disposal of Electronic Data Storage Containers (EDSCs) Own Motion Investigation Report Number 13, prepared by the Office of the Complaints Commissioner, dated 7 April, 2009**

**The Speaker:** Third Elected Member for West Bay.

**Mr. Cline A. Glidden, Jr.:** I beg to lay on the Table the Appropriate Disposal of Electronic Data Storage Containers (EDSCs) Own Motion Investigation Report Number 13, prepared by the Office of the Complaints Commissioner, dated 7 April, 2009.

**The Speaker:** So ordered.

Do you wish to speak to that Report?

**Mr. Cline A. Glidden, Jr.:** No, Madam Speaker.

**Public Service Pension Board: Failure to comply with certain statutory obligations? Own Motion Investigation Report Number 12, dated 16 February 2009**

**The Speaker:** Third Elected Member for West Bay.

**Mr. Cline A. Glidden, Jr.:** Thank you.

I beg to lay on the Table of this honourable house, The Public Service Pension Board: Failure to comply with certain statutory obligations? Own Motion Investigation Report Number 12, dated 16 February 2009.

**The Speaker:** So ordered.

Do you wish to speak on that Report?

**Mr. Cline A. Glidden, Jr.:** No, thank you, Madam Speaker.

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** Honourable Third Official Member, responsible for the Portfolio of Finance and Economics.

### Statement in Respect of the Forecast Results to, and Forecast Position at, 30 June 2009, and Other Aspects of Public Finances

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

Madam Speaker, let me start by thanking you for the opportunity to make this important statement which I am confident is in the public's interest. As I speak, Madam Speaker, the Serjeant is now distributing copies of the statement to all honourable Members of the House. I should also say, Madam Speaker, that an appropriate number of copies have been delivered to the Legislative Assembly for members of the press and members of the public who may wish to obtain a copy of the statement.

Madam Speaker, this statement is entitled: "Statement by the Financial Secretary in Respect of the Forecast Results to, and Forecast Position at, 30 June 2009 and Other Aspects of Public Finances." The purpose of this statement is to provide actual and forecast information on the key areas of public finances and to address the major points made in a 24 June 2009 published statement by the Honourable Leader of the Peoples Progressive Movement.

This statement is dated 1 July 2009, and its timing does not in any way reflect any tardiness in replying to, nor does its timing indicate any agreement with, the 24 June 2009 statement. Its timing simply reflects the fact that the Financial Secretary has been off Island on official Government business from 13 June 2009, and his first day back to work was on 26 June 2009. The information in this statement will detail:

1. the key areas of the state of the public finances;
2. misconceptions commonly held by the public;
3. a timeline between 21 October 2008 and 28 May 2009, where financial positions and forecasts were formally and informally given to Cabinet, including the forecast that showed the forecast CI\$68 million deficit in respect of the year ended 30 June 2009, made known to Cabinet as early as 9 February 2009;
4. that the Leader of Government Business and all other Ministers and Members of the former Cabinet along with various staff throughout the Civil Service actively took part in decreasing the forecast deficit of CI\$68 million to the CI\$29 million deficit that was presented in the

2008/9 1<sup>st</sup> Supplementary Budget presented to the Legislative Assembly on 20 March 2009;

5. information from the 28 May 2009 forecast financial results and position that was presented to the new Government, the current Government;
6. detail key factors that contributed to the CI\$68 million and CI\$74 million forecast deficits; and
7. provide answers to questions asked by the Honourable Leader of the Opposition in his 24 June 2009 statement.

### Key areas of the state of public finances in the Cayman Islands

#### The Entire Public Sector Debt

One of the key areas of the state of public finances is the level of borrowing by central Government by its Statutory Authorities and Government-owned Companies. These bodies are collectively called the "Entire Public Sector." The Entire Public Sector debt consists of the debt position of central Government and that of its Statutory Authorities and Government-owned Companies.

The Public Management and Finance Law (the PMFL) requires consolidated financial statements to be produced in respect of debt. This involves showing the debt position of central Government as well as that of its Statutory Authorities and Government-owned Companies.

The PMFL took effect on 1 July 2004, and the first full year under its regime ended on 30 June 2005. This is often referred to, Madam Speaker, as being the 2004/5 financial year.

The actual debt position of central Government its Statutory Authorities and Government-owned Companies for the financial years 2004/5 to 2007/8, along with a forecast debt position for 2008/9 (that is, the position at 30 June 2009), is as follows (and these are in millions of Cayman Islands dollars):

- Debt Balances as of 1 July 2004, \$151 million (this is central Government debt). Loans Drawn Down in that Financial Year, \$15 million (a subtotal of \$166 million), less Loan Repayments during that Financial Year, \$10 million. So that at 30 June 2005, the central Government debt balance was \$156 million.
- In respect of the following and next year, the 2005/6 year, Debt Balances as of 1 July (which is obviously a carry forward from the previous year's close) was \$156 million. During the 2005/6 year Loans Drawn Down in that year was \$24 million. Therefore, there was a subtotal of \$180 million prior to Loan

Repayments during that Financial Year. Loan repayments during that Financial Year were \$13.8 million. So, at 30 June 2006, the central Government debt balance was \$166.2 million.

- In respect of the year 2006/7, the opening Debt Balance at the beginning of that year was \$166.2 million. Loans Drawn Down during that year, \$23 million. The subtotal was \$189.2 million. Loan repayments occurred during the year to the magnitude of \$15.1 million. So, at 30 June 2007, the central Government debt balance was \$174.1 million.
- In respect of the year 2007/8, the opening Debt Balance on 1 July 2007 was \$174.1 million. Loans Drawn Down during that year, \$129.8 million, for a subtotal of \$303.9 million. When we subtract Loan repayments during that year of \$17.9 million, we arrive at a closing Debt Balance position at 30 June 2008 of \$286 million.
- In respect of the year 2008/9, the 1 July opening balance was \$286 million in respect of central Government debt. Loans Drawn Down during this 2008/9 year, Madam Speaker (which closed yesterday, 30 June 2009), were \$154 million, for a subtotal of \$440 million. Loan repayments that have taken place during the 2008/9 Financial Year were \$23.5 million.

So, Madam Speaker, at 30 June 2009, the central Government debt position is expected to be \$416.5 million.

Madam Speaker, the debt position of Statutory Authorities and Government-owned Companies is as follows (these are in Cayman Islands dollars):

- In respect to the 2004/5 year, the total debt as at 30 June 2005 was \$132.6 million. And, Madam Speaker, this would be the collective position of all the Statutory Authorities and Government-owned Companies.
- In respect of the year ended 30 June 2006, the debt position of Statutory Authorities and Government Companies was \$146 million.
- In respect of the year ended 30 June 2007, the total debt of Statutory Authorities and Government Companies was \$153.8 million.
- In respect of the year ended 30 June 2008, the debt position was \$169.2 million.
- In respect of the year ended 30 June 2009, the debt position of Statutory Authorities and Government-owned Companies was \$173.9 million.

When we add the central Government debt position along with the debt of Statutory Authorities and Government-owned Companies, we arrive at the Entire Public Sector debt. So, in respect of the year ended 30 June 2005, the total debt for the Entire Public Sector was CI\$288.6 million.

For the year to 30 June 2006, the combined figure was \$312.2 million. And for the year ended 30 June 2007, the Entire Public Sector debt was \$327.9 million. For the year to 30 June 2008, the combined figure representing the Entire Public Sector debt was \$455.2 million. And for the year to 30 June 2009, the Entire Public Sector debt was \$590.4 million.

### Debt Service Ratio

Madam Speaker, the Debt Service Ratio: The Public Management and Finance Law defines the debt service ratio to be Government's loan principal repayments plus its interest expenses during the course of a financial year. That combined amount is expressed as a percentage of revenue for that same financial year. And the Public Management and Finance Law specifies that this percentage should not exceed 10 per cent.

In respect of central Government's debt position, the movement in the debt service ratio over recent financial years and the forecast ratio at 30 June 2009 is as follows. The debt service ratio in respect of the year:

- to 30 June 2005, 4.5 per cent
- to 30 June 2006, 4.8 per cent
- to 30 June 2007, 4.6 per cent
- to 30 June 2008, 5.3 per cent
- to 30 June 2009, the debt service ratio is expected to be 8.1 per cent.

The clear implication of this movement is that, as from 1 July 2009 onward (today and in the new financial year, unless there is a significant increase in Government's revenue) Government is nearing the limit as to the amount of borrowings it can undertake because the debt service ratio is approaching its 10 per cent limit.

### Surplus and Deficit Results in the Entire Public Sector

The actual surplus and deficit results for central Government, Statutory Authorities and Government-owned Companies for the financial years 2004/5 to 2007/8, along with forecast results for 2008/9 (that is, the year to 30 June 2009), are as follows (and again the figures are in Cayman Islands dollars).

- For the year ended 30 June 2005, the Surplus of central Government was \$42.6 million. The deficit combined result for Statutory Authori-

ties and Government-owned Companies was \$8.7 million. Therefore, the Entire Public Sector result for the 2004/5 year was a net surplus of \$33.9 million.

- For the year to 30 June 2006, there was a Surplus by central Government of \$63.6 million. Statutory Authorities and Government-owned Companies had a combined net deficit of \$4.2 million. The entire public sector, to June 2006, enjoyed a surplus of \$59.4 million.
- For the year to 30 June 2007, central Government had a surplus of \$68.9 million. The net operating results of Statutory Authorities and Government-owned Companies led to an overall deficit of \$9.5 million. Combining the central Government surplus with the net deficit of the Public Authorities and Government-owned Companies of \$9.5 million, at the end of the year 30 June 2007, the Entire Public Sector had a net surplus of \$59.4 million.
- For the year to 30 June 2008, central Government had a surplus of \$27.3 million. Statutory Authorities and Government-Owned Companies had a combined net deficit of \$16.6 million. Combining these two amounts led to the Entire Public Sector having a combined surplus position of \$10.7 million.
- In respect of the year to 30 June 2009, our forecast for central Government is a deficit of approximately \$55.2 million. We have been informed by the Statutory Authorities and Government-owned Companies that their combined net deficit for the year will be \$18.5 million.

Madam Speaker, when you put those two numbers together, the Entire Public Sector in respect of the year 30 June 2009 is expected to have a deficit of approximately \$73.7 million, which, Madam Speaker, I believe in the media has been rounded to approximately \$74 million in deficit.

The surpluses earned by central Government from 2004/5 to 2007/8 can be attributed in a large extent to the tremendous increase in the volume of imports to aid the recovery of the Islands following Hurricane Ivan and other revenues arising from construction activity in the rebuilding of Grand Cayman.

### **Principles of Responsible Financial Management**

The Public Management and Finance Law specifies that central Government must comply with the following Principles of Responsible Financial Management:

- a) central Government's revenue must exceed its expenses;
- b) central Government's assets must exceed its liabilities;
- c) central Government's debt service ratio shall not exceed 10 per cent;
- d) its Net Debt Ratio should not exceed 80 per cent of central Government's revenue; and
- e) central Government's cash balances should be sufficient to be able to cover 90 days of Government's expenses.

At 30 June 2009, central Government is expected to:

- i) incur a deficit—and we just heard the forecast deficit for central Government for the year to June 2009 of \$55.2 million;
- ii) have a Net Debt Ratio of 85.9 per cent—which exceeds the 80 per cent limit set in the Law; and
- iii) have total cash balances that could cover 64.7 days of Government's expenditures—which is below the 90 day minimum coverage specified in the Public Management and Finance Law.

It is therefore forecast, Madam Speaker, that all of the Principles of Responsible Financial Management will not be satisfied at 30 June 2009.

Madam Speaker, section 34(3) of the Public Management and Finance Law specifies that in the event of limits for the Debt Service Ratio, the Net Debt Ratio and the expenditure coverage by cash balances not being satisfied, the Government of the Cayman Islands must obtain approval from the Foreign and Commonwealth Office of the United Kingdom's Government to incur borrowings. As it is forecast that the limits for the Net Debt Ratio and the expenditure-coverage days will not be satisfied at 30 June 2009, the Government of the Cayman Islands will have to obtain explicit approval from the UK Government to incur future borrowings. This is an unfortunate first for the Cayman Islands. Until compliance with the relevant Principles of Responsible Financial Management is achieved, all future borrowings will require the approval of the UK Government.

### **Cash balances of the Government**

Madam Speaker, the cash resources of the Government can be put into two broad categories: amounts in its Current or Chequing Account and the balance in Fixed Deposit Accounts which represent certain Restricted Funds.

Amounts in Government's Current/Chequing Account are balances which are available to meet Government's day-to-day expenditure needs. These

balances do not require special approval from the Legislative Assembly for their use.

In contrast, Restricted Funds, which were generally established by resolutions of the Legislative Assembly and/or Finance Committee, require the specific authority of the Legislative Assembly and/or Finance Committee before such balances can be used. The dominant accounts within the Restricted Funds category are the General Reserves Fund and the Environmental Protection Fund—dominant, Madam Speaker, by virtue of their size.

The cash balances at the end of recent financial years and the forecast for the year to 30 June 2009 are as follows (and, again, the amounts are in Cayman Islands dollars):

- Government Cash Balances in its Current/Chequing Account at end of 2004/05 was \$49 million. In its Restricted Fund accounts at end of that same Financial Year (30 June 2005) the balance was \$57 million, for a total cash balance at 30 June 2005 of \$106 million.
- In respect of the year to 30 June 2006, in its Current/Chequing Account Government had cash balances of \$34.9 million at end of that year. In its Restricted Fund Accounts it had \$52.2 million. So at the end of June 2006, the total cash balances of the central Government were \$90.1 million.
- For the year to 30 June 2007, Government had in its Current/Chequing Account \$38.3 million. In its Restricted Fund Accounts it had \$63.4 million. So at the end of June 2007, the total cash balances of the Government were \$101.7 million.
- In respect of the year to 30 June 2008, in its Current/Chequing Account at the end of that year, Government had cash balances of \$69.4 million. In its Restricted Fund Accounts at the end of that year it had a total of \$70.5 million. So, at the end of June 2008, the total cash balances of the Government were \$139.9 million.
- In respect of the year to 30 June 2009, in its Current/Chequing Account at end of that year, Government is expected to have approximately \$16.8 million. In its Restricted Fund Accounts, at the end of that year it is expected to have \$74.4 million. So at the end of June 2009 the total cash balances of the Government are expected to be \$91.2 million.

Since the Restricted Fund accounts are not free for day-to-day use it is quite proper for any government to concentrate on the amount of cash it has in its Current/Chequing Account. In respect of the year

starting 1 July 2009, Government is forecast to have CI\$16.8 million in its Current Account.

### **Misconceptions commonly held by the public**

There are certain misconceptions that exist in the minds of the general public and it is necessary for the Financial Secretary to state the following facts:

1) The Financial Secretary does not have the authority to single-handedly determine how Government's resources are spent—this comes from a majority, collective decision-making process in Cabinet which presently consists of five Ministers and three Official Members who collectively reach a decision and recommend that position to the President of Cabinet, His Excellency the Governor.

However, expenditures of any government are driven or led by the policy considerations of elected Ministers.

2) central Government is now divided into 13 accounting entities—consisting of 5 Ministries, 4 Portfolios and 4 other offices (the Cabinet Office, Office of the Auditor General, Office of Complaints Commissioner and the Information Commissioner's Office).

3) Each Ministry, Portfolio and Office is responsible for the production of its own set of financial statements and this function is carried out by Chief Financial Officers (CFOs) that work in those Ministries, Portfolios and Offices.

4) CFOs report to the Chief Officer of the Ministry/Portfolio/Office and not to the Financial Secretary.

5) Chief Officers do not report to the Financial Secretary and therefore the Financial Secretary cannot hold a Chief Officer accountable for the non-delivery of their Ministry's, Portfolio's or Office's financial statements or annual reports.

6) Chief Officers agree their budget submissions with their Minister or Official Member.

7) On a monthly basis, Ministers and Official Members of Cabinet sign-off for payment invoices that are presented to Ministers and Official Members by their Chief Officers.

8) Each Minister and Official Member is responsible for tabling their Ministry, Portfolio and Office financial statements in the Legislative Assembly.

### **Initial Budget Forecasts for the year to 30 June 2009**

I now wish to present details that occurred between 21 October 2008 and 5 May 2009—a period during which the former Cabinet was provided with significant financial results and positions.

Initial Budget Forecasts for the year to 30 June 2009: The initial budget for the year to 30 June 2009 indicated that there would be a surplus for that year of \$13.5 million (approximately). This budget was finalised as of 29 April 2008. It was presented to the Legislative Assembly and it was approved by the Legislative Assembly on 25 June 2008, just prior to the start of the 2008/9 financial year on 1 July 2008.

The 21<sup>st</sup> of October 2008 saw the first forecast financial results to, and position at, 30 June, 2009. On 21 October 2008 a Cabinet Note was prepared by the Portfolio of Finance & Economics and it was presented to the Cabinet. The Note showed forecast financial results to, and the financial position at, 30 June 2009. The 21 October 2008 Cabinet Note showed a forecast operating deficit of CI\$16 million for the year to 30 June 2009. The 21 October 2008 financial forecast for the year to 30 June 2009 incorporated CI\$14 million of “exceptional circumstances” expenses which were approved by the Cabinet.

Madam Speaker, let me speak to the significance of getting approval for exceptional circumstance expenses.

#### **Significance of getting approval for exceptional circumstances expenses**

There is an “emergency provision” under section 11(5) of the PMFL which enables any government to incur expenditure for which it has no budget approved by the Legislative Assembly, if that expenditure is of a genuine exceptional nature. The PMFL specifies that there is a limit as to how much expenditure can be incurred under section 11(5). That limit is 5 per cent of budgeted revenue for the financial year.

For the year to 30 June 2009, that limit would equate to approximately CI\$23 million of expenditure, being budgeted operating coercive revenues of CI\$466 million for the year multiplied by the 5 per cent limit.

The 21 October 2008 forecast contained CI\$14 million of exceptional circumstances expenditures that had been approved by the former Cabinet—out of the CI\$23 million limit that was allowed under the PMFL for the 2008/9 financial year. So, Madam Speaker, this left a balance of CI\$9 million.

As of 21 October 2008 the exceptional circumstance expenses of CI\$14 million were not known by the Legislative Assembly.

Some of the major items that the Cabinet approved as exceptional circumstances expenditures—and which required the Legislative Assembly’s subsequent approval—included repairs to the Faith Hospital in Cayman Brac, CI\$2.8 million; coastal protection (seawalls) project, CI\$2.4 million; Special Police Investigations, CI\$1.8 million; medical care for indigents and uninsured persons, CI\$1.6 million.

Madam Speaker, the financial analysis presented in the 21 October 2008 Cabinet Note showed a continued downward trend in revenues. It showed

contracted economic activities especially in the financial services and tourism sectors. It also indicated an expected increase in expenditure within core Government and especially by public sector entities such as Cayman Airways, the Health Services Authority and the Turtle Farm—as those entities required additional cash injections in order to take into account their deteriorated cash positions.

In order to minimise the potential impact of the global financial crisis, on 27 October 2008 a policy directive was issued to all public entities including Statutory Authorities and Government-owned Companies to reduce operational expenditures with immediate effect.

Public entities were directed to restrict the hiring of new staff and the filling of vacant posts to the absolute minimum required and to reduce their approved operational expenditure by 6 per cent over the course of the 2008/9 financial year.

The then Leader of Government Business also advised Chief Officers that all major government projects which were underway would continue. These included the new Government Administration Building and the new high schools. In relation to capital works projects for which contracts were not yet awarded, the then Leader of Government Business said the Government would be reviewing the capital works programme and prioritising which projects to go ahead with based on importance, affordability and their potential positive impact on the local economy.

The Portfolio of Finance & Economics advised that the policy directive, by itself, would not be sufficient to guarantee that the expenditure reductions found by Ministries and Portfolios would remain throughout the year unless a Supplementary Budget—that is, one that contained negative appropriations which would have had the effect of reducing budgets—was taken to the Legislative Assembly to legally reduce the budget appropriations.

The Financial Secretary advised that there was a grave danger that without a cost-reduction supplementary budget exercise, the promised reductions would be spent as time went by in the financial year. In addition, the Portfolio of Finance & Economics advised that the Government also needed to get the Legislative Assembly’s approval for the CI\$14 million of exceptional circumstances expenses that had been approved by the Cabinet under section 11(5) of the PMFL.

Madam Speaker, the advice of the Portfolio of Finance & Economics was not taken, and government agencies were allowed to continue to spend their original budget appropriations despite the policy directive to reduce expenses.

At 21 October 2008, the Portfolio of Finance & Economics was not directed by Cabinet to prepare a Supplementary Budget in order to reduce budget appropriations and to get the exceptional circumstances expenses approved by the Legislative Assembly. In fact, Madam Speaker, it was not until some five

months later—on 20 March 2009—that the 1<sup>st</sup> Supplementary Budget was taken to the Legislative Assembly upon the approval of Cabinet.

### **27 January 2009—Actual financial results for the period from 1 July to 30 November 2008**

On 27 January 2009, a Cabinet Note prepared by the Portfolio of Finance & Economics was presented to Cabinet outlining the actual financial results of the Government for the period from 1 July to 30 November 2008. The actual financial results for the five months to 30 November 2008 showed an actual operating deficit of CI\$63.6 million.

The first six months of each financial year are the slowest revenue-earning months for the Government. It was agreed that, given the slowdown in the economy and the uncertainty of the revenue flow, the finances would be closely monitored over the early months of the new calendar year (that is, the early months of 2009) when revenues were at their highest. Hence, it was possible for the higher revenue-earning months of January to March 2009 to reduce the deficit of CI\$63.6 million experienced in the first five months to 30 November 2008.

### **9 February 2009 —Preparation of 2<sup>nd</sup> Forecast Financial Results and Position to 30 June 2009 and the reason why the previous Government was forced to take a Supplementary Budget to the Legislative Assembly**

I now wish to turn to the 9 February 2009 forecast—the 2<sup>nd</sup> Forecast Financial Results and Position to 30 June 2009—and to speak briefly to the reason why the Government was forced to take a Supplementary Budget to the Legislative Assembly

On 9 February 2009, the Portfolio of Finance & Economics prepared a 2<sup>nd</sup> Forecast Financial Results and Forecast Position in respect of the year to 30 June 2009. The Forecast Financial Results and Position showed that operating revenue was projected to decline by CI\$40 million, from an original budget of CI\$528 million to a revised figure of CI\$488 million for revenues. In that Forecast, operating expenses were expected to increase by CI\$41 million, from an original budget of CI\$515 million to a new figure of CI\$556 million.

The forecast done on 9 February 2009 predicted an operating deficit for the year to 30 June 2009 of CI\$68 million. This CI\$68 million forecast deficit for the year—done as of 9 February 2009—was made known to Ministers and Official Members of the Cabinet.

Similar to what was provided in the 21 October 2008 Financial Forecast, the 9 February 2009 Financial Forecast pointed out that there was a contraction in the economic activities negatively impacting the financial and tourism sectors, public authorities would need additional budgetary support and Government

could be forced to borrow in order to fund operational expenses.

In analysing the figures of the Financial Forecast, it was evident that the 27 October 2008 policy directive to cut operating expenses by 6 per cent did not materialise to the extent that it had any significant impact on the results for the year to 30 June 2009.

The Forecast Financial position recommended that, given the worsening position with the further reduction in revenue earnings and operating expenses despite the prior policy directive to reduce operational expenses, the Government needed to further reduce operating costs by a minimum of the projected deficit of CI\$68 million in order to achieve a break-even position; also that public authorities should be directed to operate within their approved legislative financial limits; and that we should assess and quantify the country's level of exposure to the global crisis and establish a preparedness plan.

Madam Speaker, the elected Ministers of Cabinet decided that the Government was not prepared to go to the Legislative Assembly with a CI\$68 million deficit and decided that drastic budget cuts had to be taken to improve the deficit and cash position.

In addition, the CI\$68 million forecast deficit also included an additional CI\$10 million of exceptional circumstances expenses—that is, a further CI\$10 million to the CI\$14 million of exceptional circumstances expenses that were incurred by 21 October 2008. This brought the total amount of approved exceptional circumstances expenses approved by Cabinet—but not yet approved by the Legislative Assembly—to CI\$24 million.

As explained earlier, the maximum amount of exceptional circumstance expenses that the Cabinet could approve under section 11(5) of the PMFL without needing the Legislative Assembly's prior approval was CI\$23 million. This meant that the actual Cabinet approvals exceeded the legislative limit by CI\$1 million.

Examples of the major “exceptional circumstances” expenses approved by Cabinet that made up the additional CI\$10 million included: \$2.2 million for scholarships supplementaries; \$2.5 million for Hurricane Paloma assistance in the Sister Islands; \$3 million for a new Cayman Airways route; and \$1.3 million for the Golden Age/East End Clinic.

As the limit under section 11(5) of the Public Management and Finance Law was exhausted, Cabinet had to present a Supplementary Budget for the Legislative Assembly's approval if it wanted to incur expenditures beyond the CI\$24 million level already incurred under section 11(5) of the PMFL, and Cabinet expressed that there was a need to incur further expenditures beyond this level.

### **18 February 2009—Commencement of a long series of meetings to reduce the CI\$68 million deficit forecast to the CI\$29 million deficit in the 1<sup>st</sup> Supplementary Budget for the 2008/9 Year**



On 18 February 2009, the Portfolio of Finance & Economics, the then Leader of Government Business, and other Ministers of Cabinet met with Chief Officers to inform them of the projected forecast deficit of CI\$68 million for the year to 30 June 2009, and to discuss measures that needed to be taken in order to improve the forecast financial results and position. Madam Speaker, a long series of meetings commenced after that initial meeting on 18 February 2009. Dates of these meetings included: 20 February 2009, 27 February 2009, 2 March 2009, 11 March 2009, and 12 March 2009

The meetings included the then Leader of Government Business, other Ministers and Members of Cabinet, staff from the Portfolio of Finance & Economics, Chief Officers, Chief Financial Officers and other accounting staff.

Consultation also occurred with Statutory Authorities and Government-owned Companies. The objective of these meetings was to bring the forecast operating deficit of CI\$68 million down to a respectable amount, and to bring the cash reserves up to a respectable amount that could be presented to the Legislative Assembly.

There is absolutely no doubt that Cabinet was informed by the Portfolio of Finance & Economics that a forecast for the year to 30 June 2009, done as of 9 February 2009, indicated a deficit position of CI\$68 million. That forecast deficit position of CI\$68 million is now respectable in relation to the latest forecast for the year to 30 June 2009 of CI\$74 million in deficit.

#### **Reconciliation of the forecast CI\$68 million deficit with the budgeted CI\$29 million deficit**

Elected Ministers and Members of Cabinet decided that a Supplementary Budget showing a forecast deficit of CI\$68 million—as produced by the Portfolio of Finance & Economics on 9 February 2009—could not be taken to the Legislative Assembly at that magnitude of an imbalance.

The series of meetings mentioned previously resulted in changes in the level of expenditures and revenues in the Portfolio of Finance's forecast done as of 9 February 2009, and the effect of such changes was to reduce the forecast CI\$68 million deficit done by the Portfolio of Finance, to the CI\$29 million deficit shown in the 1<sup>st</sup> Supplementary Budget that was presented to the Legislative Assembly on 20 March 2009.

Some of the major changes to expenditures and revenues that led to the deficit figure of CI\$29 million, are as follows (and these are in Cayman Islands dollars):

Expenditure Savings offered-up by Portfolio of Internal & External Affairs	\$500,000
Expenditure Savings offered-up by Ministry of Planning	\$778,000
Expenditure Savings offered-up by Ministry of Communications	\$979,000

Expenditure Savings offered-up by Ministry of Health	\$4.1 million (approximately)
Expenditure Savings offered-up by Ministry of Tourism	\$1.1 million (approximately)
Expenditure Savings offered-up by Ministry of Education	\$1.1 million (approximately)
Expenditure Savings offered-up by Portfolio of Finance and Economics	\$4 million (approximately)
Expenditure Savings offered-up in respect of Scholarship funding	\$700,000

Madam Speaker, there were also some changes on the revenue side.

Expected revenue to be generated from the "Stimulus package" in respect of temporary import duty reductions on building materials etc., and temporary reduction to Stamp Duty rates	\$5 million
Income arising from lease renewal of Crown Lands (on Seven Mile Beach)	\$4.5 million
Expected Proceeds from Insurance settlement for Paloma	\$1 million
Additional Revenue to be generated from Health Insurance Fund Fee	\$935,000
Increase in other company fees	\$2.3 million (approximately)
Revenue from garbage fees increase	\$1 million
Expected donation from private sector law firm in connection with the George Town Public Library	\$700,000 (approximately)
Additional Revenue generated from Cruise ship departure tax	\$555,000 (approximately)
An improvement in the overall position of the Entire Public Sector as a result of reduction of deficits from public authorities,	\$2.2 million (approximately)

#### **20 March 2009—1<sup>st</sup> Supplementary Budget for the 2008/9 Year**

Madam Speaker, on 20 March 2009 the 1<sup>st</sup> Supplementary Budget for the 2008/9 year was laid on the Table of the Legislative Assembly and it provided a forecast deficit for the year to 30 June 2009 of \$29 million. That budget contained operating revenues at a level of CI\$507 million, and operating expenses (including extraordinary items and the forecast net loss of Statutory Authorities and Government-owned Companies) totalled CI\$536 million. The 1<sup>st</sup> Supplementary Budget for the 2008/9 year therefore showed a forecast deficit of CI\$29 million.

#### **5 May 2009—Actual financial position as at 31 March 2009**

Madam Speaker, on 5 May 2009, a Cabinet Note prepared by the Portfolio of Finance & Economics was presented to Cabinet outlining the actual operating deficit for the nine-month period to 31 March 2009 of CI\$19 million. When comparing the 31 March 2009 cumulative actual deficit of CI\$19 million with the forecasted CI\$29 million deficit for the entire year to 30 June 2009, one will note immediately that the \$29 million deficit for the entire year appears to be unrealistically low.

The ten-month period to 30 April 2009 showed that the cumulative actual deficit was CI\$38

million. This was presented to Cabinet on 2 June 2009. Again, Madam Speaker, this indicates that the CI\$29 million forecast—which was approved by the Cabinet and presented to the Legislative Assembly—was understated.

### **28 May 2009—3<sup>rd</sup> Forecast Financial Results and Position to 30 June 2009**

On 28 May 2009, as is customary to provide to any incoming Government, the Portfolio of Finance & Economics presented a Cabinet Note on the Forecast Financial Results and Position to 30 June 2009. As with the Forecast Financial Results and Position presented to Cabinet on 21 October 2008, this forecast took into account actual amounts in the general ledger (in this instance the actual results up to 30 April 2009) as the foundation for that forecast. It also took into account submissions from Chief Financial Officers, senior accounting and operational staff with the major revenue generating departments. It took into account feedback from the Revenue Unit, historical trends and analysis coupled with the economic outlook as determined by the Economics & Statistics Office.

Madam Speaker, the forecast financial results to 30 June 2009, which was presented to the new Government on 28 May 2009, was compared to the forecasts in the 1<sup>st</sup> Supplementary Budget for the 2008/9 year which was presented to the Legislative Assembly on 20 March 2009.

The forecast done on 28 May 2009 indicates that the operating deficit for the year is expected to be CI\$74 million for the Entire Public Sector. The central Government component of this forecast deficit is CI\$55 million, whilst Statutory Authorities and Government-owned Companies are expected to have a net deficit for the year to 30 June 2009 of CI\$19 million.

In respect to the CI\$29 million forecast deficit that was provided to the Legislative Assembly on 20 March 2009, the central Government component of the deficit is CI\$19 million and the component for Statutory Authorities and Government-owned Companies is CI\$10 million. When we compare the 28 May 2009 produced deficit with the 20 March 2009 deficit that was sent to the Legislative Assembly, that comparison results in a CI\$45 million movement.

This CI\$45 million movement can be explained as follows:

- Statutory Authorities and Government-owned Companies have informed the Portfolio of Finance that their performance is expected to worsen by CI\$9 million.

Madam Speaker, that would simply be the \$19 million in the latest forecast versus the \$10 million in the 20 March 2009 forecast for their particular performance. So, Statutory Authorities and Government-

owned Companies have informed the Portfolio of Finance that their performance is expected to worsen \$9 million compared to what the 20 March 2009 forecast said.

- The forecast operating revenues of central Government are expected to decline by CI\$17 million from the level that was expected when the forecast was done on 20 March 2009.
- This decline in revenues is due to the fact that revenue expectations will not materialise to the extent envisaged when the forecast was done as of 20 March 2009.

As a specific example, Cabinet expected that the stimulus package of import duty reductions and stamp duty reductions would have generated an additional CI\$5 million in revenues. In addition, the forecast for these particular categories of revenue were increased beyond the level forecasted by the Portfolio of Finance & Economics because it was anticipated that the lower rates of duty would have led to a sufficiently high level of increased number and value of transactions that overall revenue would have increased for the revenue categories. Actual revenue performance, however, indicates that this increase to revenue figures will not materialise.

Ministers of the former Government cannot distance themselves from this process and should not be surprised at the poor performance forecast for the 2008/9 year.

- Extraordinary expenses are expected to increase by CI\$1 million.

And although it is not stated in the statement here, “extraordinary expenses” are those that are not expected to recur annually and are outside the normal activities of government business. So the extraordinary expenses classification used here would encompass expenses such as the Special Police Investigation, the Judge Levers Tribunal expenses, expenses related to assisting persons on the Sister Islands for Hurricane Paloma damage. Those would all be examples of extraordinary expenses which, by their nature, we hope will not recur on an annual basis. And when we compare the 20 March 2009 position with our latest forecast, that movement in expectation for extraordinary expenses is an expected increase of CI\$1 million.

- Operating expenses (comparing the two positions) are expected to increase by CI\$19 million from the levels contained in the 20 March 2009 forecast. This forecast increase in cost from the 20 March 2009 level can be attributed to the following reasons:

- the forecast operating expenses done as of 28 May 2009 properly includes a fur-

ther CI\$2 million of exceptional circumstances expenses that the Cabinet approved AFTER the 1<sup>st</sup> Supplementary Budget was tabled in the Legislative Assembly on 20 March 2009;

- the process of trying to reduce the initial 2008/09 1<sup>st</sup> Supplementary Budget deficit of \$68 million down to its eventual figure of \$29 million as presented to the House was lengthy, Madam Speaker. Ministries and Portfolios offered-up expenditure reductions, but they were not of sufficient magnitude to achieve the level of deficit reduction desired by Cabinet.

The Financial Secretary told the then Leader of Government Business that there was a great danger that if the Government did not lock-in expenditure reductions offered up by Ministries and Portfolios, such savings would be spent as time went by. The Financial Secretary recommended that the Government take a 1<sup>st</sup> Supplementary Budget to the Legislative Assembly that would contain only reductions (rather than increases) to expenditures so as to minimize the forecast deficit.

The then Leader of Government Business told the Financial Secretary that he did not wish to pursue this course of action because the Government needed to incur additional expenditures and, therefore, he wished to hold-out longer, seeking further reductions to expenditure to compensate for additional expenditures desired in other areas. It proved very difficult to achieve any significant further reduction in expenditures.

**Answers to questions posed by the Honourable Leader of the Opposition in his 24 June 2009 statement**

I wish to now specifically answer the questions posed by the Honourable Leader of the Opposition in his 24 June 2009 statement.

In my statement I have analysed and provided details on the difference between the CI\$74 million deficit forecast on 28 May 2009 and the CI\$29 million presented in the 1<sup>st</sup> Supplementary Budget for the 2008/9 year, which was presented to the Legislative Assembly on 20 March 2009.

Madam Speaker, I have not received any instructions from the present Government regarding the management of the Government's finances, and, given that the new Government came into office approximately one month prior to the end of the 30 June 2009 financial year, the current Government could not have had any real significant impact on public finances in the year to 30 June 2009.

Madam Speaker, I was not told to revise earlier projections regarding the state of the Government's finances by the new Government. There have

been no policy decisions taken by the current Government regarding additional expenditure during the financial year to 30 June 2009, and, therefore, the current Government has not had any real and significant impact on the 2008/9 financial year.

Madam Speaker, the entire CI\$154 million of temporary loan facility funds have been drawn down by 30 June 2009, and the impact of that draw down has already been incorporated in the figures provided earlier in this statement. The vast majority of the loan funds drawn down (approximately CI\$142 million) have been used to finance capital transactions. But a portion of loan funds (CI\$12 million) have been used to fund operating expenses.

**Summary and Conclusion**

Madam Speaker, I wish to now summarise and conclude this rather long statement.

The state of public finances is severely challenged at 30 June 2009, and will continue to be challenged going forward in the new financial year that starts today. Government has stated publicly that it intends to take an aggressive stance on cost reduction and the UK's Foreign and Commonwealth Office is demanding no less.

Madam Speaker, in summary, I have provided detailed information in respect of the year ended 30 June 2009 on the following points:

- The level of Public Sector Debt—the Entire Public Sector Debt at the end of 30 June 2009 stands at CI\$590 million.
- The Debt Service Ratio of central Government and the fact that it is nearing its 10 per cent limit. We heard previously that the debt service ratio of central Government as at 30 June 2009 was approximately expected to be 8.1 per cent of the 10 per cent limit.
- I provided details of the fact that future borrowings by the Government of the Cayman Islands will require explicit approval by the UK's Foreign and Commonwealth Office until the Principles of Responsible Financial Management are met.
- I provided details of actual surpluses and deficits earned by the public sector in the past years, as well a forecast deficit for the Entire Public Sector of CI\$74 million—which is split out into a forecast CI\$55 million deficit for central Government and a CI\$19 million net deficit for the results of Statutory Authorities and Government-owned Companies.
- I provided details of cash balances for central Government in past years, as well as a forecast \$16.8 million cash balance in Government's Current or chequing account at 30 June 2009

(which is used to pay Government's day-to-day expenditures).

- Restricted Funds balances are expected to be C\$74.4 million at 30 June 2009, but the use of those funds requires special approval by the Legislative Assembly and/or Finance Committee. I made it clear that such funds cannot be used to pay the normal operating expenses of the Government without explicit approval by the Legislative Assembly and/or Finance Committee.
- I made it clear that the Financial Secretary does not have the authority to single-handedly determine how Government's resources are spent. This comes from a majority, collective decision-making process in Cabinet, which presently consists of five Ministers and three Official Members who collectively reach a decision and recommend that position to the President of Cabinet, His Excellency the Governor. However, expenditures of any Government are driven or led by the policy considerations of elected Ministers.
- I also made it clear that the Portfolio of Finance & Economics stands by its forecast that, for the year ended 30 June 2009, the Entire Public Sector will suffer a deficit of approximately C\$74 million.
- The Portfolio of Finance & Economics forecasted on 9 February 2009 that the Entire Public Sector would suffer a deficit of C\$68 million, and this is very consistent with our latest forecast for a deficit of C\$74 million.
- Madam Speaker, I have also said that the former Cabinet was informed of this deficit forecast of C\$68 million in February 2009.

This statement has explained the movement in the Entire Public Sector deficit figure of C\$29 million forecasted as of 20 March 2009 when the 1<sup>st</sup> Supplementary Budget was presented to the Legislative Assembly, to the forecast C\$74 million deficit figure done as of 28 May 2009.

The 28 May 2009 forecast results and position for the year to 30 June 2009 also indicates that the Government will not be in full compliance with the Principles of Responsible Financial Management, as central Government is forecast to have an operating deficit of C\$55 million, its net debt ratio is expected to be at 85.9 per cent—which is in excess of the 80 per cent limit—and its cash reserves are expected to be 64.7 days of expenditure coverage—which is below the required 90-day minimum.

The statement has also detailed "exceptional circumstances" expenses. In respect of the year

ended 30 June 2009, the Cabinet approved a total of C\$26 million of exceptional circumstances expenses which were not originally budgeted for. Of that C\$26 million, C\$24 million was part of the 1<sup>st</sup> Supplementary Budget that was presented to the Legislative Assembly on 20 March 2009, while a further C\$2 million was approved by the former Cabinet after the 20 March 2009 1<sup>st</sup> Supplementary Budget.

In net overall terms, Madam Speaker, Statutory Authorities and Government-owned Companies' financial results and positions continued to deteriorate, which required additional funding from central Government.

Madam Speaker, the charge of the Financial Secretary being incompetent is invalid, and it must translate into a criticism of the entire staff within the Portfolio of Finance & Economics and the wider Civil Service upon whose assistance the budgeting and forecasting process heavily depends.

Over the past four years I, and the rest of the staff within the Portfolio of Finance & Economics, have worked tirelessly and closely with Cabinet. We have always remained objective. Over the past four years competence and integrity were never in question.

Madam Speaker, I have presented the facts and I thank you for allowing me the opportunity to make this statement.

**The Speaker:** Thank you Third Official Member.

I recognise the Third Elected Member for West Bay.

**Mr. Cline A. Glidden, Jr.:** Madam Speaker, I am just asking your indulgence. Standing Order 30(2) says, "**No debate may arise on such a statement but the Presiding Officer may, in his discretion, allow short questions to be put to the Member making the statement for the purpose of clarification.**"

I am just asking if you would exercise that discretion to allow me a short clarifying question, Madam Speaker.

**The Speaker:** Yes, sir.

#### Short Question—Standing Order 30(2)

**Mr. Cline A. Glidden, Jr.:** Madam Speaker, recognising the restrictions on questions to Members making statements, I just need some clarification on this very lengthy and comprehensive statement made by the Financial Secretary to make sure that my understanding is correct.

In February 2009 the then Cabinet was given a forecast deficit of \$68 million. They did not want to come to the Legislative Assembly with that deficit, and for political purposes the figures were manipulated and a Supplementary Appropriation was brought for a smaller amount. Now we are seeing the result of that forecasted \$68 million deficit.

**The Speaker:** Is that a question, sir?

**Mr. Cline A. Glidden, Jr.:** I just want to clarify that my understanding of this comprehensive statement [is correct and] that that is what transpired, Madam Speaker.

**The Speaker:** Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

I would say that the question posed by the honourable Member is substantially correct. But I would caution against the use of the word “manipulated, that the figures were “manipulated”. That would be my only observation on the point that he made. I would not go so far as to say that the figures were “manipulated”, Madam Speaker. There were efforts to increase revenues and reduce expenditures which we believe now will not materialise to the extent of reducing the deficit down to \$29 million.

Thank you.

**The Speaker:** Thank you.

Does any other Member wish to ask a question?

*[inaudible interjections]*

**The Speaker:** Order!

Order! [gavel]

I now call on the Honourable Leader of Government Business for the adjournment motion.

## ADJOURNMENT

**Hon. W. McKeeva Bush:** Madam Speaker, oh what tangled webs are weaved. . .

Madam Speaker, knowing you the way I do, I know you know what the balance of that saying is.

### Vote of thanks on retirement of the Clerk of the legislature, Ms. Wendy Lauer Ebanks

**Hon. W. McKeeva Bush:** Madam Speaker, before I move the adjournment of this honourable House, I wish to place on record a vote of thanks on the retirement of the Clerk of the Legislature, Ms. Wendy Lauer Ebanks.

Madam Speaker, after almost three decades of continuous service to the Legislative Assembly, the Clerk of the Legislative Assembly, Ms. Wendy Lauer Ebanks, will be retiring on 31 July. To put it plainly, Ms. Lauer will be missed as will her impressive grasp on House procedure and practice, the development of which dates back to 1981 when she joined the legislature as Deputy Clerk. She served in that capacity until her promotion to the position of Clerk in 2001.

However, her civil service career was actually launched in 1979 in the Portfolio of Agriculture and Lands. She went on to work with the Central Planning Authority and then the Education Department under the former Chief Education Officer, Mrs. Islay Connolly, before joining the Assembly.

I know, Madam Speaker, that Ms. Lauer Ebanks (Ms. Wendy, as we call her), credits her service under Ms. Connolly as a learning experience that served her well throughout her career. But it was when she joined the Honourable Sybil McLaughlin—the first female Clerk of the Legislative Assembly in the Commonwealth—that she began to absorb the future National Hero’s professionalism and passion for her work. Regarding her as a mentor, Ms. Wendy still feels the greatest appreciation for Ms. Sybil, who, she says, was her inspiration, instilling in her a high regard for all aspects of parliamentary procedure.

Aided by other dedicated staff, Ms. Wendy has kept the Legislative Assembly office ticking efficiently and precisely. If a job needed doing, she ensured that it was done. If the House sat late with or without notice, she has been here to make certain that matters progressed smoothly. Throughout the years she has approached all aspects of her Legislative Assembly responsibilities with the same enthusiasm.

Our public, whom we serve, is generally unaware that the Legislative Assembly office is a behind-the-scenes hub of activity. Nor do they know that for the last eight years it has been Ms. Wendy’s hand guiding those activities.

She has organised the sittings, meetings and sessions of the Assembly with well-oiled efficiency. She has approached associated areas with similar competency ranging from the establishment and management of the website of this Assembly, to the maintenance and production of the *Hansards*, the report of what is said here in this House.

Her attention to detail and solid organisational skills have indeed characterised Ms. Wendy’s role as Clerk and have stood her in good stead in her work on behalf of the MLAs with the Commonwealth Parliamentary Association’s numerous activities. And the same applies to her involvement with our Youth Parliament, which I am happy and proud to say, Madam Speaker, began in 2001 under my watch. And it was one of those things that the former Government kept afloat.

Our Standing Orders are our rulebook. The Legislative Assembly Clerk must demonstrate a keen ability to understand and grasp its complexities. Ms. Wendy has consistently demonstrated this mastery, whether working in her own capacity or as directed by the Speaker.

But there is more yet. To remain meaningful, Standing Orders have to be dynamic in nature, changing to suit developing parliamentary needs. I recall that as young Members, the present Member for North Side and I (who came into this House together) had to manoeuvre around the Standing Orders to get

things done. For those on the backbench today who say that they do not get much done, or the people say that they do not get much done, Madam Speaker, I can understand somewhat. But I tell you this: they do not have to go through what the two of us, in particular, had to go through because of outmoded practices and just the way of doing things the old way.

We worked together then as a team and we got things done, even at times when we did not think we could get a motion passed or presented, because they were not always passed. We manoeuvred around the Standing Orders and were able in our term to get some 90-odd motions in that first term, 1984 to 1988. I move them myself, 90-odd. I believe the present Member for North Side (looking back at the record) did quite well in getting significant motions passed. But he always seconded my motions.

Madam Speaker, it is developing parliamentary needs that change the nature of Standing Orders. Again, Ms. Wendy has proved a valuable team player. She has always been able to grasp the intent of MLAs in that regard.

And then she had to contend with the space limitation of the Legislative Assembly offices. Over the years it became increasingly congested here in this House—hardly able to accommodate the wealth of materials generated in parliament. But, as Clerk, Ms. Wendy's leadership ensured peak efficiency. She tried that. She was not always successful, despite the lack of space.

Again, some of us present will recall in 2003 when staff had to contend with evacuating the building as a result of serious maintenance and health issues, and we had a re-make of these Chambers and the offices. Once more, Ms. Wendy led her team first to Kirk House where a working parliament was set up in the courtroom, and then to Cayman Corporate Centre, while the repairs here were underway.

But no sooner had the staff returned to a refurbished Legislative Assembly building Hurricane Ivan struck, causing water damage and attendant mould problems. We lost tremendous amounts of good material—reports of other territories. I remember the Canadian reports that we lost. I, who always had to do a lot of research, certainly lost a valuable resource. But because of the water damage and attendant mould problems we had to move out again.

Throughout it all, Ms. Wendy and her staff continued to work with customary effectiveness, adjusting to major changes as the legislature grew. It grew when the Governor ceased to be the Presiding Officer (the President of the Legislative Assembly), and the Speaker became the Presiding Officer of the Legislative Assembly. Ms. Wendy was once more an integral part of development. It grew when we moved from 12 Members to the present complement of 15 elected Members. Through it all, she did her work.

I know that she views the Legislative Assembly website with justifiable pride. Ms. Wendy consolidated material for inclusion in the website which was

launched in 2007. It is now the primary source for obtaining information on the Legislative Assembly and our work here.

In addition to her myriad of Legislative Assembly duties, Ms. Wendy has worn one more critically important hat. She is the dedicated and loving mother of Ann Margaret, a bright, high school graduate, a recipient of one of this year's United World College Scholarships in Swaziland. I know that Ms. Wendy, too, is a good mother. She works hard with her daughter, who is a bright, young Caymanian girl.

Thus, Madam Speaker, on behalf of my fellow MLAs, my Cabinet colleagues, and yourself, I want to thank the Clerk of the Legislative Assembly, Ms. Wendy Lauer Ebanks, for a job well done.

Now, Madam Speaker, of course we did not all agree with her on everything. We had our disagreements. I know different Members had their disagreements and I did on practice and on procedure at times. But, Madam Speaker, for all of that we do not forget 30 years of service that someone puts in, and in her case here 28 years. That is not something that I take lightly.

Personally, I found her to be a very professional person. She did not engage in political shenanigans. Perhaps she had her own likes and dislikes in politics, after all we are all human—maybe she did not like things I said; many people do not like things I say. I recall one time I thought I had made such a fantastic speech. I got to the door on the break and Mr. Craddock, who had left the Assembly and retired at the time, saw me and said, "You thought you did so well. But I want to tell you, you didn't!"

There were other times, of course, that Mr. Craddock would come and say that I was on the right road, I was on the right target. And that is how Mr. Craddock operated, God bless his memory.

Most of all, and first of all, Ms. Wendy was the Clerk of this Assembly. At all times she carried herself with the decorum that bespeaks this office. I am sorry to see her go.

This Assembly was not ready for her departure and her departure says too much for the lack of attention that is paid to the staffing problems that exist in this House. Madam Speaker, personally I had to speak to that matter during the last budget debate. That, too, was paid no attention.

I hoped that Ms. Wendy would have been able to stay on. This Assembly would have been served much better with her advising the new Speaker and the new incoming Clerk. But, in my opinion, she did not receive the needed support. She had been pushed around—even pushed down in this Assembly—and nothing was done about it. She took the only way out that a real professional takes—she resigned.

Some of this Assembly staff under the last Speaker became too unwieldy and political. The staff of this Assembly became nothing but a political playground under the last Speaker. Ms. Wendy, being a professional and stickler for proper rules and proper

procedure, and knowing the rules of the Civil Service, did not and would not get caught up in that kind of shenanigan. So she went home.

I understand that a new Clerk has been appointed. As a new administration we are going to work with that officer to ensure that the services staff carries out are met. This honourable Assembly will know the warmth of her expertise in the interim period.

Being the longest-serving Member of this honourable House, and Father of this honourable House, I want to thank her for her unstinting and dedicated professional service to this honourable legislature for over 28 years and to this country for over 30 years. I would hope, Madam Speaker, that she would come back to help if she is called upon. There is need for her input into the workings.

I also want to see some kind of research officer here. I believe that older Caymanians . . . as I said, I do not believe in this 60 thing. I believe older, qualified Caymanians, like Mr. Steve McField, must be used. I would hope that we could put a research officer in place here, when funds are available to do so. I intend to move in that direction, with the help and support of my colleagues, of course.

At the same time, Madam Speaker, I want to thank all of the staff here, in particular the Deputy Clerk [Sharon Smith], who sits here today, who herself I think has given something like over 27 years of service to this Assembly.

**The Speaker:** Thirty-six years, sir.

**Hon. W. McKeeva Bush:** There you go, Madam Speaker.

Thirty-six years.

Ms. Nana Bothwell, I guess she must be something in the 20-odd years herself.

**The Speaker:** Twenty-seven.

**Hon. W. McKeeva Bush:** Twenty-seven. I knew it was one of them.

Ms. Tania [Connolly]; Ms. Bev [Indiana Watson], and Ms. Anita [Salmon-Beezer], who are the longer-serving members of staff, we need to thank them for keeping this House going in the good times, but particularly in the rough times as I know they have seen.

As I said, Madam Speaker, how can you really repay 36 years of service? How can you? Twenty-seven years? Twenty-eight years? There are far too many people in this country who do not want to give thanks when thanks are due. But we must all put any feelings we have behind us when people give of their time. Yes, they get paid a salary. But just look at the things they have to do at times which salaries do not cover—the times that families are left unattended, that spouses are left unattended. I see Ms. Sharon here with her children at times. The country cannot really repay that kind of service, Madam Speaker. And

what do you get at the end of the day? A stop must be put to that kind of situation that I saw happen with Ms. Wendy.

It is most difficult to replace that kind of tenure, that kind of dedication. I know that for them it has been, and is, mostly a labour of love.

Sometimes when you tell Ms. Sharon . . . she might seem that she's not paying you any attention and when you go to get something, it has been done, particularly as Clerk of the committees. For me, going now on my seventh or eighth term (whatever it is now), I certainly have known the benefit of their expertise, their advice, perhaps even their discontent at times because of something I said or did. But that must be taken in stride. As leader of this Government at present I want to thank them for their hard work.

I hope that those who are responsible are listening . . . because first and foremost I am a worker, and I like to see people treated good because that is what I would desire for myself. I hope those who are listening recognise that the things that they do and the way that they treat people cannot continue in this little developing country of ours.

Madam Speaker, I had better stop here and say thanks once more to all of them. I do thank you for your indulgence and that of the House.

I do not know if you want to take a vote, Madam Speaker, or else I will move the adjournment.

**The Speaker:** Would any other Member like to speak? [pause]

I call on the honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** So, Madam Speaker, I thank you very much and I move the adjournment of this honourable House sine die.

**The Speaker:** Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**At 12:29 pm the House stood adjourned sine die.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**22 JULY 2009**  
**10.35 AM**  
*Fourth Sitting*

**The Speaker:** We will begin the morning session with prayers by the Fourth Elected Member for George Town.

### PRAYERS

**Mr. Ellio Solomon:** Let us pray.

*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, honour 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:** Proceedings of the First Meeting of the Cayman Islands Legislative Assembly, 2009, are now resumed.

**Proceedings Resumed at 10.38 am**

### ADMINISTRATION OF OATHS OR AFFIRMATIONS

*(Administered by the Clerk)*

**The Speaker:** I now call on Mr. Ebanks to come forward and take the Oath of Allegiance.

#### Oath of Allegiance

*By Mr. Donovan W. F. Ebanks*

**Hon. Donovan W. F. Ebanks:** I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to

Her Majesty Queen Elizabeth II, her heirs and successors, according to law so help me God.

**The Speaker:** I now invite Mr. Ebanks to take his seat as the First Official Member responsible for Internal and External Affairs in the Civil Service. I particularly welcome him since this is his first time in his new office, both as the First Official Member and as the Minister responsible.

#### Oath of Allegiance

*By Mrs. Cheryll M. Richards*

**The Speaker:** I call on Mrs. Richards to come forward and take the Oath of Allegiance.

**Hon. Cheryll M. Richards:** I, Cheryll Melanie Richards, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law so help me God.

**The Speaker:** I now invite Mrs. Richards to take her seat as the Honourable Temporary Second Official Member responsible for Legal Affairs.

#### Oath of Affirmation

*By Mrs. Sonia Marcia McLaughlin*

**The Speaker:** I call on Mrs. McLaughlin to come forward and take the Oath of Affirmation.

**Hon. Sonia M. McLaughlin:** I, Sonia Marcia McLaughlin, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to Law.

**The Speaker:** Mrs. McLaughlin, I invite you to take your seat as the Honourable Temporary Third Official Member responsible for Finance and Economics.

Please be seated.

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

#### Security issues at the Legislative Department

**The Speaker:** [Honourable Ministers and Members,] there have been two articles in the press in the past few days which have included the Cayman Islands Legislative Assembly in its headlines creating certain public misconceptions as to the operations of this au-



gust body. As Speaker, and the person directly responsible for ensuring its integrity, I feel obliged to issue the following statement:

The Cayman Islands Legislative Assembly is presided over by the Speaker, that is, myself. Its day to day running falls under the Clerk of the Assembly, while overall responsibility for administration falls under the Portfolio of Internal Affairs, that is, under the ambit of the Chief Secretary.

The Leader of Government Business and the Leader of the Opposition are the respective heads of two political parties whose successful bid at the polls placed them as Members of the Legislative Assembly, together with three Official Members appointed by the Crown and one independent Member elected by the district of North Side.

Neither of the political Leaders mentioned are involved in any way in decision-making with respect to the operation of this parliament or the employment of any personnel needed by it. Indeed, their sole contribution in this regard was the recent election of myself as Speaker, taking this position as the head of parliament out of the political arena.

The present furore has developed around the question of the hiring of temporary security personnel to assist the Serjeant-at-Arms on an as-needed basis. The parliament does not have its own security staff.

The Serjeant-at-Arms, who sits in the chamber with me, and the recording technician, both of whom are full time officers of the parliament, fill their respective roles during the meetings of the Assembly and double as security at other times. When they are occupied in their respective roles, as they are today, it becomes necessary to employ extra security to man the front doors which are open to the public. It is not an ideal situation, but one which has developed over the years both through demand and budgetary constraints. In the easy days of long ago it worked well. In the present day situation, however, the Clerk and the Serjeant-at-Arms have had to look more closely at how they fulfill their obligation to ensure protection to the Members of this honourable House and its premises.

The Serjeant-at-Arms has advocated the development of a security arm for the parliament. In these times of severe fiscal constraints, however, they (that is, he and the Clerk) recognised that achieving this was highly improbable. The decision was therefore made by them to take a closer look at how this service could best be provided from the private sector, while at the same time raising the bar to meet the demand for an improved quality of personnel. Up to this point one security firm had been asked to supply security personnel on an as-needed basis, backed up on occasions by officers of the Cayman Islands Police Service.

With plans underway for the Swearing-in Ceremony, which was expected to generate a huge crowd of people, the decision was taken to include the use of security personnel from another firm in the

business community, thus giving them the opportunity to observe and compare the performance of the respective officers supplied. Accordingly, five security officers were hired from each firm, for a total of 10 officers on the ground that day.

There is not now, nor has there ever been as far as I have been able to determine, any contract with any firm to provide security personnel for the parliament.

There is an arrangement for the maintenance of the electronic security for the parliament, which is held by the company which provided security personnel in the first place, and that arrangement still exists.

The subsequent employment of security personnel on an as-needed basis has continued in the weeks since, and the search for the best way to provide security officers for the parliament will continue until that obligation is fulfilled to the highest possible standard within our budgetary constraints.

The business generated to any security firm for the provision of security officers to the parliament on an as-needed basis is surely minimal in terms of monetary returns, and does not merit the besmirching of the parliament's name either for a headline or political mileage.

The question as to whether any firm doing business in the Cayman community is properly licensed is not a matter for the parliament to determine or police. There are other entities in the community to carry out those responsibilities.

As Speaker, I accept that extra vigilance is now needed in determining the way forward in this matter. And I am sure the Legislative staff responsible for such decisions will take cognizance of this fact. At the same time, I would remind the public and those who report, raise questions, or choose to comment on matters related to this Assembly, that your answers lie with the Chief Secretary, his Deputy, the Clerk of the Assembly, or me, as Speaker. I trust that in the future you will avail yourselves of those avenues as we seek to move this country forward.

I thank you.

## **PRESENTATION OF PAPERS AND OF REPORTS**

**Written Complaint No. CO708-10917 made 22 October 2007 against the Department of Children and Family Services—Client Care; Special Report to the Legislative Assembly prepared by the Office of the Complaints Commissioner dated 24 June 2009**

**The Speaker:** I recognise the Deputy Speaker, the Third Elected Member for West Bay and Chairman of the Committee.

**Mr. Cline A. Glidden, Jr.:** Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the [Table] of this Legislative Assembly Written complaint No.

CO708-10917, made 22 October 2007, against the Department of Children and Family Services Client Care, prepared by the office of the Complaint's Commissioner, dated 24 June 2009.

**The Speaker:** So ordered.

Does the honourable Member wish to speak to this Report?

**Mr. Cline A. Glidden, Jr.:** No thank you, Madam Speaker.

### **Special Report of the Auditor General on the Caribbean Utilities Company Ltd Summary Report**

**The Speaker:** I recognise the Chairman of the Public Accounts Committee, the Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, it appears that in laying this Report in the previous sitting of the House, I inadvertently did not include in the package of papers to be laid on the Table an actual copy of the Report. For that I apologise to you and the parliament and hereby lay it today, Ma'am. Thank you.

**The Speaker:** Thank you. So ordered.

Does the Member wish to speak to this Report?

**Mr. D. Ezzard Miller:** No, Madam Speaker.

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

**The Speaker:** Are there any statements by Honourable Members and Ministers of the Cabinet?

This Chair has not received any such statements.

## **GOVERNMENT BUSINESS**

### **BILLS**

#### **Suspension of Standing Order 45(1) and 46(1) and (2)**

**The Speaker:** I recognise the Minister responsible for Communications, Works and Gender Affairs.

**Hon. Juliana Y. O'Connor-Connolly:** Good morning, Madam Speaker. I rise to ask for the suspension of Standing Orders 45(1), 46(1) and (2) to enable the Bills on the Order Paper to be read a first time.

**The Speaker:** The question is that Standing Orders 45 (1) and 46(1) and (2) be suspended to enable the Bills on the Order Paper to be read a first time. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 45(1) and 46(1) and (2) suspended to enable the Electricity Regulatory Authority (Amendment) Bill, 2009, and the Information Communications Technology (Amendment) Bill, 2009, to be read a first time.**

## **FIRST READINGS**

### **Electricity Regulatory Authority (Amendment) Bill, 2009**

**The Acting Clerk:** The Electricity Regulatory Authority (Amendment) Bill, 2009.

**The Speaker:** The Electricity Regulatory Authority (Amendment) Bill 2009 is deemed to have been read a first time and is set down for Second Reading.

### **Information and Communications Technology Authority (Amendment) Bill, 2009**

**The Acting Clerk:** The Information Communications Technology (Amendment) Bill, 2009.

**The Speaker:** The Information and Communications Technology Authority (Amendment) Bill, 2009, is deemed to have been read a first time and is set down for Second Reading.

### **Suspension of Standing Order 46(4)**

**The Speaker:** I recognise the Minister responsible for Communications, Works and Gender Affairs.

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, I move the suspension of Standing Order 46(4) to enable the Bills on the Order Paper to be read a second time.

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the Bills on the Order Paper to be read a second time. Those in favour, please say Aye. Those against, No.

**Ayes.**

**Agreed: Standing Order 46(4) suspended to enable the Electricity Regulatory Authority (Amendment) Bill, 2009, and the Information Communications Technology (Amendment) Bill, 2009, to be read a second time.**

## **SECOND READINGS**

## **Electricity Regulatory Authority (Amendment) Bill, 2009**

**The Acting Clerk:** The Electricity Regulatory Authority (Amendment) Bill 2009

**The Speaker:** I recognise the Minister responsible for Communications, Works and Gender Affairs.

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, I beg to move the Second Reading of the Electricity Regulatory Authority (Amendment) Bill 2009.

**The Speaker:** the Motion has been duly moved and is open for debate. Does the Honourable Minister wish to speak thereto?

**Hon. Juliana Y. O'Connor-Connolly:** Yes, thank you, Madam Speaker.

Madam Speaker, I rise to render the Government's comments and position as it relates to the proposed Amendment now currently before this honourable House entitled A Bill for a Law to amend the Electricity Regulatory Authority Law (2008 Revision) to make further provision in respect of the composition of the Board of Directors of the Electricity Regulatory Authority; and to make provisions for related matters.

Madam Speaker, this Bill, as all and sundry would quickly recognise, seeks to amend section 4 of the principal Law, whereby it would increase the membership of the Board of Directors of the said Electricity Regulatory Authority.

Clause 3 seeks to amend section 5 of the principal Law to provide that the directors shall hold office at the pleasure at the Governor in Cabinet, and to remove the requirement for directors to have substantial knowledge in specialised areas.

Clause 4 of the said Bill amends section 6 of the principal Law to enable the appointment of a managing director from among individuals other than the appointed directors.

Clause 5 amends section 7 of the principal Law to confer upon the Governor in Cabinet discretion to terminate the appointment of a director, or directors. This discretion would be exercisable in addition to the existing power to terminate a director's appointment for a specified cause as already contained in the substantive Law.

Clause 6 amends the first Schedule to where there's a quorum required for meetings of the board.

Clause 7 deals with the savings in a transitional provision.

Madam Speaker, in a bit more detail, one would see from a cursory look that clause 2 of the proposed amendment would delete the words "four and not more than six", and substitute the words "eight and not more than ten", in section 4(1) of the Electricity Regulatory Authority Law. That would give the Governor in Cabinet discretion to add more mem-

bers to the Board and therefore [have the possibility] to increase the knowledge available to the Board and spread a much better representation throughout the entire three Islands.

It is also deemed necessary in this regard, Madam Speaker, to prevent inherent conflicts of interest by specifying restricted categories of specialisation, as is currently the case in this Law and few other pieces of legislation, including the one to come to the ICTA (Information and Communications Technology Authority).

Further, Madam Speaker, it is also proposed to repeal section [5] subsection (6) by inserting after the word "Governor" the words "; but directors shall hold office at the pleasure of the Governor". As it currently stands in this and other similar legislation (not that many, thankfully) directors are appointed for a specified period, and this, certainly in the respectful view of this United Democratic Party Government, is much too restrictive. As a matter of policy, we will be seeking with these two pieces of legislation to move across the board that all appointments are done at the discretion of the Governor in Cabinet.

In [section 5] subsection (9) by deleting the words "and subsection (2), (3), and (4)" and substituting the words "and subsection (2) and (4)".

Further, Madam Speaker, we are seeking to amend the principal Law in section 6 by repealing subsection (1) and substituting the following subsection "(1) The Governor shall appoint any individual to be the managing director; but, if a managing director is appointed from among individuals other than directors appointed under section 5, he shall by virtue of his office be deemed to be a director appointed under section 5."

In addition, the principal Law is amended in section 7 as follows, Madam Speaker: "(a) by renumbering section 7 as section 7(1); and (b) by inserting after section 7(1) as renumbered the following subsection- '(2) Without prejudice to the provisions of subsection (1), the Governor acting in his discretion may terminate the appointment of any director, whether the director was appointed before, on or after the date of commencement of the Electricity Regulatory Authority (Amendment) Law, 2009.'"

The principal Law is also sought to be amended in paragraph 6(1) of the First Schedule by deleting the words "a quorum shall consist of three directors" and substituting the words "a quorum shall consist of a majority of the appointed directors".

Basically, Madam Speaker, this encapsulates a consequential change, but also a change in policy whereby the quorum would not be a specified number, as such, but it would be a majority of the appointed directors.

Madam Speaker, the amendment also seeks that every matter commenced under the former Law and partly dealt with by the former board, when the new Law comes in to force it is to be continued and dealt with in all respects under the new Law and the

provisions of the new Law are to apply accordingly. These are known as the savings and transitional provisions, which also go on to state that every matter commenced under the former Law [and] partly dealt with by the former board when the new Law comes into force, is to be taken as a matter commencing under the new Law and the provisions of the new Law are to apply accordingly.

And by way of definition, “former Board” means the Board of Directors of the Electricity Regulatory Authority established under section 8 of the former Law; and “former Law” means the principal Law in force immediately before the date of the commencement of this said Law.

The “new Law” means the principal Law as amended by this Law.

Madam Speaker, those are my contributions as they relate to this amendment. I reserve my right to reply. I would recommend these amendments to all honourable colleagues of this honourable House. May it please you.

**The Speaker:** Thank you honourable Minister.

Does any other Member wish to speak?

The Elected Member for East End.

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

Madam Speaker, I am having difficulties with my microphone, and I would respectfully request that it be lengthened. I think there are longer ones about the place that . . . It appears that I have been misplaced here. Anyway, we will get that straightened later.

Madam Speaker, I rise to make a contribution on behalf of the Opposition to the amendment currently on the Floor of this honourable House—a Bill to amend the Electricity Regulatory Authority Law (2008 Revision).

Firstly, I should ask the reason for such a rush. When we left these honourable chambers after the Swearing-In, my understanding was that we would be back here to do the budget, which was expected some time in August or September. I was somewhat taken aback when on Monday I received an e-mail from the Legislative Assembly staff saying that parliament was going to reconvene today. And then yesterday I received a further e-mail asking for my attendance at a Business Committee meeting at 9 o'clock this morning.

Now, Madam Speaker, I want to make it very clear that my time is as valuable as anyone else's in this honourable Chamber. I came to this honourable House long before 9 am and we are yet to have a Business Committee meeting. Nevertheless, parliament has reconvened.

I take offence to it because I can be doing other things too the same way other Members who make up that Business Committee are doing other things. I can be doing other things as well. I'm not

waiting for a call at my house to come to the Legislative Assembly. I have other things to do too.

In addition to that, the poor Deputy Clerk comes asking me to do a round robin. I refused to sign it because there are other matters that this House has to look at—and they are not on the Order Paper—such as questions. Thus, my reason for asking [why] the rush to change these laws just to ensure that they can change the board.

What is the intent?

What is the objective of this Government? That is my question.

Madam Speaker, just let me look at this amendment because it should be noted that I only had last night to look at this and do research. The mail from the legislature on Monday said that whenever the Bills became available they would make them available to us and they were made available via e-mail yesterday, therefore I only had last night to do what I had to do.

But having looked over this amending Bill in particular, Madam Speaker, I see some things in here that seem to be something done covertly. And let me explain that the people who are appointed to boards in this country give up their time and resources to serve this country. In particular, when it comes to these technical boards, people submit and commit themselves for three years of services and there are specific reasons [for] these time periods.

Now I don't know the reason why the Government wants to change them, but, certainly, I stood here on this Floor as a Minister and took flack from the Third Elected Member for West Bay during the last legislative session when I said that I was not going to remove him and the Second Elected Member for West Bay as Members of that Board (the ERA) and if they wanted to resign they could resign. And I said that it is customary when Government changes that political appointees make their resignation available to the Government so that they can have the opportunity to carry out their mandates and dictates.

Madam Speaker, I believe so much in that on the Monday upon leaving office as a Minister following the general elections I wrote every chairman that served under me with those same words, but with the caveat that I hoped the Government would see fit to retain some of the people on the boards for some degree of continuity. And those letters have to be on file in the Ministry.

I believe in that; but certainly to an extent. I do not believe that everybody who goes on these boards goes there because they are politically appointed. I believe they genuinely go there to contribute to the betterment of their country. I genuinely believe that. And I do not believe that it is right for any government to come in and in one fell swoop remove everybody from these boards and then there is no continuity.

Madam Speaker, the Leader of Government Business is saying I'm a joke. Now if he is going to

operate in here with impunity, then we are going to have some difficulties.

**The Speaker:** Order please!

**Hon. W. McKeeva Bush:** On a point order, Madam Speaker.

I recognise that the Member wants a fight here this morning, but he must speak the truth. I did not call him a joke. And if I had, Madam Speaker, maybe I would have been right, but I didn't.

**The Speaker:** Excuse me. That is not a point of order. Member for East End, please proceed.

**Mr. V. Arden McLean:** Madam Speaker, I have long recognised that parliament is debate and counter debate, and therein lays a bit of acrimony. But I can tell anybody this: I am not going to be intimidated out of fear of anyone! I shall speak in here as the minority as long as the people of East End keep me here and breath is in my body. There are five of us out here and they can pick any other one of them—not me. I am not going to be intimidated by anyone.

Madam Speaker, I do not understand why we are amending these laws because the Minister did not elaborate to any extent as to how many people they need to remove and the like. It is my understanding (I am reliably informed) that the members of these boards have been asked to step down. Now, if such is the case and they have tendered their resignations, why are we doing this? Why are we changing the provisions?

Madam Speaker, by no stretch of imagination [am I] saying that these Bills are perfect. There are things that need to be done. One of the areas in here that this Government is bringing is one that we were in the middle of bringing as well when we found out that we were having difficulties with the managing director serving on the board. To appoint someone to act on his behalf would have to go through Cabinet. So, that change was coming as well. But the election caught up with us and, obviously, the Minister is now bringing that section.

But, Madam Speaker, let me talk about some of the reasons this Bill—because I sponsored this Law in these honourable Chambers in 2008. Let me talk about the reasons [why] some directors were appointed for three years.

Madam Speaker, you know the Leader of Government Business thinks that everybody operates like him. That's his problem!

**The Speaker:** Excuse me. Please do not exchange comments across the Floor.

**Mr. V. Arden McLean:** Madam Speaker, I would respectfully ask that the Chair stop him from making comments too.

**The Speaker:** Honourable Member, please proceed with your debate.

**Mr. V. Arden McLean:** I can see this is going to be a long legislative session.

The reason, Madam Speaker, was that there were provisions under section 5, subsection (3), where this Government is proposing change in this amending Bill by repealing subsection (3) which says in the Law, “**When appointing directors, the Governor shall ensure that, between them, the directors have substantial knowledge, experience and understanding of one or more of the following areas-**

(a) electricity transmission and distribution;

(b) electricity generation;

(c) finance and accounting;

(d) economics;

(e) law;

(f) electrical engineering; and

(g) other related fields, and at least one of the directors shall be a person of recognised standing and experience in electricity generation and at least one shall be a person of recognised standing and experience in electricity transmission and distribution.”

Now, Madam Speaker, I heard the Minister say when she sponsored this amendment, something to the effect that the specified time the Law calls for was much too restrictive and this Government considered it much too restrictive. I take that to mean that this Government wants to take members off of the board and reappoint them.

Now, when you have a board or an authority as technical as the one that is in question, you have to ensure that you get technical people on that board. You have to ensure that, whilst those people are politically appointees, they come from a technical background in order to understand all of the related fields. If we are taking that away, we are leaving it open to appoint anybody who, for this particular board, would make decisions without the requisite experience and understanding of these technical areas, and that is not good, Madam Speaker. That concerns me. It seriously concerns me.

I am not saying that we do not have people in this community who can make good, sound decisions, but, certainly, if we are going to remove this, as opposed to adding something to allow the Government to add other directors who may not have related fields but maybe just business or the like, then it concerns me because anybody and everybody can go on this very technical board. This is a very technical thing. And then we are seeing that they are currently going through a solicitation process. I see the transitional provisions, and I will touch on those as well.

Madam Speaker, this amendment goes further to say (that is, subsection (9), under section 5) by deleting the words “and subsection (2), (3) and (4)” and substituting the words “and subsection (2) and

(4)". Let's look at that for a minute. I don't know if this was intentional or not, but I believe somebody needs to address it.

When we repeal [section 5] subsection (3) of the Law . . . that is removed, therefore subsection (4) becomes (3) in its renumbering. And subsection (4) of the Law says, "**a Member of the Legislative Assembly shall not be a director**". That becomes subsection (3) now.

But subsection (9) says, "**Where a director appointed under subsection 1 dies, resigns, or otherwise vacates his office before the expiry of the term for which he has been appointed, another person may be appointed by the Governor for the unexpired period of the term of office of the director in whose place that person is appointed and subsection (2), (3) and (4) shall apply to such appointment.**" This means the Governor (as the Governor in Cabinet) must consider subsection (2), (3) and (4), and that is the criteria under which replaced directors are appointed.

Now, what that says to me is that if you are leaving out subsection (3) that means the Governor does not have to consider, any Member of Parliament can sit on the board. Do we want a Member of Parliament on these boards?

Well, Madam Speaker, somebody has to change it back and leave it as is—subsection (2), (3) and (4)—because (5) then becomes (4), which says, "subject to section 7 and to any other law, directors shall hold and vacate office in accordance with the terms of their appointment." Maybe that does not have to go in there as a criterion, but it should be (2) and (3) as opposed to (2) and (4), because a Member of the Legislative Assembly, subsection (4), will become (3).

You see, Madam Speaker, I don't know whether it is workable. I'm sure the drafts lady whom I know is very capable . . . maybe it is an oversight, but certainly. . . I specifically asked the drafters of the Law to put that provision in there so that we would not have any Member of Parliament sitting on this board so that the decisions would be made by grassroots people out in the street with the requisite qualifications sitting on these boards.

Madam Speaker—

**The Speaker:** Excuse me, honourable Member for East End.

Would other Members who are not speaking turn off their microphones please?

Thank you.

You may continue.

**Mr. V. Arden McLean:** Madam Speaker, I hear some of them talking about shareholders in these companies being directors. When I appointed that board there were good people on that board. I'm very proud of those people. I recognised at the time that the chairman was a shareholder of Cayman Brac Power

and Light, but we must understand that the Cayman Brac Power and Light has a licence between them and Government for the time being. It is yet to be negotiated to be governed by the ERA.

Madam Speaker, I believe that these amendments will eventually circumvent the operational independence of this Authority. I encourage the Minister to look at it.

When we look at another proposed amendment we see under [clause 3, an amendment to section 5] subsection (6), by inserting after the word "Governor" the words "; but directors shall hold office at the pleasure of the Governor". Now, Madam Speaker, we need to read that in conjunction with the Law to hear what it really says. And I don't want to be too accusatory [inaudible]. I don't know, maybe I'm different; maybe I see things differently, but something is wrong with this amendment.

Let me read section 5 subsection (6) and add this on to it for the purposes here: "**Directors shall serve for a term of three years and are eligible for reappointment by the Governor, but directors shall hold office at the pleasure of the Governor**". Now my 16-year old who just graduated knows better than that. You are saying in one breath that they shall serve for three [years], but you are serving at the pleasure of the Governor?

Madam Speaker, something is wrong with that. I can understand maybe appointed for three years and serving at the pleasure of the Governor. I understand that, but you cannot say they shall serve for three years and are eligible for reappoint by the Governor, but directors shall hold office at the pleasure of the Governor. Again, I question the validity of that amendment.

Madam Speaker, let me also give credit where it is due. Like I said earlier when we were going to try and get a deputy director, someone to act as managing director, we found that we were going to be up against the same thing as CIMA (Cayman Islands Monetary Authority) wherein it had to come to Cabinet every time to be appointed—vacation, sick leave or whatever, and whoever was going to act in that regard—and we were in the middle of trying to make an amendment to that when the Election caught up with us.

But, Madam Speaker, I am almost certain that this clause 4 will remedy that. I hope it will. Maybe the Minister and the drafts person need to look at that again because I don't know if it is totally going to remedy the problem we have when the MD (Managing Director) is not at work and someone needs to act in his stead. I believe we need to look at it and it may yet require another amendment to this Law.

I want to turn now to clause 5 where there is a section proposed to be inserted as 7(2) and it says, "without prejudice to the provision of subsection (1), the Governor acting in his discretion may terminate the appointment of any director, whether the director was appointed before, on or after the date of com-

mencement of the Electricity Regulatory Authority (Amendment) Law 2009.”

Madam Speaker, I understand that there are times when a new government comes in with a completely different direction they want to take the country in, but when you start subjecting Authorities to the whim and fancy of any individual who becomes a politician you are seriously subverting the operational independence of that Authority, which is required. We saw the Leader of Government Business do it right in here recently when he announced that the retiring Chief Secretary was to replace the Chairman of CIMA, which is an appointment for three years. These things are deliberately done to maintain independence.

When I was there I wanted to remove two, but the Law would not allow me to do that. And the crafters, be it the UDP Government before or otherwise . . . there was some reason why we put these things in there to maintain some degree of transparency, accountability, independence from the political wranglings of a country. That is what it is about, Madam Speaker, and it shows continuity to the outside world, the business world. We cannot do it at our whim and fancy! Now if you think the person is crazy, get rid of him, yes. Sometimes they may act as if they are crazy, but you have other directors there who will control them.

Madam Speaker, I have some serious concerns about taking away the independence of these Authorities. I have serious concerns about it.

Madam Speaker, this ERA sent out a solicitation for 32 megawatts, I think it was. And they had the opening of the tenders. I would not even go to it because I wanted them to have their independence, so much so, that the Law speaks specifically about it.

Please allow me, Madam Speaker, to read the Law. Section 11 says, **“The Governor may give to the Authority directions of a general character as to the policy to be followed in the exercise and performance of the functions of the Authority in relation to matters appearing to the Governor to concern the public interest, and the Authority shall give general effect to all such directions.”**

Subsection (2) says, **“The Authority shall cause any such directions to be published [transparency] as soon as reasonably practicable after being given by the Governor, but no such directions shall apply in respect of a matter pending before the Authority on the day on which the directions are given.”**

Madam Speaker, that is independence. We cannot and should not take it away from them. I did not do that. I was not part of this Law to have it repealed by every government coming into office. We have to be very careful. The ERA currently has that solicitation process before it.

Madam Speaker, for fear of something happening, I will not go any further on that subject because when we look at the transitional provisions anything could happen. This is a serious matter you

know. We ain't talking about a little small business on the side of the street; we are talking about conglomerates that would sue this country. And, Madam Speaker, I ain't no lawyer, you know; never aspired either. But I know from my own experiences that this amendment can be extremely damaging.

Do you hear what I tell you, Madam Speaker? I shall wait and see what happens. You cannot do this. We should not do this, Madam Speaker, because we want to get rid of one or two directors. If they are acting with ill intentions, remove them! Get rid of them!

But when you see people like Charlie Farrington, who is one of the most capable technical persons in this country, who sits on that board; people like Mr. Sammy Jackson, a very capable lawyer who will do nothing that is untoward, especially when it comes to his people. Mr. Charlie Farrington has a first class degree in electrical engineering. He went back to school and became a chartered public accountant. And they are the type of people we are changing? Mr. Kenny Ryan, an electrical engineer.

Madam Speaker, I am very concerned, and I understand the Minister may have her own reasons for doing this. She did not elaborate on it. I certainly would like to hear her rationale in more detailed form as to why. But, Madam Speaker, I caution the Minister and the Government to hasten slowly. I understand they need to get board members on and the like. The Government, and the Minister, in particular, will have ample reasons to remove directors if they act contrary to their appointment. If such is the case, then that is it. There is nothing anyone can do about that.

It is like I said in the beginning of my debate. I wrote every one of my chairmen about this same thing. Now if they choose not to do that, it must mean that they want to continue to serve their country. I feel strongly about that, that whenever a government changes everybody should tender their . . . You know, Madam Speaker, the one person that started that in our recent political history has been Ezzard Miller from North Side, who just happens to be the Elected Member for North Side now.

When we took over as PPM the first day he tendered his resignation from chairman of the Protection Board. That's how it is supposed to go! He knows that. He has been around it longer than I have been. But we are scholars of the same political teachers and we understand that.

When I was a member of the Planning Authority in the 1980s and 1990s and I was running for office in 1992, immediately prior to declaring I tendered my resignation. The government changed and the National Team got in. And the then member for East End became the Minister of Planning and made an announcement that he was going to ask me to resign. News for him—I was miles ahead of him because I understand that, Madam Speaker. I understand that.

I don't want to see the Government fail. That is the last thing I want to see, Madam Speaker, because you and will I fail too, and your children and

grandchildren and my children [will] fail also. Our country fails. I don't want to see that. But I certainly must speak up when I see the Government going down a path that will allow them to fail. Or there is a probability that failure could be the end result. I don't want that. So, I need to bring it to the attention of the person responsible. Likewise when I was Minister I expected the same thing. And on more that one occasion the Minister brought things to my attention which I had not seen.

Madam Speaker, I have concerns about these transitional provisions. Someone has to do due diligence on this. I am not a lawyer. Most of all I am not a commercial lawyer. But, Madam Speaker, I understand what the drafters were trying to get at here wherein currently the ERA is looking at solicitation and the like. I understand all that we are trying to get at here. I don't know if this is sufficient. I don't know. I need to know. And maybe the Minister in her response can say that.

And, Madam Speaker, I say all of this to say that I know what I went through during the negotiations. I know what I went through. On three occasions I had to bring the then Leader of Government Business in to assist me with those negotiations. You hear what I tell you, Madam Speaker? It was not good! And I know the individuals I am dealing with. I know the individuals we are dealing with. Their worth is 20 times the value of this country. I know who they are! If you think that they will not do what they have to do . . . I just hope that the Minister looks at this.

I know the Third Elected Member for West Bay is going to be jumping up as soon as I sit down, but I expect no less.

Madam Speaker, I don't know. I don't think there is much further I want to go on those transitional provisions because I have my own concerns about [them]; I have already laid down a marker and I ask somebody to look at whether—and that is why we have the Second Official Member—or not these [transitional provisions] are sufficient to prevent this country being too exposed. I don't know! But my experience tells me we have to be very careful with it.

I must tell you, Madam Speaker, that, based on the current amendments, the Opposition cannot support this amendment to this Law without further explanation that is going to give us some degree of comfort that this country is not exposed, some degree of comfort that due diligence has been completed, some degree of comfort that the intent of this is not to remove all of these directors in one fell swoop and that there is some degree of continuity that will be maintained. It is necessary, Madam Speaker.

I'm not here batting for anybody other than this country. That's who I'm batting for. That is all my concern is. That is my only concern. I want to make sure that this country is not overly exposed by rushed judgments.

I don't know if the people on those boards supported me as a Member of Parliament, Madam

Speaker. To the contrary, I don't believe half of them supported me, but that did not stop me from appointing them. That didn't stop me from asking them, calling them at their home, their place of business, asking them to go for lunch with me and then asking them to serve on these boards. Many people turned me down. Many people also asked to be appointed.

I believe that these are genuinely good people. They would do nothing untoward. I watched them during those negotiations and sometimes I cringed at how some of them fought and I felt sorry for some on the other side to whom they were directing their discussions.

Madam Speaker, there is a gentleman advising that board from Jamaica still, Mr. Hay, who was recommended to me by World Bank. Winston Hay has been all over the world, a very capable man.

Another advisor to the boards is the consultants that the UDP had in place initially, ICF I think it is. They are still there. Mr. Olivaire Watler I believe still provides some legal advice to them from his firm. I don't even remember the name of the firm. These are all people who fight very, very hard. Fight!

Madam Speaker, I said that I can't support it unless some explanation is [given] for some of these things, like a Member of Parliament being on that board, the revision of this. In my view the Law after this amendment will wipe that whole provision out. Therefore, there will have to be some explanation as to how that is not possible.

I thank you, Madam Speaker, for the opportunity to speak [to] this Bill, and I look forward to hearing what the Minister has to say.

**The Speaker:** Thank you honourable Member for East End.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

I have called the question three times.  
Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I have listened to the Member for East End ramble all over the place this morning in regard to what is before the House in this amendment which he screamed about keeping people on the board so that there can be continuity. Madam Speaker, that is what the amendment is doing. Of course, the Member—since he was the architect of the sorry situation that we have to deal with—would try to come now to blame everybody in the world except himself.

The Minister, I believe, can give a good account of what her reasons are, but I must answer some of the Member's complaints about the Business Committee.



Madam Speaker, we did adjourn this honourable House sine die, and not for a date to be fixed, because in the times that we operate in it behoves the Government to be able to come back at a given point if we have to without formerly reopening a new session. And, Madam Speaker, I don't think that this is the first time that that has happened. The Minutes of this House . . . the Hansards [show repeated] situations.

When we recognised that we had to call this meeting so quickly, yesterday, being Cabinet, we did set a Business Committee for this morning. And the Member said no Business Committee was held. But we did a round robin, which is permitted. As he indicated publicly he did not sign it as a member of the committee, but he left it there because he did not say there was a round robin, leaving the impression that the business was not legally before the House. But the business before the House is before the House legally because we had enough members on the committee to do the round robin.

Madam Speaker, this is not the first time that a meeting of the House was called quickly, or that Standing Orders had to be suspended, or that a round robin was done for the business to continue. This is not the first time. In some Meetings and some sittings every bit of business conducted by the former government was conducted in this House and done by round robin. That Member was a member of the Business Committee then, the Member for East End.

The Member for East End was Minister and the Member for East End was the cause of some of it being called so quickly. And the Member for East End was the cause of why the Business Committee had to be done by round robin because as Leader of the Opposition sitting on that Committee I got wind of it when I came to the House. I was not even called! Madam Speaker, in this case they were told to come here.

[inaudible interjection]

**Hon. W. McKeever Bush:** Madam Speaker—

**The Speaker:** No exchanges across the Chamber please.

**Hon. W. McKeever Bush:** You see, Madam Speaker, I would call their attention, but I have been here long enough. I know how to deal with those two. And I can take it as the work of Members that you have some crosstalk, Madam Speaker. But you see how he is—always he can give it, but he can't take it! And that's his problem.

So, Madam Speaker, the business before the House is legally before the House. It is not here on a whim and fancy. The reason that I could not be here is that I did have a staff meeting that I had put off several times already to deal with the Tourism Department. I could not get here in time to have the committee, but we did it by round robin.

He is talking about him being busy. Of course, all of us who serve the people of this country . . . and if anyone on the outside believes that Backbench or Opposition or Government has the easy time any more in serving the public of this country, they are making a big mistake. All of our time is valuable. All of us are hounded day and night because we are here to represent the people and they need to contact us and we need to serve them in one way or the other. So, we understand that everybody is busy.

The reason why we are here this morning is because that Member left such a mess in the CUC matter, the *sweetheart* deal that he gave CUC, and the way that boards are appointed. We certainly want some continuity, but, certainly, we want some other people that we believe will be akin to take any advice from and go with the government policy.

We are here to protect the interest of the Caymanian people. That is what we are doing here today. We would not be here had the Member for East End not done what he did. We would not be here today if he had listened to Members of the Opposition in the last government. But, no, according to him he had King Jesus advising him.

Madam Speaker, I think the only thing of substance he spoke on was this matter about "shall serve for three years, but at the discretion of the Governor." I think anybody should be able to understand that as well. You shall serve for three years, but you shall serve at the discretion of the Governor. That is as plain to me as ABC. What it is saying to me is that it is not an entitlement for an individual to be there for three years. That is what it is saying.

Now I like to play lawyer too. I'm going to borrow one degree from Mr. Truman one of these days. But to me that is what it means: "shall serve for three years" but you shall serve at the discretion of the Governor. It is not an entitlement for an individual to be there for three years and can't be moved. But that is the situation we are in today. We have people on the boards that have been just . . .

Madam Speaker, don't people understand some of what has happened? On the very day of the Swearing-In, boards want to call meetings and get their policy through. You would think that they had enough on them to say, *Let's wait to see what a new government is going to propose*. That's the work of boards in this country.

Some of them . . . I have one situation . . . gave himself a contract between after the elections and the Swearing-in—a contract! Upped a salary to \$200,000—some \$70,000 dollars increase! The public have given us their trust and we have a mandate to change some of the things that are happening.

Do we know it all? Of course, we don't.

Do we have all the expertise in the world on this government side? Of course not! But there are situations that the public of this country want changed, and that is why we are here. And that is why the for-

mer government is over there. Changes have to be made in some things.

They say that we have not been good enough. I know now that in the last administration on the night of election, when it was evident that the former government was going to win, certain people would call and say, *you don't have to come to any meeting tomorrow*. Ah ha! And people who the last government appointed are still sitting. We have not changed some of the boards at all. We are taking our time and, Madam Speaker, we are leaving people on who we believe can make a contribution and won't be so political that they will disrupt. But that is what we have to do. If they can make a contribution we are doing that and are giving not the same old, same old when it comes to board appointments in this country.

For years, ever since I have been in this House, the same people have chaired, the same people have been on! And they get mumped up if you don't give them a contract these days. They will curse you out on the front page of the paper.

So, Madam Speaker, as a new Government there are situations that we have found which we cannot rectify because of how the Law is. Therefore we have taken that opportunity to add new members in relation to these boards so that we can have a wider view and more input. And it will be members who are added on that will have as good experience as what you have there.

Madam Speaker, I know the Member from East End, and perhaps others, would want to tear the Government apart today. Well, we are prepared to give them as much time. I don't think it will be all of them, but I guess one more will come. I ask them to consider that they have work to do, and we recognise that. We have work to do, and while the minority shall be heard, the Government shall do its work.

**The Speaker:** Thank you Honourable Leader of Government Business.

I think this might be a convenient time to take the lunch break and return at 2 pm before another Member begins speaking.

#### **Proceedings suspended at 12.02 pm**

#### **Proceedings resumed at 2.15 pm**

**The Speaker:** Please be seated.

We will continue the debate on the second reading of the Electricity Regulatory Authority (Amendment) Bill, 2009.

Does any other Member wish to speak?  
[pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I rise to make a short contribution to the debate on the Electricity Regulatory Authority (Amend-

ment) Bill, 2009, which is on the Floor of this honourable House.

Madam Speaker, I was not in the Chamber when the honourable Minister moved the Bill, but from my discussions with my colleagues it does not appear that any real explanation has been offered in relation to these rather significant changes that are proposed to the Law, and particularly the reasons why these fundamental changes are being proposed in relation to the constitution and tenure of the board of the Electricity Regulatory Authority.

Madam Speaker, I think this has taken all of us by some surprise. We were advised, or at least I was advised that there would be a meeting of the House at 4.20 pm on Monday. I received these Bills at 5.48 pm last night. In those circumstances I would have expected that some real basis would have been put forward as to the urgency of these changes, which are fundamental in nature because they alter the whole premise, really, of this particular piece of legislation.

I heard the Leader of Government Business a little earlier today talk about how bad the Law is and all of the terrible things that my colleague, the Elected Member for East End, and former Minister with responsibility for Communications and Works, has done. [So] I spent a little time over the lunch break to make sure that my recollection of the debate which ensued on this particular piece of legislation the Electricity Regulatory Authority Law, that first the Leader of Government Business was actually present in the House at the time that debate ensued and to look at what he said then and to note whether or not any objection had been taken by him or, indeed, any member of the Opposition at the time to the piece of legislation.

The *Hansards* indicate no demure on the part of the Opposition in relation to this particular piece of legislation. There were all "Ayes" recorded in relation to this Bill.

So, Madam Speaker, if my colleague, the Member for East End, the former Minister with responsibility for this, was such a villain in relation to this exercise and had done such a disservice to this House and to this country in moving this piece of legislation then, at a minimum I would say that the Leader of Government Business and the Opposition which he headed up at the time must at least take some responsibility for allowing the piece of legislation to go through, not only without any amendments, but also for having voted for it.

Madam Speaker, I have been here long enough to understand that when the roles change for some Members of this House they simply erase what they did or did not do, or what contribution they did or did not make to whatever transpired during that period when they were in the Opposition. It is convenient, I am sure, if you have that kind of memory and that kind of approach to the way the affairs of government are conducted.

The reality is, however, that even though the players change, the business of the country must go on, and the business of the country is not conducted in some neat little box that you can compartmentalise and say, *Well, when I was on the Opposition . . . I take no responsibility for what I said or what I did, or what I supported. Once I get over here in Government I can treat that as though I had no part in that and I can take a completely and diametrically opposed position in relation to it.*

Perhaps the [reason why] the general public has such a dim view of politicians and what they say is because of the lack of sincerity and sometimes lack of truth in what is said even in this House. But I believe that most people are able to discern what the real position is.

The piece of legislation that is now being proposed to be amended is a piece of legislation that had the unanimous support of all Members of this House. That is what the *Hansard* records. I will not bore the House with it, but I have it here.

Madam Speaker, it is not, in my view, a bad piece of legislation. In fact, the whole premise of this particular provision (which it seems is the principal purpose of the amendment Bill before the House) is that the tenure of directors should be fixed, that it should be for three years. That was quite deliberate. It was to move important appointments to important boards like this beyond what are, sadly, the realities of modern day politics in Cayman, where changes are made to personnel purely on the basis of, *I believe he supported the last Government; or, I don't believe we can trust him because he is family to or friends with so-and-so who was in the Government.* That was the whole basis for this particular provision in the Electricity Regulatory Authority Law.

Madam Speaker, section 5(6) of the Electricity Regulatory Authority Law provides that directors shall serve for a term of three years and are eligible for re-appointment by the Governor. So it was always contemplated that you would have a situation where there would be continuity, the directors would or could span the transition of one government to another to provide a level of continuity and security and confidence to the country and to those who are intimately involved with these matters, that there would not be radical changes to the way things operated, at least not immediately.

The other provision proposed to be changed is the requirement under the current section 5 that directors need to have substantial knowledge in specialised areas. Again, Madam Speaker, that provision was put in quite deliberately to ensure that the people appointed to this particular board knew something about the key elements of the job they were expected to do. That is why section 5(3) provides as follows (and I will quote with your permission): **“When appointing directors, the Governor shall ensure that, between them the directors have substantial knowledge experience and understanding of one or more of the following areas- a) electricity**

**transmission and distribution; b) electricity generation; c) finance and accounting; d) economics; e) law; f) electrical engineering; and g) [a sort of catch-all provision which speaks about] other related fields.”**

That, Madam Speaker, I submit, is a sensible provision because you do not want a board as important as this, which deals with matters as technical in nature as electricity provision, to be made up of people who perhaps do not have the wherewithal to understand or be able to contribute to the discussion, the debate, and the decision making that is necessary in relation to these matters.

I am at a loss, Madam Speaker, to understand why we would want to repeal that provision. Is it that the Government has in mind a certain person or persons who do not meet any of those criteria, but they wish to pack the board full of these sorts of people who will simply follow the direction and instruction they receive from above?

Is it, Madam Speaker, to further nepotism?

Is it, Madam Speaker, to pay back political promises?

Why is this change being proposed?

I believe that the Government must say something about why these changes are being proposed.

I heard that it is being said that no changes are going to be made to this board. Madam Speaker, if that is the case, why do we have to take this radical rushed approach—little or no notice to Members of the meeting, virtually no notice in relation to the Bills, virtually no notice to the media that the House was even meeting today. What is this rush about?

Madam Speaker, I have been around long enough, and I spent four years in Cabinet, to understand that there are times when you have to move swiftly, and that you have to give short notice. I understand all of that, and I am not personally taking any real objection to that. I do what I have to do to get myself up to speed as best I can.

But, Madam Speaker, there must be some basis for this. The Government cannot come here, propose this, give vague assurances that nothing untoward is happening, and at the same time rush a piece of legislation through like this. I just do not understand it, and I do not believe anyone in the country is going to understand what all of this is about without some further explanation from the Government as to the basis for these changes.

Madam Speaker, what makes this even more concerning is that this is occurring in the context of a period of now less than two months in which almost every week—sometimes daily—the country is being told that this is going to happen and that is going to happen, and these changes are proposed, and there is going to be pension holidays, and, no there is not going to be pension holidays. And announcements are made about changes of chairmen of important boards and authorities, they are not advised.

There seems to be at a minimum a certain level of disorganisation in the way the Government is approaching what are fundamental changes in the way the country is being governed, situations where there is grave concern within the Civil Service about the future of many civil servants, where people are being moved from here, and moved from there and retired early. All sorts of major decisions seem to be taken off-the-cuff without consultation; assurances by this Minister, denials by the next.

There is a real feeling of . . . what is the word I am looking for? A real feeling of . . . at a minimum, Madam Speaker, *disconnect* between what the Government says it is doing on the one hand, and what, in fact, is the reality being played out day to day.

Madam Speaker, the Leader of Government Business went on at some length in his assault on my colleague, the Member for East End, about this so-called “sweetheart deal” that the Minister had given his former company. Now, Madam Speaker, this debate is really not the place to go into the details about what the deals were and who gave sweetheart deals or proposed sweetheart deals to whom. But I am going to simply say this in response to what he said.

Anyone who looks at the Heads of Agreement (which had been agreed by the administration of the present Leader of Government Business with CUC), and looks at the licence which was signed under the administration of which I was a part, can do their own comparisons about which were sweetheart deals.

The Leader of Government Business is given to making broad and sweeping statements with very little detail provided. But I challenge him or any other Member of this House or anyone else to do the comparative analysis of the two deals and see which was a sweetheart deal and which was not.

Indeed, Madam Speaker, we welcome the Auditor General’s Report, recently made public, about where the gold plating (as they called it) was under the terms of the old arrangement, and we invite the Auditor General (which I am sure he will do in the fullness of time) to carry out a similar analysis of the present arrangements under the present licence which my Government signed and see which is better. Perhaps in the process of doing that it would be good money spent if we also analysed the Heads of Agreement which were proposed during the last UDP administration which we had to undo to give this country something it could live with, which is the licence that is currently in place.

Madam Speaker, I am afraid that I cannot and will not support these changes that are being proposed to the Electricity Regulatory Authority Law. I believe they are going to put this country back, that they are going to add to the growing concern about the politicisation of everything in this country from the Civil Service right down—something that is happening at warp speed since this new Government has taken the helm in a manner that is of growing and grave concern to people right across these Islands.

Madam Speaker, I hear from them every day, whether they be in the media, whether they be in the public service, or whether they be in the private sector. We have to be careful where we are taking this country. We cannot, Madam Speaker, we must not get to the point where every single person has to think about what Government might do to them, about what they say or any action that they take, that if they are not openly supportive of the Government they may face sanction.

Madam Speaker, that is not where we need to take this country. There are excellent people who have no real political affiliation, as far as I know, who have been appointed to boards like the Electricity Regulatory Authority Board on the basis of their ability and their experience and their desire to help. And it would be wrong—it will be wrong, because I accept that the Leader of Government Business said his Government will have their way. I know, Madam Speaker, that is the way this system works. But it will be a travesty, Madam Speaker. It will be a step backwards for the Government to take the view that they should simply jettison these people merely because they were appointed at a time when another administration held the reins of office.

Madam Speaker, if that is not the objective, then whoever is going to respond on behalf of the Government needs to explain why these changes are necessary, why they did not take objection to these provisions when the Bill was being debated, why they voted for the Bill with these provisions in it when another Government was in office, and why these provisions are now problematic. At a minimum they owe the country that much.

Madam Speaker, there is a similar debate to follow in relation to another matter, and I will reserve what else I wish to say in relation to this general approach to important boards like this to when I next rise to debate any other matter that comes before this honourable House along these same lines as this particular Bill.

Madam Speaker, with those few words I thank you for your indulgence.

**The Speaker:** Thank you Third Elected Member for George Town.

Does any other Member wish to speak?  
[pause]

Third Elected Member for West Bay

**Mr. Cline A. Glidden, Jr.:** Thank you, Madam Speaker. I too would like to use this opportunity to give a short contribution to the Electricity Regulatory Authority (Amendment) Bill, 2009.

Madam Speaker, we were hoping to not have to debate, and that this would be a short and sweet amendment. But, obviously, the Opposition has found it necessary to get up and make sweeping accusations criticising the Government very unfairly.

Madam Speaker, I find it necessary to make a few remarks. I would like to start with what the Third Elected Member for George Town, the previous Minister of Education, just referred to a "travesty". I want to explain to him that what is being done. All of these allegations and assumptions that are being made about attempts to remove people from the board and changing legislation . . . Madam Speaker, I can say clearly that the members that were members of the ERA Board have resigned their positions; so it is not necessary to change the legislation. The Government has the authority to replace those members because they have already resigned.

So, when they get up here and make these allegations and try to make it seem that there is something underhanded, questioning the intent, it is just being mischievous. Now, if we want to refer to a travesty, the travesty that caused the Civil Service to be concerned about their survival and their everlasting ongoing jobs is the current cavalier and reckless spending attitudes of the previous administration—specifically the Minister for Education.

Madam Speaker, we were just informed that the school projects being done under that Minister had no budgetary preparations, the architects were given a blank cheque and approval to go out and come back with an undisclosed figure at any cost to the country, and came back at some \$70 million per school, and came back with no criteria or even a forecast set for what the recurrent expenditure for those schools will be. And then to find out that, besides all of that, the educators in the system had expressed concern to that Minister that they were not even sure that they would be able to educate our children in the facilities after the horrendous cost to the country. And that Minister has the nerve to get up and talk about a travesty?

Those are the kinds of things that are travesties, Madam Speaker. Those are the kinds of things that the Cayman people need to know about, that lack of responsibility that occurred under the previous administration. Now civil servants have to worry about their survival because the Government is struggling to find money to continue to pay them, and the high cost of living that has been incurred because of the sweetheart deal given to the electrical company that allowed an increase in rates to conveniently come in right after the election! Those are the travesties that that Member should have been concerned about.

Now, Madam Speaker, the question for my colleague, my friend from the district of East End. He questioned the intent of the Government, whether it was covert. I have explained that there is no intent to remove anybody. Those members have taken his advice—he said he gave the advice—and resigned. So this is not necessary, this is no attempt or intent by the Government to change or remove any members. Okay?

Now, we have those resignations on file. It appears to be some question by the Member, okay?

Now, hopefully that clarifies this Government's intent. But I want to clarify for them. The country has seen what the PPM's intent was when this agreement came. That intent was to give the current provider, their friendly company, an agreement to charge exorbitant prices and cause the Caymanian people a significant high cost of living and expense that they can no longer afford. So their intent was clear.

Our intent, and what we were elected to do, was to protect the Caymanian people by looking out for their interests. So we do have a difference in intent. That core intent became live and well, and on May 20, 2009, the people of the Cayman Islands recognised what that intent was and said, *Do you know what? You fooled us for four years, but now the time has come.* And this Government was elected with a mandate to change because the Caymanian people did not appreciate what had been accomplished under the intent of the People's Progressive Movement.

I know that is a hard thing to accept, but that is the reality. And the quicker the PPM acknowledges that, the quicker we will get on with running the affairs of the country in the prudent manner we were elected to do. The people have chosen and determined that you all, the People's Progressive Movement, were not capable of doing that.

Madam Speaker, the Member for East End made a reference (and maybe it was just a slip of the tongue). He said that he did not remove this Member when he got elected. The reason he did not remove this Member was because he could not under the legislation. It was not something that he chose not to do. But, Madam Speaker, just so we understand . . . we had a situation where I was appointed as chairman of the ERA. When he took office as the Minister, I was the chairman. What did that Minister do? The board was not given authority to operate. So I was the chairman, and the only thing the ERA was doing at that time as far as my capacity as chairman . . . the managing director would come to me and ask me if I would approve his vacation. There was no directive. There was no policy. Nothing was doing.

Now, the difference with the appointed members who have resigned is that I was an elected Member. So I felt a responsibility. It could not be claimed that I was derelict in my duties as an elected Member to serve my country. That same Member just acknowledged and said that if those members have been asked to resign and they chose not to resign, it is because they have a desire to serve their country. That was his comment a few minutes ago.

My desire after having been elected was to serve my country. So I waited because I did not want it to be claimed that I was derelict and that I refused to serve. I waited until that Minister came down here and made comments about me and my colleague, the Second Elected Member for West Bay, needing to resign so that the board could get on with its work. Upon those comments being made publicly [and we having said publicly that we would resign, because we

would not want to be obstructionists,] as soon as the Minister asked for that resignation, we resigned to allow the country to move forward. That is what happened.

Madam Speaker, the point was made that the only reason for the members staying on was to make it clear that we were willing to serve the country at the will of the Minister and the Government. When he made it clear he did not want that we were willing to resign—which we did—to allow the board to continue. Those are the facts as we all know them.

So, Madam Speaker, this question about intent and reason for and reason not for, hopefully it is clarified. Hopefully the country and the press will see that it is simply the Opposition trying to be mischievous and trying to make it appear that there is some underlying intent. There is none! We are moving forward with the business of the country, and this is necessary for us to do that.

Madam Speaker, the question about the responsibilities: When we increase the size of the board we are proposing to increase the membership. As you will know, Madam Speaker, when we increased from five members to a maximum of nine members, having a small technical pool in the Cayman Islands that will not have a conflict of interests is difficult. That difficulty is the reason for broadening the scope. We did not want to limit ourselves by saying that we had to find nine people who have expertise as electrical engineers not in some way connected to the current companies.

Everybody understands that in a population of 40,000 to 50,000 people, and only 20,000 Caymanians, it is going to be difficult if you limit yourself to those requirements when you are trying to expand the board. Again, it is not some intent to in some way do all of these things that they are trying to allege we are doing. It is a simple, logical exercise to say that if you limit yourself in saying that everyone has to have electrical/technical expertise you are limiting the pool of people you can draw from.

In the wisdom of the Minister, and in the wisdom of the Government, there was a need to amend those restrictions to allow us to broaden and widen the scope of available personnel to be used on these boards. Now, if that is in some way a devious act by the Government, then I guess we are guilty as charged. But I am sure, Madam Speaker, that the general public will recognise very clearly the value in doing that.

Madam Speaker, it is important when we talk about intent, and it is important when we talk about all these achievements and these sweetheart deals that the previous administration gave to CUC . . . this was something that was determined and discussed by them. This was not any discussion that we were having, Madam Speaker. But it is important, Madam Speaker, that I remind the previous Minister of Works, along with the [previous] Minister of Education—who gets up and extols this hard negotiation and this great

agreement—when I sat with the current board members who just resigned, the members of the negotiating team appointed by the previous Government, Madam Speaker, this was a couple of days ago, but I sat with that board. Lo and behold, Madam Speaker, they told me (and I am sure you and the rest of the country will find this real enlightening and disappointing) . . . the negotiating team appointed by the Government said that any time the negotiations got difficult, CUC would go to the Cabinet behind their backs because it appeared that the Cabinet was on the side of CUC against the negotiating team!

So, Madam Speaker, it is not surprising that we refer to it as a sweetheart deal because their own negotiating team, their own board said to us . . . we were sitting in the Cabinet room of the Glass House, and their board said, *Yes, we have been called in to this room many times. We have been called into this room many times because any time the negotiation got tough the Cabinet would summon us in to this table.*

So, Madam Speaker, when we refer to these sweetheart deals, and when we refer to the need of expanding the board, we are doing it based on the experiences and the knowledge that we have gotten as a new Government. We are doing it because our intent is to ensure that any future negotiations and any current negotiations—any negotiations at any time—are done in the best interests of the Caymanian people.

If we have to change the board, if we have to change the criteria of the members so that we can expend the pool of intelligence to ensure we get a wider cross-section, then as a responsible Government that is what we have to do. It has nothing to do about who is friendly, or who is supportive; it is who is going to get us the best deal for the Caymanian people because that is what we were elected to do.

Madam Speaker, there is also the allegation of these wholesale sweeping changes that should not be made for the purposes of continuity. The previous board, the board that was there when I was a member, got changed. They were in the middle of negotiations. What happened to the continuity at that time? All of a sudden the Minister sees the wisdom of that mentality. What? He just woke up with that this morning?

The previous Minister didn't know about it when he was making those wholesale changes. Was that simply because there were people not carrying out the mandate of the previous government? What was the reason for making those changes at the time? Was it because of having to pay back political favours? Was that the reason?

We are now seeing, obviously, that the intent was not for the protection of the Caymanian public. Was it because of paying back political favours or political donations?

We know it was rumoured at the time that the biggest contributor to the People's Progressive

Movement was Caribbean Utilities Company, and we saw whole sweeping changes. And now we have been told that even the new board that was appointed was summoned in when they were carrying on bad, when they were misbehaving, when they were being too hard on CUC. And that Minister gets up to talk about the travesty of justice?

Madam Speaker, as I said, I was hoping it would not be necessary for me to get up to speak. I was quite willing, as you could see, Madam Speaker, to sit back and allow it to go because these are issues of national importance, and we recognise the challenges. We recognise the difficulties and the possibilities of legal challenges. So we were willing in the interest of the country. But, Madam Speaker, when you have an irresponsible Opposition that finds it necessary to politicise everything it becomes necessary for us to defend ourselves.

Let this go on record showing that we will defend ourselves. We will get up here and defend because we were given a mandate by the people. They were not happy with what was happening. The electricity rates in the Cayman Islands were a serious topic of discussion during the campaign. We were given a mandate not to continue doing the same things that the People's Progressive Movement was doing, Madam Speaker. The Caymanian people were not satisfied that their interests were being looked after.

Yes, we are making changes. We are making the changes as required by Law with the board. The board will conduct and carry on in the same way the board should. And it has no ulterior motive. As I said, this idea that we want to reappoint . . . whoever wanted to be reappointed could be reappointed because those members have resigned.

Hopefully, Madam Speaker, this makes it clear. I hope that when the previous Minister for Education gets up and starts talking about this fear of civil servants . . . how many civil servants haven't lost their jobs under the People's Progressive Movement? How many senior civil servants? We have one sitting in the Legislative Assembly—he is now our Minister of Health, our Minister of Social Services. Have you forgotten as quickly as that? It could never be, because he is sitting right here [staring you] in the face!

Regardless of how bad your memory may be, here's a stark reminder of what victimisation by the People's Progressive Movement will do and a stark reminder of what people power will do. When you feel you are all mighty and all powerful just have a look across the hall; look on the Government's side and get that reminder. Get back to reality.

You talk about that disconnect? That is where the *disconnect* occurred. And that is where the demise of the People's Progressive Movement has occurred—the *disconnect* from the people.

Madam Speaker, as the Member said, we have another day coming up, and I am sure we will have another opportunity to remind them of their sins

if that becomes necessary. I hope that it does not. But if it does, serve warning on the Opposition (the previous administration) that we are willing, able and ready to defend ourselves to the general public.

With those few comments, Madam Speaker, I thank you for that opportunity.

**The Speaker:** Thank you honourable Member. Does any other Member wish to speak? [pause]

Fourth Elected Member for George Town.

**Mr. Elliot Solomon:** Thank you, Madam Speaker.

I also rise to speak on the Electricity Regulatory Authority (Amendment) Bill, 2009. I will try to keep my comments short as well.

As my colleague, the Third Elected [Member] for the district of West Bay, stated, Madam Speaker, I definitely intend to get into a back and forth today on this issue, but I am definitely not going to back down from the opportunity. As you noted, I was even the one who said the prayer this morning, so that shows you that I was not here to debate this morning. But let me start by picking up on some of the comments made also by the Third Elected Member for the district of George Town.

If it were not such a serious issue, I think it would almost be laughable. Here are some of the comments [made by] the Third Elected Member for George Town. He said he was surprised and wanted to know why positions the United Democratic Party took when they were in the Opposition seem to have [been] set aside and we are taking a different position today. Madam Speaker, I feel I have an obligation to this honourable House and to the 1,845 persons who put me here (and those who perhaps did not make it to the booth), to highlight some of the contradictions in that statement.

It is the same Third Elected Member for the district of George Town who when on the Opposition was instrumental in terms of the passing of the Employment Law. Yet, at the same time, when he and his colleagues had an opportunity in this honourable House to serve as the Government, they seemed to have set it aside. What was at one point in time a reasonable piece of legislation good enough for that particular Member and his other Members (now of the Opposition) to pass, when they became the Government . . . the same contradiction—worse, Madam Speaker—they set it aside. Not only did they set it aside but, in keeping with everything that the PPM administration has done, did it in such a way that it cost this country more money and, at the end of the day, brought about no results.

What the United Democratic Party did in terms of the formation of the Employment Law by getting free consultation from the International Labor Organization, with Mr. Goolsarran, brought something to the table for this country. The same administration, the PPM administration, brought the same individual

down at a cost. The country is perhaps still waiting for the report and still waiting for the Employment Law.

The way to start and the way to end, Madam Speaker, is on the words mentioned by the Third Elected Member. He searched. He seemed to have been somewhere in the darkness. I hope today the United Democratic Party can shine a little bit of light to help him find his way home because he talks and he pauses and he finds the one word that I believe truly describes the PPM administration—"disconnect", disconnected. That is the fundamental reason why the PPM finds themselves on the other side of the hall, because they are disconnected from the people.

When it comes to CUC, let us be clear on this. Let us show the disconnect. Immediately after the PPM was elected to office in 2005, in July they had in their hands as a government the power to make a fundamental decision of who was going to pay \$13 million. They could have given it to CUC or they could have given it to the public, or they could have split the bill fifty-fifty. The disconnected administration of the PPM chose to put that bill on the people of this country. That is why they are sitting over there, Madam Speaker. We have to be clear and we have to be honest with ourselves. That is why they are there.

Here today we come as a Government making a proposal to, once again, as we have done in the past, carry this country a step forward in the right direction. And what do they do? They resist like they always do! [Opposing for the sake of opposition,] saying they see no benefit in it. They cry to the people that they cannot possibly support it. I think the words used by the same Third Elected Member for George Town. No one in this country will understand it.

Again, Madam Speaker, may I [show] in my humble submission evidence of the fact of how disconnected he and his other members are? The people will understand.

I think some time ago one person defined insanity as when we keep trying to do the same things and expect different results. The PPM administration has failed insofar as this particular piece of legislation to accomplish something for the people when it comes specifically to CUC. The United Democratic Party, in a way perhaps that we have defined ourselves, is willing enough, is brave enough to make some changes to try things in a new way, Madam Speaker. That is the reason why the people of this country elected the United Democratic Party, because we are willing to try new innovative ways of doing things.

Section 3 of this legislation, as the Third Elected Member [for George Town] made reference to as well, talks about the requirement insofar as ensuring (and I will read): "**At least one of the directors shall be a person of recognised standing and experience in electricity generation, and at least one shall be a person of recognised standing and experience in electricity transmission and distribution.**"

I do not think it takes a genius to see that in the Island of Grand Cayman alone, CUC is a monopoly. Therefore, insofar as CUC is concerned in Grand Cayman, everyone who works there, particularly in those areas, makes it a monopoly. If you want to engage in electricity transmission and distribution in Grand Cayman, you are working for CUC.

These are the individuals who are heading and directing this particular board.

Madam Speaker, as a party we wish to ensure that we can add persons to this group who are going to come with some bright innovative solutions and carry us in a new direction.

Winston Churchill once said that you should have experts *on tap*, not on top! I say that insofar as that board, whatever expertise requires, whether it is distribution, transmission or anything else, they can be called, they can be invited to the board and be asked to share their expertise. It does not necessarily mean that they have to be on the top. That is why we have consultants, Madam Speaker.

Contrary to what the Third Elected Member [for George Town], and I am pretty sure echoed by his colleague—

*[inaudible interjection]*

**Mr. Ellio Solomon:** Yes, what the Third Elected Member for the district of George Town is stating.

And here are some of the charges again, Madam Speaker, and I stress for the record, irresponsible charges that perhaps certain persons with all expertise, or ones who want to be put on the board . . . hopefully I have shed a little bit of light in that dark room that the individual finds himself in. Nepotism and payback for political supporters.

**Hon. W. McKeeva Bush:** What?

**Mr. Ellio Solomon:** But Madam Speaker—

**Hon. W. McKeeva Bush:** He said that?

**The Speaker:** Be quiet please.

**Mr. Ellio Solomon:** The fact of the matter is, Madam Speaker—

**Hon. W. McKeeva Bush:** That was ridiculous if he said that—

**Mr. Ellio Solomon:** Right!

**The Speaker:** Excuse me, please be quiet.

**Mr. Ellio Solomon:** When I hear allegations like that, Madam Speaker, I think, first of all, it means that the general public listen every day. And this is what they have to hear—the loyal Opposition saying "nepotism" and "political payback".



**Hon. W. McKeeva Bush:** Nepo-who?

**Mr. Ellio Solomon:** Madam Speaker, there is also a saying that you shoot from the hip. So they must be judging themselves when they point one finger with three pointing back at them. That is not the objective of this Government.

At the end of the day we are putting persons in place that believe . . . because I have respect for many of these boards and the persons who sit on them. I can tell you in my little short term here . . . and it is a short term, Madam Speaker. I see some things that are scary, I think mentioned by the Leader this morning, people signing contracts up for themselves—these sorts of things have to stop, Madam Speaker.

That said, we are intending to increase the size of this board because we believe that by doing so we can add some additional expertise. To give a good analogy, again, the Wright brothers were also the ones who invented the aircraft but they saw no future in it! It was a college dropout by the name of Boeing who actually made it a billion dollar industry.

Madam Speaker, the United Democratic Party is charting a new way forward. We are adding new members to this board to effect a better way forward. We are charting a better way forward. For what reason? To ensure that we can provide good service and benefits to the Caymanian people. That is why they elected us to office.

I also heard the Elected Member for the district of East End mentioning that he was putting boards out there, but boards that were not going to be loyal to him. Madam Speaker, I remember looking from the outside into parliament. I heard that same elected official say that one of the reasons he was removing the then two members of the board, the Third and Second Elected Members for West Bay, was because the United Democratic Party's philosophy and direction was not the same as the PPM's.

Madam Speaker, if you attempt to remove them because their philosophy is not with yours, then clearly logic causes us to reach the conclusion that you are putting someone there whose direction and philosophy is with yours. That is what governments do. So, those statements that he is making contradict.

What is he doing? Putting someone who does not want to work and act on the same policy of the Government? I would hope that the PPM had a philosophy. But either way, Madam Speaker, to keep things short, if they did, that philosophy and direction was of the PPM administration.

They have had their time, Madam Speaker. They had four years, as my colleague mentioned. I will not even get into education and all of these other issues because we will have time for that. But four years, at a significant degree of expense to the country and to the people!

There are people out there hurting, Madam Speaker. We have a situation . . . I cannot even call it

negotiations when an individual now can spend in excess of \$150,000 to \$300,000 for solar energy that can completely run his house, but there is still a meter being tacked there so that CUC can get a payment. It loses me, Madam Speaker. And it concerns me when a government can say that this is the result of delicate and hard negotiations.

I can also tell you that it was that same administration, when I had a chance to speak with high ranking members of Caribbean Utility Company had not even so much as written a letter to CUC asking them to ensure that they looked for alternative sources of energy.

The people of this country, the families out there right now, are having to deal with the issue of the cost of living. They are having difficulty putting food on their table, difficulties and challenges sending their children to school, paying their bills and simply surviving. One of the fundamental things has been the bills coming from CUC. That administration—the PPM administration—failed the people of this country. They had four years, Madam Speaker, and I kindly ask them now to sit there on the other side and, rather than oppose for the sake of opposing, look and work with the United Democratic Party. They have only messed it up.

At least now take the opportunity, the second chance that the people [gave you] there in the Opposition, and finally pick up something and work with the United Democratic Party for the benefit of the people of this country, and do not sit there and collect a salary and oppose for [the sake of opposing.]

Madam Speaker, I am going to bring this to a close, but I simply want to reiterate that we have an opportunity right now to come down here and represent the people and bring about some change. We have a combination right now of older heads and younger persons—the perfect combination in my opinion. If it means that we have to call extraordinary meetings of parliament, then we are going to do it. We get paid a salary. If we have to do it, we have to do it.

The whining coming from the Opposition does not bother me. It sure should upset the people because they are paying a lot of money for them to be here. So don't whine! Come down to parliament and do what you have to do to serve the people. Don't oppose for the sake of opposing. For once in your life get up and say *I am going to now work for the benefit of the people of this country.*

I want to give the assurance to all persons who supported the United Democratic Party, particularly me, that as promised I am going to come down here and I am going to support my Government insofar as anything that works for the benefit of this country and for the benefit of the Caymanian people. Insofar as this particular amendment being brought by the Minister for Cayman Brac, it is for the benefit of the people of this country.

We believe in the power of the people. We believe in the common man and his ideas. And we be-

lieve that if we can combine those same individuals with this board, surround them with the expertise that we need, Madam Speaker, that we can and that we will make a difference.

Therefore, I have no problem whatsoever supporting this particular amendment.

Madam Speaker, with that I conclude. Thank you very much for your indulgence.

**The Speaker:** Thank you Fourth Elected Member for George Town.

Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I am calling on the Minister of District Administration, Works and Gender to wind up the debate.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you very much indeed, Madam Speaker.

Madam Speaker, had I been a betting lady I certainly would have lost my bet this morning. I thought that such a simple and innocent amendment to the ERA legislation would [not] have ensued such acrimonious debate. Nonetheless, parliamentary life does continue.

I am grateful to my colleagues who saw it fit to make their contributions, particularly those from the Government backbench, bringing their arguments and clarifying comments that had been made.

Madam Speaker, by way of reply, I just want to take a few minutes at this late stage of the day to respond briefly to some of the arguments put forward by my friends on the Opposition. I will use my time to first respond to the honourable Member for East End. He wanted to find out the reason for such a rush.

Madam Speaker, it is with deep regret that on the basis of irrefutable presumptions the Member assumed that there had to be some conspiracy in this legislation. Let me say right up front that the reason I felt very confident in just taking a professional and technical approach to my preliminary remarks, dealing with the substantive amendments rather than choosing to interject subjective comments and waste the time of the House, was merely that. There was no underlying intent or reason, or conspiracy. We, like any new Government, are in the process of appointing our boards. The ERA and the ICT happen to fall under my ministry and my responsibility and as any good and prudent Minister and Government we read the legislation to see what is there.

The mere fact that one had the privilege to be sitting in these hallowed Chambers when any of these pieces of legislation saw safe passage, and whether or not they supported it, should not be reason enough not to change their mind. In fact, the late Jim Bodden said that there were only two categories of persons who prefer not to change their minds, and that's a fool or an imbecile and a dead person. I can assure this

honourable House and the listening public that neither I nor any of my colleagues fall within those two categories! So there will be reason enough to change minds for the better and in the wider public interest to ensure that the legislation is at its best based on the circumstances and the changes that are overriding factors from time to time.

Madam Speaker, the amendments are very short. They are not complex. Yes, they were given at short notice. But we are living in a time, as those honourable Ministers would fully appreciate, where things are not always given three months, hence, the reason or provisions for suspension. It is not the order of operation, but at times it is necessary to do so. I did not feel that it was prudent to wait until the September sitting to amend these significant pieces of legislation and significant boards in our jurisdiction because it would have meant another six to seven weeks that the board would not be able to function as the Government would want our boards to function.

Madam Speaker, the good thing about the truth is that once you tell it you do not have to remember what you said because it changes not. I found myself as a new Minister making a request of a managing director, once I learned that a meeting was going to be held, to be given two days to read the briefing notes and to [inform] myself of what my responsibilities were. In fact, that request was denied.

So, Madam Speaker, as I am sure any other honourable Minister in the House would do, I had a re-look at the board structure to see what was necessary. It was not until about two days ago when we were finally able to get the board to come together that we discovered, in fact, that that request had not been conveyed to the members of the board. Apparently, a unilateral decision was made by the managing director not to acquiesce to the request from me to have time to read the briefing that was there and do as any other honourable Member would do, meet with them, congratulate them for what they have done, and see what the course was for the next year under the section where we could give general policies, et cetera.

Madam Speaker, it then occurred to me that this particular piece of legislation, as well as the ICTA, which I have had no problem with to date, handcuffed any government. I believe that we live in a democracy, and if the Cabinet has the power to appoint, then the Cabinet must also have the power to terminate.

I looked at the situation and I decided that, certainly, I would advise my colleagues on Cabinet of the situation that was there, a situation that I would not want any government—this Government or any other—to be in. In fact, the last Minister responsible found himself in a similar situation where the board did not meet for quite a bit of time, and I was not prepared to put the board and its working in jeopardy by the lack of political will to take the right decision. Hence, the reason we are here today to rectify those decisions.

Madam Speaker, I made it abundantly clear to all of the members of the board when we sat down and discussed the matter for the way forward, that it was this Government's policy, as was concurred by the Member for East End, that all members of the board should voluntarily resign when a new Government comes in. And then the power would be there for the new Cabinet to reappoint some or all of the members and, if necessary, add additional members. So these amendments merely formalise this same political statement that that Member made in his deliberation earlier today.

In fact, that is exactly what we are doing. I made it abundantly clear to all of the members of the board that I had no hesitation based on my interaction with them, based on discussions, their ability to wrap their minds around the complex issues relating to the ERA, to recommend their reappointment to Cabinet. And that is exactly what this Minister intends to do, Madam Speaker.

Having said that, we found it necessary, however, to add new members to the board. Because the board was a very small one, we found that with the provisions requiring the very specialisation there was the possibility for inherent conflicts of interest. Certainly neither this Minister nor my colleagues in Cabinet or the backbench, wanted to be endorsing that in any shape or form. And that is the reason, again, for the intent of the expansion. Of course, as with any law, we had to put a savings and a transitional provision in.

Because we expanded the membership of the board, logic and the process of deductive reasoning would tell us that we also had to bring the consequential amendment to change the quorum, which, in the current status, is three. The amendment that we are seeking to pass today clearly says that it would no longer be three but it would be a majority of the members appointed.

I explained earlier on that we experienced a problem with the way the law dealt with the managing director, and I am happy to hear that with at least that aspect of the amendment, the Member for East End agreed that something needed to be done. In fact, he concurred that they were aware of it but because of elections, he said, they were not able to do anything. Madam Speaker, I have difficulty understanding that, because he was the Minister for four years. Perhaps that is why two months is seen as a rush to get something done, when he had four years. So, if we are using that formula, I can understand. Perhaps it is like a day being 1,000 years with the Lord!

Madam Speaker, he himself said that it was customary that members would voluntarily resign and that the Government could appoint or re-appoint. That is simply what we are doing here today. So I do not know what has caused all of this uncertainty and [these] conspiracy theories expounded here today. I trust that by the time they take the vote they would have had a chance to really settle down and realise

that the intent and the purpose of an Opposition is not just to interject fear and trepidation into a population that is already under a lot of stress, but to be able to put alternative positions that can easily stand the test of reason.

Madam Speaker, the same Member for East End said that he felt that if there was a member who was crazy that was reason to have him removed. In fact, he said "get rid of". I guess that is where we part again because my Government, the United Democratic Party, if we did, in fact, find that a member was crazy—and out of an abundance of caution, that is not a finding to date—we would not simply "get rid of" them based on our subjective analysis. At the very least we would ensure that there is a certified medical certificate that the person was insane, then we would seek to help him, Madam Speaker, not to get rid of him. Hence, again, a reason for the disconnect and the difference between that government and this Government, Madam Speaker.

He went in a very mischievous way to introduce section 11 of the ERA. In fact, section 11(1), (2) talking about the guidelines that section provided for the Governor to give directions of a general nature to the board as an attempt somehow, grasping at straws, to say that perhaps these amendments had to do with the Cabinet wanting to give directions. Madam Speaker, long before it became popular that Ministers should not sit on boards, this Minister—now a third-time Minister—chose, opted, not to sit on a board.

I have much work to do. I have a mandate in which to do it, Madam Speaker, and I have no time with all of the economic demise that this country now faces and the true travesty that the last Government has put this country—not just civil servants, but the entire country—in to play politics or to play games. I am there to do one thing—to try to improve the campground called Cayman to make it a much better place than I found it. If I can just accomplish that, I would be a most satisfied politician.

Madam Speaker, it was not at any material time my intent or the intent of my Government to try to come up with some scheme that the Opposition still is having problems. They went to the extreme . . . and I know the Member knows better. I would not even begin to think that it was a display of ignorance—the Member surely knows better—to say that because we are taking out section 5 (3) of the substantive law that somehow or another section 4 will become section 3, which means ironically enough that section 4 says, "a Member of the Legislative Assembly shall not be a director . . ." He somehow wanted the listening public and the press to believe that this was some move to make it possible for a politician to become a director. In fact, that obviously was effective, because during the luncheon break we had a call from a press officer wanting to find out whether (and I will say CG for the purposes of being correct in my quote) the Third Member for West Bay was going to be a member.

Now, Madam Speaker, make no mistake. The Member has no desire. And even if the Member did in fact have a desire, this Government has no intention whatsoever of putting any politician on. In fact, those people who understand, and if he did not understand . . . I know my learned friend, the Third Elected Member for George Town is well versed in the law, democracy and parliamentary procedure and interpretation, he could have lent his non-gratis advice to explain to him that the numbering has no part or parcel of this process. In fact, when the law commission does their duty, it will be renumbered and consequential amendments will be made.

In fact, Madam Speaker, if he had read subsection (9) correctly, and had taken less time being mischievous, he would have seen that it says, and I beg your indulgence to quote, "Where a director appointed under subsection (1) dies, resigns or otherwise vacates his office before the expiry of the term for which he has been appointed, another person may be appointed by the Governor for the unexpired period of a term of office of the director in whose place that person is appointed."

And subsections (2), (3) (which we are seeking to delete), and (4) shall apply to the appointment. And subsection (4) says that "a Member of the Legislative Assembly shall not be a director." That is still in place. That is still preserved, and protected. And it is very irresponsible for him to try to somehow give the impression that the intent and purpose of this piece of legislation was to accomplish that. Nothing could be further from the truth. The truth is stated in black and white in the substantive provision, Madam Speaker.

He said that he has a concern that there would not be continuity and that we were taking off persons of good standing. Madam Speaker, I can say that my *modus operandi* has not changed based on the fact that I am no longer sitting on the backbench and that now I am blessed to be a Minister. When I came here this morning, I made it my business to speak to our independent Member to explain to him out of courtesy what we were trying to accomplish, in particular knowing there was short notice. I did the same thing with the Members of the Opposition.

Now, granted, the Third Elected Member for George Town was not here at the time. But he had a majority of his Members here, and I am sure that they still have good communication amongst themselves and that he would have been properly briefed as to what I said. I made it my business to indicate to them that none of the four private sector directors were going to be removed; it was merely a formality of the policy of the Government that at its commencement members should resign and that appointments or reappointments would be made.

Madam Speaker, had they not spent so much time acrimoniously here today, they would be that much closer to those same members that they are fighting for with no cause to be reappointed. This morning quite early I again said in writing to the Mem-

bers even before coming to the House, putting the necessary conditions, precedents, there that subject to the safe passage of this legislation today, subject to assent of His Excellency the Governor and the gazetal of the amendment that they would be reappointed.

We had no falling out with any of those members. I sat with them for the first time. I was impressed with their wealth of knowledge, with their dedication. I was indeed concerned, as my learned friend the Third Member for West Bay, to be told that in their pursuit of what was best in the public interest that they felt they were somehow influenced and bypassed by CUC going straight to the last Cabinet. I assured them that this would not happen with this Minister.

Madam Speaker, I can easily say that I have no understanding whatsoever what could have caused—after taking time to do that—the Opposition to come with such weak and such dangerous arguments for this piece of legislation.

I agree with the Member for East End when he says that the current directors are good people. And I took note that he named them. Madam Speaker, I have been here now almost 13 and a half years. I know how politics run. When you get up and do that you try to divide and conquer, which we should have learned by now from the colonialism that we have endured over these years. That is not my objective, Madam Speaker. I have a track record of all of my boards. In fact, to the extent that when the three (now four) Governments came in, the boards that I have appointed in the Brac have hardly ever changed because of the manner in which I try to appoint members to all of my boards.

It matters not what colour they are, what district they are from, who they support. What matters is that they have the mental capacity and the willingness to do their very best to serve this country. I have no reason to change that MO [*method of operation/modus operandi*] at this stage.

Madam Speaker, there was some other political questioning and posturing from the Third Elected Member for George Town, trying to find out whether it was because the Government wanted to pack the boards up, whether it was nepotism, or political promises. I know that if you put it in a question you can say almost anything; but we have a duty to be careful. The Cayman Islands is already much too divided with "us" and "them", Caymanians and expatriates. Each time we seem to be moving up to another level of division. I have said it before, Madam Speaker, and I want to go on record again today saying that if we are going to continue to nation build, we ought to take a step back and be extremely careful when we make statements that it is not just done for the moment and for selfish reasons.

When we divide this country crime flourishes. Our young people lose hope. That is why Obama was able to be so successful, because he dared to have the audacity to hope. That is my challenge to the Opposition today—dare to be a different Opposition, and

let's work to put this Caymanian country back together again. We are facing very grave and severe economic times; very grave times.

The budget is coming up, Madam Speaker, and if the country fully realises where we are now—the amount of money that needs to be borrowed just for recurrent expenditure—then we will not be wasting the country's time just arguing to score political points. We are just about two months out of the election. There will be [four years] before the next election to do that. Let us act as mature politicians wanting to do what is best for this country.

Yes, we can debate, we can take different sides; but let's not—on both sides, Madam Speaker—get into personal attacks and lower the level of debate. There is a much different breed of politicians in here now. The young people are looking up to us. Let us leave a much improved campground.

I thank those Members who debated. I look forward to their support on this piece of legislation and I trust that as we go to the next piece of legislation people would take a step back and debate purely on objective, defensive reasons, and not spew political red herrings.

I thank you for your indulgence, Madam Speaker.

**The Speaker:** Thank you honourable Minister.

The question is that a Bill shortly entitled The Electricity Regulatory Authority (Amendment) Bill, 2009, be given a second reading. Those in favour please say Aye. Those against, No.

**Ayes and one audible No.**

**The Speaker:** The Ayes have it.

**Hon. W. McKeeva Bush:** Can we have a division please?

**The Speaker:** Madam Clerk?

#### Division No. 2/09-10

**Ayes: 12**

Hon. W. McKeeva Bush  
 Hon. J. Y. O'Connor-Connolly  
 Hon. Michael T. Adam  
 Hon. Mark Scotland  
 Hon. W. F. Donovan Ebanks  
 Hon. Cheryl M. Richards  
 Mr. Cline A. Glidden  
 Capt. A. Eugene Ebanks  
 Mr. Ellio Solomon  
 Mr. Dwayne S. Seymour  
 Mr. D. Ezzard Miller  
 Mr. Anthony S. Eden

**Noes: 1**

Mr. A.M. McLaughlin, Jr.

**The Speaker:** The results are 12 Ayes, 1 No. The Electricity Regulatory Authority (Amendment) Bill, 2009, has been given a second reading.

**Agreed: The Electricity Regulatory Authority (Amendment) Bill, 2009, read a second time.**

**The Speaker:** Honourable Minister.

**Information and Communications Technology Authority (Amendment) Bill, 2009**

**Hon. Juliana Y. O'Connor-Connolly:** I move the Second Reading of [The Information and Communications Technology Authority (Amendment) Bill, 2009.]

**The Speaker:** The Motion for a second reading on the Bill has been duly moved and is open for debate.

Honourable Minister I call on you to present the Bill.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

I rise to present the Bill on behalf of the Government, A Bill for a Law to amend the Information and Communications Technology Authority Law (2006 Revision) to make further provision in respect of the composition of the board of directors of the Information and Communication Technology Authority; and to make provision for related matters.

Clause 2 of this Bill seeks to amend section 4 of the principal Law to increase the membership of the board of directors of the Information and Communications Technology Authority and to remove the requirement for directors to have a substantial knowledge in specialised areas.

Clause 3 amends section 5 of the principal Law to provide that directors shall hold office at the pleasure of the Governor in Cabinet.

Clause 4 of the Bill amends section 6 of the principal Law to enable the appointment of a managing director from among individuals other than appointed directors.

Clause 5 amends section 7 of the principal Law to confer upon the Governor in Cabinet discretion to terminate the appointment of a director. This discretion will be exercised fully in addition to the existing power to terminate a director's appointment for a specified cause.

Clause 6 would seek to amend the First Schedule to vary the quorum required at the meetings of the board.

As usual, Clause 7 merely deals with the savings and transitional provision.

And more detailed and specifically speaking, Clause 2 would be repealed and substituted by the following: **"That the board will consist of the chairman and not less than eight and not more than ten directors."**

The principal Law is also sought to be amended in Clause 5(1)(b) by inserting after the words, **"shall hold office"**, the words **"at the pleasure of the Governor in Cabinet."**

The principal Law is also sought to have an amendment in section 6 by repealing subsection (1) and substituting the following subsection: **“The Governor in Cabinet shall appoint any individual to be the managing director but if a managing director is appointed from among the individuals other than directors appointed under section 5 he shall, by virtue of his office, be deemed to be a director appointed under section 5.”**

Again, the principal Law is sought to be amended in section 7 as follows: **“By renumbering section 7 as 7(1), and by inserting after section 7(1) as renumbered the following subsection: ‘Without prejudice to the provisions of subsection (1) the Governor in Cabinet acting in his discretion may terminate the appointment of any director whether the director was appointed before, on or after the date of commencement of the Information and Communications Technology Authority (Amendment) Bill, 2009,’”**

The principal Law is also sought to be amended in paragraph 6(1) of the First Schedule by deleting the words **“a quorum shall consist of three directors”** and substituting the words, **“a quorum shall consist of a majority of appointed directors.”**

In every matter under the savings and transitional provisions the new provision would seek to be under the former Law and partly dealt with by the former board when the new Law comes into force. It is to be continued and dealt with in all respects under the new Law and the provisions of the new Law are to apply accordingly.

Every matter commenced under the former Law and not wholly or partly dealt with by the former board when the new Law comes into force is to be taken as a matter commenced under the new Law and the provisions of the new Law are to apply accordingly.

And by way of definitions, there are three new definitions: “Former board” would mean boards of directors of the Information and Communications Technology Authority established under section 4 of the former Law; and “former Law” means the principal Law in force immediately before the date of the commencement of this Law.

And “new Law” means the principal Law as amended under this Law.

Madam Speaker, for the avoidance of doubt, the intent is purely to allow the Governor to appoint members at the pleasure of the Governor in Cabinet to allow an expansion of the membership and to change the principles surrounding the quorum of the board from three persons to a majority of those appointed.

Madam Speaker, there are no hidden agendas, there are no conspiracy theories; it is just a way to seek further efficiency of the board and the Government felt that no time was better than now.

I thank you and I look forward to the support of all honourable colleagues.

**The Speaker:** Thank you honourable Minister. Does any other Member wish to speak? [pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

The debate on this Bill before the House, the Information and Communications Technology Authority (Amendment) Bill, 2009, follows hard on the heels of the debate on the Electricity Regulatory Authority [(Amendment) Bill, 2009]. Indeed, the amendments being proposed are in a similar vein.

Madam Speaker, my contention in relation to this amendment Bill and the fundamental changes being proposed by it are the same as they were in relation to the Electricity Regulatory Authority (Amendment) Bill.

In summary, Madam Speaker, they are these: Despite now having spoken three times in relation to these matters, the honourable Minister responsible has still not explained satisfactorily, in my view, why it is that there is such a degree of urgency in relation to these matters. Why it is that Members are being asked to debate these issues having had notice of the Bills only late yesterday evening? And I mean late. In my case, 12 minutes to 6 o'clock.

If, in fact, the objective is nothing sinister; if, in fact the objective is to simply create a more effective a more efficient manner of operating these boards, then all of this could have been avoided had adequate notice been given or adequate explanation provided as to why all of this was necessary.

But, Madam Speaker, make no bones about it: what is being proposed are fundamental changes to these two important pieces of legislation as far as the boards of directors are concerned. It is not simply a matter of expanding the boards and giving the Government the ability to do that.

What is being proposed, are changes to the criteria required of persons who can be appointed to these boards, and also, Madam Speaker, vesting in the Cabinet the ability to remove members of the boards without cause. In other words, simply to make changes based on political reasons. So, they may dress it up any way that they like, the truth will be out soon enough because ultimately we will see what is done by the Government as a result of these changes when the Government acts under the new powers that it is investing in itself by virtue of these amendments.

And so, Madam Speaker, I come back to the fundamental issue that I have with these, which is why should we not continue to insist that the board of the Information and Communications Technology Authority, that the members appointed to it have at least experience in finance, in accounting or telecommunications, or economics, or law, or information technology, or some of the other related fields. Why all of a sudden has this become too onerous a criterion?

In earlier debate, I heard the Third Elected Member for West Bay claim that the pool of people in Cayman is too small. It seemed to me that he made it appear that the persons who could be appointed had to possess experience in all of these fields. It is not that. It is one or the other. For the life of me I cannot understand why you would not want the persons who are appointed to your board to have some experience in these areas which do affect and relate to information communication technology. Why are we removing that criterion? I do not, Madam Speaker, I cannot understand or agree with that.

Now, Madam Speaker, in relation to the termination of people who are appointed to the Information and Communication Technology Authority Board, the present Law in section 7 already sets out some eight bases on which the Governor in Cabinet may terminate the appointment of a director, but one of those bases is not political affiliation. Essentially, what in my view the Government is seeking to do by proposing the amendment set out in Clause 5 of the amending Bill is to make provision for political affiliation as a basis for removal of a director of the Authority.

What this will do is add another ground other than the eight that are already in the Law, which are, and I am reading from the Law, section 7: "The Governor in Cabinet shall terminate the appointment of a director who a) resigns his office; b) becomes of unsound mind or incapable of carrying out his duties; c) is declared bankrupt, suspends payment to or compounds with his creditors; d) is convicted in the islands or in any other jurisdiction of an offence involving dishonesty, fraud, or any indictable offence; e) is guilty of serious misconduct in relation to his duties; f) is absent without leave of the chairman from three consecutive meetings of the board; g) fails to disclose a conflict of interest in accordance with this Law; or h) in the Governor's in Cabinet's reasonable opinion fails to discharge his duties competently under the Law or the current Transactions Law (2003 Revision)."

This Law which was promoted in this House and taken to safe passage contemplated quite clearly, and there was debate about it, that these appointments should not be subject to political whim and fancy. This Bill was moved through this House by Mr. Linford Pierson, who was then the Minister responsible, who was, believe it or not, a member of the UDP Cabinet in that former administration.

These provisions did not happen by chance. Like the Electricity Regulatory Authority Law, the objective was to remove to the extent possible changes to boards of directors of these authorities on political whim and fancy. And as I said before, they may dress it up any way they like, they may condemn me with vitriol, they may introduce all sorts of irrelevancies to the debate because they are trying to avoid dealing with the issue. But at the end of the day the Government has to face squarely that that is what the effect of these changes will be. It will be to give the Cabinet

the ability to remove people from the board of the ICTA who are perfectly good members of the board who are doing a good job, but the Government just doesn't like them.

Now, Madam Speaker, there is a lot of talk about the "mandate." I say to some of the new Members of the House, this is my third term. I know all about mandates and mandates being given, and mandates being revoked. I hope some of those who are brash enough to lash out as they did a little while ago are around long enough to be able to say that. The political fortunes of individuals and of governments ebb and flow around the world; don't place too much store in the fact that you were chosen the last time around. Think about whether or not you may be chosen the next time around. That is all I am going to say about that.

I am not going down in that he-did-who-what. The time will come when I will defend my record as Minister of Education. I am not going down that road now. Leave them alone because I know what they are doing. . . In the fullness of time!

Today it is about the Information and Communications Technology Authority Law. And what the Government is doing is wrong. It is setting this country back, Madam Speaker. It is reverting to even more autocratic rule—less involvement, less independent judgment by persons who are appointed to these various authorities and boards. We are going back down the road where we were before this Law and the Electricity Regulatory Authority Law were passed, where this same administration in a previous dispensation was appointing members of this House who were members of their party to various boards such as this board. And the Third Elected Member for West Bay acknowledged.

It seems to be part of their philosophy that the boards of authorities and the boards of government-owned companies are mere extensions of the government and must do precisely what it is the government tells them to do, that there ought to be no independent exercise of thought or discretion. Madam Speaker, that is wrong; it is dangerous.

Madam Speaker, it places too much power, too much authority in the hands of one individual or, indeed, of one Cabinet. There needs to be the possibility for objective thinking, for disagreement even between what it is the government wants to do and what it is that those who are actually charged with the responsibility and have the experience and knowledge of running these organisations believe should happen.

When we make changes like this, Madam Speaker, we corrupt that process. We remove that extra level of accountability. We essentially concede that whatever the big boss man says is what goes regardless of who is chairman of the board or managing director of the authority.

Madam Speaker, that is what I fear. That is what a wide range of people across this country fear. I do not care how good you are, how smart you are,

how much knowledge you have; one person does not know it all. We are all prone to making errors in judgment, to making mistakes in all of those things. So, Madam Speaker, the more independent thinking that goes on in relation to these matters, the better off the country as a whole is.

That can be uncomfortable for governments, uncomfortable for ministers. I have been one, when the board disagrees with what you think the philosophy ought to be. But that is healthy, Madam Speaker.

If, in fact, the whole purpose of this exercise was not to create that new tier of organisation and structure, then we might as well keep all of these things under the auspices of central government where Cabinet just runs everything themselves and we do away with this whole concept of authorities and just put it right under the various ministers and let them make the decisions. But that has not been the philosophy of successive governments in this country. So, let us not make a farce of authorities by dealing with it in this way.

Madam Speaker, for those reasons I cannot and I will not support the Information and Communications Technology Authority (Amendment) Bill, 2009. There are some other minor amendments being proposed which I would not have any difficulties with except for these fundamental provisions which actually go to the heart of what is being proposed.

As I said, the fact that this is being rushed in this way, Madam Speaker, gives me great cause for concern and worry about what the real objective of this exercise is. Madam Speaker, in good conscience I cannot and as a representative of the people of this country agree with this proposed amendment.

Thank you. Madam Speaker.

**The Speaker:** Thank you Third Elected Member for George Town.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

**The Speaker:** [Honourable Leader of Government Business.]

**Hon. W. McKeeva Bush:** Madam Speaker, I listened to what the last speaker had to say. It was so very reminiscent of the same noise, chatter that I heard from him between 2001 and 2005. It was good for the papers. All the newspapers picked up on it every time—all the buzzwords! Then, Madam Speaker, lo and behold he got elected and everything that he accused the Government of then, he did!

He came in here today, Madam Speaker, with righteous indignation about autocratic rule. He should be the last one—and they should be the last ones—about nepotism. But politics does not make this House in one day; or to put it the other way even, Madam Speaker, this House does not make full politics in one

day. He should heed his own warning to the younger Members of this House. Perhaps that is his problem, when he tells them that they should be thinking about the election next time. That is the whole problem, Madam Speaker. There was too much thought put into being elected the next time and the country is in big problems because of it.

Rather than coming in here and facing the problems, a lot was said; a lot of pomp and circumstance carried on. But the country is paying dearly for it—paying dearly—and we do not have anything to pay with!

Madam Speaker, I do not have to worry about who is going to come after me. I have seen the game that is played. All that I can tell them on the other side is that if they come, there are others to come behind them. That's all I can tell them. Not in this go around, Madam Speaker, are we going to sit back, as we did in 2001 and 2005, and let them have the say and let the newspapers carry every word that they say without any formal rebuttal, because at times I thought, *Let me get on with the country's work; let me try to do it; let me not defend myself.* It is not going to go that way this time. I promise them that.

Madam Speaker, why should power not be vested in the Cabinet to be able to remove any member of any board? Why does the Third Elected Member for George Town believe that today, when he tried to give himself so much power? It only worked in his favour because he appointed whom he wanted to appoint. The fact is that they changed one of the boards so that the term of certain people ran nearly throughout our term. Let me get to that, Madam Speaker. Let me get to it!

This screaming about appointments should not be changed at the political whim and fancy . . . Madam Speaker, how do governments govern? In this country we have a system of boards. Government is elected to fulfil its mandate, its promise to the people, and the mandate given to them by the people. That is what governments are elected to do.

[Governments] appoint people to boards who 1) they can trust to carry out their policies; 2) who have the ability and the capacity to carry out [the Government's] policies; and 3) persons who the Government can get along with.

There is no use in having people on your boards that are outside of the thinking of where you stand on policy. If either one of the two who spoke for the Opposition bench today believe that they could have changed the Law before we were elected to keep their people in place [to] hamstring this Government . . . they are making a sad mistake. They are making a big mistake, Madam Speaker.

We, the United Democratic Party, have been elected to do a job. And when you look at our boards, they cannot say that we are being unfair. Some of their people are coming off, but they have to come off! That is all you have. Madam Speaker, a government has to be fair. But it is not being autocratic to put peo-



ple on the board that can work with you and who have the capacity to carry out your policies.

How is this going to set the country back?

Why should the Cabinet of the country be put in a position to have to work with someone who will not carry out their policy and they cannot remove them from a board? Or have a board that will go and meet on the day that you are being sworn in as a government and then tell the Minister "I don't have to listen to you!" Who do they have to listen to? No one? Do they have to listen to Caribbean Utilities, who wants them to do something for their benefit and not listen to the Government?

A long time ago we knew that we were going to have a big *kerfuffle* about Caribbean Utilities because of the contract that was given to them, and because of what was done by the last administration. And they have the audacity to come here to beat up on the Minister and beat up on the Government because we want to make sure that we have people on the board who understand our policy and who will carry forth the mandate that the people have given us? That's wrong?

What do you think? You are going to sit over there with three Members and then run us over here with nine? Are you mad? You must be crazy!

We were given a mandate, baby!

Madam Speaker, no matter how hot you get under the collar, and some of this stuff does make us hot . . . because we see the kind of electrical rates in this country; when we know what has happened just in these hard times again! A rate increase took place just last month because of what that last Government did. And they've come up in here today with all kinds of nice, nice words that they know will be put in the newspapers for them, and laughing about it.

It is no laughing matter, Madam Speaker, when I stop and think what I have to go through with and what the Government has to go through with at this present time in the mess that we are in, with no money to do anything with. And the people of this country do not have any money, and the people are being laid off right, left and centre. And you laugh?

Madam Speaker, it is not autocratic to be able to give a board directives, and for that board to carry through on your policy. It is not Government putting Government on the boards. Government is giving itself, as it should, the wherewithal to appoint people who are capable, who are unbiased, and who will carry through on the policy that they know the people want you to.

We are not going to carry through on your policy, if I can do anything about it! And you can cry if you want to, or laugh hysterically if you may. But whatever you promised them, we shall see about it because we know what you did! And some of it we cannot say because it would work against us.

**The Speaker:** Keep your comments to the Chair, please.

**Hon. W. McKeeva Bush:** Madam Speaker, I hope I am talking to you still.

**The Speaker:** Keep [your comments] this way.

**Hon. W. McKeeva Bush:** But in the process, I hope that those responsible will get the drift and understand.

Madam Speaker, the Minister is correct in what she is doing. She is giving herself the ability to appoint more members to the board. We have found members, managers and directors not willing to cooperate. As I said, can you imagine the Government getting elected and they are telling the Minister that they do not have to listen to her?

Can we imagine, Madam Speaker, the chairman of the board not calling a board meeting, running around getting his members to do a round robin to give a contract to one of their friends that will bind this country for six years—six years to one person. And if you have to move him in that time, you have to pay him \$1.5 million. A farce!

Why? What did they do? What did they do?

*[Inaudible comments]*

**Hon. W. McKeeva Bush:** And don't challenge me, because I am going to bring it! I am going to bring the information here. Don't challenge me!

Madam Speaker, writing a contract on the day the Government was being sworn in and getting it by round robin—not even doing it by calling a board meeting. Not even getting the full board, and passing it with a bare majority, but binding the Government of this country to that kind of situation.

And you come here and laugh?

Yeah, you are going to get something to laugh about, though, you know. It is ridiculous! Absolutely ridiculous!

The Minister is doing what she is doing by the Cabinet, by explaining to the Governor the situation that we have and the Governor agreeing for us to come here. And when we came here we had to come on short notice. The Speaker did the best she could under the short notice to alert the Members to the time. This is not the first time that we have been called on short notice.

I dare say, Madam Speaker, perhaps next week I will have to call the House back together. I am not going to adjourn to a date, but adjourn sine die because we have some agreements that have to be put in place by law. Madam Speaker, I just do not have the date. I will have to find a way around to getting it done. But we are reaching the stage for the 12 agreements that they say we need, but we need to get it into law also. I do not have the exact date. What am I going to do? Call another quick session, emergency sitting, if you may. Is that wrong, Madam Speaker? No. We have to work with what we have. And when

the framers of the Standing Orders made them the way that they did, you can suspend when you have to, to work with what you have.

Madam Speaker, I would hope that the next one that comes behind me from the Opposition is going to explain to this country all that they have done to cause what we now have to do.

You know! You explain it to the public of this country because sooner or later it will come out.

Thank you, Madam Speaker.

**The Speaker:** Thank you honourable Leader of Government Business.

Are there any other Members who would like to speak? [pause]

Elected Member for East End

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

This one is going to be much shorter than the other one, but I rise to make a short contribution to this amending Bill before us on the Information and Communication Technology Authority Law (2006).

Madam Speaker, obviously much was said in the debate on the ERA amendment, and I will have more to say on that one when the time arrives. But because I hear the Leader of Government Business saying that I know, and that it is going to come out. Madam Speaker, I challenge anyone to bring it out.

**Hon. W. McKeeva Bush:** We can't do it now but we will bring it out sooner or later.

**Mr. V. Arden McLean:** I challenge them!

**Hon. W. McKeeva Bush:** You would fail this country, we can say that.

**Mr. V. Arden McLean:** [addressing the Honourable Leader of Government Business] Yes, I am going to deal with you too.

**The Speaker:** Excuse me—

**Mr. V. Arden McLean:** I challenge them—

**The Speaker:** —Members please, not across the hall—to the Chair.

**Mr. V. Arden McLean:** Madam Speaker, I do apologize.

He likes to make veiled threats, sometimes, and real verbal ones, direct too.

Madam Speaker, he opened the door to this, you know, that is the Leader of Government Business. I already warned him that I am not going to be intimidated by these threats.

Madam Speaker, they like to malign people's character. If any one of them can find something that I did untoward in my country over the last eight years, I invite them to bring it, because I too have evidence.

And I too can make that public through the proper process.

Madam Speaker, I know I am treading on thin ice here, but I have not heard it crack yet. The Third Elected Member for West Bay said something awhile ago and I can tell this country that any man or any woman who told him that is a liar!

**The Speaker:** Excuse me, that is not parliamentary language. You will retract.

**Mr. V. Arden McLean:** Madam Speaker, if I am calling one of the Members a liar, then . . . well, Madam Speaker, I will retract that and say they are economic with the truth!

**The Speaker:** Okay.

**Mr. V. Arden McLean:** Extremely so! They are telling untruths. And I will challenge either one of them. Any one of them be it in here or in the boardroom at Cabinet, or in any boardroom, or on the street, or in the media. I will challenge them because no such thing was said. No such thing was said, Madam Speaker.

The Third Elected Member is misleading the country. And I am going to prove him wrong. I am going to prove it to the general public.

#### Point of Order

[SO 32(5)]

**Hon. W. McKeeva Bush:** Madam Speaker, on a point of order.

The Third Elected Member for West Bay has not spoken in this debate and under the Standing Orders the Member cannot raise any matter connected to the debate that just completed. He should debate what is before the House, Madam Speaker.

**The Speaker:** Thank you, Leader of Government Business.

Would you please continue, Member for East End?

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

**The Speaker:** But please stay within the realm of the debate before the House.

**Mr. V. Arden McLean:** Madam Speaker, I know the amending Bill before us is one that the Government wants to effect changes to the board of the ICTA. Personally I think it is a retrograde step for this country. I understand increasing the membership. I understand that. But when we take away criteria, prerequisites, experience, just (according to the Leader of Government Business) to fulfil their mandate, at the very least we are going to be looking at some serious problems if that is the objective.

Madam Speaker, I believe there are many people out there who are capable of making decisions. But we have to ensure that on these boards in particular there is technical expertise. In the absence of technical expertise we could have decisions made that are not purely what is intended. I do note that they are making amendments to make sure they can remove the people.

Madam Speaker, I am glad to see in this case that the Government has changed its mind since 2002 up to 2004 because they (the former UDP administration) were the ones who enacted this Law. Obviously, it does not fit their mandate, their objective at this time. Therefore, they are changing it to suit the direction they want to put this country in. My only hope is that it does not have any adverse effect on the future of telecommunications in this country. That is my hope.

I cannot in good conscience support it. I will not do that because I believe that if we do not at the very least utilise the provision to its full extent, at the very least the provision should be in there to have experience to be appointed to these boards. If we cannot find them, then that's a different matter. I can understand amending that section to allow for that. But if we—

#### Hour of Interruption—4.30 pm

**The Speaker:** May I interrupt you, please, Member for East End?

If the House is sitting late, we need to suspend Standing Orders. If not, we need a motion for the adjournment.

#### Suspension of Standing Order 10(2)

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, we propose to complete the business before us. Therefore I move the suspension of the relevant Standing Order to allow the House to work past 4.30 pm.

**The Speaker:** A motion has been made to continue the sitting of the House past 4.30. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 10(2) suspended to enable proceedings of the House to continue beyond the hour of interruption.**

**The Speaker:** Member for East End, continue please. Thank you.

**Mr. V. Arden McLean:** Thank you.

Madam Speaker, I do not intend going on much further. I hope the intent is not to remove all expertise. I do not believe that would be the case. But certainly, there needs to be some degree of continuity, whether it is with the current Members or not—at least with the expertise. I am hoping that the Minister takes that into consideration.

Madam Speaker, there will be another time for me to debate the other issues because I have much to say on the others as well. I will wait to see what happens.

Thank you.

**The Speaker:** Thank you Member for East End.

Does any other Member wish to speak?  
[pause]

Fourth Elected Member for George Town.

**Mr. Ellio Solomon:** Thank you, Madam Speaker.

I will keep my comments short, but I feel it is necessary to address one or two of the comments made.

Madam Speaker, I believe we have an obligation to ensure that the listening public and the press are fully abreast of the situation. I cannot ignore some of the comments coming from across the aisle.

For example, the Third Elected Member for George Town, once again, Madam Speaker, raises in this honourable House what the intention of the ICTA Law was all about. I stress for the record, it has been correctly stated that it was the United Democratic Party that brought the ICTA Law. Contrary to what he would have this House believe, I was actually instrumental with aiding in the drafting of that ICTA Law and not once do I recall the Third Elected Member for the district of George Town being there.

Once again, as he is always able to speak in terms of what is happening, what the public is perceiving, what they cannot perceive, Madam Speaker, the fact of the matter is that nothing the United Democratic Party today is doing seeks to fundamentally change the direction of the ICTA Law.

I stress that it is the United Democratic Party that brought that Law, and some of these same Members that oppose it today were opposing it then. The ICTA Law brought by the United Democratic Party has brought about results. It has brought about competition, and even then there were accusations that it was perhaps because of some special interest, someone wanted to make business, someone wanted to make money. The same accusations that they are throwing in this House today were the accusations that they threw years ago when the ICTA Law was being brought to this honourable House. They were wrong then, and they are wrong today!

The very cell phone that they carry on their hips today, which they were paying \$1.00 of \$2.00 for a call several years ago is reduced to less than a quarter. And why? Because of the ICTA Law brought by the United Democratic Party.

I mentioned earlier, Madam Speaker, success comes at the end of the day to those who are persistent, who are determined, and who accept that insanity is when you attempt to do the same thing and expect different results. So let the Opposition stand and oppose, as they do, for the sake of opposition. But just as the United Democratic Party brought results with the ICTA Law, which resulted in competition, which resulted in lower telephone expenses both in terms of international calls as well as the cell phone to which they have the privilege today while even in this honourable House to use, I can say proudly that Caymanians right now, the people of the Cayman Islands are walking around communicating more today than they did years ago. And why? Because of the ICTA Law that the United Democratic Party brought to this House, Madam Speaker.

Today we come again facing opposition from the same persons who oppose for the sake of opposition with another amendment, Madam Speaker. Why? For the same reason we are doing with the ERA and the same reason we did it years ago, to bring about positive results, better opportunities for the Caymanian people, for the people of these Islands. That is what we are going to do. That is the mandate that we were given. So let them oppose again for the sake of opposition.

Madam Speaker, I look across the aisle [at the] good honourable Member for the district of Bodden Town, the Second Elected Member, a member of the Opposition. How did he vote? He voted in favour of what the Government is doing today. And I applaud him for it! I applaud him for it, Madam Speaker, because at least he has the capacity to recognise that this Government is doing something for the benefit of this country just as it did years ago, just as its consistent record is doing today.

And there was one voice crying in the wilderness on the ERA, one "No" vote . . . and perhaps, Madam Speaker, we are seeing two now. But I encourage them to look at the Second Elected Member for Bodden Town and follow that direction when they vote.

The First Elected Member for Cayman Brac is not here. The Leader of the Opposition is not here, so we have one opposed and possibly joined by someone else.

And let me speak very briefly on the independent Member for the district of North Side. How did he vote? He voted in favour of it.

I mention all of this to highlight to the general public who pay my salary and theirs that they are opposing for the sake of opposition and believe that all you have to do is come to this honourable House and throw out words like "conspiracy", "nepotism", "supporting parties", "supporting supporters" . . . and all of a sudden the newspapers are going to write it and you are going to somehow convert the minds of the public.

Madam Speaker, the public is up with that. And if I may echo some of the statements made by

the Leader: I have said it before, Madam Speaker, and I will say it again, this parliament is a board of directors that work to serve the general public. This is their board. And when they feel that this board, the combination of Government and Opposition, is not delivering what the people want, what do they do, Madam Speaker, every four years? They change their board of directors. That is what they do. That is democracy.

When the general public votes for you and you fail to deliver, they go to the polls in four years and they vote you out. They change their board of directors.

As I mentioned earlier on, the Elected Member for the district of East End seems to have been stating at the time that certain Members of the United Democratic Party had to be removed because it was not in line with the thinking and philosophy . . . Madam Speaker, that is what governments do. They are elected by the general public as their board of directors to fulfil a mandate. And they find persons with like minds, the capacity and right thinking who are going to act on that philosophy, act on that policy to deliver for the people of these Islands. Therefore, why the Opposition is opposing for the sake of opposition does not cease to amaze me.

I will conclude by saying that when you look across the aisle, the general public is not here to see it, we are not broadcast as yet on television (which we hope to change), but the independent Member from the district of North Side, the Second Elected Member from the district of Bodden Town both voted in favour of this because they recognise . . . contrary to the mischievous irresponsible remarks of the other two Members of the Opposition, they recognise that this is not some grand conspiracy, this is not a move towards nepotism, this is not some move to just deal with your own party supporters. They recognise that this amendment is one that when allowed to fulfil its purpose will bring about, just as we did years ago, positive change for the people of the Cayman Islands.

I believe that the persons who elected us to office demand that we get a decent salary and for that decent salary, Madam Speaker, we can give an honest day's work. I want to stress that I do not see the difficulties, first of all, when Members are called to come to parliament. Whenever they call me to come to parliament, Madam Speaker, if it is twelve o'clock in the night I am going to show up here because it is what I am paid to do. They complain about that too, Madam Speaker.

The Leader of the Opposition is not here. I complained about it outside of parliament and I am going to complain about it in parliament. They are being paid. Where is the Leader of the Opposition? Where are these Members?

Madam Speaker, the actions of the independent Member for the district of North Side, as well as the Second Elected Member [for Bodden Town], also a Member of the Opposition, prove that all of the ac-

cusations coming from the other two Members of the Opposition are nothing else but an attempt to mislead the general public in the hope that it will give them some political expedience.

Madam Speaker, my colleagues and I are here to look out, as we have done in the past, for the benefit of the people of these Islands. That is what we are going to do. We are not going to be deterred. I have full confidence in the power of the people. They understand. They have stuck by us and we are going to stick with them and we are going to deliver.

Thank you, very much, Madam Speaker.

**The Speaker:** Thank you, Fourth Elected Member for George Town.

Is there any other Member who wishes to speak? [pause]

Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker. I have listened to the debate and I have to rise to offer a few remarks. Madam Speaker, I underpin many of the comments already made by my colleagues on the Government bench.

In our model of governance, whoever forms the Government utilises civic society to assist in the administration of governance via a number of statutory boards. Those boards can sometimes be boards that oversee a particular statutory authority and/or government company, or some of those boards can come as a direct result of a piece of legislation. For example, the Immigration Law and the Immigration Boards that flow from that Law.

As a community and a country we have grappled with this issue of what happens after a general election for a long time. I believe that one of the things we as a government need to turn our minds to once we have gotten through the budget process, once we have settled in, is to get the legal department to look across all of our boards and ensure that the terms of our boards are either one, two or four years, and that we assign our boards to ensure that the lapsing of a term of every single board coincides with the general elections. We need to get away from this issue of a government coming in and persons sitting on boards who were appointed by the previous administration.

I have heard Members call names and make reference to some whom they call great people who they believe in their view can serve any particular administration. Well, it is curious that the great people whom they believe currently reside on boards that can serve any administration happen to be the people that they put on the boards. If that is not the height of arrogance, I do not know what is.

Madam Speaker, none of us have a monopoly on picking the best people for boards. What we have to do is ensure that the persons whom we put on boards are in line with the philosophy of the Government. The bottom line, from an administrative standpoint for your boards (I repeat), is the way that we en-

gage and involve civic society in the day to day administration and workings of the country.

Any government has to ensure that the persons they put on boards are the people who enjoy their confidence. It is curious that the Member picked one name that he thought would have the type of recognition in the community that people would say, *Oh yes, that is a good-old Caymanian boy* (to coin a phrase). *Why would the United Democratic Party take him off a board?*

Madam Speaker, irrespective of what happens to that particular person, I know that they removed persons even from this same ERA board whom we as the United Democratic Party administration had appointed who had absolutely no political affiliation to the United Democratic Party. Since he needs to call names, I will mention a name: Mr. Alan Roffey. He has now and had then absolutely no affiliation. In fact, one of the reasons he refused to resign from the ERA after the 2005 general elections is because the request asked him to resign because he was a political appointee. He did not see himself as a political appointee. We didn't appoint him on that basis. We appointed him on the basis of what we thought he brought to that particular authority, skills and knowledge that were relevant to that time and would have assisted the Government at that time.

For the Member to say that governments, particular administrations, when looking at boards are not going to look with a jaded eye at persons appointed by the previous administration . . . I heard him use the big "L" word. And I am not going to use the big "L" word. I heard him talk about being economical with the truth. Madam Speaker, in the heat of things in this House I can only say that it must be that the Member for East End just got carried away. That must have been the heat of the moment. I know he could never have been serious. If he could come here and explain to this country why he, as the Minister then, removed Mr. Roffey . . . if he can come here and truthfully say that it was not because the gentleman was simply appointed by the United Democratic Party . . . if he could truthfully come and say that . . . I know he cannot. I know he cannot! He knows that I know that he cannot!

The fact of the matter is that the Government has to have unequivocal confidence in the membership of the statutory boards. That is plain and simple. It is not a new thing.

Madam Speaker, we do need to turn our minds to regularising the appointment mechanisms because one of the things we have been discussing today is a real shift in the appointment mechanisms. The appointment mechanism must be underpinned by one unequivocal fact, it must be unambiguous and clear that the Governor in Cabinet (that is, the Cabinet of the country) must at all times have full authority, unfettered authority, to change the membership of its boards.

Are we going to go to the general public at the general election and say we did not get X, Y and Z done on a particular board and in a particular area because the laws that we create and pass ourselves caused us not to be able to change the membership of a board to ensure that we deliver results?

Listen, this foolishness about this debate needs to end. We all know that is the only model that can work. That is what was envisioned when we went this route of governance. The reality is that we could adopt another model and simply have civil servants carry out all these duties. But a long time ago we chose a different route which I think is a good route, a route that allows us to involve civic society. That is a good model for how we administer the affairs of this country—empowering the people to be a part of their democracy is important. But who is going to appoint them? It has to be the government of the day. That has to be the case.

Madam Speaker, what the Member should be talking about is opening board activities and meetings to the public and how quickly we can get that done so that we can really get government in the sunshine, so that we can really become a mature democracy. What they should be talking about is how we ensure that we get the mechanism so that no government is left in the position where they have to revoke the membership of a board. That is something that is gazetted, Madam Speaker!

I do not believe there has ever been any administration in the history of these Islands that has taken any joy in revoking the membership of any member on any of these statutory boards. The fact of the matter is that gazettes form a part of the history of this country. Years down the line someone will pick up one of these old gazettes and will see X, Y, Z person's membership revoked. That is a real stigma, Madam Speaker.

If we can look at all of the pieces of legislation and try to regularise the matter so that memberships on boards cease at a general election, so that when any new incoming administration takes office they can appoint whomever, whether it be some of the [previous] members whose memberships have just lapsed, or new members . . . but it would be the persons who enjoy the confidence of the administration of the day.

Madam Speaker, as I listened to the wild accusations and innuendos, I was reminded that (as has been said many times) this is the House of politics. I surely hope (although I am not convinced) that a lot of the Opposition's comments were just pure politics. It could never be that some of those Members actually believed what they were saying. Obviously the Second Elected Member for Bodden Town did not believe what they were saying, and he voted with the Government. He did the right thing. And the Independent Member for North Side did the right thing.

Madam Speaker, I believe that these changes are crucially important. The Government, more importantly the Minister with responsibility for these subject

areas, has important work to do in relation to the administration of governance in this country. We cannot put ourselves back in this type of scenario where we pass a piece of legislation in this Legislative Assembly that seeks somehow to take away the unfettered authority of the Cabinet to appoint its boards. That may be a tough term for some, but that is the bottom line.

In our model of democracy, every four years the people go to the polls and elect 15. A majority emerges. That majority represents the wishes of the public. That majority has a mandate, and along with that mandate comes certain responsibilities. Part of those responsibilities is populating these statutory boards with members to execute and carry out the important governance under the relevant pieces of legislation and/or government policy that has created these particular boards.

So, Madam Speaker, I believe that all of my colleagues have done an exceptional job at putting forward the reasons why these two pieces of amending legislation ought to be supported by Members of the House. We have the benefit of new Members who also have background knowledge in a lot of these areas, insight into some of these technical areas. It is important that the people's representatives actually really know what they are talking about when it relates to ICTA boards, the ERA boards. It is important because they feature and assist and have a voice in the formulation of the boards and are able to pick the types of people with the types of experience to carry out the duties, the functions of directors and members of these boards in a professional, honest manner.

As I said, I look forward, once we get settled in and get past the budget cycle, to turning our attention to much work on the legislative agenda. I certainly hope that we will have the resources available to us in the legal drafting department to allow us to look at opening boards to the public. I know the honourable Leader of Government Business has already announced a board he wants that to happen with in very short order. That is openness and transparency, Madam Speaker. The public has been asking for that for years now.

We need to regularise this appointment mechanism to take the antagonism out of it, eliminate it. I do not believe any Member in this House would disagree in moving toward that structure as it relates to the term of these boards.

Madam Speaker, I just wanted to offer those few comments and offer my support to the Information and Communication Technology Authority (Amendment) Bill, 2009.

**The Speaker:** Thank you honourable Minister for Education.

Before we continue the debate, I am going to order a ten minute break. It looks as though we are going to be here for quite some time yet with the winding up, the Committee stages and everything else.

Please be back promptly. Thank you.

**Proceedings suspended at 4.58 pm****Proceedings resumed at 5.23 pm**

**The Speaker:** Continuing the debate on the Information and Communications Technology Authority (Amendment) Bill, 2009.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If not, I will call on the honourable Minister to wind up the debate.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

With all of the debate that has ensued to this late hour, all that is left for me now to do is to thank your good self for allowing us to have this important series of amendments before the honourable House now, and the staff who also assisted in the expediting thereof.

I wish to also go on record thanking the legal department for the long hours that they worked going beyond the call of duty to assist in making sure that the Law was according to directives and met all of the legal parameters. Indeed, I thank my Ministry staff, my colleagues, all those who sat together to peruse it to ensure that it was exactly what the Government wanted it to be.

I wish to thank the current members, in particular the ERA, who took time to meet and discuss various issues.

Madam Speaker, I now look forward to the safe passage of these important amendments before the House so that the Government and the boards can move on to have their appointments and we can move on to other areas needing urgent attention with the Ministries in the United Democratic Party Government. I thank you, Ma'am.

**The Speaker:** Thank you, honourable Minister.

The question is that a Bill shortly entitled the Information and Communication Technology Authority (Amendment) Bill, 2009, be given a second reading. Those in favour please say Aye. Those against, No.

**Ayes and Noes.**

**The Speaker:** The Ayes have it.

**Hon. W. McKeeva Bush:** Divide please.

**The Speaker:** Madam Clerk, please conduct a division.

**Division No. 3/09-10****Ayes: 9**

Hon. W. McKeeva Bush  
Hon. J. Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. Cheryll M. Richards  
Hon. Sonia M. McLaughlin  
Capt. A. Eugene Ebanks  
Mr. Ellio Solomon  
Mr. Dwayne S. Seymour  
Mr. D. Ezzard Miller

**Noes: 2**

Mr. A. M. McLaughlin, Jr.  
Mr. V. Arden McLean

**The Speaker:** I will wait for Members to be silent.

The division is 9 Ayes, 2 Noes. The Bill has accordingly been given a second reading.

**Agreed by Majority: The Information and Communications Technology (Amendment) Bill, 2009, read a second time.**

**The Speaker:** The House will now go into Committee to consider the Bill.

**House in Committee at 5:29 pm****COMMITTEE ON BILLS**

**The Chairman:** The House is now in committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and such like in these Bills?

Would the Clerk please state the Bill and read the clauses.

**Electricity Regulatory Authority (Amendment) Bill, 2009**

**The Acting Clerk:** The Electricity Regulatory Authority (Amendment) Bill, 2009.

Clause 1	Short title
Clause 2	Amendment of section 4 of the Electricity Regulatory Authority Law (2008 Revision) – Board of directors
Clause 3	Amendment of section 5 – appointment of directors
Clause 4	Amendment of section 6 – managing director of Authority
Clause 5	Amendment of section 7 – resignation of directors and termination of office
Clause 6	Amendment of First Schedule – procedure of Board

**Hon. Juliana Y. O'Connor-Connolly:** Madam Chair.

Sorry, before taking the vote on Clause 7, I wish to draw your attention to the definition "former board" where it relates to section 8. It is a scrivener's or typist's error. Rather than 8, it should say 4.

I am not sure if you are minded to have that as a clean-up amendment as there was a typing error under Clause 7 (3), definition of “former board”, on the second line. It should say section 4 rather than section 8. It is a typing error.

**The Chairman:** That could be a consequential amendment.

**Hon. Juliana Y. O’Connor-Connolly:** Thank you, Ma’am.

**The Acting Clerk:** Clause 7 Savings and transitional provisions.

**The Chairman:** The question is that Clauses 1 through 7 stand part of the Bill. Those in favour please say Aye.

**Ayes.**

**Mr. V. Arden McLean:** Madam Chair.

**The Chairman:** Yes?

**Mr. V. Arden McLean:** Are we allowed to question?

**The Chairman:** Yes, of course.

The [Clauses] have been duly moved. Does any other Member wish to speak thereto?

**Mr. V. Arden McLean:** Yes.

Madam Chair, in my debate I discussed Clause 3(c), which reads: “**in subsection (9) by deleting the words ‘and subsections (2), (3), (4)’ and substituting the words ‘and subsections (2) and (4)’.**”

I really did not get an explanation as to how . . . I do apologise, Madam Chair, but I was not in the Chamber at the time. I would like . . . Madam Chair, I would be most grateful if the Minister would explain to me, if she so chooses.

**The Chairman:** Honourable Minister.

**Hon. Juliana Y. O’Connor-Connolly:** Thank you, Madam Chair.

I already explained it. I would be more than happy to explain anything to my good friend from East End, but in the interest of objectivity and out of an abundance of caution for another acrimonious debate, I have asked the honourable Attorney General, the principal legal advisor, to explain what they told me which I explained to the House earlier, if that is all right with the Member for East End.

**Mr. V. Arden McLean:** Madam Chair, that is fine with me. The reason I am asking is because I just want to bring it to [your] attention because I have seen it happen too often, that the law reform in this country

leaves out too many important aspects of it. Not *reform*, revision. I have seen it too often and this is a very important factor in this law. And if I say it here it will be recorded. When we come to get the debate to find out the intent when they are doing the revision it will be recorded as to the intent. I have seen it too often in eight and a half years, nine years.

**The Chairman:** Honourable Second Official Member.

**Hon. Cheryll Richards:** Thank you, Madam Chair.

I just wanted to confirm for the benefit of the honourable Member who posed the question that the usual practices on the revision, the numbering is changed. So, at present, this has to refer to (2) and (4), which are the numbers which exist for the purposes of this Law.

On the revision the numbers will be altered to reflect and the provision will remain as is presently constituted.

**The Chairman:** [Elected] Member for East End.

**Mr. V. Arden McLean:** Thank you.

Am I to understand that it will then say (2) and (3)? Or also (4)?

**Hon. Cheryll M. Richards:** [*Inaudible beginning of sentence—microphone not turned on*] . . . Law will reflect that attention must be given so that Members of the Legislative Assembly do not sit on the board.

**Mr. V. Arden McLean:** Madam Chair, thank you.

I just wanted to record it in the *Hansard*, that’s all.

**The Chairman:** The question is that Clauses 1 through 7 do form part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 7 passed.**

**The Acting Clerk:** A Bill for a Law to amend the Electricity Regulatory Authority Law (2008 Revision) to make further provision in respect of the composition of the board of directors of the Electricity Regulatory Authority; and to make provision for related matters.

**The Chairman:** The question is that the Title do form part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.



**Title passed.**

**Information and Communications Technology Authority (Amendment) Bill, 2009**

**The Acting Clerk:** The Information and Communications Technology Authority (Amendment) Bill, 2009

Clause 1	Short title
Clause 2	Amendment of section 4 of the Information and Communications Technology Authority Law (2006 Revision) – Board of directors
Clause 3	Amendment of section 5 – Appointment of directors
Clause 4	Amendment of section 6 – managing director of Authority
Clause 5	Amendment of section 7 – resignation of directors and termination of office
Clause 6	Amendment of First Schedule – procedure of Board
Clause 7	Savings and transitional provisions

**The Chairman:** The question is that Clauses 1 through 7 do stand part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 7 passed.**

**The Acting Clerk:** A Bill for a Law to amend the Information and Communications Technology Law (2006 Revision) to make provision in respect of the composition of the board of directors of the Information and Communications Technology Authority; and to make provisions for related matters.

**The Chairman:** The question is that the Title do form part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**The Chairman:** The question is that the Bills be reported to the House. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed that the Bills be reported to the House.**

**House resumed at 5.44 pm**

**REPORTS ON BILLS**

**The Speaker:** Please be seated.

**Electricity Regulatory Authority (Amendment) Bill, 2009**

**The Speaker:** Honourable Minister.

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, I beg to report that a Bill shortly entitled the Electricity Regulatory Authority (Amendment) Bill, 2009, was considered by a committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

**Information and Communications Technology Authority (Amendment) Bill, 2009**

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, I beg to report that a Bill shortly entitled Information and Communications Technology Authority (Amendment) Bill, 2009, was considered by a committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

**Suspension of Standing Order 47**

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, I rise to move the suspension of Standing Order 47 so that the Bills can be set down for a third reading.

**The Speaker:** The question is that Standing Order 47 be suspended to allow the third reading of the two Bills. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended to enable the Electricity Regulatory Authority (Amendment) Bill, 2009, and the Information Communications Technology (Amendment) Bill, 2009, to be read a third time.**

**THIRD READINGS**

**Electricity Regulatory Authority (Amendment) Bill, 2009**

**The Speaker:** Honourable Minister.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

I move that a Bill shortly entitled The Electricity Regulatory Authority (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled The Electricity Regulatory Authority (Amendment) Bill, 2009, be given a third reading and passed. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** Did I hear a no?

The Ayes have it. The Electricity Regulatory Authority (Amendment) Bill, 2009, has been given a third reading and is passed.

**Agreed: The Electricity Regulatory Authority (Amendment) Bill, 2009, given a third reading and passed.**

**The Speaker:** Honourable Minister.

#### **Information and Communications Technology Authority (Amendment) Bill, 2009**

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

I move that a Bill shortly entitled the Information and Communications Technology Authority (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled the Information and Communications Technology Authority (Amendment) Bill, 2009, be given a third reading and passed. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it. The Information and Communications Technology Authority (Amendment) Bill, 2009, has been given a third reading and is passed.

**Agreed: The Information and Communications Technology Authority (Amendment) Bill, 2009, given a third reading and passed.**

**The Speaker:** That concludes proceedings for today. I call on the Honourable Leader of Government Business to move the Adjournment motion.

## **ADJOURNMENT**

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Before I move the adjournment, the press has been seeking to get information on the salaries of Members of the Legislative Assembly. I promised them that I would give that.

Madam Speaker, I will take all Members by name. The information has been provided to me by the Chief Secretary. Therefore, Madam Speaker, to be absolutely clear, I will ask to make this statement on the adjournment.

**The Speaker:** [inaudible]

#### **Paper on salaries of Members of the Legislative Assembly**

**Hon. W. McKeeva Bush:** Madam Speaker, in June 2005, the salary of the Leader of Government Business, Mr. D. Kurt Tibbetts, was \$11,205, a regular monthly salary. In January 2007, it was \$14,010. In April 2009, it was \$14,459.

The same periods, Madam Speaker, for all other Members I will name: Edna Marie Moyle, then Speaker, \$11,485 in June 2005; in January 2007 it was \$13,668; and in April 2009, it was \$14,106.

Charles Clifford, a Minister, in June 2005 his salary was \$11,205; \$12,692 in January 2007; and in April 2009 it was \$13,099.

Mr. Anthony Eden, June 2005, his salary was \$11,205; January 2007 it was \$12,692; and in April this year it was \$13,099.

Alden McLaughlin, Minister, June 2005 it was \$11,205; January 2007 it was \$12,692; and in April 2009 it was \$13,099.

[Vincent] Arden McLean, Minister, June 2005 it was \$11,205; January 2007 it was \$12,692; and in April 2009 it was \$13,099.

William McKeeva Bush, Leader of the Opposition, in June 2005, salary was \$7,776; in January 2007 it was \$9,964; and in April 2009 it was \$10,283.

In June 2005, Cline Astor Glidden, Deputy Speaker, was \$7,776; in January 2007, it was \$9,484; and in April 2009 it was \$9,788.

Moses Kirkconnell, in June 2005, it was \$7,776; in January 2007, it was \$8,808; and in April 2009 it was \$9,090.

Albert Eugene Ebanks, in June 2005, it was \$7,776; in January 2007, it was \$8,808; and in April 2009, it was \$9,090.

Juliana O'Connor-Connolly, in June 2005, it was \$7,776; in January 2007, it was \$8,808; and in April 2009, it was \$9,090.

Rolston Anglin, in June 2005, it was \$7,776; in January 2007, it was \$8,808; and in April 2009, it was \$9,090.

Lucille D. Seymour, in June 2005, it was \$7,776; in January 2007, it was \$8,808; and in April 2009, it was \$9,090.

Osbourne V. Bodden, in June 2005, it was \$7,776; in January 2007, it was \$8,808; and in April 2009, it was \$9,090.

Alfonso Wright, in June 2005, it was \$7,776; in January 2007, it was \$8,808; and in April 2009, it was \$9,090.

In June 2009 (and you will see corresponding increases, Madam Speaker) . . . the January 2007 figures include a cost of living increase awarded in 2006 and January 2007. The April 2009 [salaries] reflect the final salaries of Members inclusive of 3.2 per cent cost of living awarded in the summer of 2008.

Madam Speaker, all who were elected were given an increment in the election of May 2009 as had been planned.

William McKeever Bush, Leader of Government Business, \$14,818. And you will see that that was an increment that was given for \$358 more than the Leader of the Opposition who at this time is \$14,459.

That would not be right, Madam Speaker.

All of the figures that I am going to give, as has been done in the past, account for an increment. For instance, in April, the Leader of Government Business was \$14,459. And in May after the general elections and the increment took place, the Leader of Government Business was \$14,818—\$358 more for the year.

I hope that clears that up.

*[inaudible interjection]*

**Hon. W. McKeever Bush:** Well, yes. But \$358 more for the month.

*[inaudible interjection]*

**Hon. W. McKeever Bush:** No. I think I have made it clear enough.

This will be laid on the Table of the House and copies will be given to the press, Madam Speaker.

- June 2009, William McKeever Bush, Leader of Government Business, \$14,818.
- Mary Lawrence, honourable Speaker, \$14,106.
- Juliana O'Connor-Connolly, Minister, \$13,425.
- Mark Scotland, Minister, \$13,099.
- Rolston Anglin, Minister, \$13,099.
- Mike Adam, Minister, \$13,099.
- Kurt Tibbetts, Leader of the Opposition, \$10,541.
- Cline Astor Glidden, Deputy Speaker, \$10,032.
- Moses I. Kirkconnell, \$9,316.
- Albert Eugene Ebanks, \$9,316.
- Alden McNee McLaughlin, \$9,316.
- Arden McLean, \$9,316.
- Anthony Eden, \$9,316.
- Ellio Solomon, \$9,090.

- Dwayne Seymour, \$9,090.

Madam Speaker, I do not think there is any mistake here. It is all in this. As I said, some increments were given which were due, so that is what accounts for some people being a little bit higher than others. The increases were big in June 2005, January 2007, and April 2009.

Madam Speaker, that is the information that I have. I do not believe I called the name of the Member for North Side.

*[inaudible interjection]*

**Hon. W. McKeever Bush:** His salary would have been in the bracket of all the other newer members, \$9,316.

Members of the press who want clarification on this can contact the office of Mr. Donovan Ebanks. He can give any further clarification. That is the information that I have.

I am going to lay this on the Table. I am going to ask the Serjeant-at-Arms to make copies to give to the press. At my press briefing tomorrow morning I am going to read it all over again.

**The Speaker:** So ordered.

**Hon. W. McKeever Bush:** Madam Speaker, as I said the press has been asking for this information for some time. At my first press briefing I told them that I would get it for them. Today I got the information.

*[inaudible interjection]*

**Hon. W. McKeever Bush:** *[addressing a Member]* If you want to get the Governor's, go ahead and get it. You had four years to make it available. I don't know why you did not do that.

*[inaudible interjection]*

**The Speaker:** This sitting has not been concluded, please do not [have] these exchanges, thank you.

**Hon. W. McKeever Bush:** All right. Sorry about that exchange, Madam Speaker. The Member for East End likes to talk about the Governor. He wants the Governor's salary to be exposed, he said.

Madam Speaker, I adjourn this House sine die. As I said earlier, we might be back here early next week because the various tax information exchange agreements, the treaties, have to be put into force by resolution. I will be coming back as soon as I have a chance to discuss this with the honourable Acting Attorney General and the resolution can be drawn and sent to Members. But I hope to do that no later than Wednesday of next week if that is possible.

Thank you, Madam Speaker.

**The Speaker:** Thank you, honourable Minister.

The motion for adjournment is before the House. Does anyone else wish to speak on that motion?

If not, I will put the question. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

The House is hereby adjourned sine die.

**At 6:03 pm the House stood adjourned sine die.**



**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**26 AUGUST 2009**  
**12.05 PM**  
*Fifth Sitting*

**The Speaker:** We will stand for prayers by the Elected Member for North Side.

**PRAYERS**

**Mr. D. Ezzard Miller:** *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, honour 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 resumed at 12.07 pm

**ADMINISTRATION OF OATHS  
OR AFFIRMATIONS**

*(administered by the Clerk)*

**Oath of Allegiance**

*By Mr. Franz Manderson*

**The Speaker:** Administration of Oaths or Affirmations, to be administered by the Clerk.

Mr. Franz Manderson to be the Honourable Temporary First Official Member responsible for the Portfolio of Internal and External Affairs.

All rise please.

**Hon. Franz Manderson:** [microphone not turned on] I, Franz Manderson, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law so help me God.

**The Speaker:** We congratulate Mr. Manderson on his appointment and invite him to take his seat as the Honourable Temporary First Official Member in this Parliament.

Please be seated.

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

**Apologies**

**The Speaker:** We have two apologies this morning for late arrival: the Honourable Minister for Health, Environment, Youth, Sports and Culture, and the Honourable Minister for Community Affairs and Housing, who are both occupied on Government business at the present time.

We apologise also for the late start of the House which came about because of Government's commitments in other areas this morning.

**New Clerk of the Legislative Assembly**

**The Speaker:** I want to take this opportunity to say a special welcome to our new Clerk, Mrs. Zena Merren-Chin. She comes to us highly qualified and we know she is going to be a tremendous asset to our parliament. Thank you.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**Cayman Islands' Compendium of Statistics 2008**

**The Speaker:** Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the Cayman Islands' Compendium of Statistics 2008.

**The Speaker:** So ordered.

Do you wish to speak on this report?

**Hon. G. Kenneth Jefferson:** Yes, thank you, Madam Speaker.

**The Speaker:** You may proceed.

**Hon. G. Kenneth Jefferson:** Madam Speaker and Honourable Members, it is my pleasure to present the *Cayman Islands' Compendium of Statistics 2008* (which I will be referring to throughout this presentation as the Compendium).

Madam Speaker, the 2008 Compendium presents in a concise and simplified manner the annual social, economic and environmental data on the Cayman Islands up to the end of the 2008 calendar year. The data were sourced and compiled from a wide cross section of both public and private sector entities and it represents the status of the data as at 30 June 2009, but it is in respect of the position as at the end of the 2008 calendar year.

The data presented in the Compendium provides a comprehensive set of measurements on social and economic activities within the Islands. When these are compared with previous periods, they provide valuable indicators in specific areas as well as the economy as a whole. They are therefore useful in identifying and analysing possible issues in aid of business planning and policy making.

The Compendium comprises sixteen (16) chapters as outlined in the Table of Contents. It also features on page one (1) "The Cayman Islands at a Glance"—a snapshot of the key socio-economic indicators.

I would like to state, Madam Speaker that while these statistics were compiled by the Economics and Statistics Office, the source offices of these statistics remain responsible for the analysis and explanation of the trends.

With regard to the social indicators presented in the Compendium, there are important changes which have been noted and will be highlighted briefly.

Madam Speaker, population is considered a primary component of any economic and social report. At the end of 2008 the estimated population of the Cayman Islands was 57,009—56 per cent of which, it has been estimated, are Caymanians.

Madam Speaker, education is also one of the areas considered as vital to the Cayman Islands, and this subject matter is dealt with in Chapter 2 of the Compendium. Total school enrolment from reception to secondary education for both private and public schools showed a modest increase of 2.5 per cent in 2008. However, enrolment in public schools decreased by 1.2 per cent. On the other hand, enrolment in private schools had a significant increase during the 2008 calendar year.

Matters such as health and its related services are priority areas also since they speak to the wellbeing of the people of the Cayman Islands. Calendar year 2008 recorded a sharp increase in the number of healthcare practitioners. It could be inferred

from the data that as the population grew so did the need for healthcare practitioners. Seventy-four (74) healthcare practitioners were added in 2008, thereby improving the ratio of healthcare professionals per 1000 population from 13.2 in 2007 to 14.0 in 2008. Madam Speaker, this increase is noteworthy.

Unemployment and other social factors are also of great importance as they impact the quality of life of the people of these Islands. The estimated unemployment rate increased to 4 per cent in 2008. This means that 1,549 persons, out of the labour force estimate of 38,998 persons, were not working. The effect of Hurricane Paloma, coupled with higher unemployment, resulted in an increase in the total number of clients provided with government social service assistance. Through the Department of Children and Family Services, 6,647 persons were provided with assistance, or an increase of 15.4 per cent over the previous year.

Madam Speaker, the Judicial section of the Compendium showed a significant decline in the number of court cases for 2008. There were a total of 11,489 reported court cases in 2008, 18.0 per cent less than the previous year. This decline was due mainly to the 19.1 per cent reduction in the number of criminal cases which moved from 12,179 in 2007 to 9,848 in 2008. However, there was a rise in the number of reported youth and juvenile cases—from 205 in 2007, to 224 in 2008, or an increase of 9.3 per cent.

Madam Speaker, it is important to note also that the number of road traffic accidents increased during 2008. The year 2008 saw an increase of 188 road traffic accidents over the year 2007. Worthy of note, however, is that the number of casualties from these traffic accidents fell by 13.2 per cent when compared to 2007.

Madam Speaker, in concluding this brief presentation, mention must be made of the several new tables that have been added to this year's publication, as well as the updating of others such as Agriculture (Chapter 1) and Elections (Chapter 3). I would like to emphasise the importance and relevance of the Compendium as it serves as a document that should be accessed for information by policymakers and other agencies of government, as well as by the private sectors, students and researchers.

Madam Speaker, it is incumbent on the Economics and Statistics Office to provide quality and timely information that is easily accessible by the government and the people of the Cayman Islands. This office accepts wholeheartedly the mandate to provide such information. The office is also mindful of the information needs of the society and the Compendium is geared towards providing information to keep in line with the changing needs of the people of the Cayman Islands.

To this end, comments and suggestions on the Compendium with a view to improving it each year are encouraged. Comments and suggestions can be directed via email to [info.stats@gov.ky](mailto:info.stats@gov.ky).

Finally, Madam Speaker, the Cayman Islands' Compendium of Statistics 2008 will be circulated to the general public through the website of the Economics and Statistics Office at [www.eso.ky](http://www.eso.ky).

**The Speaker:** Thank you Honourable Third Official Member.

Because of the late hour of our start this morning, I have to call for the suspension of Standing Orders 23(7) and 23(8) to allow questions to be asked past the hour of 11 o'clock.

Honourable Leader of Government Business.

### **Suspension of Standing Orders 23(7) and 23(8)**

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I therefore move the suspension of the relevant Standing Orders in order for questions to be asked after 11 o'clock.

**The Speaker:** Thank you.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Orders 23(7) and 23(8) suspended to allow questions to be asked past the hour of 11 o'clock.**

**The Speaker:** I call on the Second Elected Member for Bodden Town to ask the first question.

## **QUESTIONS TO HONOURABLE MEMBERS AND MINISTERS OF THE CABINET**

### **QUESTION NO. 1**

**Mr. Anthony S. Eden** asked the Honourable Minister responsible for District Administration, Works and Gender Affairs: Is there an alternate location planned for the launching ramp and dock which was proposed as part of the CoeWood Beach redevelopment project?

**The Speaker:** Thank you.  
Honourable Minister.

**Hon. Juliana Y. O'Connor-Connolly:** The entire project to redevelop CoeWood Beach is under review. Identification of alternative locations for the launching ramp and the dock are also currently ongoing.

**The Speaker:** Thank you Honourable Minister.  
Are there any supplementaries?

Second Elected Member for Bodden Town.

### **SUPPLEMENTARY**

**Mr. Anthony S. Eden:** Madam Speaker, just to follow up. If there was no identification, why is it stopped before another location has been identified?

**The Speaker:** Honourable Minister.

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, the honourable Member has a similar question which will, in part, answer that. I can attempt to answer it now or leave it to the substantive question which follows next.

**The Speaker:** I would suggest that you leave it to the substantive question, Second Elected Member for Bodden Town.

Question number two on the Order Paper.

### **QUESTION NO. 2**

**Mr. Anthony S. Eden** asked the Honourable Minister responsible for District Administration, Works and Gender Affairs: Why has the Government stopped the redevelopment project for the CoeWood Beach, and what is the new plan to encourage and facilitate new small businesses in the district of Bodden Town?

**The Speaker:** Honourable Minister responsible for District Administration, Works and Gender Affairs.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

The project to redevelop CoeWood Beach has been put on hold pending a full review, and at this current time the Government would not wish to anticipate the outcome of the said review. Once the review is duly completed the Government will make a statement in that regard.

As always, the Government is ever mindful of the need to stimulate the economy and will take necessary and prudent fiscal steps to ensure that all districts are beneficiaries of suitable and sustainable projects that will enhance the lives of the community.

**The Speaker:** Any supplementaries?  
Third Elected Member for George Town.

### **SUPPLEMENTARIES**

**Mr. Aiden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I wonder if the Honourable Minister would say why the project has been stopped, because the answer actually does not address that point. It says what has been done, that is, that it has been put on hold; but it does not say why.



**The Speaker:** Honourable Minister.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

The contractor appointed to pile and construct the dock discovered that the bedrock beneath the sand is at least 15 feet to 20 feet down. In the absence of a geo-technical survey—which the last Government did not do—the contractor had to rely on the information that the bedrock was only 5 feet down. Clearly, to go ahead, the contractor would incur inordinate and significant additional costs.

Currently the Government does not have any money to embark on such a project until we are fully satisfied that we are getting best value for money, which means looking at all possible alternatives and further consultation with the constituents of Bodden Town.

**The Speaker:** Thank you.

Any further supplementaries?

Third Elected Member for George Town.

**Mr. Aiden M. McLaughlin, Jr.:** Madam Speaker, I ask the Honourable Minister if I should interpret that to mean that this project is effectively dead.

**The Speaker:** Honourable Minister.

**Hon. Juliana Y. O'Connor-Connolly:** No, Madam Speaker. The correct interpretation of what was just said is that this current Government finds itself in financial handcuffs. In order to not put any more on the Government we are looking at all possible alternatives to ensure that there is continued sustainable development in all districts, including Bodden Town.

The project is not dead; the Government is alive and fiscally prudent.

**The Speaker:** Thank you, Honourable Minister.

Are there any further supplementaries?  
[pause]

We will move on to the next question if there are no further supplementaries.

Honourable Leader of the Opposition, First Elected Member for George Town.

**Hon. D. Kurt Tibbetts:** Madam Speaker, I think we would all be aware that the Honourable Minister has not returned to the Chamber yet. With your permission, perhaps the next question could be asked and hopefully he will have returned by then.

**The Speaker:** The Honourable Minister informed the Chair that he was going to have someone answer.

First Elected Member for George Town, are you satisfied with that?

**Hon. D. Kurt Tibbetts:** That's fine, Madam Speaker.

**The Speaker:** Thank you.

### QUESTION NO. 3

**Hon. D. Kurt Tibbetts** asked the Honourable Minister responsible for Community Affairs and Housing: What is the Government's policy regarding the National Housing Trust's Affordable Housing programmes.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Madam Speaker, as you have indicated, the Honourable Minister for Community Affairs and Housing is unavoidably absent. He deputised me to answer in his absence.

The answer: As Honourable Members are aware the National Housing and development Trust (the "Trust") is a Government owned company which was set up in 2003, and currently offers the following programmes:

- Government Guaranteed Home Assisted Mortgage
- Affordable Housing
- Helping Hands
- Build on Your Own Property
- NHDT Community Outreach Club

Under the recently appointed Board of Directors, the Government is currently:

- Reviewing the programmes, policies and assessment criteria for the Trust;
- Reviewing the operations and structure of the Trust based on the results of the Special Forensic Audits completed by the Auditor General on 17 June 2005 and 30 August 2005, as well as the Operational Audit completed by the Internal Audit Department on 14 May 2009; and
- Reviewing the proposed (2004 Draft) Business Plan for the Trust.

Once the Chairman and Directors have reviewed the current policies, procedures and programmes of the Trust, they will provide their feedback to the Ministry. Shortly thereafter, the Government's policy position will be articulated.

**The Speaker:** Honourable Leader of the Opposition.

### SUPPLEMENTARIES

**Hon. D. Kurt Tibbetts:** Thank you.

Madam Speaker, can the Minister state what is the current status with the bond issue that was just a few months ago being drawn down in order to begin construction of the homes in the various districts?

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I can say that the new board has just been appointed and they are reviewing that matter. We are expecting it to go forward ASAP.

**The Speaker:** Thank you.  
Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts:** Madam Speaker, can the Minister state if all of the properties identified in the various districts throughout Grand Cayman have all received full Planning permission and are ready for construction to begin?

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, the latest news I had on it from a meeting with the Ministry was that some of the properties were ready. They would begin while the work was being continued with Planning on the other properties.

**The Speaker:** Thank you.  
Honourable Leader of the Opposition, any further supplementaries?  
Does any other person wish to ask a supplementary?  
Member for East End.

**Mr. V. Arden McLean:** Thank you, Madam Speaker.  
The site in East End was significantly advanced. As a matter of fact, the road was staked out. I would like to ask the Minister if there is any intention to work on that during this review process to ensure that the roads are laid out within the project.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I believe I did say that those areas that were significantly advanced were continuing to be worked on. Those that have completed to the point where they could start, [are] to be worked on as soon as possible. All the properties that were identified, and to repeat, those that have not been given sufficient work to get to the place for building to start will continue that process. Those that are far enough advanced will begin, again, as soon as possible.

**The Speaker:** Any further supplementaries?  
Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts:** Madam Speaker, can the Minister then say if it is fair to assume, even though the new board is reviewing, that the sites previously identified throughout the districts will be the same sites that will be used?

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, we would have to use those sites because, simply, we do not have enough money to buy other sites.

**The Speaker:** Are they any further supplementaries on this subject?  
Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, I understood the Honourable Leader of Government Business to say in a previous answer to my supplementary question that work was continuing. I have not seen any work on the East End site—I know it was staked out since, oh, just before the election. I am wondering if he can tell us when work will recommence on that site.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, many things were staked out before the elections—many things without money to carry it through. As I said, I can only give to this honourable House the information I have at hand, which is, that those parcels of land that have been far enough through the Planning processes will begin as soon as possible. Those that have not, that work with Planning will continue to get them to that point.

**The Speaker:** Any further supplementaries?  
If not, we will move to the next question.

#### QUESTION NO. 4

**Mr. Aiden M. McLaughlin, Jr.** asked the Honourable Minister responsible for Education, Training and Employment: What is the Government's policy regarding continued implementation of the International Baccalaureate (IB) programmes at primary and secondary level.

**The Speaker:** Honourable Minister responsible for Education, Training and Employment.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Government supports the continued implementation of the International Baccalaureate (IB) primary years programme. Following discussions with principals and senior staff from within the Department of Education Services, I believe there are strong reasons for continuing to support the primary years programme including its emphasis on more creative approaches to teaching and learning, and the fact that it is in line with what we know through brain research makes the most effective learning; its potential to raise

the profile of the education system internationally and attract the best teachers should we achieve the goal of having all primary schools as IB accredited world schools.

The fact that I have been advised that there is a direct correlation with the aims of the national curriculum and the IB programme provides an important complementary component as a mode of delivery for the content in the national curriculum.

Although it is still early days in terms of collecting hard data on the impact of the work that has been undertaken to date, feedback from our teachers to my Chief Officer and me provide anecdotal evidence that it is certainly a step in the right direction. For example, we have been advised that parents and students are excited about their learning and the students' learning is much deeper than we have been before. Some teachers also report that they have seen significant improvement in students' behaviour.

For continuity, the Ministry will also seek to ensure that the best practices at the primary school level are built upon and not lost when students enter the middle and high schools through support for the development of a national teaching and learning strategy, which is currently underway.

The Education Ministry is also actively exploring, through the Department of Education Services, the viability of including the IB Diploma Programme as one of a range of post-16 options to be offered to students at the start of the 2010 school year. This programme would target our most able students. It would not replace current government support for students wishing to pursue A-Levels, which are currently offered at two of our private high schools. It would usefully broaden the range of options currently available to our students.

It will also have to be supported by a range of other options for the full range of abilities including opportunities to re-sit examinations to take up studies at UCCI, vocational and technical training and programmes that promote partnerships between the post-secondary education system and industry so that students gain relevant skills.

There is much work to be done to prepare for a successful implementation of an IB Diploma Programme, including:

- programme development
- writing schemes of work
- developing schedules
- identifying and sourcing resources, including staff to coordinate and deliver the programmes
- marketing the programme to upcoming school leavers and their parents
- identifying a suitable venue for the delivery of the programme

The DES has already completed some foundational work and is now preparing a detailed and fully costed project proposal for submission to the Ministry.

**The Speaker:** Are there any supplementaries?

Third Elected Member for George Town.

## SUPPLEMENTARIES

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I would be grateful if the Honourable Minister would confirm that the Better Pathways Brighter Futures programme, which was one of the initiatives of the Government of which I was a part, is going to continue and that these components, which he has helpfully outlined, are part of that original programme.

**The Speaker:** Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, the Ministry is looking to gather additional data to ensure that every step that we take forward is grounded in fact.

What I can also add, Madam Speaker, which is not included in the original substantive answer, is that the one thing teachers have said is that irrespective of whether it is the IB programme or another programme, the principles that underpin the IB programme are what has served them most usefully.

Madam Speaker, certainly the Ministry is going to ensure that any solid teaching and learning principles within the system will be continued. However, the Ministry is acutely aware that the Better Futures Better Pathways system, which the honourable Member alluded to, did not, from what I have seen, include the type of analysis and end results, i.e., at UCCI, that would lead me to believe that it was indeed a better pathway.

We are going to work hard to ensure that any solid teaching and learning principle and anything that helps our children will be continued. However, there will be much work to be done at the secondary level and there is a whole lot of work to be done to ensure that the post-16 options are deep and allow for a transition to UCCI that will be helpful for our students.

**The Speaker:** Any further supplementaries?

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I am not sure I could discern an answer to my question in what the Minister said.

Madam Speaker, what I am keen to know is whether or not the IB programme, which is part and parcel of what the United World College Programme—which is widely lauded internationally in which we participate—is actually going to be one of the options post-16 starting in the year 2010 for Cayman Islands high school students.

**The Speaker:** Honourable Minister.

**Hon. Rolston M. Anglin:** Madam Speaker, I revert to the substantive answer, the last sentence, "The Department of Education Services has already completed some foundational work and is now preparing a detailed and fully costed project proposal for submission to the Ministry."

Madam Speaker, upon entering the Ministry, I was curious as to how initiatives and policy decisions were made and documented. So, when I requested of the Deputy Chief Officer the detailed proposal that would have included things like costing as it related to the IB initiative, I was merely sent a very vague response as to its genesis, which I believe was someone in the Educational Standards and Assessments Unit. However, I was simply also sent links to the IB website's primary, middle and secondary years pages which described the programme, but, certainly, did not describe what this programme was compared against to come to the conclusion that this ought to be the programme that we go with.

As I said, having started implementation of the primary years programme, the teachers have indicated that the principles of trying to attain the standard has assisted them and the children greatly. We will certainly build upon that work. However, the country deserves to investigate all possible alternatives.

As it relates to post-secondary studies, the Ministry is going to deliver the widest range of services possible to our students. However, the country has a myriad of services it requires, education being one.

We are going to have to wait and see what the cost and full programme proposal the Department of Education Services develops looks like. We actually need to see that. The other thing that we have asked them is to also look at other options and come back to us with technical guidance as to what the possibilities are out there so that we can make an informed decision, document that informed decision so that whoever is the Education Minister can clearly see how we come to a decision and clearly rationalise for themselves whether or not they continue certain programmes and whether or not they would make alternative arrangements.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I listened carefully to what the Minister said about options. I wonder if the Minister is able to say whether or not he appreciates that the whole Better Pathways Brighter Future Programme is exactly about providing options to students post their external examination years.

In the substantive answer the Minister outlines a number of those options, A-Levels, re-sits of examinations, studies at UCCI, vocational and technical training, the IB programme, and one that is not in here

is the Advanced Placement programme, which is an American post-high school programme.

Madam Speaker, I wonder if the Minister really appreciates that even in his substantive answer he has outlined a number of options. The issue is whether or not his Government is prepared to proceed with this programme regardless if their proceeding with it is contingent upon, what I understand to be, a cost analysis exercise that they are going to undertake.

**The Speaker:** Honourable Minister.

**Hon. Rolston M. Anglin:** Madam Speaker, for clarity: Of the range of options in the substantive answer, and repeated by the honourable Member, from an academic standpoint—purely academic—as outlined in the substantive answer as well, this programme, if it were deemed to be a go, would be one of the key options for those students who are highly able.

The other option, the other principle option in terms of a long-term or 12 month option is A-Levels. A-Levels are provided by the private schools. I would not believe that we would be going that route.

The analysis of other options that I spoke to was whether or not the Government and the Ministry felt as though the IB programme would be (for lack of a better phrase) our high-end academic option during the post-16 years.

So, not only is there an analysis, and there would be costing, but we would need to ensure that that would be the programme that we would select, or that we would desire to select from an academic standpoint as well.

**The Speaker:** I will allow one more supplementary on this subject.

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, in his answer, the Minister mentioned that one of the outstanding issues is the identification of a suitable venue for delivery of their programme.

Madam Speaker, I wonder if the Honourable Minister could explain why that is an issue?

I say that because the original planning for this matter involved the use of what is currently the George Hicks High School Campus as the venue for the delivery of most of the post-16 programmes. Even with the decision not to go ahead with the Beulah Smith Campus in West Bay, with the completion of all four academies on the John Gray site, and the addition of the fourth academy at Frank Sound, we would have been able to accommodate the entire Government High School population, leaving George Hicks vacant for the purpose of the technical and vocational programmes and the full range of post-16 programmes including the IB.

So I wonder, Madam Speaker, if he can explain if there are now policy decisions that have been

taken which impact any of that and, therefore, create this particular issue of the need to identify a suitable venue for the post-16 programmes.

**The Speaker:** Honourable Minister.

**Hon. Rolston M. Anglin:** Madam Speaker, when we initially explored with the Department of Education Services where they were in broad terms as it related to the post-16 programme, they raised a number of concerns as it relates to the new schools and delivery of certain subjects at the new schools.

The venue is highlighted at this point in time because they are going through an exercise—an exercise, Madam Speaker, that was brought to our attention by the Department of Education Services. They are going through an exercise of trying to determine just how they are going to propose to use the George Hicks site. We need to put in place a holistic and comprehensive plan building by building as to what will happen on that site.

The only reason it is flagged up here, Madam Speaker, is, again, as I said, the Department of Education Services alerted the Ministry that they have (according to them) always had concerns about the delivery of certain subjects on what will be the new John Gray Campus. They believe that they may need to use a portion of the old George Hicks Campus for delivery of certain subjects.

Naturally, Madam Speaker, I have concerns about that—if, for nothing else, just from the standpoint that it would certainly be desirable to have students have their education provided in its entirety at the new John Gray Campus. As I said, they raised this matter as it relates to two particular subjects.

**The Speaker:** Thank you, Honourable Minister. That is the end of Questions.

## STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

**The Speaker:** I have received notice of three statements by the Honourable Minister of Education. I will call on him to make the first one on the Education Modernisation Law, 2009.

Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, the Sergeant is about to distribute the statement. I would like all Members—particularly the Opposition—to have the benefit of the statement as I read it.

### Statement on Education Modernisation Law, 2009

**Hon. Rolston M. Anglin:** Madam Speaker, since the announcement by the Government in July 2009 that the commencement of the new Education Modernisa-

tion Law (2009) (which I will refer to as the “New Law”) would be delayed, there have been several statements to the press by the former Education Minister that have fuelled speculation as to the reasons for the delay in the commencement order.

It is unfortunate that the former Education Minister has seen it fit to create misdirection and uncertainty in the minds of Caymanians as to the future of the New Law. For the avoidance of any doubt, let me repeat (as I have stated in the press): the new Education Modernisation Law has always had my support. It will be implemented.

I debated this Law in the Legislative Assembly. I supported this Law as an important move in the right direction to update and address important issues that were in need of clarification and change in our system. I supported this New Law, even though it was brought to the Legislative Assembly at the eleventh hour—and passed on March 19, 2009, as a campaign ploy—just before the dissolution of this honourable House on March 24, 2009.

Despite this, the then UDP Opposition voted in support of the New Law (while proposing some amendments). So this is not about politics. My position has not changed. However, there are many things that need to be in place before the Law can successfully be implemented.

As the former Minister well knows, the New Law requires the development of a wide range of regulations. When I took office in late May 2009, no regulations had been drafted. The New Law is skeletal in nature, which is quite different from many other laws in that it leaves more specifics than usual to be set out in the regulations. Those who follow the making of laws know that it is the regulations that give any law its teeth. In this instance, the regulations give the New Law its meat and its teeth!

Madam Speaker, I will not be intimidated by political posturing, and I encourage the people of these Islands to not allow themselves to be misled.

The delay in the commencement order was not a decision I took lightly. After consulting with the Chief Officer in the Ministry, the Deputy Chief Officer (who has been in charge of the project since it was launched by the former Minister), a representative from Legislative Drafting, and the overseas consultant hired by the former Minister, it was unanimously agreed that a 1 September 2009 start date was not feasible.

For example, the Law establishes that there shall be a new “Education Advisory Council” to “advise the Minister on such matters pertaining to education as he may require.” It gives the Minister the authority to make regulations to govern its membership and operation. However, the details of those regulations have to be prepared. The New Law also requires a consultation process before the regulations can be submitted for approval by the Governor in Cabinet.

Even more far-reaching in scope is a proposed new Council on Professional Standards. This

Council's role includes responsibility for (and I quote) "registering teachers in schools and otherwise regulate the teaching profession in accordance with standards set by the Minister" (Section 17(1)). This will ultimately require the development of a competency framework that defines the knowledge, skills and abilities that would apply to all teachers in addition to the development of regulations to guide the operations of the Council itself. Again, the New Law calls for a consultation process on this. How could adequate consultation with teachers take place after the General Elections, when schools were going through examinations, graduations and approaching summer holidays?

As Minister, I am very concerned that the original timelines would give stakeholders very limited involvement in developing the regulations. I was also concerned that in meetings with private school and government school principals I was made aware that there was little familiarity with the New Law in its final form and of the requirements it will place on all schools.

Just yesterday (Tuesday, 25 August 2009) the Chief Officer and I met with principals and senior staff from the government schools in regard to the New Law. I asked them two simple questions: Who had been consulted or involved in the development of the Council on Professional Standards? Who had read the New Law? In a room full of people, maybe five persons raised their hands in response to these questions—and none of them were principals!

Therefore, at a minimum, an [awareness-raising] campaign is needed, as well as a readiness check, to ensure that the education system is ready to implement this New Law effectively.

I could go on.

Madam Speaker, The postponement of the New Law is about what's best for our children, teachers and parents. Choosing the wrong speed at which to move sometimes leads to outcomes that are not in the country's best interests. We are working to avoid that with this Law. While I am committed to implementing it as quickly as possible, I will not compromise its effectiveness by enacting it without the necessary structures that will make it work.

The former Minister has reportedly told the press that he was "devastated" by the delay. This makes for good drama and probably sells lots of newspapers. However, it is irresponsible and self-serving of him to make education a political football. He has raised unfounded fears in the minds of our Caymanian people.

The true reason for this drama, I suspect, is revealed in a statement attributed to him by the *Caymanian Compass* of 27 July 2009 (and I quote): "**Mr McLaughlin said he believed the government was doing this to ensure that he would not be credited with education reform in Cayman.**"

This demonstrates that these emotional outbursts are all about ego—not about what is necessary

and responsible to assure the advancement of our education system.

Honourable Third Elected Member for George Town, a word of advice for you from the Government and people of the Cayman Islands: education reform is not about you; it is about our children. It is about changing what happens in the hearts and minds of our children. This is not an easy task. However, we have substantial evidence regarding what matters most if we are to improve our education system, and this is what my Government and my Ministry will be focusing on—getting the right people to become teachers; developing them into effective instructors; ensuring that the system is able to deliver the best possible instruction for every child.

Honourable Third Elected Member for George Town, the people of the Cayman Islands in the National Consensus on Education gave you a clear mandate for change. What did you do with that trust?

Why don't you ask the teachers in our system—whose morale is at an all-time low—what grade they would give you?

Why don't you ask the principals how they feel about the fact that they have no say in the decision-making in their own schools, even about the staff that are placed there?

Honourable Members, can you imagine a principal telling me in a room filled with their peers that the gardener/maintenance man at their school could accurately tell them about staffing changes before they even knew!

Tell us what are the success indicators that you can point to, to show that in the four years you were in office standards of teaching and learning improved?

Why don't you explain why examination results have not been published for four years?

The truth is that my Ministry has much work to do. Drafting regulations for the New Law is just the beginning.

There is room and, indeed, a need for passion in relation to education. I too am passionate about the need for improvement; but, in addition to passion, our country and education system need wise decisions, and wise investments, informed by persons with educational expertise and a real commitment to valuing, respecting and developing those persons who make or break any education reform—our teachers and principals.

In conclusion, I will once again state that I believe the new Education Modernisation Law is an adequate starting point. The Government will bring it into effect as quickly as possible. Consultations will begin in September 2009, now that teachers are back.

Thank you, Madam Speaker.

**The Speaker:** Thank you, honourable Minister.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, pursuant to the Standing Orders, I beg to—

**The Speaker:** Pursuant to which Standing Order, sir?

**Mr. Alden M. McLaughlin, Jr.:** Standing Order 30(2), Madam Speaker. I beg your permission to ask a short question of the Minister in relation to the statement he made.

**The Speaker:** Standing Order 30(2).

So granted, elected Member for George Town.

#### Short Question—Standing Order 30(2)

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, in his statement the Minister has challenged me to say what the success indicators are that I can point to, to show that in the four years—

**The Speaker:** It is short questions, sir.

**Mr. Alden M. McLaughlin, Jr.:** Yes, I am saying this to you, Madam Speaker, so that you will understand the question I am going to ask. This is not a question to him; I am giving you the background.

He has asked me to tell us what the success indicators are that I can point to, to show that in the four years I was in office, how the standards of teaching and learning have improved.

He says, “Why don’t you explain why examination results have not been published for four years?”

Madam Speaker, my question to the Minister is this: will he say whether or not the external examination results just received are the best this country has ever had since it started keeping records?

**The Speaker:** I am not sure that relates to the statement that has been made, but Honourable Minister, would you care to answer it?

**Hon. Rolston M. Anglin:** Madam Speaker, as I understand it, the exam results . . . a number of them indeed came in when I was on leave. Certainly, the examination results will be made known to the entire country.

As I understand the results were positive and—

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Right.

All results will be published. As I understand it the results were positive, in particular with students

who received five or more quality passes. So, we will ensure that those are made public.

Madam Speaker, I can assure the honourable Member that, good news or bad news, the country will know.

**The Speaker:** Thank you, Honourable Minister.

We will move on to the Minister’s second statement, New Schools Project.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

My second statement is on the New Schools Project. Again, I would—

**The Speaker:** Yes, would you please circulate the statement to Members?

**Hon. Rolston M. Anglin:** Yes, Madam Speaker. In all fairness, I would rather Members have the statements before I commence.

#### Update on New Schools Project

**Hon. Rolston M. Anglin:** Madam Speaker, since taking office, I have been keeping the country updated on the progress with the new schools’ projects: the Clifton Hunter and the John Gray Campuses.

An inordinate amount of my time and that of my Chief Officer has been spent in putting these two projects on a stronger footing, time which has taken our attention away from other critical strategic needs in education and labour. Much has been achieved to bring these projects back on track, but much remains to be done.

The previous PPM Administration promised us new schools. They built monuments to excess. The former Education Minister says he makes no apologies for approving school designs that will give us two high schools that will cost at least \$120 million just in construction costs to complete.

Let me be clear: As Education Minister, I too support the need for new schools. We have an ageing school infrastructure; we have a growing demand for schools, not just at secondary level, but also at primary. We need a new George Town Primary School; we need a new West Bay Primary School. Cayman Brac needs a new High School too.

I too want world class facilities for our children. But the truth is that we could have gotten world class facilities for less than \$120 million dollars. I could go on and on with our needs for school plant. We could have had two high schools and had money left over for other schools too, like the new George Town Primary and the Beulah Smith High School in which the PPM Administration recklessly spent over \$1 million and \$2 million on site works respectively.

If we had had a Government that was less interested in building monuments and more concerned about making careful investments in education and

ensuring we were building what we could afford and sustain, we would not now be struggling to deal with the unacceptable fact that, despite the extravagant spending, the current two new high schools will not provide sufficient places to meet the number the Chief Education Officer says will be needed when they open!

I was recently shown the original design for the new Clifton Hunter High School, which was designed by local architects from PWD. I understand that it was sent out to bid by my predecessor's ministry. I was advised that the budget was less than half the cost as it presently stands. It too catered to 750 students. It too was designed to meet specifications to act as a hurricane shelter. Perhaps the former Minister would care to explain how and why we tossed aside this design?

Madam Speaker, I am advised that when these new schools went out to tender, all bids received were well over the proposed budget, that is, what was felt the country could afford. A subsequent value engineering exercise was undertaken to find ways to reduce costs, but I am told that there was still a huge difference between the budget and the bid amount. Perhaps the Third Elected Member from George Town might care to explain to the country why these school designs were not withdrawn and redesigned at this stage?

I am no project manager, but being cognisant of the entire needs of education, this is the course of action any reasonable person would have taken in this situation.

And what of the project management the former Minister put in place to manage these two projects? When I entered the Ministry I found no overall project manager. The core team consisting of a hard-working former facilities manager supported by a deputy chief officer managing a variety of consultants! Let me add here, Madam Speaker, that the facilities manager is not a quantity surveyor. We have an outside quantity surveyor who assists, but he does not have those particular skills. And the deputy chief officer does not have any experience in project management. He is a lawyer by profession.

Perhaps the former Minister would care to explain why, in his judgment, this was an adequate structure to manage projects of this magnitude?

And perhaps the former Minister would also care to explain to the country if, in his opinion, the country was well served with the arrangement that existed before this, where the ministry employed an overall project manager who was an employee of government but resided elsewhere, that is, in the United States, and flew to these Islands on occasion, with Government meeting all expenses!

**Hon. W. McKeeva Bush:** What?

**Hon. Rolston M. Anglin:** Perhaps, if the former Minister had stood in a room, as I did, with professionals

from the government and the private sector and listened to their reactions as the details of these projects were presented by the various consultants—whom he hired—he might have taken a different tack.

They questioned, as I questioned, for example, how it was possible to have agreed to a design where the kitchen equipment alone is estimated at \$750,000 for each school, and to not be able to deliver the equipment needed to teach basic Home Economics and Food Catering courses? If we are not building these schools to meet the learning needs of our students, who are we building them for? I suspect we already know the answer to that question.

These are the types of excesses you get when you don't establish a budget, but tell designers and architects to build to meet your "educational vision"—a vision of the "future" I am told. As one educator said to me recently, "It's easy to say it's about the future—who can tell you it's wrong? It hasn't happened yet."

As I advised the country, I recently had to go to Cabinet to secure an additional \$6.83 million which was needed to pay for works already completed on the John Gray and Clifton Hunter campuses during the 2008/2009 financial year, which ended June 30 2009. These amounts far exceed the funds budgeted for the schools during the 2008/2009 financial year.

Cabinet was advised that this occurred because of the previous administration's decision to approve additional payments to the contractor which exceeded the agreed payment schedule. This additional spending exhausted all the available capital funding before June 2009, requiring supplementary [funding] to complete the payments.

This is typical of the challenges I have continued to encounter in relation to the management of the new schools project. To bring some measure of stability to these projects I have:

1. established a steering committee and a temporary new project management team to oversee these projects;
2. introduced a conciliation process and meetings to resolve the impasse on the \$15 million dollars in claims from the contractor;
3. brought together members from the private sector and government, with the ministry's project team to identify potential cost savings through scope reductions; and
4. Established a building management committee, to take forward the transition planning and preparations for the opening of the new schools.

We will also be engaging as a matter of urgency with the Chief Education Officer and other educators on critical matters such as staffing and preparing our teachers and children to succeed in this new environment. Serious concerns have been expressed about whether the design of these new high schools will be conducive to teaching and learning in the Caymanian context. At this point the focus must be on



the timely delivery of the schools and any required changes will be made in due course.

There was no provision for the furniture, fixtures and equipment. There is no maintenance/budget operational in place. What was the former PPM Administration thinking?

While I have taken some urgent action to bring some measure of stability and to staunch the flow of blood on these projects, we still need a cure. To this end I have met with, and listened to the recommendations of the new local steering committee. We will have to look at all options to successfully complete these projects, but, more importantly, to efficiently manage them. The management of these valuable assets will be crucial as we want to ensure that they can serve generations to come. I will continue to keep the country updated on our progress.

**The Speaker:** Thank you, Honourable Minister.  
Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I crave your indulgence again to ask the Minister a short question pursuant to Standing Order 30(2).

**The Speaker:** So granted.

#### Short Question—Standing Order 30(2)

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, the Minister said in his statement that the two schools when completed will not be capable of accommodating the entire high school population. I wonder if the Minister will say whether or not he has taken policy decisions to stop construction on one of the academies at John Gray and not to proceed with the construction of a fourth academy at Clifton Hunter, thereby creating this particular problem.

**The Speaker:** Honourable Minister.

**Hon. Rolston M. Anglin:** Madam Speaker, that is a very fair question.

The issue of numbers was brought to us during our first two weeks in office before we could even get to talk about, big picture, what the country could continue to afford and what we would be able to continue by way of borrowings with approval from the UK. So, this issue is one that existed before any scope productions or any policy decision on the fourth academy at Clifton Hunter.

At the time, the Chief Education Officer suggested a couple of solutions; one would have been a fourth academy at Clifton Hunter, or trying to make one of the academies at John Gray multi-storey.

Madam Speaker, the fact of the matter is that this country (and the Honourable Leader of Government Business will be speaking to this over the next few days) is in a financial bind. Not only a financial bind: we have had to deal with the FCO as it relates to

borrowing. The Minister responsible for the FCO is not very happy with the situation in Cayman and he told us that we needed to take some immediate steps and strong measures.

Madam Speaker, I understand that the Department of Education Services at this time is taking a hard look at the school facilities that will exist once we have completed looking at all possibilities as it relates to class sizes to ensure that we will be able to make the transition.

As I said in the substantive statement, we are looking at all options. I cannot put the cart before the horse, however, the Government is hopeful that we will be able to come up with a solution to be able to at least complete one of the academies the honourable Member alluded to, i.e., the fourth academy at the John Gray site, or an additional academy at the Clifton Hunter site. However, the Ministry has had to take decisions within the wider context of the needs of the country and look holistically at our available plant and do the best we can at this particular juncture.

Madam Speaker, none of these decisions have been taken lightly. In fact, when we were given the initial information after taking office, and I briefed the Cabinet, the Cabinet was all too eager to move forward with a fourth academy at the Clifton Hunter site. However, we have to live within the means we have, and the fact of the matter is that if it had not been for the wanton disregard for restraint, if it had not been for the waste that has been created, we would not even be having this discussion, Madam Speaker. Right about now, we would actually be debating whether or not we should be starting a new West Bay primary school in addition to having George Town well underway, and Beulah Smith well underway.

But the bottom line is when you waste it . . . if a parent decides he has four children and the first one who gets out of high school is going to get a Ferrari or a Mercedes Benz or a Bentley, he may very find that by the time the second, third and fourth children come along they will have nothing left. That is the best analogy I can find for what has happened in this instance.

**The Speaker:** Thank you, Honourable Minister.

I call on the Honourable Minister of Education to bring his third statement, Scholarships.

#### Scholarships

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker. My last statement is on the issue of Scholarships.

Madam Speaker, given the importance of investing in our young people's potential, the UDP Government made a commitment to providing scholarship funding for all qualified students a priority this year. It is our view that the scholarship programme is a very important way in which our country can provide our young people with opportunities to enhance their edu-

cation and skills, improve their life chances, and play their full role in the advancement of our country.

This has resulted in a total investment of around \$9.5 million this year, including new and continuing overseas students as well as new and continuing students to attend UCCI and other local institutions.

This represents an extraordinary commitment to our young people's development, and our Government believes it is a necessary and critical one, as we are investing in our country's future. As a result of this investment, 326 students will now be able to study overseas. Another 472 new and continuing students will receive funding to attend UCCI programmes. Others will benefit from opportunities to take A-Levels and to study at other local institutions.

The participation of the Chief Officer and I in the scholarship process this year, as members of Education Council, has served many useful purposes. We are now clear that the way we do business is in need of urgent review.

As Minister, I expected to engage in strategic thinking about issues relating to how the scholarship services could be expanded to include things like career counselling, ongoing support for students on scholarships. I also looked forward to engaging in discussions on mechanisms to ensure the scholarship programme was part of the bigger picture on how we grow and develop our human capital to meet the needs of our society and the economy.

What I did not expect to find was incomplete and outdated scholarship award criteria which was poorly communicated and inconsistently followed. I was also concerned to find that there were administrative procedures that resulted in long delays between approvals and communications with applicants. I also found that, given the importance of this area and the significant dollar value of public funds under administration, that the staffing of scholarship unit was inadequate, with only one full-time member of staff. And I might add here that she is supported by another member of staff during the busy period, which is the summer months, for awards.

The management of local scholarship grants was also another area that raised concerns. For example, the scholarship process for UCCI scholarships is for UCCI to advertise the availability of funding and invite students to complete a government application form. Once UCCI accepts a student into the programme, a list is sent to the Ministry for approval in a very limited sense and for the information of the Education Council. There is no prioritisation. There is no distinction between grants to those in need or scholars we can expect to hold accountable for high academic standards.

In processing continuing students, we noted that a large proportion of the individuals on scholarships had GPA's that were alarmingly low—some 1.0 or less. Our scholarship standard requires 2.5 in the first year of study and 3.0 thereafter. Many of these

had low semester averages over the previous year, but had not received any follow-up or warning letters by the Ministry. Therefore, we had to develop a template for a warning letter and distribute this to the various students, explaining that their scholarships were in jeopardy advising them to seek assistance from the academic services provided at UCCI to improve.

Let me be clear, the Ministry has not cut the funding for any of our students. We must ensure that our students maintain a particular standard or else we run the risk that they may not wind up being employable at the appropriate level even after completing many years at UCCI.

We must ensure that Caymanians realise that excellence is not an option—it is a must. It is worrying to learn that some of these underperforming students were previous honour students from John Gray High School! Honour students meaning that they have seven or more O-Level passes. I have been shown multiple cases where honour students are now at UCCI with GPAs less than 2.0, in one instance under 1.0. This is not acceptable.

Madam Speaker, I could continue, but I trust I have said enough to paint a picture of the neglect by my predecessor in this important area that government has continued over the years to invest millions of dollars in.

To move things forward, my Ministry is establishing a Scholarship Services Review Committee to provide input into areas for improvement and opportunities for additional services to support scholarship recipients. Its members will be required to report to the Education Council by mid-December 2009 in order to ensure implementation and communications to applicants in advance of the 2010 round of scholarship awards.

The committee's chair will be Mrs. Joy Basdeo, the former permanent secretary in the Ministry of Education. The Terms of reference for the Scholarship Services Review Committee invite the committee to make proposals to Education Council on:

1. Revisions to the criteria for awarding overseas and local scholarships.
2. The remit and organisational structure for a new Scholarship Secretariat Service, in order to address gaps in services for scholarship recipients and ensure that the scholarship programme contributes to human capital development.
3. Effective business process and procedures, in order to ensure that the application and approval processes are effective, efficient and timely.
4. Ways to prioritise scholarship funding and awards in order to align the grants with Cayman's economic and societal needs.
5. How [to achieve] greater collaboration with relevant agencies and other scholarship-awarding bodies.

6. A mechanism to identify recommended or preferred institutions for various disciplines and majors.
7. Data collection reporting on the aggregate performance of students on scholarship.

The Consultation process will include a questionnaire to current scholarship recipients. They will be requested to provide feedback on the quality of the current services provided, as well as to make suggestions as to how the services might be expanded and/or improved.

Madam Speaker this is crucial work which must be done as soon as possible.

**The Speaker:** Thank you, Honourable Minister.

Are there any questions on this statement? [pause] If there are no questions, we will proceed with Government Business.

## GOVERNMENT BUSINESS

### MOTIONS

#### Suspension of Standing Order 24(5)

**The Speaker:** [Suspension of] Standing Order 24(5) to enable a Government Motion to be dealt with during this Meeting.

Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the suspension of the relevant Standing Order to enable Government Motion No. 2/09-10 to be considered by this honourable House today.

**The Speaker:** The question is that Standing Order 24(5) be suspended to enable the Government Motion to be brought before the House. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** I will now suspend proceedings until 3 pm to allow the Clerks the proper time.

*[inaudible interjection]*

**The Speaker:** I have been corrected. We are going to suspend until 2 pm to allow the Clerks to prepare the necessary paperwork for this Motion.

**Proceedings suspended at 1.35 pm**

**Proceedings resumed at 2.30 pm**

**The Speaker:** Please be seated.

Out of an abundance of caution, I am going to ask for a suspension of Standing Order 24(5) again to

enable a Government Motion to be dealt with during this Meeting.

Honourable Leader of Government Business.

#### Suspension of Standing Order 24(5)

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the suspension of the relevant Standing Order to enable Government Motion No. 2/09-10 to be considered by this honourable House today.

**The Speaker:** The question is that Standing Order 24(5) be suspended to enable the Government Motion to be brought before the House. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 24(5) suspended to allow a Government Motion to be dealt with at this meeting.**

## GOVERNMENT BUSINESS

### MOTIONS

#### <sup>1</sup>Government Motion No. 2/09-10—Tax Information Exchange Agreements between the Cayman Islands and various Jurisdictions, as of 13<sup>th</sup> August 2009

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move Government Motion No. 2/09-10 which is captioned, Tax Information Exchange Agreements between the Cayman Islands and various Jurisdictions, as of 13<sup>th</sup> August 2009, and reads, with your permission, Madam Speaker, as follows:

**The Speaker:** Please proceed.

**Hon. W. McKeeva Bush:** It reads:

**WHEREAS in 2000 the Government of the Cayman Islands entered into a commitment to the Organisation for Economic Cooperation and Development for the effective exchange of information on tax matters;**

**AND WHEREAS it is acknowledged that the Government of the Cayman Islands has the right under the relevant terms of entrustment from Her Majesty's Government of the United Kingdom to negotiate, conclude and perform tax exchange agreements;**

<sup>1</sup> Also see Government Motion No. 12/09-10, page 593

**AND WHEREAS** the Government of the Cayman Islands has negotiated and concluded Tax Information Exchange Agreements with the following countries, namely, Ireland, the Nordic countries of Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden, the Kingdom of the Netherlands, New Zealand and the United Kingdom;

**AND WHEREAS** the Governor-in-Cabinet, pursuant to section 3(5) of the Tax Information Authority Law (2009 Revision) has approved, by way of an Order, the scheduling of the abovementioned agreements to the said Tax Information Authority Law;

**AND WHEREAS** section 3(5)(a) of the Tax Information Authority Law provided that an Order made under the said section is subject to an affirmative resolution of the Legislative Assembly;

**AND WHEREAS** the Government of the Cayman Islands pursuant to section 3(5) of the Tax Information Authority Law is seeking an approval of the Legislative Assembly for the attached agreements to be scheduled to the Tax Information Authority Law;

**BE IT THEREFORE RESOLVED THAT** the attached Tax Information Exchange Agreements be scheduled to the Tax Information Authority Law as follows:

**Third Schedule: Agreement between the Government of Denmark and the Government of the Cayman Islands concerning information on tax matters;**

**Fourth Schedule: Agreement between the Government of the Faroes and the Government of the Cayman Islands concerning information on tax matters;**

**Fifth Schedule: Agreement between the Government of the Republic of Finland and the Government of the Cayman Islands concerning information on tax matters;**

**[Sixth] Schedule: Agreement between the Government of Greenland and the Government of the Cayman Islands concerning information on tax matters;**

**Seventh Schedule: Agreement between the Government of Iceland and the Government of the Cayman Islands concerning information on tax matters;**

**[Eighth] Schedule: Agreement between the Kingdom of Norway and the Government of the Cayman Islands concerning information on tax matters;**

**Ninth Schedule: Agreement between the Government of the Kingdom of Sweden and the Government of the Cayman Islands concerning information on tax matters;**

**Tenth Schedule: Exchange of letters between the Governments of the United Kingdom and the Government of the Cayman Islands con-**

**cerning an arrangement for the avoidance of double taxation and the prevention of Fiscal Evasion;**

**Eleventh Schedule: Agreement between the Government of the Cayman Islands and the Government of Ireland concerning information on tax matters;**

**Twelfth Schedule: Agreement between the Government of the Cayman Islands as authorised under the letter of entrustment from the United Kingdom of Great Britain and Northern Ireland and the Kingdom of the Netherlands for the exchange of information with respect to taxes; and**

**Thirteenth Schedule: Agreement between the Government of the Cayman Islands and the Government of New Zealand on the exchange of information with respect of taxes.**

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

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

The domestic legislative infrastructure for the provision of tax information by the Cayman Islands to other jurisdictions is the Tax Information Authority Law. This Law provides the necessary framework and procedures for the effective implementation and administration of these Islands' international obligations in the area of cooperation in tax matters.

The Law also established the Tax Information Authority as the Cayman Islands competent authority, which is the sole dedicated channel in these Islands for international cooperation in matters involving the provision of tax related information.

When the Law was originally passed, Madam Speaker, there was one bilateral tax information exchange agreement between the Cayman Islands and the United States, dated 27 November 2001. This agreement therefore appears as the first Schedule to the Law.

To allow the addition of further agreements for the provision of tax information, the Law provides a mechanism in section 3(5) that the Governor in Cabinet may make an order adding such further agreements as schedules to the Law. To use the technical language of section 3(5)(a), and I quote, "to add a Schedule to this Law for the purpose of setting out and giving effect to an agreement for the provision of information in tax matters."

Where the Governor in Cabinet makes such an order, it is subject to an affirmative resolution of the Legislative Assembly, thus this process here today.

Madam Speaker, by order of the Cabinet on 18 August 2009, eleven recently signed bilateral agreements for the provision of tax information were approved by Cabinet for addition as schedules to the Law, namely, TIEAs signed with the following jurisdictions: Denmark, on 1 April 2009, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden; on 15 June 2009 the United Kingdom, on 23 June 2009,

Ireland; 8 July 2009, the Netherlands; 13 August 2009, New Zealand.

Madam Speaker, as a result of the signing of the twelfth agreement with New Zealand on 13 August, the Cayman Islands were elevated to the OECD list of jurisdictions which have substantially implemented the internationally agreed tax standard, or what is known as the White List.

In addition to the 12 bilateral signed agreements that the Cayman Islands has signed with the aforementioned jurisdictions, the Islands have concluded negotiations with a further 8 countries, namely, Australia, Canada, France, Germany, Italy, Mexico, the Netherlands Antilles, and San Marino. These jurisdictions are awaiting the conclusion of their own internal approval processes, some of them I believe are legislative processes, before they sign with the Cayman Islands.

Negotiations are also currently ongoing with another eight countries: Aruba, Belgium, the Czech Republic, India, Japan, Portugal, South Africa and South Korea.

The OECD's fifth meeting of the Global Forum on Transparency and Exchange of Information will take place 1-2 September in Los Cabos, Mexico. The Cayman Islands delegation will be attending that forum. This forum is important in that it will seek: 1) to assess the progress made to date with regard to the exchange of information on tax matters; 2) to consider how the global forum can be formulated to become more inclusive and more effective; 3) to consider options to put in place a peer review process which would focus not just on legislation, but also on effective implementation; and 4) to set out a work programme for the next few years.

The timing of the forum was set to ensure that it is held before the next set of G-20 meetings which will take place on 4 and 5 September and 24 and 25 September.

Madam Speaker, I thank you and honourable Members for your indulgence. I trust that this will move through quickly.

**The Speaker:** Thank you, Honourable Leader of Government Business.

Does any other Member wish to speak?  
[pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker. I rise to offer the view of the Opposition on this important Motion before the House.

Madam Speaker, we are all very pleased that at long last the Cayman Islands' efforts over the course of many years, but in particular over the course of the past year or so, have been recognised by the OECD and that we have finally been placed on their most recent of lists, the White List.

Madam Speaker, we are particularly pleased because 10 of the 11 agreements which have now

been reached were substantially negotiated under the auspices of the Government of which I was a part. Indeed, 7 of those that were actually signed were signed by me as the representative of the then Government. I refer specifically to what are known as the Nordic TIEAs.

Madam Speaker, the same goes for Australia and Canada with whom TIEAs are reportedly also pending signatures, although I do not know whether or not the present Government has maintained the original track in relation to these. Perhaps during the course of this debate, or subsequently, they will let us know.

Madam Speaker, the approaches to Ireland and Germany with which the latter has a TIEA also pending (that is, Germany), were facilitated by the Government of which I was a part. Successful discussions with these countries as well as with the United Kingdom and Japan regarding their accession to the unilateral mechanism—the much maligned unilateral mechanism—which, indeed, all four of those countries welcomed and in certain cases actually sought.

Madam Speaker, there is no issue between us and the Government on this. We all want these agreements to be validated and for the Law to come into effect. So there is no issue in that regard. But there are a number of points which have not been explained yet by the Government in relation to some of these agreements. I simply wish to ask some questions in that regard and, Madam Speaker, at the end of what I believe will be a short contribution by me, to raise a couple of broader issues about Cayman's standing and status in the future in this particularly difficult and uncertain environment.

Madam Speaker, I was somewhat surprised to see the note attached to this Motion and the Schedule when it was sent to us saying that this matter was confidential when, indeed, Madam Speaker, you can go on the websites of these various countries and see the published agreements. I am not sure why we are insisting on maintaining confidentiality in the Cayman Islands when most of these agreements, if not all of them, are generally available on the websites of the respective countries.

That is sort of an aside.

Madam Speaker, my principal concern is that it appears to me . . . maybe I should back up a little bit.

One of the key features of the stance that we took, the Government of which I was a part, in relation to these negotiations was that there should be some benefits which accrued to the Cayman Islands in the context of these various agreements. I know that that is a position that the present Leader of Government Business took initially when he was Leader of Government Business in 2003. That was the position he took at the global forum in Canada in 2003, that there must be a level playing field and the Cayman Islands ought not to be at a commercial disadvantage as a

result of entering into any of these various information exchange agreements.

Madam Speaker, that is the line that we held while I was in Government and while I had partial responsibility for this matter. It is a line which I know did not find favour with everyone even on the Official side of Government and even some in the private sector. But we believed, and I still believe, and the Opposition still believes that that is the correct line to take because when all is said and done and all of our competitors have found their way onto the White List, those who do business with these respective jurisdictions will look and see where business can be most favourably conducted.

If we enter into agreements which put us at a commercial disadvantage, I need not really spell out what the consequence of that will be. Hence, the view that we have taken, and the view that I believe the present Leader of Government Business took in the past, is that there ought to be commercial advantages, that there ought to be benefits that accrue to jurisdictions such as the Cayman Islands for entering into these agreements, or at least at a minimum we ought not to place ourselves at a commercial disadvantage.

I say all of that to say this: It appears to me from my scrutiny of the agreements that the scope of Article 3 in the TIEAs with the Netherlands and Ireland breaks with the policy which had initially been established and, indeed, makes concessions which exceed the requirements of the OECD model TIEA.

I say this because, unless my understanding of that article is wrong, we have agreed now to provide information in relation to indirect taxes as primary requests under these two TIEAs. That is a concession that was not made in relation to the previous agreements—not the one with the United States, and not the ones with the Nordic group.

Madam Speaker, I say up front that I know that the UK agreement which the Government of which I was a part substantially negotiated, although it was not signed, does include VAT [Value Added Tax], which is an indirect tax. But that is a distinguishable case, not least for the reason that we have a special relationship with the United Kingdom.

Madam Speaker, there may well be very good reasons why the present Government has made those concessions, and I am not trying to be unduly critical of the decision. But knowing what we know, and knowing the great deal of consideration that was given to these sorts of issues by the technical team, I believe that at a minimum there should be some explanation as to why there has been this break with the previous policy.

Madam Speaker, I should note also, and in doing so ask the Leader of Government Business or whoever the spokesperson is for the Government's side in addition to him, to explain what position they are taking in relation to the proposed agreement with Germany, Netherlands, Ireland, Japan, Australia and New Zealand. I know from the work that we did that

those countries committed to negotiating ancillary commercial agreements with Cayman; in some cases in support of being listed as part of the unilateral mechanism scheme, and in others, in support of their Tax Information Agreements with Cayman.

I should also add that the arrangement with the UK already includes commercial benefits, and the benefits available from Canada are actually established in Canada's domestic legislation.

Madam Speaker, the present Leader of Government Business actually executed the commercial agreements with the Nordic group. I had signed the Information Exchange Agreements back in April on behalf of the Government then. I believe that those commercial agreements ought now to be published in Cayman. They are already published in the Nordic countries. You can go on the website and see them.

Madam Speaker, the level playing field to which I alluded earlier and which has been a key component of the debate from the (how shall I describe them?) lesser partners in the OECD process, that argument has always had a strong economic component. That is why it is vital to pursue the commercial agreements which will help to attract further substantial activity to Cayman.

It is also important, especially with EU member countries, to follow up on securing anti-money laundering counter finance terrorism equivalency from our TIEA and unilateral mechanism partners—a matter which we coupled with our discussions and negotiations in relation to TIEAs, and with the unilateral mechanism.

We have to see this thing in the round because this . . . I can't even call it an attack, this initiative, or these various initiatives of the major economies of the world. Not only is it an ongoing and increasingly intensified process, but this whole business of listing countries and black listing them or grey listing them is just one or more means to the particular end being pursued. So in whatever it is that we are doing, we have to at all times be careful not to allow the discussions to be isolated in the way that those countries would like so that the focus is just on the particular issue before you. You have to keep the big picture in mind at all times.

It is not just a matter of getting off of some list; the OECD can replicate lists at the drop of a hat—and they do. They have done it for the last 10 years. There will be another one coming soon in pursuit of furtherance of some particular objective.

When there are opportunities to negotiate, we need to push for as much as we can possibly get even if it is not directly related to the particular matter at hand. And that is the approach we took in attempting to deal with the Anti-Money Laundering [and Combating the Financing of Terrorism] (AMLCFT) equivalency issue.

Madam Speaker, I will finish up by saying this: any policy which seeks only to appease the OECD based on a moment in time does not serve Cayman's

long-term best interests, and ignores other developments elsewhere, for example, in Europe and in the US, and what needs to be done at home to protect our financial services sector. We can believe that this white listing is not the OECD's final frontier. They are already spinning other compliance webs that will probably be the subject of discussion at the Global Forum meeting in early September.

So, Madam Speaker, it is important that all of us, in particular the Government and the Leader of Government Business (who will be leading the delegation to the Global Forum) truly appreciate that while having now been put on the White List is an achievement of which we are all proud and happy, that this process (as Anthony Travers said in his article in yesterday's *Cayman Net News*, we ought not to have been grey listed in the first place) is ongoing. This attack is sustained and we have to gear ourselves up to be able to deal with these various challenges as they present themselves.

Madam Speaker, in the longer term and more broadly speaking, Cayman's financial services sector and Government, which is so heavily reliant on the revenue that they generate, really have to take a long hard look at what we do and how we do it. [They need to] seek to find other means, other avenues, by which to support not just the domestic economy and employment in government, but also government revenues.

As I said, we have all learned—and having spent four years there and before that two years as president of the Bar Association—this is not an issue that is going to go away any time soon. Whoever is in Government, and whoever is at the helm of whatever organisation or society in Cayman that deals with financial services matters, will always be met with these challenges.

At the end of the day, when you strip all of this of all the technical arguments and all of the moral arguments for why we ought to do things differently, it is about competition. And the bigger countries truly resent the fact that small jurisdictions, such as the Cayman Islands, are able to achieve the standard of living that they do—they believe at their expense—because business which they believe and perceive ought to be rightly theirs and ought to be conducted onshore is being conducted with the assistance of jurisdictions such as the Cayman Islands. It is competition. It always has been and remains at the core of all of this.

Small jurisdictions like us will always be at a real disadvantage because whether we like it or not, might makes right, in this context, and they can replicate and will replicate lists at the drop of a hat. Now that they are absolutely certain that the threat of blacklisting or even grey listing achieves the results that they desire, we can believe that before the end of this year, unless I am greatly mistaken, we (and jurisdictions such as us) will be facing yet another challenge as the stakes are upped in what is already a very high-stakes game.

Madam Speaker, with those few words I want to indicate to you, this House, and the broader listening public that the Opposition lauds this achievement, which we believe we share with the Government, that it is good for Cayman, and assure the Government and the people of the Cayman Islands that we are ready, willing and able to offer whatever assistance we possibly can in relation to this and any other matters likewise. We do believe that on this side we have some experience in relation to these matters that might be useful and helpful to the Government.

Thank you.

**The Speaker:** Thank you Third Elected Member for George Town.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I call on the Honourable Leader of Government Business to close the debate on this Motion.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I listened somewhat intently to the Member who just sat down (a previous Minister) who has come now, as I like to say and as I think they are doing, with tongue in cheek—in fact, trying to take a little bit of credit. Trying to put a little bit of credit in one pocket of ours and taking it out of the next!

Let me say, Madam Speaker, that the present administration was sworn into office on 27 May. And less than three months later, on 14 August 2009, the Cayman Islands have been elevated to the OECD's White List. And through our demonstrated commitment to go beyond the minimum 12 agreements, we have restored our credibility in the eyes of the international financial community.

Our previous standing of leadership had to be rescued from the rocky road and the briar patch of gamesmanship by the PPM—much of what we saw here by the previous Minister today.

There are five facts I would like to refer to first of all, Madam Speaker:

Fact 1: PPM had four years and at the very last minute got a few agreements signed.

Fact 2: Because they did nothing we were put on a black list [sic].

Fact 3: The country received tremendous damage because of being on that dubious list and lost untold business because of it.

As I listened to him I had to think. [He has come] talking about what commercial benefits we are going to get, when they sat down for four years and made us lose all kinds of commercial benefits, made us lose revenue—that we do not have now because they did nothing—because the business scampered and went away.

To think of it, they tried to use my strategies in the last administration that I was in to say now that he

agreed with it. But when he was opposing me then he did not agree with it. They came in here and they beat me over the head with a mortar pestle. And they went on the platform and they beat me over the head with a mortar pestle saying that I was doing wrong.

But success has many fathers, they say.

Fact 4: We have worked very hard and signed the necessary agreements with the very important OECD countries.

Fact 5: We are now on the coveted White List.

Last, but not least, these Islands are now being positioned to begin a new phase of growth by cooperating and working with our financial sector and cooperating where it is prudent and sensible with international organisations.

Madam Speaker, as I said, I found it somewhat amusing that he used my strategy in his speech this time, but opposed it at other times. They should be careful.

I remember, Madam Speaker, when I took the strategy of not signing immediately on the first agreement to the tax savings initiative by the European Union, I got a beating over the head for that too. But I did not sign immediately. I said that I wanted some other things. And on that occasion we could negotiate some benefits and we held out, and it was the right thing to do. At forum after forum I have said it was the right thing to do. And now we have some benefit from it.

Madam Speaker, the Member raised a few areas that I will comment [on] because much of what he talked about competition we already knew. I am not going to waste the time of this honourable House to try and beat up the OECD or anyone else and get us in the bad books again.

If they had done what they were supposed to have done in four years we would be in a better position today. We already know the modus operandi of competitors around the globe in regard to the Cayman Islands as a financial offshore centre. That is why in our campaign and in our manifesto we said that we were moving away to become more of an international business centre.

I have said for years . . . in fact, the Member for North Side will recall because I think we talked much about it, that we would like to see Cayman become a Singapore where there is a multitude of diversification in business. That is where I would like to get. But it means a better immigration policy. Are we going to accept that? Maybe not.

I do not know if the Member, my friend from North Side, is going to accept it; although I hope he is going to help drive it. He might not accept it, but he is going to help drive it.

*[inaudible interjection]*

**Hon. W. McKeever Bush:** The fact is that we do not know how our competitors feel. But, as the Leader of the Government, I am not going to . . . and I want to say something else in that regard, Madam Speaker.

Had they not rushed the constitutional process at the last minute and brought this Constitution (which I have said publicly that I did not vote for) and held out to put into that our sovereign position, held out to the United Kingdom and went to the international forums and said that as a country the United Kingdom does not support financially. . . We have our own road to hoe and we can hoe that. Had we done that, Madam Speaker, this country today would be in a better position.

Oh, Madam Speaker, we can celebrate to say we have a new Constitution. I will be the first Premier! They can call me a fool, for all I care, that doesn't mean anything to me.

**An Hon. Member:** Yeah.

**Hon. W. McKeever Bush:** Yeah? You wouldn't know the difference.

*[inaudible interjection]*

**The Speaker:** Order.

**Hon. W. McKeever Bush:** Madam Speaker, they think they know me. They do not know me.

*[inaudible interjection]*

**Hon. W. McKeever Bush:** You don't know anything.

If you knew something you would be on this side and we would have been on that side!

**The Speaker:** Please do not exchange comments across the sides of the House.

**Hon. W. McKeever Bush:** Always good, Madam Speaker, to listen to the—

*[inaudible interjection]*

**Hon. W. McKeever Bush:** Huh? It's in there?

**Mr. V. Arden McLean:** Within seven days.

**Hon. W. McKeever Bush:** Within seven days?

**The Speaker:** Member for East End.

**Hon. W. McKeever Bush:** Madam Speaker, he keeps bringing the programme, as an aside, he is keeping the programme from the last swearing in as an indication that I will be the new Premier.

What else am I going to be under your Constitution?

But look how much licks you have taken—

**The Speaker:** Please do not—



**Hon. W. McKeeva Bush:** —you want it; you wanted it, and then you can't get it!

**The Speaker:** Please direct comments to the Chair.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker, I bow to your ruling.

**The Speaker:** Thank you.

**Hon. W. McKeeva Bush:** I bow to your ruling, Madam Speaker. I don't mind the interruptions from the clackers over there.

*[laughter and inaudible interjections]*

**Hon. W. McKeeva Bush:** Madam Speaker, I thought I would raise that point because had they done what was right on two points—(1) On the negotiations for four years; and (2) on the Constitution—this country would be in a better position today and in the future.

Now, Madam Speaker, they talked about and questioned Article 3 of the agreement with The Netherlands and indirect taxes. They claimed that the one they did with the UK has it too, but that that is okay, because we have some special agreement or arrangement or special case between the United Kingdom and us. What is the difference?

If something is bad and will hurt, it is bad no matter whether you take the licks from your mama or whether you take the licks from your papa. If it is bad, it is bad!

Regardless if it comes from the Mother country or not, the truth [is that] the agreements we have signed are standard agreements. All TIEA negotiations have recognised that there will be negotiations immediately for the commercial benefits. All of them, barring none. So, when they come and talk about the commercial benefits, that is a fact, Madam Speaker.

Madam Speaker, there are 30 OECD member countries. And when he gets up here and talks about what they did . . . The Cayman Islands has signed 10 agreements with 10 OECD member countries: USA, UK, Ireland, Denmark, Finland, Sweden, Norway, The Netherlands, and New Zealand.

*[inaudible comment]*

**Hon. W. McKeeva Bush:** The Faroe Islands? That's not one! They are not OECD! And the important thing for this country was to have signed with the OECD. That is what got us off the black list [sic].

And negotiations have been concluded by us. I do not know what they did because we never heard what they did. They are just talking about what they did now. I guess someone is briefing them now, but should have briefed us before then if they were doing something. I don't believe so. They can easily come up and say they were doing the work. Why, if they were doing the work, did they not say so before? Why

did they not come here and make statements? Why did they not put out green papers, white papers, pink papers? They were good at putting out red papers.

Madam Speaker, they should have given us the information if that was true. I do not believe it. I know what work has been done by our negotiating team: negotiations have been concluded with five OECD member countries and these agreements are currently going through the respective countries' own internal processes—Australia, Canada, France, Germany and Mexico.

Negotiations are also ongoing with six OECD member countries—Italy, Japan, Korea, Czech Republic, Portugal, and Belgium. Work being done by the civil servants of the day, today. I do not know anything about what was done before, because we did not see that evidence. Paper not there . . . unless he took the paper with him when he left. I do not know. I saw him reading from something. Certainly, I know that our officials have been working hard in getting this done.

Madam Speaker, they say I must stop. But when you have to flog a child for being bad, he has to be flogged. That is what is wrong with some children today.

*[inaudible interjection]*

**Hon. W. McKeeva Bush:** Who?

*[inaudible interjection]*

**Hon. W. McKeeva Bush:** Oh my God! Hear who is talking about embarrassing colleagues!

**The Speaker:** Honourable Member and Minister, if you want to have this kind of conversation please conduct it outside of this Chamber. Thank you.

**Hon. W. McKeeva Bush:** Madam Speaker, I learned good to retort!

Madam Speaker, the OECD process is evolving. The fifth forum proposes a restructuring of the forum and the implementation of a peer review mechanism. The Cayman Islands has been put forward to become a member of the new steering group of the forum. This will allow Cayman to influence the process.

We will continue to monitor the development. We will continue to be a part of it. We will attend the meetings. I am not leading the delegation to the forum because the country is in such a bad financial mess. I have to stay behind to deal with the United Kingdom just to try to keep salaries going. So I will not be leading. The Honourable Attorney General will be leading the delegation for the Government.

Madam Speaker, I think that I have said enough to convince Members who would have their tongue in cheek to vote for the Motion. This is the right thing to do. The Opposition knows it. I think he might

even have said that, but he wanted to get some of the credit, because he kept saying "we".

I cannot help but think of one old seaman in West Bay who told me that at one point when there was grumbling on the ship about bad treatment, one of the colleagues jumped up and said, "This is we ship, you know. Don't mess with we, this is we ship!"

And those that were grumbling said, "We?"

I would not like to use the expletive that was used, but they said, "Which we? We ain't got no part of this ship. We don't oar it, we don't mop it—YOU, only, drove it on the rocks." And that's where they were.

[laughter]

**Hon. W. McKeever Bush:** Madam Speaker, in closing, we recognise that any policy that seeks only to appease any other country, not just the OECD, and leaves this country out would be bad for us. But we are not that kind of Government. We have sense enough to listen to advice. We have sense enough to talk to the financial industry.

I have set in motion various groups of people. There is now a Private Sector Consultative Committee and we will listen to that group. We will take the issues to them and we will listen to them, or they will take them to us and we will listen. There will be cooperation.

There is going to be a renewed secretariat. That is going to consist of various staff members already in various portfolios. And we have sufficient people in Government now and I believe that if we called on the independent Member for North Side if we had a problem, he would give us his best advice in matters without being political. So we are not going to stray. We are not going to leave Cayman high and dry on anything.

But I want to warn one and all that we are not in a good position. And it cannot be business as usual. So, we are going to have to right the ship, take her off the rocks, patch her up a little bit first so that she can keep afloat. Then we are going to chart a new course.

Madam Speaker, we know that not everyone is going to agree with us. But at the end of this four year term, the country is going to be in a better position. Our financial industry will have better products, they will have more cooperation from Government and the people of this country are going to be better off in the long run. That is what is going to happen here, and that is what I am going to report on tomorrow morning.

Madam Speaker, I want to thank you for your indulgence in spite of the cross talk. That makes for good parliamentary life, Madam Speaker. It would be dead up in here if we didn't row a little bit with one another. But we know that we must not tax your patience, especially when I have some people braying on the other side.

Madam Speaker, I want to thank Members for their assistance. I want to thank the honourable Financial Secretary for his hard work, he and his team, that he has put in thus far. Madam Speaker, we can thank the last Government for the few that they got signed. We can do that. But, again, they cannot make the people believe that the Faroe Islands and such, while they are nice countries, were the important countries. They cannot do that. So, we thank them for how much they got done, or what little they got done. And I do that at this point. They say I should.

So, Madam Speaker, let me stop at this point and take the vote.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED THAT the attached Tax Information Exchange Agreements be scheduled to the Tax Information Authority Law as follows:

Third Schedule: Agreement between the Government of Denmark and the Government of the Cayman Islands concerning information on tax matters;

Fourth Schedule: Agreement between the Government of the Faroes and the Government of the Cayman Islands concerning information on tax matters;

Fifth Schedule: Agreement between the Government of the Republic of Finland and the Government of the Cayman Islands concerning information on tax matters;

[Sixth] Schedule: Agreement between the Government of Greenland and the Government of the Cayman Islands concerning information on tax matters;

Seventh Schedule: Agreement between the Government of Iceland and the Government of the Cayman Islands concerning information on tax matters;

[Eighth] Schedule: Agreement between the Kingdom of Norway and the Government of the Cayman Islands concerning information on tax matters;

Ninth Schedule: Agreement between the Government of the Kingdom of Sweden and the Government of the Cayman Islands concerning information on tax matters;

Tenth Schedule: Exchange of letters between the Governments of the United Kingdom and the Government of the Cayman Islands concerning an arrangement for the avoidance of double taxation and the prevention of Fiscal Evasion;

Eleventh Schedule: Agreement between the Government of the Cayman Islands and the Government of Ireland concerning information on tax matters;

Twelfth Schedule: Agreement between the Government of the Cayman Islands as authorised under the letter of entrustment from the United Kingdom of Great Britain and Northern Ireland and the Kingdom of the Netherlands for the exchange of information with respect to taxes; and

Thirteenth Schedule: Agreement between the Government of the Cayman Islands and the Government of New Zealand on the exchange of information with respect of taxes.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 2/09-10 Tax Information Exchange Agreements between the Cayman Islands and various Jurisdictions as of 13<sup>th</sup> August 2009 passed.**

**The Speaker:** There is no other business on the Order Paper. I will call on the Honourable Leader of Government Business to call for the adjournment motion.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Before I move the adjournment, I want on behalf of us all to add our congratulations to the new Deputy Chief Secretary and Temporary First Official Member of this honourable House, sworn in for the first time today.

I have been able to observe over the years his career path, the hard work he has done, his complete loyalty, professionalism and commitment as a civil servant. I am glad for him and his good family and we wish him well. He is taking on a daunting [task], but I am sure it will be a rewarding job in his career and his life as a civil servant.

One other matter, Madam Speaker. Today was a very important day for education. It is commencement day for the 2009/10 academic year. This morning the Minister was there to recognise that with hundreds of guests, teachers.

Madam Speaker, teaching, as you would know (being a past teacher yourself), as a career is an awe inspiring choice. Whatever you do or say is absorbed by young minds that have been shaped by cultures that may not be your own. The lessons you impart, whether academic or moral, never stop at the end of the teaching year. Instead, they are passed from one class to the next, from one generation to the next.

As *20<sup>th</sup> Century Academics*, C. S. Lewis explains it, the task of a modern teacher is not to cut down jungles; but to irrigate deserts. The teaching role is to stimulate, inspire and motivate the minds of those who are the future of this world. We cannot thank our teachers enough, Madam Speaker, and those who have been teachers in the past for the work they have done in these Islands.

I am always reminded that teachers have our children for most of 10 months out of each year. So we are always indebted to them for bringing our children thus far. We, as parents and grandparents, can

never be remiss in the way we respect those in the teaching profession. As a Government we are going to do everything possible to ensure the welfare of our teachers.

We do have a problem with gangs—to the extent that we believe it is dangerous in the schools. This is not something of our making; this is something that we found there. But we are going to do everything possible. I know the Minister is committed; he has said so. And we as a Government are committed to supporting him to ensure the welfare of our teachers.

Madam Speaker, no matter where the teacher comes from, we cannot continue to treat them so shabbily, whether they are from here or wherever they come from, because if you treat somebody bad, that is what you might get in return.

So, recognising that the care of our children and grandchildren is in their hands, we are committed to doing whatever is necessary to have them realise that the Government is on their side. We are not against them, we are on their side. I know that the Minister is so committed, and we are going to back him in every way possible.

Having said that, Madam Speaker, I want to welcome the new Clerk! I think I already said that to her personally, but to have it on the record, we do welcome the new Clerk to this honourable Legislative Assembly. As she can hear, it is not always going to be nice; there will be times when perhaps she will wish that she had stayed in some other lawyer's room rather than in the law-making room. We welcome her and wish her well in her new tenure.

## ADJOURNMENT

**Hon. W. McKeeva Bush:** Madam Speaker, having said that I thank you for your indulgence and I do adjourn this honourable House sine die.

**The Speaker:** Excuse me. You are supposed to move a Motion for the adjournment and others are allowed to speak on it.

**Hon. W. McKeeva Bush:** Madam Speaker, I wasn't looking for anybody else to speak!

I move the adjournment of this honourable House. Madam Speaker, I had better—

**The Speaker:** Does any other Member wish to speak?

## STATEMENT ON THE ADJOURNMENT

### Position Paper on Auditor General Reports

**Mr. D. Ezzard Miller:** Madam Speaker, having sought your permission earlier, I wish to make a short statement in my capacity as chairman of the Public Accounts Committee, mostly because of what has

been going on in the media circus for the last several weeks.

It will also be necessary for me to give a little background information on what has transpired.

Madam Speaker, I was privileged to be elected as chairman of the Public Accounts Committee for the ensuing term [2009] to 2013. I have a very good committee that works very hard at what it does.

In order to put into perspective what I am going to say in the prepared statement, I need to talk a little bit about what I found when I became chairman of this committee.

A number of reports had been handed to the previous committee (that is, the committee in place from 2005 to 2009) that were not dealt with. My committee accepted the responsibility to dispose of those reports in the proper process and lay our review on the Table of this parliament.

We also found that the Auditor General was in a very lofty position with the previous committee in that he not only prepared the Auditor's Report for any matter that he chose to report on, but he also recommended to the committee which witnesses to call. He also recommended questions to be asked of these witnesses. He took the minutes of the meetings of the reports. He prepared the final reports for the committee. In my view, and in the view of the new committee, that was not a healthy position for the PAC to remain in because it could hardly be described as an independent review of the Auditor General's report if he was chief cook and bottle washer.

We took the position that he would no longer be allowed, required, or asked to perform all those functions and the Government has in fact provided the committee with its own clerk—and we are very grateful for that and happy with her performance. We hope we are going to keep her after the three month contract is up. I see the newly sworn in Temporary Official Member smiling, so I assume that gives consent.

It appears that the Auditor General took what my grandmother used to call "a bit of umbrage" with the new committee. Unfortunately, Madam Speaker, he has spent, in my view and in the view of the committee, an inordinate amount of time playing the media circus. We find that in one local newspaper he is making statements [such as] "' . . . it is just a dangerous, dangerous precedent', Mr. Duguay said. 'This is one battle that I will put everything in.'"

Now, Madam Speaker, we did not declare war on him, so I do not know what the battle is about. The Honourable Leader of the Opposition can tell him that I do not normally start a lot of battles, but I really am not known for running from too many. I usually stand my ground as a good old country boy, especially a Miller.

It is unfortunate, Madam Speaker, that when the new Public Accounts Committee takes it upon itself to try to bring things into order and tries to dispose in a proper fashion with all of these reports, that we get editorials entitled "A step backward." It is rather

troubling when I know how hard committee members are committed to getting this work done.

Madam Speaker, part of the problem that we found was that reports were being released to the press with press statements or press conferences and that the other part of the equation, that is, the Public Accounts Report (which in some instances may have agreed or disagreed with the position released to the press), was never forthcoming over the last four-year period.

Madam Speaker, it is even more troubling when we see other people, like the Commissioner of Freedom of Information, jumping onto this man's army trying to protect him from a battle that he does not have to fight.

The real troubling one, Madam Speaker, is when the highest executive in this country takes the time to phone me on a Friday and basically . . . I do not know what his intentions were, but my interpretation was that he was threatening me with his constitutional authority. Madam Speaker, that is troubling.

As the Leader of Government Business just said a little while ago, this is "we" House; and he not got no business in this here House interfering in what is being researched and considered by a duly appointed committee of this House. Upon hearing only one side of the story leads me to wonder . . . in fact, it confirms that I was right in the letter that I wrote in the press some years ago saying that anybody who had performed to the level that he had in middle management of the civil service would have been terminated and fired.

**The Speaker:** Honourable Member for North Side, don't cross the line. Stay on the subject that you are supposed to be presenting.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Okay, Madam Speaker. I fully respect—

**The Speaker:** Please proceed with your presentation.

**Mr. D. Ezzard Miller:** And I apologise for the fact that we should not criticise the Governor in these honourable Chambers.

But, let me get to the prepared statement which has been duly approved by the Public Accounts Committee.

As Chairman, at our first meeting held 10 June 2009, I raised my concerns about the inconsistency with which reports had been handled over the last several years and volunteered to do the research and to bring to the committee a recommendation for the consideration of a better way forward.

Reports were handled in the past as follows: The Auditor General presented his report to the Speaker and then he released his report to the press

two days later; the Speaker referred the report to the PAC for its review. Unfortunately, the last PAC did not complete any of the reviews on any of the reports referred to it.

This has led to some concern in certain quarters, particularly those adversely affected as to who was empowered to make the release, who owned the report and under what authority, precedent or established parliamentary procedure the release was made. There was also considerable confusion as to how the reports are to be handled and various reports were handled in different ways.

It appears that this was done in the interest of openness and transparency and as a means to get the Auditor General's Report in the public domain because the PAC was not completing its reviews in a timely fashion. However, this often resulted in only the Auditor General's findings being in the public domain, whether positive or negative, and often for extended periods—in some cases up to four years.

Previous to this, the report was delivered to the Speaker who sent it to the PAC and it was circulated to all Members of the Legislative Assembly under confidential cover. The PAC then did its review of the report and the Auditor General's report and the PAC report were both made public at the same time through the established parliamentary procedure of laying it on the Table with no debate.

The Government was then expected to respond by way of a Government Minute within 30 [sic] days and then the whole package (that is, the Auditor General's report, the PAC report and the Government Minute) was debated, giving the general public all sides of the story.

The difficulty with the current process is that the procedure for handling these reports is not clearly defined, does not identify ownership or include defined timelines for the disposal of these reports by the PAC. This is admitted by the Auditor General himself in an email to the Clerk on 16 July 2009.

A search of the Standing Orders revealed that an amendment was made in 2006 to Standing Order 77(3) to remove [the words] “. . . on a confidential basis to all Members” and replace it with [the words] “. . . to all Members and shall become a public document.”

A review of the files indicated that an agreement (which is unsigned) was made which stipulated that all Members would be sent a hard copy by mail, an electronic copy with a receipt attached (to confirm Members had received and opened their copy) and all Members were to be given a hard copy. This agreement also indicated that after all Members had received their copies the report would be released to the public.

There is also on file a Minute of a meeting held on Wednesday, 3 July 2008, which records under item 6, Other Business, in paragraph (ii) entitled, Procedure on making Auditor General's Reports Public Documents: “It was agreed that reports from the Audi-

tor General's office being sent to the Legislative Assembly are to be made public two days after hard copy and electronic distribution to all Members.”

This amendment to Standing Order 77(3) appears to conflict with Standing Order 77(5), which states, “**(5) The Public Accounts Committee shall make their report upon the report of the Auditor General on the accounts of Government before the Auditor General's report is laid on the Table of the House and both the Committee's report and the Auditor General's report shall be laid at the same time.**”

The long-established parliamentary procedure to make any document, report or other matter that is owned by parliament public is through the act of laying it on the Table of the House. Once the Auditor General has delivered his report to the Speaker it belongs to parliament. Therefore, there is no precedent that allows the Speaker, Clerk, the Auditor General or PAC to make a report that has been delivered to parliament public other than by laying it on the Table of the House.

The PAC has no authority to make a report public two days after all Members have received the report. Although Standing Order 77[6] states, “**(6) Subject to these Standing Orders, the practice and procedure of the Public Accounts Committee shall be determined by the Committee.**” This is prohibited by 77(5).

Further research into the practices of other parliaments in the Commonwealth did not find any that followed the current procedure as outlined above. For this research I relied heavily on the findings of the Commonwealth Parliamentary Association's study group as recorded in the book *The Overseers: Public Accounts Committees and Public Spending*.

The main topics covered by this study group were:

- the state of the art in the commonwealth;
- the ecology of the public accounts committee;
- the committee's purpose, scope and function;
- the structure of the public accounts committee;
- the auditor general and the public accounts committee;
- special problems in small parliaments;
- methods of committee operations;
- position of the PAC in the overall committee structure;
- the PAC in the future.

The study group found, among other things, that:

- it is a fundamental principle that Auditor General's report to parliament.
- As part of the communication strategy, briefings for Members immediately before ta-

bling a report are to be commended. This will enable Members to utilise the content of a report to the House as soon as it is made public.

- The Chair must regard himself (or herself) as a representative of the entire committee and seek to advance its interests in better parliamentary accountability.

This study group also sent a questionnaire to 70 CPA branches. Question 7 asked: "Are public accounts committee reports freely available to the general public including civil society?" Eighty-seven per cent responded, yes; and 13 per cent responded, no.

Throughout the commonwealth, committee reports are usually public documents as soon as they are tabled in parliament. However, provision is made in some parliaments for certain reports or parts of certain reports to be kept confidential.

Question 13, the study group asked "When does public accounts committee commence examinations?" Forty-four per cent responded, after Auditor General's report is tabled.

I also asked the Attorney General's office for their opinion on when the Auditor General's report becomes a public document, and their four-page opinion is attached. The final paragraph of the Attorney General's opinion on page 4 reads, "**The Auditor General report is made public upon being tabled or laid before parliament. This report is then forwarded to the Public Accounts Committee for its consideration.**"

During the period of my research, the Auditor General, being fully aware that I was researching the matter, independently asked for a meeting with the Speaker to discuss the protocol between his office and the office of the Speaker regarding how special reports of the Auditor General are received and distributed to clarify other matters.

The Speaker, in her wisdom and fairness, invited me to attend this meeting and asked for my views on the matters that the Auditor General raised in his email.

The Auditor General, who has been using the present procedure for several years, clearly demonstrates in his email that there is a lack of clarity in several areas, including who he should send the report to, what length of time should elapse between his delivery and the release to the general public, and who issues the press release.

The Speaker's position on the matters raised by the Auditor General is attached for the committee. The Speaker concludes that "**Publication of reports to the Legislative Assembly is not the duty of the Speaker. The parliament might wish to review and amend relevant legislation on this matter for clarification in the near future. However, at this time, without clear definition in the Public Management and Finance Law or the Standing Orders I see no authority for the Speaker to override established**

### **precedents and publish the Report of the Auditor-General to the Legislative Assembly."**

In addition to the above referenced books and authorities, I have reviewed: the Public Management and Finance Law; the Cayman Islands (Constitution) Order 1972 and all its amendments; the Standing Orders of the Cayman Islands Legislative Assembly; and the proposed new (Constitution) order.

I have found no precedents or practices in other Commonwealth parliaments or authority in any local laws that support the current practice of the Auditor General releasing his reports to the press after he has delivered them to Parliament.

The Public Management and Finance Law in section 66(2) states: "**The Auditor-General shall be accountable to the Legislative Assembly for the performance of the Audit Office.**"

Section 67(1) of this same law states: "**Unless the context otherwise requires, Part IV shall apply in respect of the Audit Office as if (a) every reference to the Governor in Cabinet or a minister were a reference to the Public Accounts Committee; and (b) every reference to a ministry were a reference to the Audit Office.**"

The Auditor General now clearly reports to the Legislative Assembly and is governed by the Public Management and Finance Law.

I am therefore recommending for the committee's consideration and possible approval the following . . . (and it has been approved and signed off at this point Madam Speaker).

The Public Accounts Committee in accordance with Standing Order 87 seeks to amend Standing Order 77 as follows: In paragraph (3) by deleting the words "shall become a public document" and replacing it with "shall be laid on the Table at the first available sitting of the Legislative Assembly."

The amended paragraph would therefore read, if approved by the House: "Upon its receipt by the Speaker, a report mentioned in paragraph (1) shall be deemed to have been referred by the House to the Public Accounts Committee and shall forthwith be distributed to all Members and shall be laid on the Table of the House at the first available sitting of the Legislative Assembly."

Madam Speaker, in the Committee's view it cannot be done correctly and done any earlier than that. But it puts it in a clear timeframe as to what must happen to the Auditor General's report or any special report that he does, once it comes to Parliament. It will be laid on the Table, and that process will make it a public document.

I do not subscribe that there is any need for him or anybody else to make a press statement. Let the press do their work—come down here, get a copy of the report, and publish their own analysis on it. There is no need for the Chairman, the PAC, or the Auditor General to issue any press statement encouraging any particular interpretation of the report.

Secondly, we are recommending that paragraph (5) be amended by deleting the words "before the Auditor-General's report is laid on the Table of the House and both the Committee's report and the Auditor-General's report shall be laid on the Table at the same time", and replacing that with "and lay their report on the table of the House within three months of the laying of the Auditor-General's report."

The amended paragraph, if approved, would read: "The Public Accounts Committee shall make their report upon the report of the Auditor General on the accounts of the Government and lay their report on the table of the House within three months of the laying of the Auditor General's report."

Again, Madam Speaker, we put a specific timeframe around how long the PAC can delay making their report on the Auditor General's report.

The third change to Standing Orders is in paragraph (7) by deleting the words "and of" and replacing them with "on". This is just a small amendment.

The amended paragraph would read: "The Government Minute shall be laid on the Table of the House within three months of the laying of the report of the Committee [meaning the PAC] on the report of the Auditor General to which it relates."

Madam Speaker, we will then have a clear timeframe and an expectation by the public that all Auditor General's reports will be disposed of in the proper manner within six months of their coming to the Legislative Assembly.

I believe, if approved, these three amendments will bring clarity to the process and protocols for handling the reports of the Auditor General and introduce the necessary timelines for effective and efficient disposal of these reports by the Public Accounts Committee.

Madam Speaker, all the PAC is trying to do is accept its responsibility that it has been given by this Parliament, perform a particular function and to do it in a timely way. There is no need for anybody to get into any battle. There is no need to go out and solicit members for the army by giving away boots, and there is no need for the media to be using such sensational inflaming language as "taking a backwards step."

The committee has worked hard to date and I am grateful to the committee for the time they have put in. We are on course to dispose and lay before Parliament the 10 reports that have been sitting around these Chambers for the last 5 years for the second meeting of this parliamentary term which, I understand, is probably going to start around the 23<sup>rd</sup> of September. We believe we will have all 9 reports (because one has already been laid) prepared.

Madam Speaker, as long as I am chairman of this committee I am going to endeavour to carry out the functions of the committee as clearly, as efficiently, as effectively as I can, Madam Speaker, within

the laws, protocols, morals, ethics of proper parliamentary procedure.

If I have upset some people in whatever cave they may be living in or working from I . . . maybe I should apologise. But I won't, because I believe that my job as chairman and the job of the committee is to do what is proper and what is right by this Parliament.

I thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause]

The motion for the adjournment is before the House. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**At 4.10 pm the House adjourned sine die.**

**OFFICIAL HANSARD REPORT**  
**THRONE SPEECH AND BUDGET ADDRESS**  
**FRIDAY**  
**2 OCTOBER 2009**  
**9.43 AM**  
*First Sitting*

**The Speaker:** I will call on the Reverend Mary Graham to say Prayers at this time.

**PRAYERS**

**Rev. Mary Graham:** Let us pray.

*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, honour 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 they may be enabled faithfully to perform the responsible duties of their 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 high the light of His countenance upon us and give us peace, now and always. Amen.*

**The Speaker:** The Second Meeting of the 2009/2010 Session of the Cayman Islands Legislative Assembly is now in session.

Please be seated.

**Proceedings Resumed at 9.46 am**

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

**The Speaker:** I have received no messages or announcements.

**MOTION FOR THE SUSPENSION  
OF THE HOUSE**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, it is my duty to ask that this honourable House do rise to await the arrival of His Excellency the Governor to receive a gracious message from the Throne.

**The Speaker:** All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

This honourable House will be suspended to Meet His Excellency the Governor.

**Agreed: That this honourable House do rise to await the arrival of His Excellency the Governor to receive a gracious message from the Throne.**

**Proceedings suspended at 9.52 am**

**ARRIVAL OF HIS EXCELLENCY  
THE GOVERNOR**

**The Serjeant-at-Arms:** His Excellency the Governor.

**Procession:**

*Serjeant-at-Arms  
Honourable Speaker  
His Excellency the Governor  
Mrs. Jack  
Aide-de-Camp  
Clerk of the Legislative Assembly  
Deputy Clerk of the Legislative Assembly*



### Invitation by the Speaker

**The Speaker:** Please be seated.

I now invite His Excellency the Governor to deliver the gracious message from the Throne.

## **THE THRONE SPEECH Delivered by His Excellency the Governor Mr. Stuart D. M. Jack, CVO**

**His Excellency the Governor:** Madam Speaker, Members of the Legislative Assembly:

This will be my last Throne Speech before I leave the Cayman Islands in two months' time. I have been privileged to serve as your Governor. Because the Throne Speech looks forward, this is not the occasion to ponder at length the past four years; for that, I will find another place and time.

While I cannot speak substantively for my successor who will arrive in January, he undoubtedly will face many of the same issues that I faced, and I would expect his approach to be much the same.

In my first speech in this House I identified a new Constitution as a major issue during my tenure. I am pleased to announce that the "Appointed Day", the day on which the Constitution will come into effect, will be Friday, 6 November.

To ensure a smooth start to the new Constitution I would ask that this legislature devote adequate time to consideration of amendments to certain laws that should be enacted before the Appointed Day.

The new Constitution will give more responsibility for the country's affairs to the people of these Islands, through greater powers for the elected government and through several new independent institutions, some of which will increase the checks and balances on government.

It will for the first time contain a chapter on human rights. It will also provide a solid basis, if not a fundamentally new one, for the relationship with the United Kingdom.

This constitutional development is happening at a particularly challenging time. The economy and especially the public finances face considerable difficulties in common with many other countries, largely as a result of world economic conditions.

There will eventually be an upturn but it would be unwise to assume that it will then be back to business as usual. The Government, the business community and the public as a whole have to re-think some of the ways that things are done in the Cayman Islands and adapt to new realities, while preserving those values and features of the economy that remain relevant.

Diversification, whether of the economy or government's revenue base, is not easy but the effort is vitally necessary. If efforts are made and some sacrifices endured I am optimistic about the future for

these Islands, which have weathered many storms and always emerged stronger.

We should be pleased that the Government is taking a longer term, comprehensive approach to the range of issues facing the Cayman Islands. As I said in my last Throne Speech a sustainable development strategy is needed that strives for a future that is economically, socially and environmentally sustainable.

Among the challenges that this strategy will need to factor in is climate change. The country cannot neglect the need to maintain and improve its resilience to disasters such as hurricanes and epidemics.

Crime is the biggest threat to the economic and social wellbeing of this community. In many respects these Islands retain a low crime rate, but the numbers of murders and shootings, and underlying trends affecting some of our young men in particular, are seriously worrying.

We must tackle this issue comprehensively. The police have a vital role. Efforts must continue to ensure this country has a first-class police service, efficient and not tainted by corruption allegations. But equally vital are the roles of other arms of government such as education, in giving youth a constructive future, and the courts, prisons and community rehabilitation, in dealing with offenders.

The public too must play its part: to guide young people, assist the police, and facilitate rehabilitation.

Good governance is also fundamental to the Islands' future. Another Overseas Territory has reminded us what can happen when this is lacking. While I believe the Cayman Islands are different, we cannot be complacent.

Freedom of Information is requiring greater transparency, the media are on the lookout for lapses, there will be a strict Anti-Corruption Law from January, and the Committee on Standards in Public Life created by the new Constitution can be expected to promote high ethical standards.

The future of our major industry, financial services, will also depend on meeting rigorous standards of transparency and governance, and the Cayman Islands must continue to engage with the evolving international regulatory agenda.

The public service will have an important role in all these respects. This country has many excellent public servants. There is nevertheless plenty of scope for government to become more efficient and to provide good service while reducing costs. We will be conducting a review to that end over the next few months.

At the same time civil servants must not be used as scapegoats for others' failings, nor must they be politicised. The hard work of all those engaged in the public service must be properly recognised.

I now turn to the plans of various Ministries, Portfolios and Offices.

### **Auditor General's Office**

Value-for-money audits and investigations by the Auditor General's Office will include Operation Tempura and Boatswain's Beach construction.

### **Office of the Complaints Commissioner**

Under its new Commissioner the Office of the Complaints Commissioner will increase its efforts to be more accessible to the public. It will set standards for, and monitor, the effectiveness of internal complaints processes throughout government.

### **Information Commissioner's Office**

The Information Commissioner's Office will continue to promote public understanding of the FOI Law to ensure wide participation from the public in exercising their rights to information. The Office will also: conduct appeals and own-initiative investigations to ensure all applicants are treated fairly; review the existing law with a view to improving its consistency and effectiveness; assist public authorities to complete the publication of required information by January 2010; and continue to develop policies, procedures and guidance papers to assist with the practical application of the Law.

### **Judicial Administration**

A key objective for the Judicial Administration is to advance the financial services division, thereby ensuring that the Grand Court will continue to efficiently manage complex matters.

All other business of the Courts will be assigned to one of five divisions. One of these—the admiralty division—is intended to enhance the jurisdiction's reputation as a shipping registry.

The Judiciary will also focus on developing the Drug Rehabilitation Court, in the light of its success so far and anticipated demand.

### **Cabinet Office**

In line with its increased responsibilities under the new Constitution, the Cabinet Office will place greater emphasis on monitoring policy implementation, as well as increase its support to the Governor and the Premier.

The Constitutional Review Secretariat and the Implementation Advisory Group will focus on the smooth introduction of the Cayman Islands Constitution Order.

The Protocol Office will institute protocol guidelines for the Premier's office. Official ceremonies

will be standardised where possible, to keep costs down.

The Freedom of Information Unit will work on a data protection law.

Temporary Housing will seek to improve the situation of families still living in trailers, including assisting with finding permanent housing and jobs.

GIS will launch a website to encourage two-way communication between government and the public.

Computer Services will assist agencies such as General Registry and Vehicle Licensing in developing 24-hour online services, including payment by credit and debit card.

### **Portfolio of the Civil Service**

The Portfolio of the Civil Service will increase staff development opportunities. These will include associate's degrees in public administration through collaboration between the Civil Service College and UCCI, and a pilot project with Fire Services for a supervisors' diploma for the uniformed branches. Better performance management and staff assessments will be encouraged.

### **Portfolio of Internal and External Affairs**

The Portfolio of Internal and External Affairs will improve the efficiency and effectiveness of public safety and security services through better use of technology and best-practice. This will include construction of the Drugs Task Force Marine Base

The Portfolio is also responsible for assisting many of the new bodies established under the new Constitution, as these bodies establish themselves in the coming months. The eight bodies are the:

1. National Security Council;
2. Electoral Boundary Commission;
3. Advisory Committee on the Prerogative of Mercy;
4. Commission for Standards in Public Life;
5. Human Rights Commission;
6. Constitutional Commission;
7. Judicial and Legal Services Commission; and
8. Advisory District Councils.

These bodies will provide checks and balances on the greater powers exercised by our elected representatives and promote citizen participation, thereby strengthening democracy and good governance.

### **Portfolio of Legal Affairs**

In the Portfolio of Legal Affairs, the Attorney General's Chambers will partner with other depart-

ments to prepare draft legislation required by the new Constitution.

The Portfolio will work with other agencies on a comprehensive criminal justice strategy, which includes alternative sentencing, post-incarceration initiatives, and prison reforms, as well as early-intervention programmes for at-risk youth.

### **Portfolio of Finance and Economics**

A priority for the Portfolio of Finance and Economics will be the efforts of the task force to complete annual financial reports for all ministries and portfolios for previous fiscal years.

The Economics and Statistics Office will prepare for the 2010 Census.

Customs will upgrade its automatic declaration processing system.

The Maritime Authority will seek to strengthen Cayman's international reputation and revenue by upgrading its e-business systems, expanding consulting services, enhancing capacity in North America and Japan, and obtaining ISO certification for the International Maritime Organisation's Flag State Voluntary Audit Scheme.

### **Ministry of Financial Services, Tourism and Development**

The Ministry of Financial Services, Tourism and Development will incorporate the full responsibilities of the Portfolio of Finance and Economics into its ambit, in line with changes in the Constitution that will create the position of Minister of Finance.

In financial services, the ministry plans to strengthen Cayman's competitiveness as a well-regulated international financial services centre.

The Investment Bureau will provide more robust support for local entrepreneurs, and stimulate film projects and other inward investment through creative programming and outreach.

In tourism, key initiatives will include a Green Tourism pilot project, and the conversion of cruise visitors to stay over [visitors].

The redevelopment of air and seaport facilities, including cruise landing and cargo capabilities, will be pursued through public-private partnerships; and a national air transport policy will be developed.

The Ministry will launch a national planning initiative, to integrate the perspectives of the public, private and non-government sectors into a vision for the common good.

The Ministry also plans to empower young people by launching a "Young Nation Builders" programme. This will support and recognise youth with leadership potential taking them through a tertiary level education, by means of an initiative in the Premier's office.

Churches will be supported to expand their after-school programmes, and to integrate social care

with schools, sporting and cultural bodies. Financial assistance will be given to help improve churches' physical infrastructures where justified.

### **Ministry of Education, Training and Employment**

The Ministry of Education, Training and Employment plans to remove barriers to achieving a high-performing education system, in which every child succeeds. Accordingly, the Ministry aims to ensure that: a new governance and management system is developed; principals and teachers are valued, and equipped to help their students improve; educational standards are clearly established, and targets for improvement pursued rigorously; and education planning is enhanced by a comprehensive "health check" of our system.

The Ministry will also advance a new national reform agenda. Strategic elements include:

- maximising the potential of the new secondary schools as community and learning resources;
- introducing initiatives to invest in our people, including unemployed youth and youth at risk;
- enhancing technical and vocational education and training;
- preparing for, in collaboration with the Ministry of Financial Services, Tourism and Development, a financial services institute and a hospitality industry centre of excellence;
- developing a national tertiary policy, which is responsive to our workforce needs;
- strengthening the governance and management of the University College of the Cayman Islands;
- developing sound labour policies; and
- supporting persons with additional educational needs and disabilities, through better legislation, facilities and programmes.

### **Ministry of District Administration, Works and Gender Affairs**

The Ministry of District Administration, Works and Gender Affairs will be reviewing all its departments, sections and units with the aim of restructuring some entities and creating innovative ways of conducting business that are more efficient and fiscally responsible.

As part of the Hurricane Paloma recovery efforts the Ministry will be focusing on the economic and social development, and the sustainability, of the Sister Islands by: expanding the affordable housing programme; commencing the asphalt road programme, and chip and spray, in Cayman Brac and Little Cayman; increasing shelter capacity, and beginning phase I of the Water Authority's reverse osmosis plant, in Cayman Brac; and reviewing the options for Little Cayman's airport.

While maintaining the existing infrastructure of the islands, the Ministry will concentrate on community land management, agriculture development, innovative communications, modernization of the weather services, and improving mosquito research and water management.

Additionally, the Ministry will review and update legislation, in particular the Traffic Law and the Road Law.

It will improve gender mainstreaming efforts in the civil service through training, and through local legislation it will extend to the Cayman Islands the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW).

### **Ministry of Community Affairs and Housing**

The Ministry of Community Affairs and Housing will focus on improving the lives of the elderly and disabled; reducing substance abuse; empowering women; and developing our youth. Key legislative measures will include: enacting regulations for the Children's Law (2003) and Amendment Law (2008); updating the Adoption Law to ensure best practice; and developing poor person's relief regulations, to improve the distribution of funds.

The Women's Resource Centre, the National Parenting Programme, and the Young Parents' Programme will merge to create a Family Resource Centre under the Department of Counselling Services. The Centre will provide holistic family counselling while reducing operating costs.

### **Ministry of Health, Environment, Youth, Sports and Culture**

In the Ministry of Health, Environment, Youth, Sports and Culture, top objectives are:

- updating health insurance and health practice legislation, including a revision of the standard health insurance contract;
- updating environmental policies and legislation, to make them relevant to today's challenges. This will include passing and implementing the National Conservation Law; establishing a national sustainable development framework; implementing a terrestrial protected areas system; and formulating a national climate change adaptation plan.
- Reviewing the National Youth Policy, and reestablishing the National Youth Commission to enact the updated policy.
- Elevating the profile of sports, with a national sports policy and a national sports council.

- And coordinating cultural entities, to ensure the preservation of Cayman's heritage.

Furthermore, enhanced coordination across youth, sports and culture departments will lead to cost savings, while holistically addressing the needs of children, teenagers and young adults.

### **Conclusion**

Madam Speaker, Members of the Legislative Assembly, in conclusion, I thank all those public servants and civic-minded members of the public who have helped to put together these plans and will be involved in implementing them.

On a personal note, I also thank everyone who helped me and my wife to play our modest part. We pray that God will guide your work in the Legislative Assembly and help the whole community to chart a way through the many challenges this country will face, as you seek an economically, socially and environmentally sustainable future.

**Proceedings suspended at 10.17 am**

**Proceedings resumed at 10.20 am**

**The Speaker:** Proceedings are resumed.  
Please be seated.

### **MOTION OF THANKS TO HIS EXCELLENCY THE GOVERNOR**

**The Speaker:** I recognise the Leader of Government Business and Father of the House.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

As Father of this honourable House, I am privileged to move the following Motion: **BE IT RESOLVED that this Honourable Legislative Assembly record its grateful thanks to His Excellency the Governor for the address delivered at this meeting.**

**The Speaker:** The question is: BE IT RESOLVED that this Honourable Legislative Assembly record its grateful thanks to His Excellency the Governor for the address delivered this morning.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: That this honourable Legislative Assembly record its grateful thanks to His Excellency the**

**Governor for the address delivered at this meeting.**

### **MOTION TO DEFER DEBATE ON THE THRONE SPEECH**

**The Speaker:** I recognise the Leader of Government Business, the Honourable W. McKeever Bush.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I am equally privileged to move the following motion: **BE IT RESOLVED that the debate on the address delivered by His Excellency the Governor be deferred until Monday, 5 October 2009.**

**The Speaker:** The question is: BE IT RESOLVED that the debate on the address delivered by His Excellency the Governor be deferred until Monday, 5 October 2009. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Debate on the address delivered by His Excellency the Governor deferred until Monday, 5 October 2009.**

### **PRESENTATION OF PAPERS AND OF REPORTS**

**Annual Plan and Estimates for the Government of the Cayman Islands for the Financial Year ending 30 June, 2010**

~together with~

**Annual Budget Statements for Ministries and Portfolios for the Financial Year ending 30 June 2010**

**Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers for the Year ending 30 June 2010**

**Ownership Agreements for Statutory Authorities and Government Companies for the Year ending 30 June 2010**

**The Speaker:** I recognise the Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House, the following documents in respect of the Government's financial year that will end on 30 June 2010:

Annual Plan and Estimates for the Government of the Cayman Islands for the Financial Year ending 30 June, 2010

Annual Budget Statements for Ministries and Portfolios for the Financial Year ending 30 June 2010,

Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers for the Year ending 30 June 2010

Ownership Agreements for Statutory Authorities and Government Companies for the Year ending 30 June 2010

**The Speaker:** So ordered.

Does the Honourable Third Official Member wish to speak thereto?

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

Madam Speaker, when you invite me to speak on the second reading of the Appropriation Bill, my Budget Address will refer to the documents that have just been tabled. Therefore, I do not need to say anything further at this time on the documents that have been tabled. Thank you.

**The Speaker:** The documents that have just been tabled by the Honourable Third Official Member, do stand referred to the Finance Committee.

### **GOVERNMENT BUSINESS**

#### **BILLS**

#### **FIRST READING**

**Appropriation (July 2009 to June 2010) Bill 2009**

**The Clerk:** The Appropriation (July 2009 to June 2010) Bill, 2009.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for Second Reading.

#### **SECOND READING**

**Appropriation (July 2009 to June 2010) Bill 2009**

**The Clerk:** The Appropriation (July 2009 to June 2010) Bill, 2009.

**The Speaker:** I recognise the Third Official Member.

**Hon. G. Kenneth Jefferson:** Madam Speaker, I beg to move on behalf of the Government the Second Reading of a Bill entitled The Appropriation (July 2009 to June 2010) Bill, 2009.

**The Speaker:** The motion has been duly moved and is open for debate.

Does the Honourable Third Official Member wish to speak thereto?

**Hon. G. Kenneth Jefferson:** Yes, thank you, Madam Speaker. I will pause momentarily to allow the Sergeant-at-Arms to finish the distribution of the Budget Address.

## BUDGET ADDRESS

**Hon. G. Kenneth Jefferson:** Madam Speaker, on behalf of the Government of the Cayman Islands, I rise to present the Budget for the 2009/10 financial year that encompasses the 12-month period from 1 July 2009 to 30 June 2010.

As honourable Members are aware, the Annual Plan and Estimates document just laid on the Table, is normally prepared and presented to the Legislative Assembly in April of each year. This allows the Appropriation Bill to be enacted before a new financial year begins on 1 July.

The recent General Elections, which were held on 20th May 2009, resulted in a later than usual budget process for the 2009/10 financial year, as there was insufficient time to prepare and present a Budget that reflected the policies of the incoming Government before the 1 July 2009 commencement date of the 2009/10 financial year.

The 2009/10 full-year Budget now being presented to the Legislative Assembly is approximately three months into the financial year. Honourable Members are reminded that during the period from 1 July 2009 to 31 October 2009, the Government is duly authorised to incur expenditures by virtue of Government Motion No. 1/09-10, which was approved by the Legislative Assembly on 29 June 2009.

The Annual Plan and Estimates and other budget documents for 2009/10 will therefore supersede the documents provided to the Legislative Assembly that accompanied Government Motion No. 1/09-10. If enacted into Law, the 2009/10 Appropriation Bill will, therefore, subsume the interim appropriation authority provided by the Government Motion just mentioned.

The 2009/10 Budget process is outside the normal timing cycle because of the General Elections held in May 2009. The timing for the 2010/11 budget cycle will revert to that prescribed by the Public Management and Finance Law (2005 Revision) (the "PMFL"). The 2010/11 Strategic Policy Statement will be presented to the Legislative Assembly for its consideration no later than 1 December 2009, and the 2010/11 Budget will be presented to the Legislative Assembly no later than 1 May 2010.

Madam Speaker, although the United States Federal Reserve Chairman, Mr. Ben Bernanke, has recently stated that the recession is very likely over, the Cayman Islands, whose economy usually lags behind the United States' economy, has come face to face with what is being termed as the worst global recession of the century and these Islands are definitely feeling the effects of the recession. Countries around the world are seeing the most difficult economic conditions for generations and are taking extreme measures to combat the challenges they are faced with. Germany recently announced plans to spend approximately US\$122.0 billion to rekindle its economic growth. The United States is estimating an operating deficit of US\$1.3 trillion by 31 December 2009, while it is being predicted that the United Kingdom's deficit will reach £1.3 trillion by 31 December 2010.

The global recession has brought its share of challenges for these Islands and the Government alike. Caymanians and residents have faced job losses, inflation, salary reductions, and many have had to dig deeper into their pockets in order to meet monthly household expenses.

The Government also faced significant challenges in formulating this Budget.

The 2009/10 financial year, which started on 1 July 2009, started out with results and a financial position from the previous year that posed the following challenges for the Government:

- over the 2008/9 financial year, operating revenues declined by CI\$40.8 million when compared to the 2007/8 operating revenues;
- over the 2008/9 financial year, operating expenses, including extraordinary items and financing expenses, had increased by CI\$56.2 million when compared to the 2007/8 operating expenses;
- for the very first time, the Government was not in compliance with the Principles of Responsible Financial Management that are stated in the PMFL. This was as a result of the Core Government:
- having an operating deficit of CI\$69.7 million for the 2008/9 financial year when the Government should be operating at a surplus. The Statutory Authorities and Government Companies collectively suffered a net loss for the year to 30 June 2009 of CI\$11.4 million—with the result that the entire public sector loss for the year to 30 June 2009 was approximately CI\$81.1 million;
- having a Net Debt Ratio of 86 per cent which exceeds the 80 per cent limit set in the PMFL; and

- cash reserves that only covered 63.4 days of the Government's expenditure which is less than the minimum 90 days of coverage specified in the Law.

The 2009/10 Budget will show that revenue measures are needed during the financial year. The decision to implement revenue measures during difficult economic times is not one that many economists would recommend. However, the Government had no other choice but to implement revenue measures that are estimated to bring in an additional CI\$126.4 million per year. The revenue measures were also a directive of the Foreign and Commonwealth Office in order for the Government to borrow additional funds during the 2009/10 financial year.

The 2009/10 Budget, which demonstrates reduced operating and capital expenditures, is a "bare bones" budget. The 2009/10 Budget indicates that the Government will seek to borrow up to CI\$275 million during the financial year. This amount will be applied primarily to fund existing capital projects, such as the continuation of the two high schools and the Government Administration Building.

Although the Government is combating the worst global recession of the century it is focused and committed on rebounding from these difficult economic times. The Government is focused on strengthening the economy of these Islands, on practising responsible financial management that will bring the citizens of these Islands back to prosperity, and navigating these Islands to calmer waters for a better way forward.

### The Economic Outlook

Madam Speaker, I now turn to the economic outlook for the global economy. The full impact of the difficulties in the global economy is expected to continue in 2009 with expected modest recovery in sight, in 2010.

In 2009, world output is projected to decline by 1.4 per cent—that is its steepest decline since the Second World War. This outlook is cast amidst massive fiscal deficits and policy support by national governments, particularly in the United States and other advanced economies, to arrest a prolonged global recession. For the 2009 calendar year, output growth in the United States is expected to decline by 2.6 per cent while the United Kingdom and the Euro-area economies are projected to contract by 4.2 per cent and 4.6 per cent, respectively. Recovery for the advanced economies is expected to be slow and is projected to occur during the second half of the 2010 calendar year.

Madam Speaker, for the Cayman Islands' economy, the estimated movement in Gross Domestic Product (GDP) in the Government's fiscal year 2008/9 was a contraction, or decline, of 2.3 per cent. The GDP growth rate for the calendar year 2009 is fore-

casted at -5.7 per cent. These forecasts take into account the local economic indicators in the first half of 2009 and the economic outlook for the US and other advanced economies. Over the next three financial years, economic growth in the Cayman Islands is expected to be negative in 2009/10, but this is projected to stage a rebound in the succeeding two financial years, that is 2010/11 and 2011/12. Given the slow pace of recovery among advanced economies, the Cayman Islands' GDP growth is projected at -3.3 per cent in 2009/10 followed by a 3.0 per cent growth in 2010/11 and a stronger growth of 6.5 per cent in 2011/12.

Inflation in the Cayman Islands is estimated at 2.0 per cent in 2008/9, compared to 3.5 per cent in 2007/8, as pressures on the local price level are eased by the downward inflation path in the US which is our main source market for local goods. Local inflation is projected at -0.1 per cent in the 2009 calendar year. Domestic inflation remains highly influenced by inflation in the United States. Based on the inflation forecasts for the US, the local inflation forecasts are 0.6 per cent in 2009/10, 1.4 per cent in 2010/11 and 2.0 per cent in 2011/12.

The unemployment rate is estimated at 5.2 per cent for 2008/9, higher than the 3.9 per cent registered in 2007/8. Taking into account the forecast growth rates, unemployment levels are expected at 5.5 per cent in 2009/10, 3.8 per cent in 2010/11 and 3.0 per cent in 2011/12.

Madam Speaker, the current account of the balance of payments measures the total value of the Islands' transactions with the rest of the world in terms of trade in goods and services, income and transfers. A deficit in the current account means that the Cayman Islands made more payments to the rest of the world compared to its receipts from the rest of the world. For the financial year 2008/9, the deficit on the current account of the balance of payments is estimated to be 15.9 per cent of GDP. This marginal weakening compared to 2007/8 is premised on a decline in receipts from tourism and financial services in 2009. The current account deficits are forecast at 19.7 per cent of GDP in 2009/10, 18.8 per cent of GDP in 2010/11 and 17.8 per cent of GDP in 2011/12.

The current account of the balance of payments should not be confused with Government's Income Statement: the former (that is, the current account of the balance of payments) is in respect of the entire economy's transactions with the rest of the world whereas Government's Income Statement only relates to revenues and expenditure of the Government. Given our high level of imports it is expected that the current account of the balance of payments will demonstrate a deficit for quite some time. Such deficits can co-exist with surpluses on Government's Income Statement.

## An Overview of the Financial Statement Forecasts

Madam Speaker, let me now turn to the financial statement forecasts included in the Annual Plan and Estimates documents tabled a short while ago. I will focus on the Core Government's operating revenue, operating expenses, the forecast operating surplus and the forecast cash flows which include details of the Government's capital projects and borrowings.

### Operating Revenue

The 2009/10 Budget forecasts that the Government will earn CI\$562.2 million in total operating revenue. Eighty-six percent of the operating revenues will be earned between levies on international trade and transactions and domestic levies on goods and services. Levies on international trade and transactions include items such as import duties while domestic levies on goods and services includes revenues in respect of items such as bank and trust licences, companies fees and work permit fees.

Madam Speaker, in his letter to the Honourable Leader of Government Business on 27 August 2009, Minister Chris Bryant of the Foreign and Commonwealth Office of the United Kingdom Government, stated that in order for the Cayman Islands to borrow the funds it was seeking for the 2009/10 financial year, it had to introduce revenue measures.

The Government was therefore left with the difficult decision of having to implement revenue measures during challenging economic times. The revenue measures, which the Government intends to implement during the 2009/10 financial year, is expected to realise an additional CI\$94.9 million in 2009/10 and CI\$126.4 million when the revenue measures are in effect for a full 12-month period.

These revenue measures are as follows:

- Work permit fees are proposed to be increased across all categories, except domestic workers. Work permit fees for permanent residents and key employee applications are also proposed to be increased. It is expected that the Government will earn additional revenue of CI\$22.5 million for a full 12-month period with CI\$15.0 million being collected in the last 8-months of 2009/10.
- Annual company fees for resident, non-resident, exempt and foreign companies are proposed to increase between CI\$150 and CI\$500. It is assumed that there will be a 10 per cent reduction in the number of foreign, exempt and non-resident companies and a 5 per cent reduction in the number of resident companies as a result of the announced increase in annual fees. Currently there are 94,221 companies at the General Registry. It is expected that the Government will earn additional revenue of CI\$17 million for a full 12-month period with the majority of the CI\$17 million being collected in 2009/10 since company fees are due and paid between January and March of each year.
- General Registry Fees—These include various increases in certificates, certifications, express filings, new company registrations, filings, name reservations and new company registrations, which were increased to the value of the associated annual fees. The Government expects to earn additional revenue of CI\$7.2 million per year with CI\$4.7 million being collected in the 2009/10 year.
- Mutual funds annual licence fees are proposed to increase by CI\$500. Although there are currently 9,825 funds, it is assumed that there will be a 10 per cent reduction in the number of registered mutual funds. Madam Speaker, when the comments are made, it is assumed that there will be a 10 per cent reduction, it is simply meant for the purposes of the calculations of the impact of the revenue measures. The Government expects to earn additional revenue of CI\$4.4 million per year with the majority of the CI\$4.4 million being collected in January 2010 as these fees are due in January of each year.
- Security Investment Business Fee—Persons who operate a security investment business will see fees increasing by CI\$2,500. Although there are currently 2,270 licences, it is assumed that there will be a 25 per cent to 30 per cent decrease. It is expected that the Government will earn additional revenue of CI\$7.9 million in a full year. The additional revenue expected to be earned in the 2009/10 year from this item is CI\$5 million.
- Fees on Transfers through Money Remittance Companies—This new fee of 2 per cent will be charged on all remittances leaving the Cayman Islands via money transfer entities. The additional revenues to be earned from this proposed fee was calculated on the basis of the CI\$230 million that



- was transferred at the end of 2008. The Government estimates that it will earn CI\$4.6 million per year with CI\$3 million being collected in the last 8 months of the 2009/10 year.
- **Business Premises Fee**—This new proposed fee will be an annual amount payable by the tenants of commercial properties. It is estimated that the rental income from commercial property is CI\$65.0 million. At 10 per cent, the Government estimates to earn an additional CI\$6.5 million per year with CI\$1.6 million being collected in the 2009/10 year.
  - **Exempted Limited Partnerships**—It is estimated that by the end of the 2009 calendar year, there will be approximately 9,000 exempted limited partnerships within the Cayman Islands. With an increase of CI\$250 per annum, the Government will earn an additional CI\$2.1 million per year with the majority of the CI\$2.1 million being collected during 2009/10 due to the fees becoming due in January of each year.
  - **Cigarettes**—Currently the duty on cigarettes is CI\$52.50 per thousand cigarettes. These fees have not changed since 1999. As a result of the increase in duty to CI\$105 per thousand cigarettes the Government estimates to earn an additional CI\$0.7 million per year with CI\$0.5 million being collected in the 2009/10 year.
  - **Package Tax**—The current package tax is CI\$1 per 100 lbs per package and part thereof. It is estimated that an increase by CI\$4 per 100 lbs will earn the Government an additional CI\$0.5 million per year with CI\$0.3 million being collected in the 2009/10 year.
  - **Warehouse Charge**—The current warehouse charge is CI\$2 per 100 lbs or part thereof. It is estimated that an increase by CI\$3 per 100 lbs or part thereof will earn the Government an additional CI\$1.0 million per year with CI\$0.6 million being collected in the 2009/10 year.
  - **Tax and Trust Undertaking Fees**—Tax exemption certificates guarantees that certain entities will not be subject to taxation within the Cayman Islands for 20 to 50 year periods. The fees are currently at CI\$500 per certificate and are proposed to be increased to CI\$1,500. The Government expects to earn an additional CI\$8.9 million in a full year with an estimated CI\$5.9 million being earned in 2009/10.
  - **Tax and Trust Undertakings (Annual Renewal Fee)**—A new CI\$200 annual renewal fee will be introduced on exempted companies, exempted trust and exempted limited partnerships that currently have a tax undertaking certificate. This fee will be paid to General Registry in January of each year when renewing company fees. The Government expects to earn an additional CI\$15 million in a full year from this new fee.
  - **Environmental Impact Fee for Used Vehicles**—This new fee will be charged on all used vehicles imported that have a maximum Cost, Insurance and Freight (CIF) value of CI\$12,000. A flat fee of \$1,000 is proposed to be paid in addition to the rate of duty on vehicles. The Government expects to earn an additional CI\$1.8 million per year with CI\$1.2 million being collected in the 2009/10 year.
  - **Import Duties**—There is proposed to be a 2 per cent increase on all imports with CIF values except those imports that are presently duty free. As an example rates that are at 20 per cent will become 22 per cent, and motor vehicles at 27.5 per cent will now be 29.5 per cent. These increases will result in additional revenues of CI\$16.5 million per year with CI\$10.9 million being collected in the 2009/10 year.
  - **Miscellaneous Outdated Fees**—Madam Speaker, there are various tariffs and miscellaneous fees that have not been updated for many years—in some cases not since 1986. These miscellaneous fees include stamp duty, limited and general admissions for attorneys, passport fees, planning fees and building permit fees in areas A and B, importation of plants, and applications for planning development. The Government expects that it will earn an additional CI\$4.4 million per year with CI\$2.9 million being collected in the 2009/10 year.
  - **Patents and Trade Marks**—These fees will increase from \$100 to \$200 per year. The Government expects to earn an additional CI\$0.4 million per year with CI\$0.3 million being collected in the 2009/10 year.
  - **Cayman Islands Monetary Authority (CIMA) Transactional Fees**—There will be increases in the various miscellaneous fees at CIMA with the majority moving from \$200 to \$400. The Government expects to earn

an additional CI\$1.6 million per year with CI\$1.1 million being collected in the 2009/10 year.

- Banks and Trust Licences—The increases in these fees will see Bank/Trust Class 'A' - retail banking licences moving from CI\$400,000 per year to CI\$600,000 per year and Class 'A' (non retail) licences moving from CI\$130,000 per year to CI\$136,500 per year, and Bank/Trust Class 'B' licences increasing from CI\$57,000 to CI\$60,000 per year. The Government expects to earn an additional CI\$2.2 million per year with the majority thereof to be collected in the 2009/10 year as the fees are due in January of each year.
- Insurance Licences—The increases in these fees will see Insurance Class 'A' (locally incorporated) licences moving from CI\$30,000 per year to CI\$50,000 per year, Class 'A' (approved external) moving from CI\$40,000 per year to CI\$50,000 per year Class 'B' (unrestricted) increasing from CI\$7,500 to CI\$8,500 and Class 'B' (unrelated) increasing from CI\$7,500 to CI\$8,500. The government expects to earn additional revenue of CI\$1.2 million for an entire year with the majority of the fees being collected in 2009/10 as these fees are due in January of each year.

To reiterate an important point, the Government expects that it will earn an additional CI\$126.4 million from these revenue measures within a full 12-month period. It will only earn CI\$94.9 million during the 2009/10 financial year which ends on 30 June 2010. A significant amount of income to be derived from these revenue measures is from financial services-related fees—which generally are payable in January of each year.

### Operating Expenses

Madam Speaker, the forecast operating expenses of the Government, including financing expense and extraordinary items, totals CI\$557.4 million.

The Civil Service identified various ways in which it could curtail operating expenditure. A rigorous and detailed expenditure review and expenditure-cutting exercise was conducted in order to bring expenditure levels back down to those of 2008/9 and included cost-cutting measures such as:

- restricting the hiring of new staff to a minimum;
- restricting overtime;
- identifying ways to reduce accommodation rental costs;
- eliminating all but essential official travel; and
- restricting the usage of Government vehicles for private purposes.

The total operating expenses amount of CI\$557.4 million includes:

1. CI\$446.1 million for the purchase of outputs, goods and services from Ministries and Portfolios, Statutory Authorities and Government Companies and Non-Governmental Organizations;
2. CI\$6.7 million to account for the expected net loss in investments in Public Authorities; and
3. CI\$18.1 million for Other Executive Expenses. Other Executive Expenses are government expenses that relate to Ministers, Official Members of Cabinet, Members of the Legislative Assembly and the Judiciary. This amount also includes CI\$1.7 million for the annual premium of the Caribbean Catastrophic Risk Insurance Facility.
4. CI\$32.0 million is for transfer payments. Transfer payments are payments where the Government does not receive anything directly itself, for making these payments. This amount includes:
  - a. CI\$7.9 million for financial assistance for the needy,
  - b. CI\$15.9 million for scholarships, bursaries, preschool grants, youth sports and cultural programs; and
  - c. CI\$ 7.6 million for grants to ex-servicemen and ex-gratia benefit payments to seamen.
5. CI\$20.7 million is for financing expenses. Financing expenses relate to the servicing of government borrowings or public debt and consists of interest costs and any other operating costs relating to government borrowings or loans-made.
6. CI\$4.7 million is for extraordinary items. Extraordinary items are those expenses that are infrequent, unusual and material. This

amount includes CI\$3.5 million for the Hurricane Paloma recovery efforts in the Sister Islands and CI\$0.8 million for the Judicial Tribunal.

### Operating Surplus

Madam Speaker, the total forecast operating revenue for the 2009/10 year is CI\$562 million. Subtracting the total forecast operating expenses of CI\$531.9 million, which includes the forecast net deficit of Public Authorities (of CI\$6.7 million), and financing expenses of CI\$20.8 million results in a forecast operating surplus for Core Government of CI\$9.5 million.

The Government, Madam Speaker, is therefore in compliance with the Operating Surplus Principle of Responsible Financial Management as specified under the PMFL.

### Forecast Cash Flows

Madam Speaker, the forecast cash flow statement shows that the Government expects a net cash inflow from operating activities of CI\$29.4 million where the cash receipts total CI\$566.8 million and cash payments equal CI\$537.4 million.

The net cash outflows from investing activities are forecast to total CI\$62 million which includes CI\$42.4 million in cash withdrawals from Public Authorities. Shown in the Cash Flow Statement is CI\$141.4 million for the purchase of non-cash assets which is commonly known as the government's capital projects.

The major capital projects that the Government intends to undertake during the 2009/10 financial year include:

- CI\$40.0 million for the continuation of the Government Administration Building;
- CI\$84.5 million for the construction and ancillary costs of the new John Gray and Clifton Hunter Campuses; development of the Sunrise Adult Training Centre and other educational capital purchases and minor capital works;
- CI\$7.2 million for miscellaneous road surface upgrades throughout the Islands;
- CI\$0.5 million for the Bluff playing field in Cayman Brac;
- CI\$0.5 million for the Cayman Brac Emergency Centre;
- CI\$0.2 million for ramps and jetties in Cayman Brac and Little Cayman; and
- CI\$0.3 million for the purchase of the land for the North Side Senior Citizens' Home.

Madam Speaker, the Government plans to borrow up to CI\$275 million during the 2009/10 financial year and intends to use the borrowings as follows:

- CI\$154.0 million to repay an existing temporary loan facility. This loan was approved during the 2008/9 financial year in order to meet the Government's expenditure needs to 30 June 2009. This facility is required to be repaid by 31 December 2009;
- CI\$15 million to fund the overdraft facility; and
- CI\$106 million to fund existing capital projects;

Madam Speaker, the decisions taken in formulating this Budget are evident in the Forecast Statement of Cash Flows which shows that as at 30 June 2010, the Government will have a total of CI\$137.9 million as its total bank account balances.

Under the PMFL, the cash reserves are equivalent to 97.7 days of operational expenditure coverage which sufficiently covers the minimum 90 days of Government expenses.

### Compliance with the Principles of Responsible Financial Management

The Principles of Responsible Financial Management are set out in section 14 of the PMFL and these principles are intended to ensure that the Government remains fiscally responsible and prudent. Compliance with the principles is therefore the first, and perhaps the most important element of the Government's fiscal strategy. It is, and will continue to be, a key driver of the Government's financial decision-making process.

The Government forecasts that during the 2009/10 financial year it will be fully compliant with all principles.

The first principle relates to the operating results of the Government and requires that Core Government's Revenue less Core Government's expenses be positive. As I explained earlier, the Government is forecast to achieve an operating surplus of CI\$9.5 million for the 2009/10 financial year. The Government therefore satisfies this principle.

The second principle relates to the maximum allowable debt service costs and requires that these costs be no more than 10 per cent of Core Government revenue. This ratio is ultra prudent, and holds the Government to a very strict limit. In contrast, it is the international norm for this type of ratio to be calculated using only principal repayments and not inclusive of interest repayments. However, the PMFL goes a step further by including interest payments in the calculation, making the ratio more onerous to comply with. For the 2009/10 financial year, the Government is forecasting its debt service ratio to be 8.45 per cent. Since this is below the 10 per cent limit, the Government is in compliance with the debt servicing ratio.

The third principle requires that Government has cash reserves at the end of its financial year that are no less than 90 days of the Government's esti-

mated expenses for the year to 30 June 2010. The 2009/10 Budget forecasts cash reserves at CI\$137.9 million at 30 June 2010 which is equivalent to 97.7 days of coverage. Since this is above the 90 day minimum coverage, the Government is also in compliance with this principle.

The fourth principle relates to borrowing and sets the limit for the total amount of net debt that can be carried by the Government to be no more than 80 per cent of Core Government revenue. The net debt is calculated as being the outstanding balance of Core Government own debt plus the outstanding balance of self-financing loans plus the weighted outstanding balance of Statutory Authorities and Government Companies' debt guaranteed by the Government less Core Government liquid assets (that is, its cash balances). For 2009/10, the Government is forecasting its net debt ratio to be 77.5 per cent of Core Government revenue, which is below the maximum of 80 per cent. Therefore, this principle has been satisfied.

The fifth principle requires that Government maintains a positive Net Worth. Full compliance has been met as the Government's Net Worth is forecast to be CI\$568.7 million at 30 June 2010 which has increased slightly from the previous year.

### Conclusion

Madam Speaker, the preparation of the 2009/10 Budget has been challenging.

I therefore wish to express my sincerest thanks to the Portfolio of Finance staff (many of whom are here today) for all their hard work in producing the 2009/10 Budget.

Particular thanks must be given to the leaders within the Portfolio—the Chief Officer, Mrs. Sonia McLaughlin; Mr. Michael Nixon; Ms. Anne Owens; Mr. Ronnie Dunn and Mr. Lee Ramoon. I also pay gratitude to all other staff in the Budget and Management Unit. The private sector as well, particularly those in the financial services industry, also gave significant and valuable input to the budget process.

The Government had to make the tough decision of imposing revenue measures during a difficult economic period. The Government had to combat the tendency of increasing operating expenses of the Civil Service and to curtail operating costs of the Government as much as possible without seriously jeopardising the quality and quantity of services to the public.

Madam Speaker, the 2009/10 Budget is a "bare bones" budget. It provides for the basic operational and capital needs of the Government. The 2009/10 Budget demonstrates that the Government is committed to bringing these Islands back to prosperity and navigating us back to calmer waters for a better way forward. The 2009/10 Budget shows full compli-

ance with all Principles of Responsible Financial Management that are stated in the PMFL.

The requests made in the 2009/10 Budget are encompassed within the Appropriation Bill that is now before the Legislative Assembly.

Therefore, I commend The Appropriation (July 2009 to June 2010) Bill, 2009, to this Honourable Legislative Assembly and respectfully seek Members' support for the Bill.

Thank you, Madam Speaker.

## MOTION FOR THE DEFERRAL OF DEBATE ON THE BUDGET ADDRESS

**The Speaker:** I recognise the Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

On behalf of the Government, I beg to move that: **BE IT RESOLVED that the debate on the Budget Address be deferred until Monday, 5 October 2009.**

**The Speaker:** The question is: BE IT RESOLVED that the debate on the Budget Address be deferred until Monday, 5 October 2009. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it. Debate on the Budget Address is accordingly deferred.

**Agreed: Debate on the Budget Address deferred until Monday, 5 October 2009**

## MOTION FOR THE THRONE SPEECH AND BUDGET ADDRESS TO BE DEBATED SIMULTANEOUSLY

**The Speaker:** I recognise the Honourable Leader of Government Business

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

**BE IT RESOLVED that the Throne Speech and Budget Address be debated simultaneously on Monday, 5 October 2009.**

**The Speaker:** The question is: BE IT RESOLVED that the Throne Speech and Budget Address be debated simultaneously on Monday, 5 October 2009. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Throne Speech and Budget Address to be debated simultaneously on Monday, 5 October 2009.**

## **STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET**

**The Speaker:** I have received notice of a statement by the Leader of Government Business.

**Correspondence between Minister Chris Bryant from the Foreign and Commonwealth Office in London and the Leader of Government, Honourable W. McKeever Bush, OBE., JP, on Cayman Islands Public Finances together with speaking notes from the Honourable Leader of Government Business**

**Hon. W. McKeever Bush:** Madam Speaker, before I do the customary Policy Statement, I would like to lay on the Table of this honourable House recent correspondence between myself, as Leader of Government Business, and the Minister, Mr. Chris Bryant, in the Foreign and Commonwealth Office of the United Kingdom Government.

In chronological order the correspondence is as follows:

- 28 September 2009 letter from Minister Bryant to me pertaining to the Cayman Islands Government's proposed borrowing and conditions that the United Kingdom Government requested that the Cayman Islands satisfy.
- My 30 September 2009 reply to Minister Bryant's 28 September letter in which I commit to undertaking a review of the public service and stating that Government has reduced operating and capital expenditures which had the consequent effect of reducing the level of proposed borrowing by the Cayman Islands Government.
- A 1 October 2009 letter from the Minister to me in which he states that the Cayman Islands Government's proposal to bring its budget into full compliance with the Public Management and Finance Law in the 2009/10 year is impressive.

That letter still urges the broadening of the Cayman Islands Government's tax base despite the significant revenue measures that we proposed to implement.

- My 1 October 2009 response a few hours later to the Minister in which I provided extensive details of our 2009/10 budget to show that we are now fully compliant with

all ratios that are specified in the Public Management and Finance Law.

Madam Speaker, the reasons I wish to table this correspondence are to demonstrate to the public and the press in the Cayman Islands, and the wider world for that matter, that our Government has worked very hard to overcome the poor state of public finances in the Cayman Islands; to dispel the irresponsible commentary circulating in this Islands that the present Government has fabricated the difficulties to cast the previous Government in a bad light—nothing could be further from the truth! And also to state that where they have said that we have given commitment to the United Kingdom to institute direct taxation.

These letters show that I have given no commitment for direct taxation. We have given commitment to do an assessment on options for new revenue measures.

We all know by now the suggested areas— income tax, property tax, payroll tax, VAT and other areas as well. We commit to concluding these exercises by December this year which enables any reasonable—and I put emphasis on that word *reasonable*—recommendation there from to be included in the 2010/2011 budget which starts on 1 July 2010.

This correspondence just about to be tabled, Madam Speaker, shows that these matters were real and substantial. For those who are doing the usual scare mongering and rumour mongering, and growing fat from it, should get a copy and read these documents. I lay them on the Table of this honourable House.

**The Speaker:** So ordered.

**Hon. W. McKeever Bush:** Thank you very much, Madam Speaker.

### **Policy Statement —A Better Way Forward: A Common Vision for the Common Good**

**Hon. W. McKeever Bush:** We thank His Excellency the Governor for that snapshot of the Government's agenda for the coming year. I say 'snapshot', not intending to be either frivolous or disrespectful. Indeed, as we gather as legislators and a Government we know there is no room to be frivolous

These are especially serious times, times that call on all of us as a Government, all of us as citizens of the country, to act with resolve. Truly, the Governor could not do more than give a snapshot of all that the Government must do to stimulate, to re-invigorate the economy of the country and the finances of Government itself.

The country is now familiar with the financial position we inherited—\$81 million of deficit, the Net Debt Ratio of 86 per cent. Not only did we take over a Government in grievous violation of the Public Management and Finance Law, we had in fact only \$7.6

million in unrestricted operating cash. Madam Speaker, only enough to cover a mere five days of Government's operations.

We have had to dedicate an extraordinary amount of time and effort to come to grips with the dire state of the country's finances. One of the things we have managed to do is to cut \$9 million from some of the large expensive capital projects.

However, Madam Speaker, I will not dwell on this gloomy picture. This Government will not languish. We are hard at work in the best interests of the people, and our policies and approaches will provide ample evidence of that.

With regard to my own Ministry, Madam Speaker, I dare say it will set the right frame around the entire Throne Speech and Budget if I begin with a short statement on the subject of national development; a statement about national planning, about a common vision for the common good.

This kind of planning is a most difficult, but most necessary undertaking, and this Government is committed to seeing it through, for to fail to plan for the future is to plan to hand generations to come a guarantee of options lost and prospects betrayed. It is to act as if the best thought we can put in the minds of our children is that we must wait for the crumbs to fall from the high table. It is as if the best tool we can put in their hands is a begging bowl. That is certainly a far cry from my idea and from the ideas of my Government of what our children need and deserve from us.

We have always been a proud people, Madam Speaker, but the vast majority of the people of these Islands have not been haughty but confident, steadfast, capable and resilient. Our children must be taught the meaning of these virtues and shown how to live with a genuine pride in themselves.

Since I'm talking about our children, let me tell you the beginning of a story—one that is left for us to make a happy ending for.

Once upon a time, some major figures in this country could look at certain social ills that were starting to show up in our community and say simply that this was, and I quote, "the price you pay for development." We are a long way from that dream world now.

We have even come a long way from the day when I headed the first Ministry to take on Community Development as a subject in a Government with Mr. John McLean, Mr. Truman Bodden, the late Mr. Thomas Jefferson and myself. Since that introduction, we did not push hard enough on this and many of the related issues have grown. And have grown, I might say, to such a proportion that it is clearly not simply a matter of more government services being provided. As a matter of fact, this is a trap we fell into from some years back. It seems that more and more when problems arose in the community, it became our reflex response that 'it's for the government to fix it.'

I mentioned some names just now, Madam Speaker, out of respect. And I did not mention my good friend who is still in the House with us, the Elected Representative from Bodden Town, Mr. Anthony Eden.

Of course, parallel to this we have become steadily more inter-connected with the global community which has brought international governance demands—for example, human rights and an escalating global environmental crisis, as well as some negative cultural influences. In many respects, even these pressures are now overshadowed by the current recession.

What I want to say about the recession at this point is simply this: every crisis presents both dangers and opportunities. This was recognised as far back as ancient China. The opportunity we have here now, is to implement integrated national planning. We are not talking about anti-free market here. Let me categorically state that. And hopefully I can allay the fears of anyone who hates the sound of the word "planning."

The fear I am most concerned with, though, is one that goes deeper and wider than this. When the people of any society are compelled to speak of loss of heritage and uncertainty of identity, when there is an erosion in the sense of personal security, when it is established that there is substantial poverty in a country, then it is time to take a hard look not just at one area but at all our policies. We need to look very closely at where we are.

Madam Speaker and honourable Members, who would have thought Cayman—peaceful Cayman—would become a place where more and more of us lock up more and more of our belongings—house, car, boat, bicycle? Private security is one of our fastest growth areas. Madam Speaker, that ought to tell us something.

I am not saying that Cayman is not peaceful, Madam Speaker, compared to many places. I am saying that there are some trends that do not suggest the steadily improving quality of life we used to take for granted. I am saying, that we must admit to what we all have felt more and more often in recent years—that pall of fear that settles over the whole community when there is some outrageous act of violence. And it seems to get thicker, the more often it happens.

This is why integrated national planning is necessary. That is why we need a common vision for the common good. For the time being, however, the Government has decided to reinforce the Neighbourhood Policing Programme and develop and implement a Border Control & Security Programme.

It is necessary because we all have to play our part in finding solutions, because all our voices need to be heard, because the answers we find have to be answers to our problems, and have to be sustainable in the context of how our community lives and

moves and has its being. And, Madam Speaker, all of us must recognise that. All of us must stop pointing the finger and blaming someone else. All of us must stop blaming somebody from outside—somebody from West Bay, somebody from George Town. It is time that all of us find the solutions.

As a Government, we intend to celebrate and build on our strengths and to acknowledge and improve upon the areas where we have not done so well, which we are not proud of. Yes, we have enjoyed remarkable economic growth for awhile, and many benefits have accrued from this. We are—or we should be—very thankful for this. Look at where we have come from—that sleepy little town where some of us slept on a plantain trash bed with no electricity and no running water and we had to study (those of us who had books) by lamp light; and where we had to fan in the midst of summer with a cardboard or Grape Tree leaf fan. Look at where we are today and from where we have come, where the good people have brought us. Yes, we must be thankful for this.

But “man shall not live by bread alone,” says the Good Book. Our culture, our social well-being and psycho-social infrastructure, the health of our people and integrity of our environment—these are and have been areas of real concern, areas where people are looking for answers and direction. These are areas that represent some of our most acute challenges of good governance. What are the prospects for “peace, order, and good government,” really, in a context where such matters are left unattended?

We have done well, Madam Speaker, no doubt about it. Look at where we came from in 1980 and what those Governments did, and how many children were educated and where we got to. We have done well, but we have to move on.

I have acknowledged that we in the Cayman Islands have much to be thankful for, but I must equally acknowledge that our quality of life could be, and ought to be better. Both points of view are right. That is in fact where we start from as a government, as we seek to place due focus on national development, more fully conceived than before. We must give thanks, and give it daily to Almighty God and those who swept and worked before us; but we must do so as we put our shoulders to the wheel.

Infighting, grumbling, carrying on blogs, TV shows, radio shows—all that are negative—cannot and will not help this country.

Most of you know what I have pushed for in the past (even though some may not have agreed), and with support from my colleagues managed to put in place, including a national pension scheme and various housing initiatives for those who cannot qualify for a typical commercial mortgage; the Sports Programme that built our facilities, brought in our first hired coaches, and hosted our first regional level competitions; giving the Elderly, Seamen and Veterans a benefits program, to name a few examples.

Have these been sufficient? Without dwelling on the stewardship of these measures, the answer is, Madam Speaker, probably not. It does seem, though, as if we have some way to go. But the proper answer, the more considered answer, is that we need to fully assess how far we need to go and what will be required of us to re-establish and further augment a peaceful and highly fulfilled society; a society that properly looks after the welfare of its people and enables its people to enjoy the highest freedom to truly explore their potential.

Is the development puzzle solvable? Let’s refer back to the issue of personal security. It is our intention as a Government to bring about a reduction in both crime and its social impact; to bring both down to their minimum. We intend to balance policing and prevention of crime; we want more effective neighbourhood policing, where the police can be a resource to help bring hope and purpose to the lives of some of our marginal young people.

This is a topical area and extremely important, which is why I mention it as an example, even though it is the Governor’s area of responsibility. What we need people to better understand is that there are many factors underlying a person’s engagement in criminal activity—the kind of phenomena that can profoundly influence one’s choices in life.

For instance, there’s the failure of parenting and positive socialisation of our young people. Studies have been done, and there is professional help in the field, but we need to both get different agencies working more effectively together and, even more, we need to generate the collective will not just to want it to be better, but to also work to make it better.

And what of the larger context? Where does all this social disaffection come from? Obviously, there are a number of important sources. But let me mention a thorny one that political leaders often shy away from—our very fast growth. It has been a mixed blessing. There is for all of us of Caymanian descent the traumatising experience of cultural disintegration and loss; there are many questions buzzing in our brains about assimilation of new peoples. We have heard that enough—who should they be? How many? What’s the cost?

There are stresses of life, and lifestyle choices as values are influenced and change as the economy grows, and the accompanying demands of the workplace push and pull at us, affecting personalities and family life. And this is the same family life that has, in turn, failed too many of our young people.

Some of our choices are literally sickening us; many of them simple things, but all too often out of whack—eating the wrong things at the wrong times, eating too much, skipping meals, not exercising, not resting enough; poor control over the use of tobacco and alcohol. The cost of often avoidable illness is destroying families financially, costing the government far too much, and multiplying pain and suffering.

These are a few of the subject areas that we must address if we are to plan for integrated national development, understanding that our economic and physical planning must be done hand in hand with social and cultural development planning. This is why we are launching the National Planning Initiative. It will evolve interventions to tackle existing ills, and strategies to minimise exposure to future pitfalls.

To assist with this, the Government is happy to welcome the bold appointment of two Senior Strategic Advisers for National Planning to assist the Cabinet, working through the Chief Officer of my Ministry of Tourism and Development, Mr. Carson Ebanks. Those two strategic advisors are Mr. Kenneth Ebanks and Mr. Leonard Dilbert. [They will assist] with advice on matters of social and cultural, and physical development planning in particular, with special attention to environmental stewardship. These officers will also assist with implementation of decisions made.

This will work in conjunction with our depth of resources in economic development planning. It will entail much cross-ministry work, and I am confident we can count on our very capable Civil Service to pull together to find the most effective uses of our resources. More than that, Madam Speaker, when it comes to the Civil Service I need to make a special call on the robust integrity of our Civil Service and, particularly, I need to call—the country now calls—on those who are more or less in my age bracket.

Those of us of that generation have two special characteristics; two features that now come together to maturity. First, many in this group are now in leadership positions. And whether or not you are the boss, supervisor, or staff, you have a unique experience. Like me, you have been a first-hand witness, being from that solid Caymanian stock who saw the transition from the old Cayman and who grew up as the new Cayman grew up around us.

Some in this House are too young to know about some of these things. But thank God they can still ask us, and thank God we can still answer sensibly.

We have a very special duty, and a very specific opportunity based on an irreplaceable set of experiences. I feel passionately—and I know I am not alone in this, Madam Speaker—that it would be a dereliction of duty for us to fail to respond on several fronts. There is a crying need to interpret the meaning of these changes from the old to the new. What has this meant, really, to us as a people? To our identity? To our way of being?

How has it made us better? Or what may we have missed, as a country?

How do we best manage, now, and for the future? What sort of legacy, what sort of blessing, what sort of birthright should be left for those who come behind us to help steer us clear of the reefs and

shoals of dangers that may lay-wait us otherwise? Do we not need a well-planned country based on well-run, effective systems?

Madam Speaker, I like to use Singapore. They had a different opportunity because they had so many different forces to fight. Perhaps I know a little bit about that, having gone through the last three months and last couple of weeks with the Foreign Office! I say, yes, we do need that well-planned country; and I say we do need a *common vision for the common good*.

Speaking of which, I should say that Government has in fact called for an efficiency review of all key departments by December 2010. We will also be resurrecting the Public Sector Investment Committee, to review and advise on the cost and sustainability of all major public capital acquisitions. This will help set a context for the service to work more effectively.

For now, a policy has been put in place restricting the use of government vehicles. In addition, a new directive prescribes much stricter limits to the persons using government cell phones at a cost in this current financial year of probably around \$1.5 million.

When I refer to a more effective Service I mean, of course, both in value for money, and the sustainability of what we undertake, a good deal of which will come from working across old boundaries. To give one example in the area of tourism, to look into the crafting of sustainable links between tourism and culture, tourism and sports, tourism and the environment, tourism and health—not just with a view to long-term commercial success and balanced growth, but also to genuinely enhance our own authentic participation and achievement as a people.

Oh, Madam Speaker, some will tell you that we do not need to do any of that, we just need to spend millions and millions of dollars, just advertise on US television. Well, guess what, the old tourism is out! Never is it going to be what is used to be—countries have changed, people have changed, the travelling public is different. No longer do they just want to come and lie on the beach. No longer do they just want to come with a pretty girl. They want something to do when they come into the country. They want to be safe.

That is why we must strike a hard lick at crime. That is why we cannot mollycoddle criminals. That is why our prison regime needs to be strengthened. And that is why sentencing must be strengthened, Madam Speaker. And I am not going to take no! We have to do what is necessary to kill the evil force.

I believe this might be an appropriate point for me to give an overview of some of the principal areas of focus for the other ministries. I am pleased to be able to say that this Cabinet is responding with real sensitivity to the need for effective work across ministries. There is a clear understanding underpinning this



upon which ministries, though working independently, have already begun to find common ground—as we must.

For instance, in the critical area of youth, the Ministry for Education will both reform management systems and educational standards in a student-centred manner, and re-affirm their stake in at-risk youth. This dovetails with the several children- and youth-centred advancements planned by both the Ministry for Youth and Sports and the Ministry for Community Affairs supported by specific programming and infrastructure provided through the Ministry for Works.

What cuts across these different activities is [that of] both a shared sense of urgency to address the needs and aspirations of young people, and a heightened sense that our actions in the interests of the youth are key to the development of human capital.

There is much, much work being done, Madam Speaker. My present purpose is to give an overview of the Government's policies, so I will only give a short listing of some of the items planned.

### **Ministry of Education, Training and Employment**

With regard to the school system itself, principals and teachers will be given a more effective voice in decision making. Targets will be set for improvement of standards, and achievements closely monitored.

With regard to human capital/workforce development the potential of the new secondary schools will be maximised as learning resources for students and communities.

A new national tertiary policy will be articulated, based on better understanding of supply and demand in the workforce; emphasising lifelong learning, and including re-tooling and re-training; enhancing technical and vocational education and training; job counseling, and placement.

Better informed planning of scholarships, grants, et cetera, including specific collaboration with my Ministry for Financial Services and Tourism training—most immediately, the Government has included additional funds for local and overseas scholarships, or 317 new scholarships; Tourism Scholarships have been increased by 10.

The Education Ministry also intends to look for ways to strengthen the regulation and enforcement capabilities of the Employment Relations Department and the National Pensions Office. These both perform important roles in relation to workforce wellbeing and development. I need not spell out the importance of this in the context of the challenge that we in Cayman face to make optimum use of a limited pool of local labour. In fact, a National Employment Programme has been introduced.

Very necessary legislation will be developed by the Ministry to support persons with additional edu-

cational needs and disabilities, including Regulations for a new Disabilities Law and Regulations under the new Education Modernisation Law (2009), to cover additional education needs. In keeping with this, funding has been set aside for the Sunrise Adult Training Centre to get a much-needed new permanent home.

There is much work being done by that Ministry and much work to be done. Parents, caretakers, guardians all have a tremendous role to play. And even the general community should perhaps get back to raising that child in the village. Sometimes that is not so good either, but for the most part it is.

If I say anything that anyone remembers, it is that our children must be taught to study at home, to pay less attention to television, to pay less attention to the game boxes. For, without that—without that study and preparation, without that little piece of mind they can get in their little room, they will fail, and what Government does will fail.

We need to emphasise that. Churches need to emphasise it. Community centres need to emphasise it. All of us as Members of this honourable House need to emphasise that. They must study and pay less attention to the game boxes or else we will not build up the academia required for nation building.

### **Ministry of District Administration, Works, and Gender Affairs**

That Ministry's role in Government's effort to foster development spans from its principal task of physical and other infrastructure, to promoting social justice primarily through food security and gender equality. Facilities in the area of infrastructure development serve to both secure inward investment, and increase local productivity.

For 2009/10 this will include:

- Ongoing improvements to our roads network, in the context of development of a coherent traffic and transportation plan.
- Publication of a new official road code.
- Some funding is specifically set aside for much needed road works in the Sister Islands and some road works in Grand Cayman.
- Plus there are also some funds to address the dangerous flooding in Cumber Avenue and Randyke Gardens.

**The Speaker:** I will ask all people in the balcony to please turn off their cell phones and keep them off. We have interference with the digital transmission and recordings of this House. Please do not use your cell phones in this Chamber.

Thank you.

I apologise, sir. But this has become necessary.

**Hon. W. McKeever Bush:** Thank you very much, Madam Speaker. Perhaps I needed that little break.

Management of major capital projects through that Ministry include:

- the new Government Administration Building
- a new weather radar enabled by €4.16 million in funding from the European Union
- the new Vehicle and Driver Licensing headquarters building
- in Cayman Brac, continued restoration of infrastructure; public beach upgrading; restroom and changing facilities; and enhancement of MRCU aircraft facilities
- Guidance of water and energy, and telecommunications policies remain priorities. Notably, the Electricity Regulatory Authority will be engaged in strengthening consumer protection as part of licensee regulation
- Setting performance standards for generation and transmission
- Encouraging renewable and alternative energy sources

#### **Environmental Infrastructure**

With regard to environmental infrastructure:

- A decision will be taken on proposals to address the important issue of the Grand Cayman landfill, with special attention to 'waste-to-energy' possibilities
- the Sister Islands' hurricane preparedness will be enhanced, and recovery from Paloma will be expedited
- MRCU will continue to focus on eradication of the *Aedes Aegypti* mosquito, which is capable of transmitting dengue fever
- It is well-known that many Caymanians were seriously hurt by the Matrix contract fiasco. Four hundred thousand dollars have been budgeted to assist in paying local contractors who were left to flounder in loss to their businesses because of the way the People's Progressive Movement allowed Matrix to conduct business in Cayman.
- I am pleased to report that arrangements have been made for Cayman Airways to start flying out of Miami direct to Cayman Brac—a boost to the Brac, and we hope to Tourism in general. That is still being worked on, but we will do what is necessary.

Cayman's ability to enhance food production is critical. The Department is accordingly:

- Intensifying support for local farmers and
- Strengthening regional partnerships

- Technology transfer and market access are key strategy focuses
- To bring forward the advent of a society which treats men and women as essentially equal, the Minister will bring the Prevention of Gender Discrimination Bill for debate in the Legislative Assembly.
- Additionally, the Government has decided on a specific works programme for the unemployed that will begin on November 1 and run through December 15.

We will establish the Cayman Islands Pride Cleanup; funds are set aside for a clean-up campaign in each district. We will hire people in each district and constituency to do painting of public buildings, roadside cleanup, cemeteries, parks, in order to beautify the Islands and to [help] people who are unemployed and really cannot help themselves otherwise to get some money. That is simply the job they are trying to do.

#### **Ministry of Health, Environment, Youth, Sports, and Culture**

The Ministry of Health, Environment, Youth, Sports, and Culture has embraced "Improved health and wellbeing for all" as its guiding principle for the next four years. In the area of health, the Ministry will:

- Establish a new Public Health Department whose focus will be to empower all residents to make lifestyle changes to secure their good health; this also entails responsibilities on the part of employers and commercial interests.
- Launch a Mental Health Task Force to examine mental health needs, and delivery of relevant services.
- Work with the HSA to improve the patient experience; expand access to healthcare; investigate introduction of new services, including necessary equipment enhancements; and review management systems with a view to improvement of the agency's bottom line.
- Review of the portfolio of services offered by CINICO to improved service and cost savings.
- Work with the Department of Health Regulatory Services to review the health insurance legislation, including the Standard Health Insurance Contracts.
- Work with the Health Practice Commission to maintain standards amongst registered health practitioners, and ensure they keep up to date with their required continuing education. This will be facilitated by the recent appointment of an Inspector.

A healthy natural environment is a critical component of the nation's overall wellbeing. Accordingly, in the area of Environment the Ministry will bring forward the proposed National Conservation Law for public review and consultation.

Another important policy initiative will be the development of Cayman's Climate Change Policy to evaluate and plan for mitigation and adaptation to the possible impacts of climate change. As we know, this is an area of possible sensitivity for Tourism as indicated quite recently with some evidence of coral bleaching in our local waters.

A review of the National Youth Policy will be launched this month (October 2009). The National Youth Commission will be revitalised and charged with oversight of the policy's implementation. One of our goals is to ensure that every child is enrolled in an extra-curricular activity, whether it is sports, cultural, or faith-based. The possibility of creating community centres for youth programming in each district will also be investigated.

The Ministry's goal is to broaden participation in organised sports. Facilities will be managed to maximise the opportunities for community use. There will also be an emphasis on talent development and opportunities for advancement and personal improvement through competitive sports.

That Ministry will work with its cultural partners to not only preserve and promote our cultural heritage, but to also create new avenues for our visitors exposure and enjoyment, as well as for the people of the Cayman Islands themselves to explore and develop their interests in art, music, literature and performing arts.

The Ministry is cognisant of the value of creating opportunities for cultural exchanges between the many different cultures that call Cayman home. But above and beyond this, the Government recognizes the value of the arts in helping to give shape and expression to common values and vision.

### **Ministry of Community Affairs and Housing**

Community Affairs: Despite the acute pressures of the current global economic climate, meeting the needs of the most vulnerable groups, especially our children and the elderly, must continue to be a priority in our beloved country. I trust we no longer see this as money down the drain. To the contrary, the Ministry's and the Government's approach is that empowered communities ultimately result in stable, productive families which, in turn, support a dynamic workforce—and thus contributes to the continued economic success of our country.

With appropriate empowerment measures, such social support expenditures should in the long run reduce reliance on Government services. At the same time, to root out any abuses the Department of Children and Family Services is completing an in-depth review of its financial assistance programme.

Community-based programmes and services, therefore, will be enhanced by re-establishing the Community Development Unit. Community development is the process of helping a community strengthen itself and develop towards its full potential.

Each district will also be provided with purpose-built facilities to meet the unique and often complex needs of its elderly population. In some cases facilities will be residential homes, and in others they will serve as centres to host social activities and programmes, for example, day care services for the elderly in North Side and start up of the programme also in West Bay. Support will continue for complementary entities such as The Pines.

In addition, the emotional, spiritual, physical, social and civic needs of children and young people will be addressed through the implementation of some major initiatives and legislative reforms, namely:

- The National Child Protection Action Plan;
- The Children Law and Regulations; and
- The Adoption of Children Law.

The Government will also support the very good after school programmes that so many Churches have, and offer them funding where needed and requested for these programmes.

### **Housing**

Although there have been a number of studies and reports conducted over the years, the Cayman Islands is still in need of a National Housing Policy.

There remains a need for an overarching policy framework to amalgamate housing initiatives, provide guidance on the maintenance of the existing homes, and the future development of affordable housing.

The proposed National Housing Policy will need to consider the following:

- Issues of emergency response in the event of natural disasters or possible incidents of crime
- The impact of the Residential Tenancies Law (2009)
- Other legal, physical and social planning matters regarding site developments/locations
- Possible strata incorporation of affordable housing sites

The overarching interest of the Government through this Ministry is to ensure that human development remains a priority on the national agenda.

The Government's commitment to the broadening of our concept of development leads us to the firm view that it is time our economy reflected more of the authentic Cayman Islands, and time, too, for our own personal and social growth and wellbeing to be measured by more than whether some of us make it to buy big cars and build bigger houses. Not that there's anything wrong with a good car or a great

house, but there comes a time—and it is now that time—to aspire to be a place, a truly blessed place, where the old may gain the wisdom to see visions, and the young may dare to dream dreams.

This is the very premise of the Young Nation Builders Programme which will be spearheaded by the Office of Premier. It is time that we give credit where credit is due, and acknowledge that most parents still do a good job with their children, and those children mostly still grow into very positive young people and adults.

Madam Speaker, I say it is time because the truth is that the vast amount of expenditure in this country on young people goes to children who are the least well behaved; the bad children, (if you may) if there is such a thing. But they get the headlines, remember. They even get the messages in church. The good go without mention a lot of times. So that is where I am coming from in this Young Nation Builders Programme.

In my view, it is time in fact to go beyond that acknowledgment and to take positive steps to encourage positive growth, even to stimulate it with appropriate recognition and skill-building, and with support directly to the young person as well as to the network that in turn helps to keep them upright and moving in the right direction.

This is the broad concept, and our work through this budget year will be to flesh out the details of the programme and to get it going. This includes looking at the characteristics of the young persons to be selected, the process of selection, the means of empowerment to be utilised, and so on.

Madam Speaker, the aim and objective is to take our brightest and best to put them in Harvard or Stanford, Oxford or Cambridge, the University of Toronto or the University of British Columbia, and get them educated to be our doctors and professors; to be our world-class artists and designers, theologians and engineers, film-makers and chefs. Yes, it is through the nurturing of this kind of vitality that we will make a better way forward, and sustain a common vision for the common good.

Naturally, the hope is that by lifting up certain young people in this way many others will aspire to be their best. The approach we are taking is simple but known to work. Some people call it positive reinforcement; some, positive peer pressure. The important thing is that we send the right message to our young people—that they are loved, they are valued, that we place our confidence in them to be capable of being sterling leaders of this vibrant little country—probably more capable than us, when their turn comes. That is what the Young Nation Builders programme is all about.

We will put the funds and we will put their parents with them in some instances. Just as a case

in point, we are doing that with one Caymanian child who has Caymanian parents. We are assisting them as a start up. That child is 13 and can now be enrolled in a university programme. Madam Speaker, there are those here as well. We need to find them and we need to pay that attention to them so that we can get them in time to be the Commissioners of Police, the doctors, so that they can have their doctorates in public management. This is what Lee Kuan Yew did for his people, Madam Speaker, and we can do it here. We do not have three million people—and we don't want three million people—so we need to take care of these few.

It is a message that has some similarities to what must be conveyed through a proper Hospitality Services Training Programme, including the PRIDE training programme. The other major theme in this training is what I mentioned before—the authentic Cayman Islands experience. We are training for a new approach to tourism, one that is reliant on tourism service providers understanding their value to the community and accepting their own worth. It is an approach that also requires great awareness of the Caymanian product, the Caymanian experience, the Caymanian meaning of hospitality.

Our depth is not just to be found in diving; our allure is not just to be found on the beaches; our variety is not just to be found in glorious sunshine—although we are thankful for the quality of all these things that Almighty God has given us. Look beyond, at our whole way of being and you will find many, many things that make us special that we can celebrate, that we can share. It does not have to be \$600,000 on Heroes Day. It does not!

This approach is good for us, and it is also good for raising the level of customer service delivery in the Cayman Islands tourism product.

I appeal to all those in this industry to cast back to where we came from, to the days when our hospitality was so remarkable that word of mouth drew people here almost as fast as the internet can today. We need to emulate that kind of ability to genuinely impress our guests.

We intend to look closely at specific training needs in that industry, and secure closer involvement of the businesses involved. We are also examining how structurally a purpose-built Hospitality Training Facility would work in the Cayman Islands, attached perhaps to a well-known university like Cornell.

I have hinted at ways of broadening and deepening the product already, and I am proud to say specifically that a key step forward in Green Tourism will be taken. Four hotels will take part in a pilot Environmental Project, and we thank them for their forward thinking and their participation and wish them every success as we continue to work with them.

In order to give our visitors these enhanced experiences we have to get them to notice us, and then to actually come. We have several strategic developments in line, most already in progress:

- the development of cruise berthing facilities will be the key step to a near-term economic stimulus;
- the Florida Caribbean Cruise Association (FCCA) and the Cruise Line Association (CLIA) are in full support of us on this;
- coupled with this, the Department of Tourism (DoT) will in November commence the pilot phase of a programme to convert cruise visitors to stay over [visitors];
- we have begun a complete redevelopment of the DoT website (CaymanIslands.ky) recognising that over 80 per cent of our target customers now use the Internet to plan their vacations;
- Cayman Airways (CAL) and DoT have been charged to work more cohesively to make most effective use of the national airline as a tool to economic recovery.

And I hear some people talking about they do not want to sell. Madam Speaker, who said anything about selling it? But even in life a man should take a good partner and should stick to that partner if that partner, that woman, is good. So, if we can find a partner for Cayman Airways without giving away our sovereignty, we will.

- Talks have begun with regard to possible establishment of US Immigration and Customs pre-clearance in Cayman. They have had several discussions in Washington about it. Talks are ongoing and we will move more discussions through our Washington lawyers, Sidley Austin.
- A comprehensive Customer Relationship Management system (CRM) is being put in place, as part of a full re-tooling of DoT marketing;
- all internal operations and programmes are also to be reviewed for cost-effectiveness;
- a Tourism task Force will be set up, to establish a clear national brand as an aid to our competitiveness; and also, to advise on vocational training—with special regard to Caymanians' opportunities in the industry; as well as how best to promote the unique offerings of the Sister Islands.

I have mentioned air services and cruise berthing development in the tourism context. Anyone living in these Islands, knowing anything about our history, let alone the fact that we are islands, will be acutely aware of how important proper air services and sea ports are to us. It goes without saying, then, that [at] any given time we must be sure that these services are up to standard.

Accordingly, through the Civil Aviation Authority of the Cayman Islands (CAACI), a National air

Transport Policy will be developed. This will obviously have implications for Cayman Airways, for our Airports, and for air services generally. One of the drivers here is that we must keep step with international requirements. There can be no compromise with air safety standards. The other, is the value of air transport as a key part of our physical and economic infrastructure.

Our objectives in this latter aspect are to ensure affordable, efficient and comfortable travel for our local population, and our holiday and business visitors, whilst we also remain mindful of the variety of considerations to be addressed, due to the breadth of services provided by air—patient air lift, and treatment supplies in the medical field, rapid delivery of perishables for various markets, quick and secure delivery of fragile cargo—and the list goes on.

Similarly, when we speak of cruise berthing development, as has been said all along this must be in conjunction with overall sea port development needs—both cargo port amenities and appropriate facilities for locally based and especially visiting leisure craft. Care must and will be taken to carefully assess current demand and anticipated future growth. We will therefore work closely with the Port Authority and all related stakeholders in the public and private sectors.

Even as we work to make our agricultural sector more productive and sustainable, in the interests of food security we know that for the foreseeable future our sea ports will continue to handle the importation of most of our foods, as well as clothing, building materials, vehicles, etc., etc. Well-managed shipping and adequate and secure docking and cargo handling facilities are therefore of critical importance to us.

Strategic development must therefore be a priority, which is why steps are already underway to act on this matter through solicitation of a suitable private/public partnership. In addition to proper port facilities, we will also pursue the creation of the channel for Mega Yachts. We may have to give on some things in order to get the greater good for the whole country.

But we are not talking about whole scale dredging of the North Sound, Madam Speaker. A facility such as we are talking about, a channel, will help protect the North Sound. In politics anyone can say anything about dredging up the whole North Sound. That is all I pay attention to. It is just politics. The fact is that if we had that facility today we would not have to be kowtowing to the Foreign and Commonwealth Office because we would be getting more revenue from it and what damage would it have done to the North Sound?

A channel, where the larger boats can traverse, rather than digging up the North Sound all over as they go destroying the clarity of the water and filling what little shoals with sand on top of it and mud. That is what is happening. Get on an aircraft any day and

watch the boats go out and you will see the digging up and the digging up of the North Sound.

Stop playing politics with national objectives! Or bring another solution!

For four years I was cursed about a port in East End and who was going to lie down in front of a bulldozer. And for four years I have been cursed about a channel. But if we had those things I say again that we would not be kowtowing to the Foreign and Commonwealth Offices and hands raised—I don't know whether in testimony or to get, but they are raised!

Anyway, Madam Speaker, we have set up committees and we will pay attention to what those committees tells us. But the policies are good for the whole country. And the committee is being set up to advise on the best of possible options. Last time I only had one year, Madam Speaker, and so they triumphed. We have four years, God willing, and good is going to triumph over evil.

### **Boatswain's Beach/Cayman Turtle Farm**

On the Boatswain's Beach/Cayman Turtle Farm: Vigorous steps have already been taken by the new Board to cut costs:

- Reduction in staff needed through consolidation of Departments
- Closure of the operation to the public on Sundays, until further notice
- Security needs are being reviewed for possible savings, through competitive bidding and possible supplementation with security equipment
- The Board has also taken swift steps to increase revenue, including a new package with Carnival Cruise Lines to generate increased traffic.

It is a shame that nothing was done of substance to assist with fall-off of revenue at the Turtle Farm and Boatswain's Beach. No attempt was made to the cruise lines. We have made several visits there now, Madam Speaker, and talked to them. And we are well on track to bringing back that partnership, because it was built for that partnership. The partnership waned. They found a different sweetheart. They left it. Whatever terminology you put to it, it suffered.

With regard to our economic and investment infrastructure, I am pleased to note the recent launch by the General Registry of electronic enhancements to their service package, which will allow them to provide a much quicker service with greater ease of access to the customer. From a revenue standpoint this should prove to be an excellent investment, particularly in the commercial applications. Registration and reporting processes and data-search capabilities are both now accessible online, to a warm welcome by

persons managing registered companies. The Department is to be commended on this innovation.

I want to thank the new director, Mrs. Jefferson-Bulgin, and to also thank the long-serving (and retired now) director, Mr. Delano Solomon, who really worked to build that department into what it is today. Of course we have people like Ms. Cindy Jefferson-Bulgin and we thank them. The country owes a debt of gratitude to those kinds of civil servants.

It is also good to be able to report that, working closely with my ministry, the Cayman Islands Development Bank (CIDB) has been able to arrange re-financing of existing loans, down to 2.79 per cent, from the previous 6 per cent, by working with local institutions. This gives us some savings.

The bank has also had incredible success with its competitive rate loans for small businesses and individuals. The programme has allowed many families to avoid foreclosures, consolidate their debt, and so afford to both make loan payments and purchase the essentials. Many small businesses have also gained the working capital needed to maintain their companies and make them grow.

Madam Speaker, if I was not political before, let me get political at this point and say hip, hip hurray for the United Democratic Party who took on that when they said we would not do it. It's done! Thank you to the Government of the United Democratic Party.

Just a little politics, Madam Speaker, just a little bit!

We have had to seek ways to stimulate the economy more broadly, and while a number of initiatives are to be taken some are already underway. Several of these revolve around migration management, which has been a key part of Cayman's growth. The structure and philosophy we introduced in 2004 is still effective in a number of respects, but the world has changed a lot since then and so have our needs.

We remain mindful of the risks of terrorism, human-smuggling and other forms of international immigration crime and the safeguards they require—so much so, that we have already made a point of allowing strengthening of the department. We are also acutely aware of the pressing need to protect the employment interests of Caymanians whilst enabling businesses to recruit and retain employees with the expertise and experience they need. A number of actions have been taken on this basis:

An immigration review group has been established to review the immigration policy framework and our human resources development policies more generally. The Terms of Reference include review of policies relating to 'key employee status' and re-examination of the Business Staffing Plan concept to balance employers' adequate certainty regarding staffing with Caymanians' prospects for advancement.

The group will also advise on the re-introduction of a form of 'residential certificate' for investors and entrepreneurs that add great value to our economy. Madam Speaker, I hear there are some rumours on about that too, but time will show them.

I wish to also mention another area of immigration police that is being examined. This relates to work permit requirements for persons coming to the Islands for very short periods. At present, Regulation 11 of the Immigration Regulations (2009 Revision) provides that a person arriving in the Island for the purpose of engaging in one of a prescribed list of activities for a period not exceeding seven days is not required to obtain a work permit. Quite a number of activities are exempted, for example, attendance at meetings and conferences, or receiving training or participation in a sporting event.

Madam Speaker, this Regulation was created over 10 years ago and, while the purpose behind it remains sound, the list of exempted activities is in need of review.

Another problem is that persons who are employed overseas who are required to visit our Islands for a period of two to three days are unable to be issued a work permit because they do not have a local employer. In such cases the person is either issued a self-employed work permit (even though they are not self-employed), or their local contact is forced to submit a work permit application even though the visitor is not their employee. Clearly, this is an unsatisfactory situation and we need to make changes.

So, Madam Speaker, a working group has been established to review this particular Regulation. This group will be headed by the Deputy Chief Immigration Officer, Bruce Smith, and the members will include representatives from the Chamber of Commerce, the construction industry, the Caymanian Bar Association and other private sector entities.

The terms of reference will require the group to undertake a review of Regulation 11 with a view to creating clarity both for those who seek to use the exemptions contained within it and our immigration officers at the airport who have the difficult task of deciding very quickly whether the visitor standing in front of them requires a work permit for their proposed activity.

The group will also consider the creation of a special type of work permit for business persons entering the Islands for very short periods. That is very much needed, Madam Speaker, as some people who come here, as we said just for a day or two, are tied up sometimes—that's not for lack of a policy; sometimes I think that it's the rough handling of the person that can turn people away. So this new policy will stop all of that once put in place.

Madam Speaker, I am sure you will agree that at a time when we are committed to making it easier for persons wishing to do business with us this is a timely and important matter for review. We thank the

new director, Mrs. Evans, for moving so quickly to address this matter.

We have also commissioned an independent review of the trade and business licensing system. The purposes are –

- To eliminate unnecessary hurdles and delays to starting a new business
- To evaluate alternatives for encouraging new business
- There will be an attempt to fast track pending planning applications. Generally we are looking at these departments working towards being able to approve a permit application in 24 hours.

We are also looking at the possibility of a developers' stimulus programme with expedited assessment of projects and possible incentives to be included.

We have also reviewed the structure of the Cayman Islands Investment Bureau (CIIB) with a view to re-emphasising its focus on inward investment, while ensuring that local businesses are positioned to benefit. That means the Board actually working with them. Plans have also been initiated to open an office in the Emirates, based in Dubai come December.

The Film Commission will also benefit from more creative approaches to attracting projects. But I say that a Film Commission is a very costly exercise and we have to be most careful with it. But I believe that the country has a studious person in Dr. Basdeo and he is working hard at making this a commission that can actually bring business to the Islands.

A close working relationship has also been developed between my Ministry and the Cayman Islands Investment Council, a private sector body, which also has a focus on promoting inward investment which Government will support.

In fact, as part of our inward investment programme the Ministry will be taking steps to facilitate some \$2 billion in various economic activities over the next five years. These include projects that have advanced to a certain stage, and this figure is a conservative estimate of their contribution to the local economy. Projects include the continued expansion of Camana Bay, the Ritz Carlton's new Dragon Bay, the Cargo Port and Cruise Ship Facilities, various high-end condo developments and apartment buildings, and a new sewerage system.

There is evidence that indicates that a number of other major projects will come on line within the next three years, as the global economy recovers. Some have already been through the planning phases and many have funds earmarked by investors.

### **Financial Services**

Last, but certainly not least, I turn to Financial Services.

Beyond a shadow of a doubt, the landscape of the Financial Services Industry is changing—

changing globally, changing radically, and changing for good. Much of this is due to factors beyond our control. What we do have some control over is the way we do business, and there can be no argument that the way we are currently doing business must change.

Together, the G8 and G20 countries, and organisations such as the OECD, FATF, CFATA have permanently changed the structure of the Financial Services Industry. Our ability to grow as an Offshore Financial Centre must now take account of new political, economic, and regulatory dynamics.

The Tax Information Exchange Agreements (TIEAs) are clear examples of the network of compliance that will no doubt be increasingly expected. We must now re-evaluate our vision for the future of our country if we want to continue to remain a prosperous nation—or perhaps I should stress, if we desire to attain real prosperity, in terms of the entire quality of life, for all of us.

It is well known by now that this Government took swift and decisive action to secure the immediate future of the Islands' financial services industry through successful completion of negotiations with several nations and signature of the required number of Tax Information Exchange Agreements. This ensured that Cayman was moved to the OECD 'White List', and re-asserted our positive international reputation. And I say to all those who worked, thanks very much.

Negotiations are ongoing, towards agreement with several other countries—Mexico, Germany, France, Australia, Portugal, Canada and China. As a result of our active participation, our jurisdiction has now been appointed as a member of an OECD steering group which will assist in restructuring of policy for the upcoming Global Forum. We will continue to work with the OECD and the G20 nations to ensure that the Cayman Islands maintain the level of compliance necessary to hold up our position as a reputable financial services centre.

Our regulatory infrastructure has been made progressively more robust. Government and statutory entities have worked diligently to strengthen this regulatory regime with the support and hard work of some of the more far-sighted members of the private sector. Yet, in spite of all our rigorous efforts as a nation, and all our successes, we are being pushed hard yet again from several external sources. There can be no argument now that we need to plan, that we must plot a sustainable economic course for our country. The decisions we make must be based on sound economic policies, and must also sufficiently differentiate us from our competitors.

It is often said, "Whenever the US sneezes—Cayman catches a cold." Practically speaking, as the main market for our tourism, the source of most of our

imports and much of our inward investment, the fact that the US is experiencing the worst economic turmoil since the 1920s Great Depression, had to have its effect on us—significant drops in tourism numbers, and in private construction, increases in unemployment as some businesses have downsized. This is not a model that we want for our country, our people, and our future generations.

Mind you, it's not even a vaccine that's needed for this condition. What we need is to build our immunity up to where we aren't so easily affected. So again I am saying we must work towards establishment of a sustainable path for the country. We must act now and without delay, now that in all our hearts and minds there is a common feeling, a common thought, regarding the urgency of change.

We have consulted widely with the business community, the Civil Service, the general public, and those have affirmed to us that the urgency is realised. This has helped us come to some tough decisions. It is an encouraging start.

There has been particular consultation with the financial services industry as we have resisted great pressures to introduce direct taxes. However, in the present situation some new and enhanced revenue measures are unavoidable.

Historically, the government has created the legislative and regulatory framework which allows this industry to prosper, benefitting the community as a whole—from the early days of the Banks and Trust Companies Law and Regulation to the current Tax Information Exchange Agreements. In turn, this industry has a strong record of working with government, and paying a share of the costs of keeping this system operating. This year is no exception. Accordingly, after much consultation, revenue measures are being implemented, several of which directly touch on that industry.

In addition, a Waste Handling Fee will be introduced to replace the current method of billing property owners for garbage fees. Overall, only about 50 per cent of the amounts billed in garbage fees are typically collected. The new fee is to be charged on all goods imported into the Islands. It will be a more effective way to raise the funds needed for waste disposal.

Similarly, an annual Business Premises Fee will replace the current Stamp Duty on commercial leases. The new fee will cover all occupied commercial property, a more even-handed approach than just capturing the premises which are leased.

Clearly these are measures which address the immediate situation. Government's revenue-earning capacity must be planned for the longer term. Resources are needed to liquidate long-term debt obligations, and there must be investment in developmental needs of our country, such as building of terti-



ary and technical institutions of higher learning; appropriate funding for the weak and vulnerable; adequate reserve funding to seed new business ventures by qualified Caymanians, and to stimulate our economy in times like these; support for programming that will assist Caymanians to establish their own business in the financial services industry, and thereby retain capital for the further development of our country.

It is my belief that part of our strategic plan for the longer term ought to be the development of the Cayman Islands as a true International Business Centre while preserving the necessary features of an Offshore Financial Center. In this regard, I can categorically state that no path we undertake will be based on compromising our commitment to uphold generally accepted international standards of practice or regulation.

CIMA is a good organisation. They have done tremendous work in keeping us safe. That is why we have not had the failures that we brag about. So we thank them for the work that they have done.

As an International Business Centre we will be able to attract large financial institutions such as fund managers, wealth management companies, broker dealers to set-up and operate from the Cayman Islands—much like what is done in Ireland, Singapore and other such centres; many of which also benefit from various aspects of Offshore Financial Centre status.

Consultation with key stakeholders of the financial services industry has provided support and confirmation that with minor changes to various parts of our laws and policies and the passage of strategic new laws we can achieve this, and be well-received in the global financial community. As part of our effort to create the necessary framework as quickly as possible, we will seek to achieve the following in the short to medium term:

- Establish a Cayman Derivatives Exchange.
- Review the capacity of our regulatory regimes to sustain significant growth in the financial and business services sector.
- Assess the jobs likely to be created, and prepare Caymanians for these jobs through local tertiary institutions, as well as access to other training needed.

A number of specific steps have been taken, or are planned, to promote and strengthen the sector. The Ministry has met with the new Financial Services Council, in keeping with our commitment to work closely with the private service providers, for instance, regarding how to respond to the EU Directive regulating Alternative Investment Fund Managers; and dealings with the OECD more generally.

We plan to amend the Confidentiality Law as necessary to assist with promotion of Cayman as a leading international Business Services Centre.

A working group has been formed to develop strategies with a view to attracting fund managers to establish a physical presence here in Cayman. This is

in keeping with a broad-based marketing and public relations programme to promote and protect our reputation as a jurisdiction.

Approval has been given for the consolidation of all of government's financial services agencies into a properly functioning Financial Services Secretariat to support the Ministry.

The thinking and the approaches I have explained and the programmes I have outlined will be supported by my colleagues when they speak. Altogether, I trust the public will hear ample evidence that this government is committed to proactively seeking solutions that will improve the lives of all the people of the Cayman Islands. That is the job the people put us here to do—and do it we will, to the best of our ability.

As I said at the beginning, the poor state of the country's finances, combined with binding commitments for large and expensive capital projects, and the United Kingdom's denial of any further borrowings, has created an extremely difficult environment for this Government to prepare this 2009/10 Budget.

In fact, the Portfolio of Finance and Economics forecasted that if Government did not reduce its expenses or introduce revenue enhancement measures, the Government's Operating Deficit would grow to approximately \$132 million by the 2009/10 Financial year end. With that in mind, we have worked hard to bring forward today a budget that we know is realistic, achievable and sustainable. The *Hansards* will record over the next couple of days how Members feel about this situation.

The Civil Service has embraced the challenge facing us and we have had civil servants from every level come forward with meaningful suggestions to reduce our costs and improve efficiencies. The Cayman Islands Civil Service Association has played an important role in this regard, and I would like to thank them for their efforts so far. We look forward to continuing the collaboration with them.

I have previously mentioned the new revenue measures (as did the Financial Secretary), but it remains for me to add my thanks to the able group which assisted with this process.

We appointed a strong committee to make recommendations on possible revenue enhancement measures. The committee was Chaired by Mr. Canover Watson of Admiral Administration, with members Mrs. Cindy Scotland of the Cayman Islands Monetary Authority; Mr. James Bregstrom of Ogier; Mr. David Bree of DMS; Mr. Norm McGregor of Deloitte; Mr. Len Goldberg of Greenlight Re, and Mr. Paul Byles, Consultant to the Government and the Ministry of Financial Services.

Following the advice of the Revenue Enhancement Committee and after much deliberation and consultation with the industry, the new Revenue Measures were selected for implementation.

In addition to the Financial Services Industry, the Government will be implementing a range of other Revenue Measures in 2009/10, which will increase

many of the fees and charges levied by Government for various services. It is important to note that in many instances these fees and charges have not been adjusted for more than 10 years—in some cases, they are being adjusted for the first time in 40 years.

I make particular mention of this fact as everyone must realise that Government's costs, like those of any other organisation, do not stay stagnant. As the costs of inputs such as labour, supplies, utilities increase over time, there must be adjustments made.

### **2009/10 Broad Outcome Goals**

The Government's Broad Outcome Goals for the 2009/10 Financial Year are:

- Addressing the economic crisis in the Cayman Islands
- Restoring prudent fiscal management
- Ensuring success and participation of Caymanians in the Financial Service Industry
- Setting the stage for success in the Tourism Industry
- Supporting our Caymanian small businesses
- Addressing crime and policing
- Education: The key to growth and development
- Preparing our labour market for future opportunities
- Improving the lives of the elderly and disabled
- Reducing substance abuse
- Empowering women
- Development of our youth
- Improving healthcare
- Addressing energy and the environment
- Strengthening our Infrastructure
- Preserving our culture
- Enhancing agriculture

To help realise these broad outcome goals the 2009/10 Budget is based on a number of Key Policy Actions which the Government will undertake. I have spoken to these in broad policy terms in the earlier part of my presentation. It bears repeating, however, that Outcome 1 is addressing the economic crisis in the Cayman Islands. This is perhaps the most important policy priority for this Government because, bluntly put, if we do not get over this crisis the country cannot advance.

We believe that Financial Services and Tourism will continue to be the pillars of the Caymanian economy, and during the 2009/10 financial year the

Government will ensure that it has appropriate policies in place to support these industries.

Madam Speaker, in terms of financial services, alongside of strengthening of the regulation of this overall sector as I have indicated, the creation of a dedicated Ministry of Financial Services will be an important development. It will provide the industry with a direct conduit to the Cabinet, a mechanism for the exchange of ideas and the timely development of policies and legislation to guide the further development of the sector. I have already detailed the measures being taken to strengthen the tourism product and services, and to attract visitors. I simply want to stress again that we have many good things going for us; Cayman is still a jewel in this rugged world.

As President Obama himself has said, and I quote, "The success of our economy has always depended not just on the size of our gross domestic product, but on the reach of our prosperity, on the ability to extend opportunity to every willing heart—not out of charity, but because it is the surest route to our common good." End of quote.

So I would [say to] all of us that we need not be downcast or disheartened because of the tough times we are in. We know about tough times, especially those of us of my age and older. We know about making do, and we know too about how to pick ourselves up when we get blown back. We proved this as recently as Ivan, the fifth anniversary of which is just behind us. We need to dig deep again. We as Caymanians must not merely regain our capability to navigate by the stars; we must in fact prepare to aim for the stars, and nothing less.

Madam Speaker, colleagues, I do want you to pay special attention to this. I hope the press picks it up, because it is a vital message. A highly respected urban planner, Daniel H. Burnham, once said: "Make no little plans; they have no magic to stir men's blood."

I mean to stir up the blood of the people of Cayman—not for the perverse pleasure of proposing the seemingly impossible, not just to blow hot air. This is not about me. It is not even about the UDP. It is the message that's important, not the messengers.

We Caymanians have long enjoyed renown for our heritage of seafaring. It is a matter of huge historical pride to us. Since those days we have remnants of those skills, but it is our success in creating by the grace of God a kind of economic miracle that has drawn the world to take notice. Sadly, though, to our common regret, we let the whole thing go to our heads a bit. Quite a bit, you might say.

So, what is this foolishness, then, this rascally behaviour, this viciousness of robbing at gun-point, and killing in cold blood? What low point have we reached in confidence in the law? What high point of fear, that people will not come forward with evidence for violent incidents that happen right in front of them?

What kind of sloth and neglect lures us to feed our children so much fat, often showing them this pattern by example? Why do we continue, despite the large dollars we spend on medicine, to have so much sickness? Why does our school system still do no better than 30 per cent of students having reasonable academic success?

Why do we have such little respect for the excellence amongst us—talented artists, doctors, teachers, lawyers, accountants, nurses, sportspeople, and more? Who has stolen our ability to dream, and dream of greatness?

Is it not time?

Is now not the time?

I say to you, my dear colleagues, that now *is* the time—time to sharpen our senses of what is meaningful to us, what we believe in, what we will stand for, what will move us to sacrifice, what we love, and what we want to live for.

Now is the time, friends. Our time has come for the people of Cayman to rise, time to begin to live as fully free, and genuinely fulfilled people.

Madam speaker, today the state of affairs in this country, the opportunities available for us to explore, the forces mounted against us, the difficulties we have overcome . . . the challenges of this time demand the highest level of leadership and the most insightful understanding—at all levels of the community—of our plight. Get off the air talking foolishness. Stay off the blogs doing nothing. Get together with the scouts. Get together with the Girls Brigade. Form a young people's group. Do an after-school camp programme. Join a church. Even if you are still a sinner, say Hallelujah just the same!

Someone said a long time ago that this is not a challenge for the politicians alone. The businessmen of this country owe a responsibility to the country that has given them so much to not take fright over small things, and to not get angry when they are asked to contribute a little to the country. They owe a duty to the country. To put it bluntly, it is here they make their money and live in security, and it is here they should devote their efforts to help at this time.

The Church, all the organs of publicity—and, boy don't we have a lot of them? Masters of their own fate, organs of publicity . . . I had something in mind, but for a later time, Madam Speaker—everybody has a responsibility to give sensible leadership in these Islands at this time. Everybody has a responsibility not to exploit the occasion for petty reasons or out of spite. Elections just finished three or four months ago. Still a long time to campaign! But stop it for right now! It will meet you head on when that time comes. And everybody has a responsibility to say this is my country and here I will stay, here I will play my part, and here my bones will rest.

The appeal I am making to the country today—not to this House—I am making it to the country because we have those organs of publicity with us. The appeal I am making to the country is a very seri-

ous, a very heartfelt one. We have had to dig deep to get this Budget to this stage, but come the advent of the new schools and the new Administration Building, what then? Our energy costs, our overhead will bulge largely. The cost has not been determined.

How will we pay for it all? We must begin to plan how we can keep costs down and how we can enhance revenues. It's not about to get easier over night. In fact, it is just going to get hotter. We will have to continue to work together and work hard.

And the [plea] to the public about working together must be genuine. It must be genuine! Do not come one day after you have laid out your plans (I still have to see that) and say we will work with you after my plan is finished. How does that help now? We must work together genuinely.

The House will forgive me if I speak feelingly about these things today. No one who has gone through the great history of our past thirty years could not but feel very deeply about keeping the future safe for us in this country.

Shortly, we will embark on a new constitutional journey. Even as we respond to the present challenges we must prepare to take certain bold steps forward to strengthen public governance.

It is a good time in the affairs of any human community when the people collectively resolve to reform the system by which they govern and allow themselves to be governed. It is a time to draw on our most honourable capacities and to invest in our most noble and generous of hopes.

Compared to many countries, so far, we are weathering the storm relatively well—taking on water, but bailing fast! We have much to be thankful for. Like the wise servants in the book of Matthew, we can best show our thankfulness by investing our talents wisely.

We can plan for a great future, and we can bring it about with the grace of God in these Cayman Islands. May God bless us, as we commit to work together for a better way forward with *a common vision, for the common good*.

In closing, Madam Speaker, I must record my sincere thanks and appreciation to my colleagues in Cabinet and on our Backbench and our caucus for their hard work because they stayed up night after night. They missed Public Accounts Committee to work on the Budget. That's what they are paid to do, but I want to thank them because they gave up extra time.

I want to say thanks to the Permanent Secretary and staff in the Ministry who have both worked with me until midnight last night, and to the many civil servants, committee members, and citizens—corporate citizens, churches, voluntary agencies, and 'man in the street', for your contributions in ideas, good wishes and prayers.

I especially want to thank Mrs. Sonia McLaughlin and her team, the Financial Secretary and his team, Mr. Michael Dilbert, Mr. Lee Ramoon, Mr.

Ronnie Dunn and their teams for staying with us, holding the course to get to where we are.

Madam Speaker, you have just entered this phase of your life. This is a new challenge for you as well. And it is not easy. You have all of us to deal with. I am sure you can handle us. You have done well.

We have a new Clerk, and she is doing well. So we are well poised to get our work done. On, then, to the work.

Madam Speaker, it was Frost who first penned the following words, and in my first address to this honourable House nearly 25 years ago I made it my theme. Today I still can say:

***The woods are lovely, dark and deep,  
But I have promises to keep,  
And miles to go before I sleep,  
And miles to go before I sleep.***

Miles to go before I sleep, Madam Speaker, so it must be, so it will be.

I apologise for the long speech and promise the next one will be shorter, God willing.

**The Speaker:** Thank you Honourable Leader of Government Business.

I will now entertain a motion for the adjournment of this honourable House.

## **ADJOURNMENT**

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Just to remind Members that the debate on the Budget Address and the Throne Speech will be joined together and we will debate accordingly starting on Monday.

Madam Speaker, at the Swearing-In Ceremony we did not get an opportunity to get a picture together as a House. I think Members would want to do that today. I hope that can be done. But that will be up to your organisation, Madam Speaker. It can be done afterwards.

So, Madam Speaker, we want to thank you and the staff for bringing us thus far. After many stops and beginnings and beginnings and stops we have produced the 2009/10 Budget.

This leaves me to move the adjournment of this honourable House until Monday morning at 10 am.

**The Speaker:** The question is that this honourable House do now adjourn until Monday, 5 October 2009, at 10 am

**At 1.18 pm the House stood adjourned until 10 am, Monday, 5 October 2009.**



**OFFICIAL HANSARD REPORT**  
**MONDAY**  
**5 OCTOBER 2009**  
**10.23 AM**  
*Second Sitting*

**The Speaker:** I will ask the Second Elected Member for Bodden Town to say Prayers.

**PRAYERS**

**Mr. Anthony S. Eden:** Let us pray.

*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, honour 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:** The proceedings of this honourable House are now resumed. Please be seated.

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

**Apologies**

**The Speaker:** We have only one announcement, an apology for late arrival from the Minister of Education, Training and Employment.

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

**The Speaker:** I recognise the Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Just to say to the honourable House that we will be working late today and for the balance of the week. Members ought to ready themselves accordingly.

**GOVERNMENT BUSINESS**

**BILLS**

**Commencement of the debate on the Throne  
Speech, delivered by His Excellency the Governor,  
Mr. Stuart M.D. Jack, CVO—delivered Friday, 2  
October 2009**

~together with~

**Second Reading of debate on the Appropriation  
(July 2009 to June 2010 Bill) 2009 (The Budget  
Address delivered by the Honourable Third Official  
Member on Friday, 2 October 2009)**

**The Speaker:** Are there any other speakers this morning on the . . . ?

I recognise the Honourable Leader of the Opposition and First Elected Member for George Town.

**Mr. D. Kurt Tibbetts:** Thank you, Madam Speaker.

Madam Speaker, just before I begin I note what the Honourable Leader of Government Business just advised the House, and it really is a pity that we were not told that on Friday so that people could have known from then and perhaps be more prepared.

Secondly, I wonder how late this evening is "late" that the intention is to continue to work.

**Hon. W. McKeeva Bush:** Madam Speaker, I wonder if the Member would give way.

Madam Speaker, when we had our Business Committee Meeting which the Member was not at but one Member of his was—I don't know if he is on the Committee or not, but I think Mr. McLean (the Elected Member for East End) is.

We said at the Business Committee Meeting that we were going to have to work late whenever we start. At that time we did not even set a date for the Budget. But we did say that when the Budget begins we would be working late and Members ought to tell their Members. That is why there are Members on the Business Committee.

*[inaudible interjection]*

**Hon. W. McKeeva Bush:** Yes, I did not say so on Friday. But Members knew from then. And Madam Speaker, I have been saying so publicly that whenever we started we would have to be working late.

Madam Speaker, the Budget is being presented late; we have a cut-off date for end of October and I expect that at some point tonight, depending on who is speaking, we can decide whether we will stop at that point, eight o'clock, nine o'clock or six o'clock. We will see how it goes, but we need to move expeditiously with our affairs, Madam Speaker.

**Mr. V. Arden McLean:** Madam Speaker, if I may.

**The Speaker:** Elected Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, I sit on the Business Committee and it was not my understanding that we were working late, thus I could not communicate that to the other Members of the Opposition.

*[inaudible interjection]*

**Mr. V. Arden McLean:** When I asked about other business I was told that nothing else was going to go on the Order Paper until this has been completed. That did not indicate that we were working late. Maybe I misunderstood. I will give the [Leader of Government Business] the benefit of the doubt, but, certainly, I did not hear there that we were working late into the night. I understood that we were going to do this and nothing else was going to come on the Order Paper.

Thank you.

**Hon. W. McKeeva Bush:** Madam Speaker, let's not waste time on it. But I will reiterate, Members were told—and I have been saying so publicly—that when we started the Budget we would be moving into the evening to complete the Budget because we were going to be starting late with the Budget.

**The Speaker:** Honourable Members, we will make a motion at 4.30 as to whether we continue or not, and everyone can continue the discussion then.

Can we proceed with the debate now please?  
Honourable Leader of the Opposition.

**Mr. D. Kurt Tibbetts:** Thank you, Madam Speaker.

Madam Speaker, as I sat in this honourable Chamber on Friday last, and listened to the speech from the Throne being delivered by His Excellency, the Governor, followed by the Budget Address given by the Honourable Financial Secretary, and finally, the Policy Statement made by the Leader of Government Business, I really couldn't but marvel at the nature of this creature called politics. In 21 years of active engagement in public life in this country, including just shy of 17 years in this honourable House, Madam Speaker, I have never heard of a more incredible turnabout by a government, of a greater reversal of fortunes, of a more miraculous recovery by a patient for whom the death rattles seemingly had already come; or of a more magical transformation of dire circumstances.

In what necessarily requires suspended disbelief on the part of all who listened to the speeches, we were transported by the Government from the old Cayman where, just previously, the spectre of bankruptcy loomed large. And where desolation, even despair, and a certain level of hopelessness walked among us in broad day, and now to the new Cayman of solvency, of full compliance with the Public Management and Finance Law (PMFL), and where seemingly all manner of things is now possible.

This, Madam Speaker, must have required a great feat of wizardry worthy of even the ancient grand wizard himself. And, Madam Speaker, if I believed in such things I certainly would have to give the Leader of Government Business a new name and call him "*Merlin the Magician*." But I will stop short of doing that because as so many in this community are increasingly saying, there is something not quite right with the picture that the Government has been painting of the state of public finances in this country. In that regard I am certain that there is a word that aptly describes what certain Members of the Government have been doing these past four months since the elections with their many public utterances. But I dare say that word is not *wizardry*.

Likewise their speeches made to this House last Friday leave many in the communities uncertain as to what to believe and with a great deal to worry about. These speeches do much more than declare the Government's intention to raise taxes; they raise many questions, Madam Speaker; they raise concerns, and in some instances, they raise real alarm. Principal among those concerns are the questions that I am now going to ask:

1. Whether the Budget proposals are viable?
2. Whether the projected revenue is realistic?
3. Whether the projections regarding expenditure by the Government are reliable?
4. What is the impact of the new taxes going to be on the financial services sector?
5. What is the impact of the new taxes going to be on the average person?
6. What are these changes going to do to the cost of living?

7. What is going to happen to the country if key Government assets are sold off?
8. What is going to happen to Cayman if national treasures like the North Sound are destroyed in the name of development?

Madam Speaker, despite these concerns and others which I will deal with in due course, and which my colleagues will perhaps in some instances deal with in more detail, I must acknowledge that these speeches do contain an element which has largely been missing from the numerous public statements made by the Government since it assumed office.

At long last there appears to be recognition by the Government that the economic situation in which we find ourselves here in Cayman is in large part the consequence of the global recession; a recession of unprecedented scale and severity which is negatively impacting every country in every corner of the globe.

In his speech to this House, His Excellency, the Governor said, and I quote, Madam Speaker, from his speech, **“The economy and especially public finances face considerable difficulties in common with many other countries, largely as a result of world economic conditions.”**

The Honourable Third Official Member also said, and I quote him, Madam Speaker: **“Madam Speaker, although the United States Federal Reserve Chairman, Mr. Ben Bernanke, has recently stated that the recession is very likely over, the Cayman Islands, whose economy usually lags behind the United States’ economy, has come face to face with what is being termed as the worst global recession of the century and these Islands are definitely feeling the effects of the recession.”**

He goes on to say, Madam Speaker, **“Countries around the world are seeing the most difficult economic conditions for generations and are taking extreme measures to combat the challenges they are faced with. Germany recently announced plans to spend approximately US\$122.0 billion to rekindle its economic growth. The United States is estimating an operating deficit of US\$1.3 trillion by 31 December 2009, while it is being predicted that the United Kingdom’s deficit will reach £1.3 trillion by 31 December 2010.**

**“The global recession has brought its share of challenges for these Islands and the Government alike. Caymanians and residents have faced job losses, inflation, salary reductions, and many have had to dig deeper into their pockets in order to meet monthly household expenses.”**

These acknowledgements last Friday by those who speak on behalf of the Government are significant for albeit belatedly they finally provide a proper context in which to consider the country’s present fiscal predicament. I’m certain that the timing of these acknowledgements is entirely fortuitous and the fact that they were not made earlier had nothing to do

with the Government’s blame campaign waged these past four months against my administration stewardship of the country’s fiscal affairs.

Madam Speaker, listening to all that has been said by the Government these past four months I have to tell you that I now understand in a way I never did before what Henry Adams meant when he said **“Practical politics consist in ignoring facts.”**

Madam Speaker, I want to make one thing absolutely clear, I am not seeking and never have to claim that we do not have serious fiscal challenges or that they did not begin to present themselves during our watch, but the same was and is true of virtually every country in the world. Everyone is grappling with the reach and scale of the worst global recession that this world has ever known. And this is a context in which the present position of the Cayman Islands Government must be considered and ought to have been presented by the new administration.

This is so, not just because it is fair to the previous administration, but because it is the reality and goes to the creditability and image which the country needs to project to the world if we are to remain a viable and attractive jurisdiction in which to conduct international business.

While it is to be expected that the sitting Government would exploit the situation that the previous administration left office with a significant budget deficit, any responsible leader and government ought to be cognisant of the reach and impact of their words in this globalised world.

I say that, Madam Speaker, because there is absolutely no doubt in my mind that in his efforts to demonise, denigrate and discredit my administration, the Leader of Government Business greatly exaggerated the seriousness of the fiscal challenges that the country faces and made a number of statements, some of which were picked up by the international media which can only be described as reckless.

The result of all of that is certainly well known. The international media gloatingly seized upon these statements and across the world stories with headlines like “Cayman Islands Bankrupt” greeted investors and CEOs of companies with business or business interest in the Cayman Islands.

The resultant firestorm has caused tremendous damage to Cayman’s creditability and image, both locally and internationally, as individuals and the management of companies panicked. The number of calls I received, Madam Speaker, was alarming, from people asking, *What is going on in Cayman?*

In an effort to restore some sense of sanity to the situation and to attempt to reassure the countless number of clients and customers of Cayman’s business community, last month the Ministry of Financial Services was forced to put out an advisory which sought to place Cayman’s current economic challenges in the context of the global financial crisis and to present the difficulties the country is experiencing as temporary and manageable. This was followed by



an interview given to the press by the Leader of Government Business who seemed to retract his earlier statements and denied that the Cayman Islands Government was bankrupt.

He seized upon the announcement by Moody's in early September that it had maintained the Cayman Islands credit rating as stable and used this as a basis for refuting the international media reports that the Cayman Government was bankrupt. He is reported as saying to the *Caymanian Compass*, and I quote from that periodical: "We can confirm that these accusations (that is the accusations that the Cayman Islands Government was bankrupt) are incorrect." Indeed the recent statement made by Moody's confirms that the Cayman Islands remains one of the most highly rated financial services jurisdictions in the world.

So, Madam Speaker, we thank God that the Leader of Government Business made that statement which from all reports appears to have restored some degree of calm and confidence to those who do business in and from these Islands.

But, Madam Speaker, if the entire situation had been handled properly, I dare say there would have been no international media firestorm, no panic stricken business sector, locally or internationally, and no need to refute outrageous reports that the Cayman Islands Government is bankrupt.

By his mishandling of the financial challenges presented by a significant operational budget deficit the Leader of Government Business, Madam Speaker, converted what is undoubtedly and undeniably a grave situation into a full blown crisis with serious international implications for these Islands. In so doing, he has unquestionably undermined investor confidence in Cayman.

His actions and statements in this regard have been widely, if quietly, condemned in the business community across these Islands, and, Madam Speaker, they are indeed deserving of censure. In fact, Madam Speaker, some of his colleagues admit quietly that that situation was mishandled. And some of them have even answered by saying "That's politics."

But, Madam Speaker, you cannot for the sake of politics risk the future of your country. This need not have been the crisis that it has become; of this I am certain. Many governments of many countries across the world, including the UK Overseas Territories and some of their Crown Dependencies, are struggling with operational deficits.

I have already quoted what the Third Official Member has said regarding the deficits of the UK itself and the United States. The point that I am seeking to make is that in the present global environment the fact that a country is running an operational deficit is not shocking news. In and of itself in these times that is unlikely to frighten away business and investors, but reckless statements which suggest that the Govern-

ment is bankrupt quickly have everyone running for cover.

Quite frankly, Madam Speaker, given the steady diet of alarming announcements made by the Government over the course of the past few months, it is a wonder that there has not been a mass exodus of business from these Islands. Even a government-friendly publication like the *Caymanian Compass* recently felt compelled to write an editorial beseeching the Government to remain quiet until it had taken a final decision in relation to the way forward regarding taxes.

Governing by responding to what appears to be prevailing public opinion, Madam Speaker, is not leadership. Headlines that the Government might not be able to pay civil servants' salaries; that it was suspending contributions to civil servants pension funds; that there was consideration to cutting civil servants' salaries; that the possible imposition of income tax and property tax was being considered, have not inspired great confidence in the business community about the future of this jurisdiction.

Regardless of the view that anyone takes as to how we find ourselves in this position, whether my administration is at fault or not, most people who have spoken to me agree that the handling of a present financial predicament by the new Government has thus far been nothing short of disastrous.

Madam Speaker, aside from these concerns the budget proposals must be considered bearing in mind what transpired in the previous fiscal year in terms of the actual performance of the last budget against forecasted figures. There are certain facts that simply have to be faced.

The revenue of \$528 million forecast for the 2008-2009 fiscal year by the Honourable Third Official Member, when he delivered the budget address in April of last year, did not materialise. Operational expenditure, I believe was forecasted to be some \$490 million. By September, three months into the fiscal year it was apparent that there would be a fall off of revenue for that year. That is why in October of last year my government took steps to freeze government hiring and issued a directive to the public service requiring that ministries, portfolios and departments reduce operational expenditure by 6 per cent. And consequently, the original revenue projections were revised downwards to some \$525 million and the expected downturn in revenue was reflected in the Strategic Policy Statement for the 2009-10 year, which was presented to the House in early December of last year.

Again, Madam Speaker, by early 2009 it was obvious that the revised revenue forecast would not be achieved either. This, together with the fact that the directive to the public sector to reduce operational expenditure by 6 per cent did not produce the desired savings and a host of extraordinary expenditure items made it plain that the Government would face an op-

erational deficit at year end, which was 30 June, the year ending 2008/09 fiscal year.

Madam Speaker, at a meeting of the Finance Committee at the end of March the Financial Secretary presented the Supplementary Annual Plan and Estimates (SAP&E). In doing so he forecasted that revenue would amount to \$507 million at the end of June and that expenditure would amount to \$536 million, and that there would consequently be an operational deficit of \$29 million.

The Elections then intervened. And after all the rhetoric is put to one side the Honourable Third Official Member has said as recently as Friday that the operational deficit for the 2008/09 fiscal year is \$81 million. Revenue during the last fiscal year, Madam Speaker, fell to \$487 million against the original forecast of \$528, a movement of almost \$41 million.

Madam Speaker, the other thing that is very relevant to today's climate is that in the first nine months of that fiscal year revenue dropped by just over \$20 million. And in the last quarter from 1 April to 30 June it fell by that same amount. So, this is what we have to be examining as of now; the history of that.

I have set out all of that, Madam Speaker, to provide some perspective and to demonstrate that against that background there must be real worrying questions about actually how realistic the present budget proposals are.

In a part of his address to the House, the Honourable Third Official Member, whom I quoted earlier, acknowledges (as he must) that Cayman is still in the grip of a recession. We are still operating under the shadow of the economics circumstances which bore down on us during the course of the last fiscal year. Those were circumstances which caused all forecast of revenue to be wildly off.

In light of that, on what possible basis can we be satisfied that the forecast of revenue now being made bear any relation to what will really occur. We certainly cannot do so based on last year's performance of revenue against the forecast. And if, as is the case in the present environment, it is nigh on impossible to predict the performance of existing revenue streams for which there is a track record and previous trends. Pray, tell me, how can we rely on forecast for new revenue streams for which there are no track records?

The problem, Madam Speaker, is exacerbated and the fares compounded by the distinct possibility that some of the new revenue measures which are being introduced, may not only fail to realise the forecasted revenue, but it is possible that they might have the effect of significantly reducing the amount of economic activity and the number of entities which are registered and/or carrying on business here, thus actually have a negative impact on both the economy and government's revenue.

I raise these issues, Madam Speaker, to say to this House that the Opposition registers its grave concern at the way the Government is proposing to deal with what is without question a very difficult set of circumstances in producing a budget which serves us and satisfies the requirements of the United Kingdom.

After signaling to the world that the Cayman Islands Government was bankrupt just a few short weeks ago, the new administration has now apparently changed tact and has presented to the House a budget which forecasts a small operating surplus and complies in all material respects with the principles of responsible financial management as set out in the Public Management and Finance Law.

So, Madam Speaker, not only are we now not bankrupt, but we are expecting to produce an operating surplus by the end of June next year. To achieve this will require a positive movement of more than \$100 million in government revenues in a mere eight months, and in the midst of present recessionary conditions. Madam Speaker, we believe this to be a wholly unrealistic expectation. This wholly unrealistic expectation is made even more so when it is considered that despite promises made by the Leader of Government Business publicly last month that his government would reduce expenditure by \$89 million this fiscal year, the Budget that is presented only shows a reduction of \$5.5 million in operational expenditure compared to the previous fiscal year.

So, despite all the criticisms that have been heaped on the shoulders of my government by the new administration and others, including some of the media, it is worth noting that in this Budget it is still very much a case of business as usual as far as the costs of running the Civil Service are concerned.

And, Madam Speaker, an additional concern is that it appears inevitable to us that the Government is going to have to return to this House to seek supplementary expenditure to fund various obligations which seem to have been omitted from the Budget presented. For example, the customary \$3 million equity injection into CINICO appears to be missing from these budget proposals. Has the fortune of CINICO so improved that this funding is unnecessary this year? And the usual \$14 million (or approximately \$14 million) which is customarily allocated to fund Government's liability for unfunded pensions has been reduced to \$1.9 million.

I remember several years ago we had great difficulty in this very same House regarding that payment and there was a ruling by the then Attorney General. So, I cannot say that this is a mandatory payment. What I can say is that every year the reasonably allocated amount is not paid in that liability increases proportionately. So it is not something that can be disregarded.

Madam Speaker, I also note that the guarantee for Cayman Airways (that is how it reads to me) is set to increase this year by some \$10 million. The question is: Is this sum, or part of it, to be used to as-

sist with the annual subsidy for the airline; and, if not, then where is that funding going to come from? Madam Speaker, all of these issues add to the concerns that we have about the viability of the Budget proposals.

We understand the powerful motivation of the new administration to produce a balanced Budget thereby avoiding the necessity to seek the United Kingdom Government's approval to borrow funds. We understand that, Madam Speaker. But we believe that attempting to do so in a single year and in the context of the global recession is overly ambitious, unrealistic, and, perhaps most importantly, it inflicts unnecessary pain on the Government and the people of the country.

I say unnecessary pain because it is our understanding that the United Kingdom Government is not insisting that the deficit be eliminated during the course of the present fiscal year but, instead, would be content with a plan which saw deficit reduced in succeeding years and for a balanced Budget to be produced possibly by the second or third fiscal year. Madam Speaker, this would then provide the opportunity for both the global economies and the local economy to recover and for business activity, and consequently Government's revenue, to improve over this period.

I have said that we are worried about the level of pain the revenue measures contained in this Budget will inflict on the people and businesses in this country. This is a real concern. There is no question that the overall effect of these measures will drive up the cost of doing business and consequently the cost of living in the Cayman Islands.

Of particular concern is the proposal to increase import duties across the board on all presently dutiable items. The Third Official Member has recently presented this as an increase of 2 per cent, since duties which are currently 20 per cent will increase to 22 per cent. But, Madam Speaker, an increase in duties from 20 per cent to 22 per cent is not a 2 per cent increase in the cost of bringing goods into the Islands; it is in fact a 10 per cent increase in such cost. If 20 per cent is what you pay now and you add that to bring it to 22, that is 10 per cent of 20. So that is the real context in which one has to examine it. And, Madam Speaker, by the time we end up with what is commonly called the "trickle-down effect" from wholesale prices to retail prices, it is going to be proportionally magnified and multiplied.

And so, Madam Speaker, while the attempt is not to derail, those are real concerns which have to be taken into consideration.

For small businesses—which will be required in the present depressed business environment to pay increased work permit fees—a new business premise fee of 10 per cent of the rent paid for their premises, a 10 per cent increase in import duties on goods imported, plus an increase where house and package

tax charge, the impact of the new revenue measures certainly will be at least significant if not devastating.

Madam Speaker, over the past four years while the now Leader of Government Business sat on this side of the House, he and his colleagues never missed an opportunity to talk about the need to nurture and support small business in this country. In the course of the last fiscal year as the economy worsened the rhetoric grew louder and more pervasive as they called on my administration to do more to assist with small business.

Madam Speaker, it seems to me very ironic that now that they are in the driver's seat they are proposing to introduce new revenue measures and increase existing ones across the board with no consideration being given to the impact and the fate of small businesses in the country.

Similarly, Madam Speaker, in the case of electricity cost. Members of the Government, when they sat on the Opposition, constantly criticised my administration for not doing enough to reduce the cost of electricity to the consumer. I distinctly recall the Leader of Government Business (when he was Leader of the Opposition) going so far as to allege that some people were having to borrow money to pay their electricity bills.

Many criticisms were made notwithstanding that my administration, through the very, very untiring efforts of the then Minister of Communications, the Elected Member for East End [Mr. V. Arden McLean], had successfully negotiated a new contract with CUC which reduced that company's return on investment or profit and significantly reduced rate charges.

As fate would have it, shortly thereafter the cost of fuel on the world market rose to unprecedented levels and seriously impacted the cost of production of electricity locally. We implemented a residential electricity consumption rebate of customs duty on diesel consumed by CUC for the production of residential electricity which resulted in savings to residential consumers of electricity of over \$6 million. In fact, over last year it was \$6.2 million.

The present Budget proposals made good on the threat made by the Leader of Government Business a few months ago, that his Government was going to cease the electricity subsidy which my administration introduced to help people in this country who were and still are struggling with the high cost of living.

Madam Speaker, this particular measure appears to have already been implemented since there has been a marked increase in electricity costs to residential consumers in recent months. And, Madam Speaker, it must be the case because in the Annual Plan and Estimates where the line item shows \$6.2 million last year as part of government's cost, it does not show it this year. It actually shows some \$600,000 instead of \$6.2 million (I think, if memory serves me right).

Madam Speaker, so much for the new administration's concern about high electricity bills and the cost of living.

Madam Speaker, I want to take a minute now to turn to another aspect of the Budget proposals which gives the Opposition grave concern, and that is the Government's announced intention to dispose of significant Government assets as a means of reducing capital cost and increasing the cash reserves of the Government.

Madam Speaker, on Friday last, the Leader of Government Business tabled copies of a series of letters between himself and the Honourable Chris Bryant, Parliamentary Undersecretary of State in the Foreign and Commonwealth Office. The correspondence shows the ongoing dialogue between the Cayman Islands Government and the United Kingdom Government regarding our borrowing requirements among other matters. With your permission, as the documents were tabled, I would wish to quote from some of the pieces of correspondence. Thank you.

The 30 September letter by the Leader of Government Business states, and I quote: **"Specifically, the Government has resolved to divest a number of assets and significantly reduce its capital expenditure; this has had the consequent effect of reducing the level of borrowing previously proposed and it will also rebuild our current cash reserves to satisfy the required minimum 90 days of expenditure-coverage, as required under the PMFL."**

The very next day, Mr. Bryant replied and I quote from his letter. He said:

**"I infer from your letter that you propose to meet the bulk of the costs of reducing the deficit by the sale of government assets. This may be part of the way forward. Your proposal to bring your government's budget into full compliance with your Public Management and Finance Law in the course of this financial year is impressive. But it is a significant departure from the borrowing requirements you presented to me only a few days ago. So, I urge you to ensure the long term costs of such action are fully weighed against the short term benefits. As I know you well understand, my concern in this matter is to ensure the sustainability of CIG public finances . . . . For the most part this is reflected in our application of Borrowing Guidelines. But I would also have concerns if CIG put long term sustainability at risk through a rapid depletion of government assets, or through certain types of public private partnerships and I would want to take a close interest in any such proposals."**

On the very same day, the Leader of Government Business responds to Mr. Bryant and I quote what the Leader of Government Business said in his correspondence.

**"I fully understand the points made at paragraph iv) of your letter [that paragraph 4 was**

what I just quoted from Mr. Bryant] **but, I would hasten to add that you will see from our Cash Flow Statement in Appendix 1, that the proposed sale of some public assets is not accounted for in arriving at our overall Surplus figure of \$4.8 million for the year to 30 June 2010. Equally, I give you my assurance that the sale of public assets will not be an ongoing tactic of my government."**

Now, Madam Speaker, if all of this is so why, then, does the Government propose to dispose of the various assets outlined on page 285 of the Annual Plan and Estimates document, which includes the Government Office Accommodation project and the sewage plan?

I want to place on record, Madam Speaker, the Opposition's grave concern at the proposal by the Government to divest valuable public assets.

Like the UK Minister, the Honourable Chris Bryant, we too are concerned about putting the long-term sustainability of the Cayman Islands Government finances at risk by the depletion of government assets. Madam Speaker, long-term sustainability is far more important than a quick-fix aimed at eliminating the present deficit in one year.

Madam Speaker, when the Honourable Chris Bryant, spoke about any public/private partnerships that he would have a keen interest in seeing how that would work, I am fairly certain the reason why he said that is because Mother herself (that is, the United Kingdom) in previous years engaged in that same PFI, public/private partnerships and private financing initiative, with many of their hospitals. They physically engaged in those because in their minds they figured they could get more hospitals in a shorter period of time up and running.

Madam Speaker, in the long run they had to cut their losses because the cost by the end of the day more than tripled. The cost more than tripled at the end of the day, than if they had gone about with orthodox financing and taking their time to deal with it.

So, Madam Speaker, in the same context of the disposal of public assets proposed by the Government, I just want to examine what I regard as some curious entries in the Annual Plan & Estimates (AP&E).

Madam Speaker, on page 285 of the AP&E there are two sections. One section speaks to capital withdrawals and it reads: **"Capital Withdrawals are withdrawals of equity from statutory authorities and government companies and will reduce the cash held by the agency. Cabinet does not intend to make any capital withdrawals during 2009/10; however, it does expect to receive a distribution of profits from the following Authorities:**

<b>Cayman Islands Monetary Authority</b>	<b>\$10,000,000</b>
<b>Cayman Islands Airports Authority</b>	<b>\$8,000,000</b>
<b>Cayman Islands Stock Exchange</b>	<b>\$231,000</b>
<b>Civil Aviation</b>	<b>\$2,000,000</b>
<b>Electricity Regulatory Authority</b>	<b>\$146,000</b>

Information Communication and Technology Authority	\$500,000
Water Authority	\$1,550,000"

That totals \$22,427,000.

Then, in the next section, Madam Speaker, we have the disposal of Government assets and it reads: **"The Cabinet is planning to dispose of the following public assets during 2009-10. Government assets name and description:**

Government Office Accommodation Building	\$50,000,000
Fire trucks	\$1,475,569
Sewage treatment plant	\$20,000,000"

That totals \$71,475,569.

Now, Madam Speaker, when we add those two cumulative figures and round them off we get \$93.9 million.

Now let us turn to page 311 of the same document, which is a cash-flow statement. If we go down to the middle of the page we see **"Cash Flows from Investing Activities"** [counting] one, two three, four, five . . . the fifth item: **"Proceeds from sale of non current assets" is \$51,476.** Madam Speaker, you will forgive me but you have to be turning back from one page to the other. That figure of \$51,476. . . Madam Speaker, if we go back to page 285, from all appearances it would seem to be the Government Office Accommodation Building and the fire trucks. If you add those two figures you get \$51,475,569 and round it off to \$51.476 [million]

Then the next item on page 311 of capital withdrawals from public authorities is \$42,428,000. Now I don't know how this one works. But, Madam Speaker, that \$42,428,000 . . . and I do believe that whoever was doing these figures, when they rounded the 51,476 they did not realise that they did not have to round off the 42,428. It should actually be 42,427 if I'm correct.

But, Madam Speaker, curiously, that figure of capital withdrawals from public authorities which has a listing (on page 285) of what is supposed to be the capital withdrawals (which is, \$22,427,000) . . . if you conveniently add the Sewage Treatment Plant of \$20 million you get the exact amount.

How that happened or how that is intended to work I don't know. What I do know is that when you add both of those figures on page 285 and page 311 they accumulate to the same amount of \$93.9 million.

Now, Madam Speaker, they account for \$93.9 million of cash-flow from investing activities. The reason I brought this up is because, clearly in the correspondence to Mr. Bryant it said: **"I fully understand the points made at paragraph 4 of your letter but I would hasten to add that you will see from our cash flow statement in Appendix 1, that the proposed sale of some public assets is not accounted**

**for in arriving at our overall Surplus figure . . ."** Now, Madam Speaker, I am not going to refute that statement in that those two items I just mentioned might not actually have anything to do with the operational surplus.

The question that I must ask, Madam Speaker, is . . . that is a positive cash flow from investing activities on the cash-flow statement. Now if those two figures were not in the cash-flow statement, then I really need it explained to us what the end result would be within the larger context of the Budget.

Does that, at any point in time, cause for any effect to be in complying with the Public Management and Finance Law? Does that have any bearing on cash reserves at the end of the day, restricted and/or unrestricted? Does it have any bearing on the debt service ratio? Does it have any bearing on any one of the other five factors where the Government is compliant with the 80 per cent (by being at 77.5 per cent) when the year-end figures for that were last at 86 per cent?

I don't know. I am not an accountant.

What I do know, Madam Speaker, is that in any way you configure it, if you inject \$93.9 million into a set of figures it has to have some kind of impact than if you extract it out. So, as to how that works remains to be answered.

Madam Speaker, the other question that I have and because I just simply don't know . . . well, two more questions arise.

Madam Speaker, if the Sewage Treatment Plant of \$20 million is under the disposal of Government's assets, and if what I have noticed at a cursory glance is correct, then why, under the cash-flows from investing activities, is it stuck up under cash withdrawals from public authorities?

If I thought long (which I don't like to do nowadays because it usually can lead to where it should not go, Madam Speaker . . .) [If it is the case] that the Water Authority disposes of the Sewage Treatment Plant and once the cash is derived and in hand and into a bank account then the Government takes that from the Water Authority as part of the capital withdrawals? I don't know.

It just does not sound right when I look at it. But I don't want to wager because I don't know, Madam Speaker.

The other curious question in what is in the Budget document is that we have \$50 million under disposal of Government's assets for the Government Office Accommodation Building. But when we look under Capital Works in the AP&E we see an allocation of \$40 million for ongoing capital works for the Government Office Accommodation project. I am certain there is something I don't understand. But, Madam Speaker, even when I am most quiet, curiosity really has the better of me with this one.

I don't understand. If the plan is to dispose of the Government Office Accommodation project for \$50 million during the course of this fiscal year, then

how is it that during that same time we are pumping \$40 million into the continued construction of it?

Surely, Madam Speaker, even at its stage now, land and everything else included, it has to be worth that \$50 [million] or nigh on to approaching it, which leads to another question.

Is some entity going to be asked to buy \$50 million worth of equity into the project?

I don't know. But really, Madam Speaker, on the face of it, it really needs to be explained if we have \$40 million worth of capital expenditure for that project this year, and at the same time we say we are going to dispose of the asset for \$50 million. I just can't fathom exactly how that works. If there is a reasonable and logical explanation for it, I simply don't know.

Madam Speaker, when I look at it the Government Office accommodation project, many have said we were too ambitious to build that project along with the schools. And, you know, everybody says that this mess with all of the capital works is like they expected us to know exactly how life would be and not to make plans at the beginning of the term to go on and on. [I'm] not going there right now.

Madam Speaker, this Government Office Accommodation project, when we looked at various costs, what leasing costs were, and we had an engineering report on the existing Glass House . . . and then while we were in the middle of getting all of those done we heard from the UK that the Governor is not staying into the Glass House anymore because it is unsafe—so they shipped him out quickly.

When we looked at it we had intense studies, got all of the facts, figures, projections and everything else, the first problem we had with the design of the [present] Glass House is the fact that with all of its actual square footage from the outside the design which in those days—30-odd years ago—was nice and everything else, it certainly was not an efficient design. To replace the exact square footage of the Glass House incorporated into this new building to make it the size additional to what the Glass House was, was costing some \$300 per square foot actual construction. And to refurbish the Glass House, if memory serves me right, it was estimated at more than \$270 a square foot, closer to \$280 a square foot. So, for all intents and purposes it was almost the same cost.

Besides that, to absorb that square footage would be less of a footprint on the land itself if we did not make an attempt to refurbish the Glass House at the same cost of getting something new. And it does not matter what you refurbish that place with, you are not going to get it new. It is as simple as that.

Hence that decision, Madam Speaker, to incorporate the square footage of the existing Glass House into the new GOAP with a view that sooner rather than later it was not going to make any sense to keep it going.

Besides that, Madam Speaker, I can't remember the exact figures, but it is mind boggling the

running cost of that building. It's mind boggling because it is so inefficient a building. A new building with that same square footage built properly would cost less than half of what that building now costs to operate.

And, Madam Speaker, making all of those considerations, the crowning fact was that we were told (and as far as I know that has not changed) that by the year 2013 those who would occupy the new Government Office accommodation project from various government departments, portfolios, ministries and other agencies . . . by 2013 the Government would be paying \$10 million or more on an annual basis in lease payments if they were not occupying these new premises, if they were out in leased premises.

So, Madam Speaker, it is quite easy to understand that a brand new building which is being built super efficiently which will actually be one of, if not the most efficient buildings in these Islands on completion, which means less cost to run. Bottom line there is less cost to run. Much less cost to run per square foot and having those lease payments. Madam Speaker, that building will easily pay for itself in 10 years for what it cost by the time you occupy it. It will easily pay for itself in 10 years.

Madam Speaker, I may seem to drag on, but I consider this extremely important.

The fact of the matter is that we are nearly at \$7 million now in lease payments. Right now! So, when you look at Government revenue you automatically have to include as an expenditure item those leased costs. And let nobody fool anyone at any time, Madam Speaker. When we are talking about that, when we hear, *Does anybody know what it is going to cost to run that new building?* Madam Speaker . . . as I said before it is going to cost much less per square foot to operate that building than any other building now.

Let nobody think any funny thought that we don't pay for the premises we lease now. We pay electricity and for everything else. And on top of your basic lease there is maintenance and everything else whenever there is a lease arrangement that you pay for. So, there is nothing missing in payments for occupying by leasing, [rather] than occupying by owning; you pay the same thing on a prorated basis.

So, Madam Speaker, in explaining that I am saying that that specific project is badly needed. It will pay for itself in a comparatively short order. On completion it will be one of, if not the most energy efficient building in the country. I cannot see what sense there is in disposing of the new Government Office Accommodation Building. If there is an interim measure because of prevailing circumstances, that is a different matter. But any judgment that varies from the Opposition's position on the matter would certainly have to show more than we know at this point in time.

As I said, it really does not add up; \$50 million to get rid of the building, but we are spending \$40 mil-

lion on capital works on it this year alone. I just can't see the sense in it.

Madam Speaker, as I have indicated, the Opposition has some real issues and concerns about the way that the Government is proposing to resolve the present fiscal challenges that the country faces. We worry that the Budget as presented is unrealistic, that it is overly ambitious in that it seeks to eliminate the present deficit in one fiscal year. Madam Speaker, as I said, very importantly it imposes too much hurt on the business community and the average resident of Cayman all at once, and we certainly are concerned about the proposed disposal of Government assets.

We believe a greater effort ought to have been made, and should continue to be made, by the Government to reduce operational expenditure; that measures to reduce and ultimately eliminate the current deficit ought to be spread, I want to say three years, but I don't want to make that magic number. But certainly over a more reasonable period of time rather than attempting to eliminate it in one fiscal year by resorting to drastic measures—such as the sale of important Government assets, like the new Government Administration building.

[We believe] that borrowing for capital expenditure should be restricted to the absolute minimum to complete the ongoing projects; that new projects be limited only to those that are critical; and that the new revenue measures ought not to be introduced all at once but be phased in over a number of years.

Madam Speaker, just before I begin the winding up, there is another thought that I want to express because it worries me.

The new revenue measures: I don't know, because I am not privy to that information, the level of consultation with industry about these new fees. Neither do I know . . . well, let me put it this way: I do know that whenever it comes to revenue measures no one wants to hear about them if they can avoid them. So I would not expect the industry to be jumping and be saying, *Yeah, yeah, we got a lot of stuff to offer you.*

But the worrisome part of it for me is, when these revenue measures are implemented where does it put us with other jurisdictions that are considered our competition? What does it actually do? Do they have to do similar things? I don't know that. Has any investigation been done regarding that? I know they all face similar challenges, but I don't know exactly what they are doing with regard to their fees to see exactly whether we are maintaining a competitive edge or not.

Madam Speaker, history has proven to us over and over that if we engage in the type of activities which take away the competitive edge from us in this global village in which the Cayman Islands is an integral part, by and large people look for the best deal when they add all of the factors in. So it is important for us to retain that competitive edge. And I just

don't know what these measures will do and how it places us. Is it sustainable to do this?

My real question is: Is this temporary until other things can be figured and sorted? Or is this done, and done, and done, and whatever happens, happens? You can rest assured, Madam Speaker, that somebody out there is going to find a way, if that is the case, to gain that competitive edge because of these revenue measures and look for the longer haul to increase their revenue because of us losing that competitive edge. So, we have to be extremely careful.

Madam Speaker, to try to be as balanced as I can in my debate let me say that I understand and we understood before the elections and the fiscal year was out, when we saw the trends in the last months of our tenure, that this year we were going to have to look very, very closely at expenditure. And we told the hierarchy of the Civil Service to be prepared for that. And at the same time we were going to have to look at what revenue measures were, what opportunities there were to increase revenue throughout the very limited base that we have. So, I'm not suggesting that there should not have been a package. I have to be questioning the route that has been chosen and whether there is not some other alternative.

As I have said before in other forums, Madam Speaker, the fiscal challenges that we face are serious, but they are not fatal. They cause us major concerns at present, but they are temporary in nature. They are largely the result of a falloff in revenue caused by the global recession. If the Government does not irreparably damage Cayman's image and reputation by its handling of this situation then Cayman's revenue streams will improve as the global economy recovers.

While there are important lessons to be learned from this experience, we still must not fall into the trap of believing that there is something fundamentally wrong with the economic model we have used so successfully over the past 50 years, which does not rely on direct taxation as a basis for revenue. Indeed, in large part the absence of direct taxation has been responsible for the tremendous growth and development of our economy and the country as a whole.

I do believe that we must continue to explore as many possible ways of broadening our tax base as we can. But we must continue to resist with every sinew proposals which would threaten the very premise on which the success of this economy has been built. We have to find better ways to restrict the growth in the cost of the public service so that as revenue grows the cost of the public service does not continue to grow proportionately as has been the case in recent years.

Now, Madam Speaker, let me just for one minute speak to that issue. And I hope Members in this honourable Legislative Assembly have a very clear understanding of how it works.

Madam Speaker, if we take the last 10-year period in this country and look at the statistics and the rate of growth . . . In fact, I can go back more than 10 years, if we look at the rate of growth of personal emoluments.

When I was first elected in this Legislative Assembly by the second year I was here I remember distinctly that (I call it personal emoluments, whatever the term is, anyway, civil servants salaries and everything else) the cost of salaries to run the service was 51 per cent of Government's revenue. It is just about the same 15 years later. Right now! And the revenue has all but doubled since then.

The tale that it tells is once there is increase in revenue then the culture is we can increase in hiring because there is more money to spend. This is not pointing fingers. But if truth be known, and if culture be examined, that is what it is.

So, we have someone who is working in the Civil Service, a good person. Perhaps they were on contract for a while. They became Caymanian. They became pensionable. By the time it was time for them to retire the length of time that they were pensionable really does not give them anything much to look forward to as a pension. So you do the best that you can to offer some type of consultancy so they can be there for a while longer to better prepare themselves. Madam Speaker, this is not once. And I use that example simply to show the culture. All well meaning, but when the picture is added . . .

And the other thing, Madam Speaker, if a job description is A plus B (and that is the case now), and that person, actually if it were examined, has two or three hours free time during the course of a day because the volume of work that that person has on the average does not take up a full 7.5 hour day, and there is an additional chore to be performed within the office then you need to write-up a new job description for the new person you are going to hire to do that new job, even though that new job may only take up four hours a day. That's how it works.

I don't say this to castigate for a minute, but I am going to be totally, totally honest. It is a culture that in my experience has been the most difficult thing to change—but it needs to change. For all of our sakes it needs to change. And that is my plea.

Madam Speaker, those who are in the hierarchy know what I am saying. They understand! But what we must remember is that we, as elected representatives, at whatever level it is, have nothing to do with hiring, firing or disciplining within the Civil Service.

Now we can say as a matter of policy that we are not going to approve any more money for the hiring. Yes, we can do that. But you will always have an exception. And then you keep getting more and more exceptions and the whole thing breaks down and you are back to normal again.

And you see, Madam Speaker, hence the new Government Office Accommodation project. You need

space to hold the bodies. It just has its own multiplier effect. I have heard people in here talking over the various administrations—specifically my administration over the last four years—about this great increase in the Civil Service. If the person does not know, they should know by now that we don't have a thing to do with the hiring and firing. But I guess that is the way politics is played.

I say that, Madam Speaker, to say that I think with that issue everyone needs to get his mind, body and soul working to hold that fire, to find a new culture so that we don't continue what has continued over many, many years.

I mentioned earlier on in my contribution that there has been no meaningful attempt to cut, even though it was stated that some \$89 million was going to be cut. I know it is not easy. But when those who jump all over me and leave it as my responsibility—when we actually don't have anything to do with it—get to fully realise it, they will understand the difficulties.

But I mention it to say that it is something that, if we are objective and truthful, needs to be addressed. My colleague behind me who came into this honourable Legislative Assembly and was sworn in the very same day that I was, knows all that I am speaking about with all of the experiences he has had. My other colleagues know it too. But he has served in three cabinets. Is it? Or four?

*[inaudible]*

**Hon. D. Kurt Tibbetts:** He has served in three cabinets and we have had many conversations about the same issue. So it is not a today problem. But I thought that would be worth mentioning.

Madam Speaker, a great deal of opposition has come the way of the Opposition; a great deal of criticism has come our way because of the significant capital works programme that we engaged in during our term which required some significant borrowing.

First, I want to say that every project we undertook, and, indeed, some that we had to defer, are critical infrastructure that the country needs and has to have if we are to continue to be a viable jurisdiction for people to visit, to live and to do business.

The infrastructure needs of this country had been ignored by too many previous administrations and there was and still is much catching up to do in this regard. The truth is, Madam Speaker, absent the global recession, and if all things and revenue streams and all the projections had stayed on course and we were able to continue, we would be lauded for the huge improvements to the quality of life which the various projects that we undertook, some of which are still under construction, have brought and will bring to the people of these Islands.

I am satisfied, Madam Speaker, that when our performance is judged from the perspective of distant time, history will be kind to the decisions that we took.



Madam Speaker, there is another element to the impact of the capital development programme which my administration engaged in, and which is very rarely discussed in the ongoing debate about the impact of the recession. The various major government construction projects which were or are being undertaken have pumped and continue to pump many millions of dollars into the local economy every month, and provide employment to hundreds of construction workers and others in related fields at a time when the construction industry is struggling.

And the construction industry is one of the main stays of our domestic economy. These government projects are responsible at least in part for the fact that the bottom has not fallen out of the Cayman economy in the way it has in so many other countries.

I will conclude, Madam Speaker, with the following observation. Amidst the economic and fiscal challenges that we face is, I believe, a much more serious problem—the increase in violent crime and, in particular, gun crime.

The Leader of Government Business mentioned in his Policy Statement that in recent months this increase has far greater potential to undermine our way of life than the present fiscal predicament that we are in. As I said earlier, I firmly believe that our financial woes are temporary in nature and revenue will recover, all things being equal. But if we as a people do not get a handle on crime, not only will those who visit or emigrate here to live and work not come or not want to come, but those of us who are from here will not want to live here either.

Madam Speaker, I do hope that the Government will pay heed to the observations and positions which the Opposition has taken in relation to the Budget proposals. As I said to the Leader of Government Business in the letter which I wrote to him some 10 days ago, we in the Opposition stand ready to work along with the Government in any way we can, and, Madam Speaker, we pledge our solidarity with the Government in our opposition to the introduction of direct taxation as urged by the United Kingdom Government.

Finally, Madam Speaker, I trust that the questions I posed, which are of some concern because I simply don't understand, will be answered so that at least with those my mind will be clear.

Thank you, Madam Speaker.

**The Speaker:** Thank you Honourable Leader of the Opposition.

We are going to suspend the sitting of the House at this time until 2.15 pm.

I would remind Members that we are going to do the official photograph, which is a part of the record of this House, and ask that all Members remain behind to be sure it is done. At the present time the photographer is waiting. Thank you very much.

**Proceedings suspended at 12.10 pm**

### Proceedings resumed at 2.17 pm

[Hon. Cline A. Glidden, Deputy Speaker, in the Chair]

**The Deputy Speaker:** Proceedings are resumed, you may be seated.

Does any other Member wish to speak?

I recognise the Member for the district of North Side.

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker. Pardon me if I occasionally refer to you as "Madam Speaker." It is not meant to have any sinister meaning.

[laughter]

**Mr. D. Ezzard Miller:** Mr. Speaker, let me begin my short contribution to this debate on the Throne Speech delivered by His Excellency, Mr. Stuart Jack, CVO, on 2 October 2009, by expressing my sincerest gratitude and heartfelt joy for the first seven words in his speech, and I quote, "**This will be my last Throne Speech.**" Truly, Mr. Speaker, words that call for celebration and jubilation in the streets of George Town.

I cannot imagine how much [more] damage this man [would] have done to my wonderful homeland, had he been given another five years as the chief executive. He has presided over and championed the destruction of our police services, drastically reduced confidence in the judiciary, allowed the country to go without audited accounts for some five years, depleted the Treasury by calling for investigations and presided over the largest increase in growth in the Civil Service while pretending that they were being reduced—a great example of colonial dictatorship run amuck.

Mr. Speaker, he said in his Throne Speech that crime is the biggest threat to the economic and social wellbeing of this country. With that I can agree. I implore the elected UDP Government and the appointed part of the Government to leave no stone unturned in ridding this society of the scourge of crime.

I read in the press that the new Chief of Police has identified some 15 Caymanians who are the cause of this recent increase in gun crimes. I would hope that if he has evidence to substantiate that claim (and I give him the benefit of the doubt and suppose that he has) that he should be getting close to enough evidence to arrest all 15 of them and lock them up.

It is inconceivable, Mr. Speaker, that we Caymanians have become so afraid of these criminals that they can commit murder, as my grandmother used to say, in broad daylight in front of dozens if not hundreds of witnesses and not a single Caymanian has the courage to step forward and say what he has seen. We need to accept some responsibility as a so-

ciety and we need to help the police convict these people.

Mr. Speaker, I regret the day that the United Kingdom used what I call their nuclear option of Orders in Council and stopped capital punishment in the Cayman Islands.

**An hon. Member:** Hear, hear!

**Mr. D. Ezzard Miller:** That was a sad day for Caymanians and a joyous day for the criminal element.

Maybe it is time that the Government found a way around this capital punishment. I would suggest that maybe we should look to some of our neighbouring countries, like Honduras, where I hear they have good prisons, Cuba, Jamaica, to put some of these punks away where they can get some real punishment for their crimes and not simply send them to what the criminal element in this country calls the Hotel at Northward.

There are people in my community who are thieves, drug users, who have been going through the revolving gate at Northward for the last 20 years. They are arrested in January, given a year in jail. They put in nine months, get out in October. They steal in November and December, and are arrested again in January. Now, somehow we have to find a way to put a stop to this.

I understand that if they are taken to Grand Court, with some of these records that they have they can get up to 15 or 20 years. I believe that if we put some of them away for that 15 or 20 year period the rest might slow down. Right now they go in, they do not have to work for a whole year, they get three square meals per day—often eating better than many people, or [better] than they could if they were out in society working—beds to sleep in, TV to watch, cell phones to call me at home with and, I also understand, as much drugs as they want too. Then they come out and spend Christmas with the family and go back to jail in January.

Mr. Speaker, I am a bit troubled by the Governor's statement that **“Good governance is also fundamental to the Islands' future. [And, what I regard as, I guess we could say a veiled threat.] Another Overseas Territory has reminded us what can happen when this is lacking. While I believe the Cayman Islands are different, we cannot be complacent.”**

This gives me great concern because I have also seen on the front page of at least one newspaper a similar statement by the guy who is scheduled to come in January. Here we have a situation where the United Kingdom can suspend our Constitution, dissolve this duly elected Government, suspend trial by jury . . . in other words, Mr. Speaker, they can invade us, not with a Navy or an Army, but with their law books in London. And there is not a lot that we can do about it.

In other words, Mr. Speaker, with their definition of “good governance” they can set us up to fail; and when we fail, they can take over as our new colonial masters. Mr. Speaker, one wonders aloud if Cayman has really become that competitive a threat to London and their financial market that we need to hear from Her Majesty's appointed individual these veiled threats of what they can and, I would assume if they can, they may do.

Mr. Speaker, the Governor also announced yet another review of the public service in his Throne Speech, with the stated purpose of making the Civil Service more efficient and to provide a good service at reduced costs. Now, Mr. Speaker, I have seen a lot of these reviews come and go. In 1990 or 1991, the Government (of which I played a minor role) brought in two consultants from the United Kingdom to do a six-month consultancy on organisation and management and time and motion studies in government with the expressed view and the goal at that time to reduce the Civil Service in numbers, make it more efficient, more effective and reduce the cost.

To the best of my knowledge—now some 19 years later—those two individuals are still here, still drawing a paycheck from Government. I have not seen the original study completed. It certainly did not reduce the Civil Service, because it has been growing. At the same time they have managed to carve out in the Cayman Islands a nice little 18, 19 year career for themselves and they always seem to be getting promoted at the expense (probably) of some other hard-working Caymanian. But, because they have certain connections they move up the hierarchy.

This is what I often refer to, Mr. Speaker, as *wings flapping and no birds flying*. What we need to see about the Civil Service in this country is some birds flying out the door to reduce the cost. While I will admit . . . and I have much praise for the many hard-working civil servants in this country, and think they deserve even more than what they are getting, we all know that there are some who bring the Service down who are not carrying their full weight.

We need to say to the CEOs in the Ministries, Portfolios, et cetera, that over the next eight months . . . and this Legislative Assembly should set a target where we expect them to reduce their personnel to, to reduce their expenses to, and if they do not do it as CEO they should lose their jobs. Retire them. That is part of the function of the Chief Executive Officers in the Government service, to make sure that at all times the people of this country are getting value for money from their civil servants.

Mr. Speaker, the Governor then went on to deal with the various Ministries, Portfolios and Offices, and he started off, interestingly, with the Auditor General's office. He suggested that **“Value-for-money audits and investigations by the Auditor General's Office will include Operation Tempura and Boat-swain's Beach construction.”**

Now, Mr. Speaker, let's look at these two entities and see if it would really be value for money for the country if we spent what I would hazard a guess to be somewhere in the range of a quarter of a million dollars conducting these two audits.

In the case of Operation Tempura, it was initiated, orchestrated, authorised by forces beyond the control of this Parliament, the Public Accounts Committee or the elected Cabinet. So what is the sense of doing a value for money audit now? Nothing will happen.

Boatswain's Beach construction is five or six years old. Why are we spending valuable time investigating these things? What do we expect to gain from it? Hardly anything, I believe, that could be relevant to today's administration.

And then at number 5 he addressed the Cabinet office. He said, **"In line with its increased responsibilities under the new Constitution, the Cabinet Office will place greater emphasis on monitoring policy implementation, as well as increase its support to the Governor and the Premier."** Now, Mr. Speaker, according to the Cayman Islands Compendium of Statistics 2008 (tabled here in June 2009), on page 75 we find that the Cabinet Office had 6 employees in 2003 and 120 employees in 2008. A slight increase—to about 20 times!

Now, Mr. Speaker, that kind of increase in personnel posts . . . and they can still find room for greater emphasis on policy implementation and increasing support for the Governor, it is hard to believe that the Governor could be expecting this area to continue to grow. It begs the question: If the Cabinet Office is monitoring policy implementation, what are the Chief Executive Officers in the various Ministries doing? Certainly, it is not keeping the accounts up to date. Even with CFOs, Assistant CFOs, Senior Assistant CFOs and some other people, we still cannot get the accounts audited for the last five years.

So you see, Mr. Speaker, when His Excellency comes down here and chastises us and threatens us with "good governance," one is left to question: What does he define "good governance" as? Is it simply the . . . I think some of us might be familiar with Parkinson's Law, that work always expands to use up the time that's available. Then there is something about it again based on the old British Colonial Civil Service, the pyramid structure.

I think the story is told about civil servant A, who was feeling a little bit overworked and pressured at the end of the day so he decided that he needed a little bit of help. But it would not be smart of him to hire one assistant because then he became his equal and would become his competitor for promotion to the next level when his boss decided to retire in the next couple of years. So what does he do? He hires two assistants, Mr. B and Mr. C.

He spends most of his time making sure that they are constantly in a competitive environment against each other and not really worrying about the

work that is getting done, et cetera. A couple of years later, Mr. C is feeling the pressure of work so he goes to Mr. A and convinces him that he needs an assistant. Again, he cannot hire one assistant because that would become his equal and they would be competing over the same work, so he hires two assistants. And Mr. A decides that, in all fairness to Mr. B, he could not possibly with a clear conscience and a loving heart give Mr. C two assistants without giving Mr. B two assistants.

So, in the space of a couple of years what really happens is that we wind up with seven people doing the work that one person was doing and Mr. A is still doing most of the work because everything comes to his desk at the end of the day.

We have to be careful that some of these consultants that we bring in here who have all these solutions are not in their own way setting us up to fail.

[The Throne Speech goes on], **"The Freedom of Information Unit will work on a data protection law."** That is kind of an oxymoron to me, Mr. Speaker, because freedom of information should eliminate data protection because everybody will know what you are doing. Or is this just another way of keeping information from the public and disguising it as data protection?

Mr. Speaker, the Governor went on to list eight bodies:

1. National Security Council;
2. Electoral Boundary Commission;
3. Advisory Committee on the Prerogative of Mercy;
4. Commission for Standards in Public Life;
5. Human Rights Commission;
6. Constitutional Commission;
7. Judicial and Legal Services Commission;
8. Advisory District Councils.

I saw in the press where he guesstimates that each one of these is going to cost us about \$1 million to set up. Mr. Speaker, there was a time in this country that when a Caymanian was asked to serve on such a body he took it as an honour, a privilege and a pleasure. It was important to be sitting on one of these commissions and you did it for an altruistic reason. So it is hard for me to comprehend why each of these bodies is going to need these large secretariats to make them function. Most of these things will probably meet once a month, once every four years and really should not need a lot of support.

But what catches my eye is the next sentence, **"These bodies will provide checks and balances on the greater powers exercised by our elected representatives and promote citizen participation, thereby strengthening democracy and good governance."**

Mr. Speaker, I am not aware of any great devolution of authority to elected representatives by the new Constitution. I know there are a couple of areas where there is some quasi-agreement that the

Governor may delegate some of these responsibilities, but that which is delegated can be recalled and His Excellency and the FCO in the UK have in all instances retained the ultimate authority.

Mr. Speaker, why is it that we continue to promote and believe that only elected representatives need checks and balances? What about the CEOs and even His Excellency himself? Where are their checks and balances? Should not the people's representatives, duly elected, have some veto power in this Parliament over some of His Excellency's unilateral decisions? Those are some of the kinds of devolution of authority and responsibility that I would have liked to have seen in the new Constitution.

Having been there, I fully understand the delegation of responsibility, but no authority with which to carry out that responsibility, which makes it almost impossible to fully achieve the responsibility for which you are charged if the very people that you have the responsibility over know that you have no authority. Management 101 says *responsibility without authority is no responsibility at all*.

Under the Portfolio of Finance and Economics he spoke about **"A priority for the Portfolio of Finance and Economics will be the efforts of the task force to complete annual financial reports for all ministries and portfolios for previous fiscal years."** Again, I notice that he did not identify any years, or he did not put any timeframes on this. But I believe that we have some commitment from the Financial Secretary, at least in the Public Accounts Committee. So let me put a date on it and see whether or not he can live up to it. I think our agreement was that we were going to complete this exercise by April 2010. So it is not far off.

He spoke about **"enhancing technical and vocational education and training"** under the Ministry of Education, Training and Employment. Mr. Speaker, I think we can start out in this session by doing something about this.

I am recommending to the Government that we do three things in this upcoming Finance Committee: We take the Law School from the Attorney General and put it under the Community College; we take the Plumbing Exam away from the Water Authority and put it in the Community College, where Caymanians can go to the Community College and in six months they can come out a licensed plumber and they can go out and get work and not be told that they have to go and dig trenches and be signed off by some already-licensed plumber for two years before they can sit the exam. All they are doing is cutting up PVC pipe and all of it has to be expected by Planning before it can be covered up by concrete. So let's give our Caymanians the benefit of the doubt. Send them to the Community College, teach them for six months how to cut PVC set pipe, how to measure it, how to calculate drainage and license them as a plumber if they pass the exam.

Same thing with electricians—take it away from the Electrical Exam Department in Planning and put it under the Community College. Send them in there for a year. They come out, they pass their exams, and they are licensed electricians.

But what do we do? We will take a certificate from anybody from anywhere having done plumbing, having done electrical, we let them sit the exam, they pass it, we make them electricians and we make them plumbers. We have to stop putting additional hurdles in front of Caymanians who wish to go into these trades and make it easier rather than harder for them to get it.

It talks about **"updating health insurance and health practice legislation, including a revision of the standard health insurance contract."** We have been talking about this for at least six years that I am aware of. Somehow it just cannot seem to get done. If we do not get control of these two entities, the country is going to continue to spend millions to look after sick people in this country that insurance companies who are collecting on the healthy people refuse to pay. It is not rocket science. I can write the new plan for the Minister of Health and what it should be before I go to sleep tonight if he wants, and then we could talk about it.

If we continue to listen to the lobby of the health insurance companies and how difficult it is to do it, and we allow them to consistently place things within this plan that allows them to increase their profit margin, for instance, limits on episodes of illness . . . That is almost as good as under insurance, you know, after Ivan. What is an episode of illness? If I have high blood pressure and I go to the hospital for 10 days, when I come out I am still going to have high blood pressure, but I am limited to \$25,000 for that sickness period. And that's probably for the whole year if not for life.

Now, the premium that they charge is calculated by their actuaries on 1.2 million lifetime benefits. That should be the only bound on any of those plans. All of these other things that they stick in there, pre-existing conditions and all of that, is only gimmicks used by the health insurance companies to improve their bottom line at the expense of us Caymanians who the Government by law is forcing us to buy their insurance.

And it is setting them up with a smorgasbord and a buffet and they are putting their money in the bank and our people are suffering and they're winding up. In this budget there is some \$65 million (if I managed to add up all of the different areas being spent on health care), and a lot of that is on people who are insured or who were insured but can no longer get insurance. It does not take a lot of brainpower to do it; it just takes political will to get it done. And that is what we need.

Mr. Speaker, let me turn my comments to the Budget and let me congratulate the UDP Government for presenting an optimistic budget. However, I do

have some philosophical concerns with the proposed taxes and do believe that in some aspects it will have a negative impact on the middle class in this country and could be onerous on some small businesses.

I guess I could propose to rename the Leader of Government Business, King George. We found out quite recently that that fable, which has been going around this country from way back when that King George decreed that Caymanians could never be taxed, is a fable after all. We have to thank the PPM Government for that, because if they had not put us in this financial business we would not have found out that that was a fable. But we certainly found out that it is a fable because they told us in no uncertain terms that they wished us to impose direct taxation.

So I guess the fact that the current Leader of Government Business has withstood that that he now deserves the title of King George II (or III, or whatever the next order is).

I certainly would not and do not intend to support any form of direct taxation as long as I am sitting in this Parliament. I do not believe that the current financial position of the United Kingdom puts him in a position to advise us or to convince us or to require us that direct taxation is a better form of taxation than the indirect consumption-based taxation that we have. I think we have done pretty good over the last 40 to 50 years, and I believe there is still room for us to continue where we are.

The reason I caution the optimism in the Budget is the existing world economy and what is being said in the international arena as to whether or not it is recovering. But, Mr. Speaker, I can tell you unequivocally from experience that the answer being promoted by some of the developers (particularly short-term ones) and the business people (some of whom used to be called carpetbaggers), *that the answer lies in increasing the local population to 100,000 people* is not the answer.

I can remember distinctly in 1990 when we were facing as a Government a similar situation . . . and granted, I will be the first to admit that the international financial situation was not of the magnitude that it is today, but the United States was certainly in a recession, depression (depending on who you talk to), and we in Cayman were scrambling for revenue.

The solution [offered] by those same people at that time was 60,000 people. Well, we have 60,000 people now, some 19 years later. I would hazard a guess that the average Caymanian and the country are worse off today than in 1990 when we had 35,000 to 45,000 people. So I do not believe that the answer lies in any kind of large-scale open door development of this country which leads to an influx of 20,000 to 30,000 people.

I believe that we should take a deep breath, take the next year or two to recover and let some Caymanians come to the forefront once again, as opposed to bringing in all of these new people, because most of them are going to come in at a level in society

above the majority of us Caymanians. It used to be in the 1960s, 1970s and 1980s that when people came in at that level they respected us folks. These people, these newcomers, do not necessarily feel the same way about us. They believe that they are in charge and we must continue to bend backwards, forgive and forget, while they pocket the money and leave.

I saw some research done by one developer in my community, Mr. Speaker, quite recently. Based on sales and what is on the market currently in the Cayman Islands, he draws the conclusion that there are enough houses, condominiums, apartments for sale in the Cayman Islands at the average selling rate for the last two to three years to last us some eight or nine years. So the question has to be asked, if we are going to go into this wholesale development: Who are we developing Cayman for? And I believe it is time to get back to the core of this and develop Cayman for Caymanians.

I have a fundamental problem, Mr. Speaker, and I have always had it, with the way Government develops its Budget to start with. The Government . . . and this is not this Government, it has been from the time I came back as a civil servant in 1973 from university. The Government sets about deciding what its expenditure is going to be. Once that is agreed on, then we try to manufacture or find the revenue to pay for that projected expenditure. I believe that is the horse before the cart. I believe we need to start off knowing what our revenue is predicted to be and then (as the old Cayman adage says) we cut our garment according to the cloth, and we only consider the expenditure that falls within that predicted revenue stream.

Mr. Speaker, I would have liked to have had a little more time to review this voluminous Budget. By my calculations I believe it is about 1800, almost 1900 pages. It is kind of hard to read all of that even once between Friday evening and Monday morning. I am going to get to these other three books that none of us can look at when I deal with the Public Management and Finance Law because I believe that this here is a direct product of that. I would hazard a guess that these 1800 pages are not going to be read not even by 1 per cent of the Civil Service—I do not think they will be read by all of us in Parliament! So, it begs the question.

It used to be before that we had the Budget presented on Friday and we would begin the debate on Wednesday. At least we had four days. And those were the days when you only had one little book which was half the price of the actual Budget (which is the smaller of these four books). I think it could be a substantial savings too if you didn't print all of this. By my calculations I would say that these extra volumes and extra copies, the time it took to print them, the time it took to prepare them, is probably close to \$100,000 with all the staff involved and the late nights at the Glass House and the overtime and all that sort of stuff that, you know, the good civil servants put in.

And nobody is going to read it. I do not even believe the Ministries are going to read the part that pertains to them.

If you look at it, and I just looked very casually over the weekend, you will see things like “outputs, 20 to 50.” Now, how are you going to audit that? What is your budget based on, the 20 or the 50? If you want to be safe, it had to be calculated on the possibility of doing 50, even if you only did 20. If you calculated on 20, and you did 25, you’re short of money. So, I am assuming that we did it on the 50 and somewhere along the . . . you know, why can’t we have a specific number? Why can’t it be 25 papers to Cabinet? And at the end of the year we either did 25 or we didn’t do 25; if we did less than 25, we should have money left. If we did more than 25 you should need more money.

I remember two years ago doing a consultancy for the former Minister of Health. I asked him and his Chief Officer and his Assistant at the time, “Here, you have agreed to do 500 outputs for civil servants at the hospital. What happens if you do 300?” Their collective response to me was “Nothing.”

“What happens if you get 1,000?” Again, their collective response was “Nothing.”

So, really and truly, they appear to just be numbers on a piece of paper that complies with some legislation which is simply onerous by most civil servants and it does not provide the people trying to make an evaluation of whether we are getting value if the range can be 20 to 50 Cabinet papers for the year. Now, if you put down 25, then I can hold you to that and I can expect that. But the question remains: How is the budget and the cost calculated—by the 20 or the 50? Either of those two extremes can lead to problems, I believe, in terms of proper projections.

I have some concerns about some of the 20 areas of revenue that the Government has proposed. While I support most of them, one that gives me some concern is the business premises fee.

I have a friend who has a small business. I had a little discussion over the weekend and asked him to tell me what fees he currently pays to Government and whether or not this fee could be onerous to him to add in the 10 per cent. He has a small, retail sub-manufacturing business. These are the numbers that he gave me:

- Trade and Business License filing fee \$75.00;
- Retail licence, 1100 square feet, \$450;
- Manufacturing licence \$400;
- Annual return \$375;
- Department of Environmental Health Garbage Fees, \$3,557
- One Certificate of Good Standing, \$82.00 (because under the new rules in order to get his truck licensed he has to go to the Company Registration and pay \$82 to get a Certificate of Good Standing to get his vehicle licensed).

A total of \$4,939, as a small business, those are the fees that he is paying to Government.

Now, he and I are both confused because we do not know whether the business premises fee will apply to him because he does not rent. He owns his own building. If it is only going to apply to those places that rent, then some of the bigger businesses, like the law firms and the banks, are going to be placed at a substantial advantage over those who rent because that is a fee that they will not have to pay.

If it is going to be applied across the board, then how is the 10 per cent going to be calculated? Maybe the Financial Secretary can clear that up for me when he gets up to wind up the debate.

Mr. Speaker, given more time before Finance Committee I hope to offer some constructive suggestions to the Government in areas that I believe we can increase taxes and avoid some of the problems that I believe things, like the business premises fee, have inherently built in because of the varying conditions under which businesses operate in the Cayman Islands.

The work permit fees . . . well, the world knows my position on work permits. We can increase them as much as you want because I believe that we can increase them in certain areas substantially more than is being preserved here. I believe that we can also use the work permits not only to increase Government revenues but to lead some of these companies by their noses into promoting suitably qualified Caymanians to certain positions, such as senior managers, directors and partners, et cetera. A partner in one of these companies that may be taking home \$7 million or \$8 million in salary and/or bonuses, and they are only paying \$17,000 for a work permit I think is a little too low. I would like to see them charge at least \$50,000, maybe \$100,000 for partners, \$50,000 for directors, and maybe \$25,000 for senior managers.

There is no cost for senior managers in the current structure. They pay the same \$7,000 or \$8,000 for a senior manager as they pay for a regular manager. I also believe that is wrong. I believe that we need to help these people along and encourage them through their pocketbook to promote suitably qualified Caymanians to these positions.

While I support improving the efficiency and administrative processes within the Immigration Department to assist companies who need to attract some of this expertise that does not exist locally, Mr. Speaker, I can tell you from personal experience that some of the excuses that these companies give people when they apply border on the ridiculous.

I applied to a local company that has a little health insurance company to be their claims manager; a little middle management job paying about \$70,000 a year. They wrote back and told me they could not offer me the job because I did not have enough knowledge about the local law. Kind of ironic, considering I wrote the law in the first place!

I applied to another insurance company for claims processing. Again, another little middle management job, probably the same pay. They wrote me

back, again, and told me I did not have enough knowledge about health insurance. The point, Mr. Speaker, is that if these companies can do that to people like me imagine what they are doing to the average Caymanian out there who is looking to apply for these jobs.

While crime is a big threat, if we do not do something as a Government, in Government's totality, to make sure that Caymanians perceive, believe that they are getting opportunities in this country for which they are qualified, the powder keg is going to blow. It is not only in one industry, it is across the board in the whole employment of this country.

I have seen this from all sides. I have seen it as an employer. I have seen it as an employee. I have seen it as Chairman of the Immigration Board for 15 months; I have seen it as a senior manager in one of these local financial institutions. I tell people that my greatest task in that institution was what I considered negative interviews. Borderline qualified Caymanians came through the door with a CV, and my role was to find a reason not to hire them. Particularly if you came from the north (Canada, United States)—qualifications experience, it did not matter, my job was to get the required work permit. That is not unique in this country to that company. That is the practise more so than the exception.

I see a lot of screaming and hollering in the press about the rollover policy needs to change because we are not getting the same quality of people that we used to get before that policy was introduced. Mr. Speaker, I will agree that we are not getting the same quality of people today that we used to get 10 or 15 years ago. But it has nothing to do with the rollover policy; it has to do with the recruitment policies of the institution doing the recruitment.

Ten years ago, to offer a Canadian US\$55,000 as an accountant was big money. The Canadian dollar was worth about 50 cents to the US dollar. Down here was tax free and they got other benefits. Today, offering a Canadian \$55,000, \$65,000, \$70,000, you cannot attract the top accountants because they can get more than that at home.

We have one country (which shall remain nameless) out to the southeast of us here, where the government passed a law that the workplace must reflect the ethnic mix of the community. So we have all of these of a certain colour who are out of a job because the government passed a law that they had to be replaced by somebody of a different ethnic mix.

Now, again, it does not take a rocket scientist to figure out that if I am the CEO and I have to get rid of some people of a particular ethnicity, I am going to get rid of the worst ones that I have first. These are the kinds of people we can go and get for little or nothing, so we are bringing them in here hand-over-fist and we are trying to tell people of this country that the rollover policy is the cause. It is not the rollover policy; it is the continued desire of the people in the boardrooms of these corporations to inflate their bottom line

at the expense of labour, whether Caymanian or otherwise.

The other danger we have in this country is this new-found thing called "labour brokers" who are taking over the construction industry. We need to find a way to shut them down and get back to genuine subcontracting with small Caymanian construction companies who can pass skills on to individuals and we can continue to develop the construction skill. This business of, *Well, I've been doing sheetrock for the last 20 years and I would like to see your plans to bid on the sheetrock on a per square footage basis. And you are told, No, we don't need the plans. How many workmen do you have? I can pay them \$10 per hour or \$12 per hour and you can pay them whatever you want out of that, but that's all you are going to get. And you have to pay for pension, you have to pay for work permit, you have to pay for health insurance. If that's all on the table, Caymanians are not left with very much.*

So, while I can agree that a certain amount of red carpet treatment needs to be extended to some of the people who wish to come here and help with development, I believe that we have to be extremely careful and ensure that no Caymanian is being left behind during that process. There are several good qualified young people in this country—bachelor's degree, master's degree—who cannot even get an interview. The banking institution that gave them the scholarship, offers them a teller's position with no career plan when they come back with their master's degree.

We agree that the person needs to start at the bottom, but somebody who has gone into another country, into another culture, excelled and came back with a master's degree should not take very long to learn a teller's work. These kinds of people should be told, *Look, I want you to spend six months in this department, six months in department B, six months in department C and in 18 months I am going to make you a manager in whichever one of these departments you like.*

We have got to start giving the Caymanians the benefit of the doubt in our own country. We allow the foreign element to do it for their own; but somehow we insist on putting extra hurdles . . . everyone else is jumping 15 hurdles to run the 110 yard dash, but the Caymanian has to jump 20 hurdles to get to the same goal. It has to stop, Mr. Speaker.

I believe that there is room to increase the fees on vehicle licensing. I choose to have my wife drive a Hummer. I go to the police station to license it. It is \$1,000. I pay it, or she does not get to drive it. I think anyone in this country who is driving a car worth more than \$50,000 can pay \$1,000 a year to license it. If we follow what they want to do, and do it according to cc size, a lot of these people in these \$100,000 cars that have small engines that are supped up by turbo chargers and super charges and nitrous oxide and all the other things, are going to get off. So I think

it should be on the value of the car. I think if your car is less than \$50,000 it remains where it is. If it is more than \$50,000 it is \$1,000 per year. End of story.

Another area I believe the Government might want to look at . . . because I have some concern that the gazettes that I have been getting this year have, in my opinion, an inordinate amount of companies being struck off the Register. I have heard figures that company registration may be down as much as 25 per cent to 30 per cent this year. So I am a little bit concerned that some of the projections here, based on having 93,000 total companies might not materialise.

But the banks introduced a foreign exchange fee here when we brought in Cayman currency in 1968 or whenever it was (a long, long time ago), of a 4 cent spread on US to CI. You go to the bank today, hand them US\$1.00 and they give you 80 cents. You get out the door decide you need it, you go back in and it's 84 cents.

Now, if I recall, the justification for that 4 cent spread then was the weakness of the newly introduced Cayman Islands currency. Now, I believe that we have proved over time that the Cayman Islands currency is fairly stable and it is properly backed by sufficient investments, et cetera.

As a Government, I would say to the banks, *You have had that 4 cents on every dollar for the last 40 years, it is time for Government to get some of it.* If not all of it, at least let's make it even 50/50, but I think the Government should take the whole 4 cents. I believe that is a substantial source of revenue that the Government can tap into.

Or, if we can't start off with the 4, they might want 50/50, it might wind up you get 3 and they get 1, right?

The import duties, I have some concerns. But I also believe that most Caymanians will accept that we all have to sacrifice a little and we all have to contribute a little to get us over the hump. So I support that. But I would like to see the Government soften it for Caymanians, and only Caymanians, by increasing the allowance when Caymanians go overseas from \$300 to \$500—but only obtainable if you produce receipts. In other words, you come to the airport, you have your receipts for everything that you bought; you declare your receipts, you are entitled to \$500. If you do not have any receipts, you get nothing. Zilch.

We have all been there and seen two or three people going through with seven suitcases and nothing to declare, right? And we get the other extreme when some people come through, they harass them, right? My dear, lovely, beautiful wife came out of customs a few evenings ago crying over six cigars which they claimed that she was smuggling into the country. Ridiculous!

And we see in the paper where the Director of Customs has charged the Customs with collecting revenue. She paid for an extra box of cigars. They found these six that the factory in Cuba sent for me because I happen to be a member of their smoking

club and these were six brand new cigars that they wanted me to test out and send back to them and they gave them to her and she just dropped them in her handbag.

I went inside and tried to talk to Customs because my wife does not know the laws of the Cayman Islands and her English is limited. And the Customs officer was rather obnoxious and threatened to book her for not declaring and charging her an offence. I said go ahead. But you know, I offered to pay the duty on the six cigars, right? But I intend to write the Director of Customs and tell him that I hope when Customs has its next auction those six cigars are on the table. Because I also understand that there is some system they have inside there that allows them as Customs officers to buy these confiscated cigars from people at some price.

So, when I go into the next auction that Customs has I expect to see those six cigars—although they won't be any good—on the table. But it's a matter of principle with me.

I believe that if you go away as a Caymanian and you come back and you want the benefit of the allowance you should produce the receipts. I always do it every time I go away and come back. I offer my receipts to the Customs officers. If you have no receipts, you do not get any benefit.

Considering some of the prices charged in this country by merchants for some things, and summer time when Caymanian families travel on vacation and they buy school supplies and they buy school clothes, et cetera, I believe that upping it to \$500 would be a good gesture by the Government.

Mr. Speaker, I am a little disappointed that the only expenditure cut is \$5.5 million out of \$500-odd million, some .001 per cent. I believe there are some areas, and I hope by the time we get to Finance Committee to be able to help the Government find some of those areas that we can cut. One that comes immediately to mind is the cost of healthcare. Again, I am always one to use myself as a guinea pig because I only talk what I know. I believe there are tremendous savings for Government to utilise other markets within the region other than the traditional South Florida market for healthcare, especially for indigents and other people who Government has to cover.

Again, I use myself as an example. I needed a shoulder operation. As a Member of this Parliament, I have full coverage with CINICO. I believe I could find a doctor who would refer me, probably without even examining me, to Florida to get it operated on. The estimate to repair my shoulder in South Florida ranged from \$35,000 to \$50,000. I took it upon myself to go to Cuba, had a very successful operation. The shoulder is working good. It cost me out of my pocket, \$2,275.

I believe we have to stop worrying about some of these ultra-conservative people—have-been politicians, also want-to-be politicians—who worried that if we went to Cuba somehow we were going to



bring Communism back in the suitcase, and look realistically at using this market. I can tell you that the quality of care is good.

The diagnostic process to determine what was wrong with my shoulder . . . locally the price quoted for an MRI and having to wait two weeks for someone to come onshore to read it was \$900 for the MRI alone. I went to Cuba, had the MRI, had an X-ray, had two consultations with the orthopaedic surgeon who ordered the MRI and X-ray, had a consultation with the shoulder specialist who was going to perform the operation, they did the MRI at 10.00, at 3.00 I walked into the orthopaedic's office. The whole MRI was on the computer, he explained to me in the greatest of detail exactly what was wrong with my shoulder, exactly what was going to be done to fix it, and it cost me \$450.

I also know that most of the private insurance companies are caught up in US legislation and therefore cannot deal and pay for healthcare in Cuba. But that does not include the Cayman Islands Government. The United Kingdom, our masters, have always had diplomatic relations with Cuba. I would not recommend that they go to the British Embassy to get too much help. I did not find them to be very helpful in Cuba.

If we don't get control of the cost of healthcare and the cost of money that we are putting into CINICO and what is going on there . . . because I also have a pretty good idea, having applied for the CEO job, and in the process of them doing due diligence on me, I did some due diligence on them. There is a lot there that needs to be improved and much can be saved by proper authorisation, proper calculation of the premium, which should be based on proper coverage, et cetera; and not some, what appear to be, arbitrary determinations by somebody as to what should be paid.

We have a situation where (I think it has been changed recently, but . . .) people from the HSA were sitting on CINICO and people from CINICO sitting on the HSA and they were all covering for each other. Sometimes HSA would go to central Government to get money, sometimes CINICO would go, depending on who went last. It might be my turn or your turn, right?

That has to stop.

If CINICO is going to become a real player, which I believe it can, then it must be operated as a proper insurance company. It should be funded properly and the premium should reflect the benefits and the cost thereof. We should not have to put in the Budget where the Government is going to provide \$10 million in indigent overseas care because that should be covered in the premium that they pay to CINICO.

I believe, Mr. Speaker, there are some areas that we can cut in the Civil Service structure. I believe that the Public Management and Finance Law is the culprit in a lot of this growth and expenditure.

I put two questions in in June about the cost of the Public Management and Finance Law in terms of purchasing it, implementing it, training, and what that cost, and what new positions are added to Government. I understand that the Financial Secretary is having some difficulty getting the information because he is relying on 17 other entities to give him this information. But my guesstimate is that there is somewhere around 750 people who have been added to the Civil Service over the last four or five years as a direct result of the implementation of this Law.

I have stated in other forums that I believe a large percentage of the Public Management and Finance Law is what I call *smoking mirrors*, or (to my more original phrase) *wings flapping and no birds flying*. If we do a quick calculation . . . if we have 750, and most of these positions that I see advertised in the paper average at around \$80,000. I have seen as high as \$120,000 for some CFO positions. But if we take an average of \$80,000 for 700 people, we are looking at about \$56 million.

I remain to be convinced that the Public Management and Finance Law has had a positive influence on the governance of this country. My bottom line is that in the five years that the Law has been in place, we do not have one single year of audited accounts. That has to be the ultimate test. If the legislation has failed, let's admit it. Let's debunk it. Most other countries that started out with it have done exactly that.

It is a matter of public record that the Director of Lands and Survey told me in Public Accounts Committee that the last time Government's assets were valued was in 2001 or 2003. Now, how are you going to do accurate accrual accounting if you do not know what the asset base is?

His solution to the problem was maybe we could do 25 per cent a year. So you are 75 per cent wrong every year! That does not make a lot of sense to me. If you are going to have proper accrual accounting you must know what the assets are.

Under the old system (before the advent of the Public Management and Finance Law) he was paid a salary to do a job. Part of his job was if the Risk Management Department in Government wanted a valuation of the assets, he did it. Under the Public Management and Finance Law it does not work that way. The Risk Management has to agree to pay him to do that evaluation.

I will give you a better example. We all know that from time immemorial Government has been using "On Her Majesty's Service" envelopes. Take them down to the Post Office and they're free. It is my understanding that part of the requirement for the Public Management and Finance Law is that every time the Registrar of Companies sends me a notice to pay my company fees, the Post Office now sends him a bill for 15 cents. Now, it has to cost one hundred times that 15 cents for somebody in the Post Office to generate a bill for 15 cents, send it over to the Registrar of

Companies, who then has to turn around and organise a payment for that 15 cents.

There may be some good in the Public Management and Finance Law. I have no problem with accrual accounting, if that is the great saviour. I don't think there is anything wrong with cash accounting to tell you the truth. I believe the only thing about accrual accounting where you talk about receivables, assets and all that sort of stuff is that it gives politicians and other people an opportunity to lie. Cash—you have it, or you don't have it. So I would urge the Government . . . I tried to get a motion here to do it. I am still working on it, and I still might get it here.

In the meantime, I have no problem with the Government coming next week and saying, *Let's amend this legislation. Let's take all the stuff out of it about outputs and values and all this other stuff that produces this 1800 pages here . . .* that cost us about \$100,000 to produce just for this one sitting! And let's stick to what benefits we can get by having proper accounting and getting back to when a senior civil servant is being paid a wage to do a job, and when you ask him to do something he does it! And he doesn't have to wait for a proposal to which he might have to compete because some outside entity . . . this really boggles the mind, that some outside entity, outside of government, can do something for inside the government cheaper than the government agency can do it.

And I have 17 pages of emails from Lands & Survey, the Water Authority, the Health Services Authority (HSA) trying to get water hooked up to the North Side Civic Centre and medical clinic. And those 17 pages of emails are after I personally went to the Director of the Water Authority and got her to agree to put the water and the pipes in for free!

I have seen people come to the Civic Centre in North Side and pull out their multi-coloured business cards. I would think that one of the things Government can save some money on is . . . all these civil servants do not need these fancy business cards to hand out to people who throw them in the garbage. That's what people do with them.

They spend hours up there listening to somebody tell me how we can't get water hooked up to the Civic Centre. I looked at the man and said, "Sir, what are you doing here?"

"Well, I'm his supervisor."

"Okay. Well, can you make the decision that I need made here today to get this six feet of three-quarter pipe put in the ground?"

"Well, no, no, Mr. Miller. You have to understand that Public Works is no longer a department that does things for the Government; we are a service department. These things have to be priced out and have to be competitively bid."

We are taking this thing to the extreme of Parkinson's Law. Let's get back to getting the job done as efficiently, as effectively as we can. And if we do not saddle the good civil servants with this kind of

bureaucracy—which is carrying us nowhere—they can do a lot more for the money we are paying them.

I know these international mergers and things, Mr. Speaker. One of the first things they do is consolidate their human resources, consolidate their accounting so they can have control over it. What we have done with the Public Management and Finance Law is set up 13 or 17 independent bodies (or whatever you want to call them) in this process and then we expect the honourable Financial Secretary to somehow have a magic wand to produce a collective figure when we ask for it.

All he needs is one out of those 17 not to respond to him in a timely fashion with accurate figures and whatever he tells us is not worth the paper it's written on. That is not his fault. We have set the system up this way. For what?

Because somebody went down to Australia or New Zealand to some parliamentary conference and saw a presentation about what a wonderful system this was, brought it back to Cayman and we have spent hundreds of millions of dollars to put it in place and we don't have anything to show for it other than increased cost, increase bureaucracy, wasted paper. You heard the Leader of Government Business say he wants green tourism; we can save a lot of trees if we get rid of the Public Management and Finance Law!

A couple of other things jumped out on my quick review of the Budget. Does the Cayman Islands Government really need \$47 million worth of vehicles? I saw one this morning on my way to work. The Licensing Department has a truck. What could possibly justify the Licensing Department having its own vehicle?

I see numbers in there for Transportation and Communication for some \$68 million. I mean, these numbers are frightening! Sorry, Transportation and Communication, \$38 million. That's in addition to the \$47 million in vehicles. I mean, Cayman is a pretty small Island. If six people are going to North Side to work on the road, they should not need six trucks. In fact, I notice the system in place is that if you live in North Side or East End and come to George Town Public Works by 7.00 in the morning to punch the clock, you get back to North Side to actually start work probably around 10.00. You take a break at 10.15, you take lunch at 12.00; you go back at 1.00, you take a break at 2.15; you leave North Side at 3.00, depending on the traffic, in order to get back to George Town to punch out before 4.00.

Now, can we send one truck with a time clock to North Side—where they are working—and have them punch in and punch out there so that we get a full 7.5, 8 hours work from them?

I am not trying to be facetious. This is realistic stuff; this is what is causing the wastage in government that we are all collectively being blamed for. It does not take a great deal of effort to change it. It just needs the political will.

Getting back to Parkinson's Law, the civil servant who is only working a couple of hours and getting paid for a full day is not going to make the changes. Would you? That is the predicament we are in. It is incumbent upon us to insist that the CEOs of these ministries and portfolios and the HODs practise prudent management and put in place these kinds of things that would lend to a more effective, efficient and less costly Civil Service.

Mr. Speaker, I believe that there is more work we can do on this Budget. I will endeavour to come to Finance Committee with some constructive suggestions of where I believe we can cut, and where I believe we might be able to get some additional revenue. However, given the limited time which I have had to review this voluminous document, that is all I have to say on the Budget at this time and on the Throne Speech.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

This is the third call: Does any other Member wish to speak? [pause]

I recognise the Honourable Minister for Community Affairs.

**Hon. Michael T. Adam:** Honourable Speaker, members of the public present and listening by air today, I rise in this honourable House to speak on the items in the proposed Budget for the Ministry of Community Affairs and Housing for the 2009/10 financial year.

Mr. Speaker, let me begin by expressing my appreciation to all who have helped in the preparation of this Budget, from the organisations and professionals that presented expert beliefs, to the Caymanians from every corner of the country who submitted their individual feedback. Their contribution, their counsel and concerns have helped shape the Budget I am contributing to today.

As I listened to all the speakers before me, I realise how blessed I am to live in a country where we can speak so freely and continue to work together for the betterment of the people of this country. On that note, it is a privilege and an honour to be the Minister who oversees and guides the development of the policies and programmes aimed at further supporting, empowering and enhancing the lives of those in our communities. Within the Ministry of Community Affairs and Housing our business is people, and we are here for you.

In these hard economic times, it is especially important that we have a balanced, equitable and decisive Government who cares about and meets the needs of citizens within reason. This is why we, the United Democratic Party Government, understand that our greatest and most precious assets are our hardworking people. And, like the noble men and

women of the past who built our foundations, we must continue in the tradition of harnessing our abilities and resources in order to further develop and sustain our society.

No government, however, can do this alone. We need one and all to work with us, especially those in the private sector and the non-governmental organisations. I will take this opportunity, Mr. Speaker, to commend the unwavering support we have received from our partners and humbly ask that you all continue to support our social programmes. To all I say, if you wish to continue to reap the benefits of living in these beautiful Cayman Islands, you must strive to give back on a daily basis to this country in which you live and work.

Remember, a healthy society is one that is vibrant, productive and creative in maintaining a high standard of living for all. Such a society takes care of all of its members including the elderly, the young, the handicapped or otherwise vulnerable in the Cayman Islands. Making meaningful contributions within your families, neighbourhoods, districts, or nationwide is not simply an act of generosity; it is, more importantly, a necessity as it promotes and instills a sense of personal responsibility among citizens and residents alike.

The key focus for the Ministry of Community Affairs and Housing for the 2009/10 fiscal year will be in achieving the broad outcomes for improving the lives of the elderly and disabled, reducing substance abuse, empowering women and developing our youth. These broad outcomes are in keeping with the United Democratic Party's manifesto and will ensure a healthy resident population of the Cayman Islands through the development of policies and legislation and access to services that enable people to attain the highest possible levels of wellbeing.

Mr. Speaker, during the 2009/10 budget year, the Ministry of Community Affairs and Housing will take the following key legislative measures:

1. Enactment of regulations supporting the Children Law, 2003, and the amendment Law 2009. The Department of Children and Family Services will be spearheading the introduction of the Children Regulations. This legislation will ensure that the Cayman Islands are fulfilling the requirements of the Convention on the Rights of the Child.

2. Updating of the Adoption of Children Law to modernise current legal provisions and ensure best practices.

3. The development of Poor Persons Relief Regulations to improve the distribution of the poor relief.

4. The development of the Youth Justice Law amendments which will permit alternative sentencing options for young offenders. In addition, we are in the process of reviewing our departments and the programme and services offered in order to ensure we are operating efficiently and effectively.

Mr. Speaker, turning to the Department of Counseling Services: As you are aware, drug and alcohol abuse creates obstacles and challenges to the efforts of any country in harnessing its most valuable resource—its people. Substance abuse is a most devious problem as it slowly erodes its victim's ability to be a productive and contributing force in their society.

It is a problem that has far-reaching and detrimental consequences as it is linked to domestic abuse, death, violent crime, gang culture and vehicle and road fatalities. Substance abuse, therefore, undermines the quality of our lives, places a burden on our criminal justice system, and creates an unnecessary strain on our healthcare system.

While I understand that these outcomes are complex and multifaceted, so, too, are the causes of substance abuse. My Ministry is, therefore, strongly urging a cross-agency and multi-sectored approach in this effort. It is indeed unfortunate, but by no means unique, that in our Islands a need for drug rehabilitation efforts has not decreased. However, this Government is committed to ensuring that effective, affordable and accessible treatment for drug and alcohol problems is available to everyone.

The work of the Department of Counseling Services plays a fundamental role in helping us to realise this objective. Their services are wide-ranging and provide necessary support to a number of agencies, such as, Her Majesty's Prison, the courts and schools.

Mr. Speaker, the Department of Counseling Services has already made great strides and accomplished much. They support the work of the Drug Rehabilitation Court and have also implemented a new residential therapeutic community based treatment model at Caribbean Haven Residential Centre. The aim of the therapeutic community is to assist clients in becoming more responsible and accountable for their actions by using privileges and sanctions to reinforce the values and attitudes associated with socialised living.

Additionally, the Department of Counseling Services has opened a women's treatment centre which more directly addresses their unique needs to ensure a successful recovery. The women who will access these services will now have a chance to rebuild and hopefully transform their lives, their families, and eventually contribute to their communities.

Furthermore, recognising the need to enhance community based initiatives and programmes, reduce operating cost and improve efficiency in service delivery, the Department of Counseling Services will oversee the merger of the Women's Resource Center, the National Parenting Programme and the Young Parents Programme into a Family Resource Centre.

Mr. Speaker, through the services and programmes provided by the Family Resource Centre, we will be able to encourage and nurture healthier parent/child relationships, impact families in a positive

way and consequently shape better communities. Through dynamic and streamlined programming the wellbeing of families will be targeted and opportunities will be provided to learn or relearn skills that will influence healthy lifestyle choices.

The Department of Children and Family Services is critical to the broad objectives of this Government and this Ministry as they are responsible for addressing the needs of those most vulnerable in the Cayman Islands. Given the current global economic climate, the services of this department are in a greater demand as individuals and families find themselves unable to meet their most basic needs.

Mr. Speaker, one such group of vulnerable persons in this country is the elderly. We know this because the findings of the National Assessment of Living Conditions study indicates that: 1) over 400 elderly persons are among the groups of risk in the Cayman Islands; 2) homes which cater to the elderly are deficient in their infrastructure and currently not equipped for residents with special needs; 3) some are being neglected and are not able to make ends meet even when provided with pensions or government granted assistance.

Mr. Speaker, the Government believes that the elderly need to be treated with care and given the respect they deserve and have earned. We are therefore committed to ensuring that they are provided with better care by systematically addressing their needs through the development of a national plan.

One way in which we can help to improve the lives of the elderly is to participate in the activities being planned for this week recognised as the International Day of Older Persons, celebrated on 1 October 2009, and the events scheduled throughout this week. This year's theme is Healthy, Happy Seniors Create a Society for all ages.

This is a theme that supports our broad outcome and highlights the importance of encouraging the elderly to maintain their functionality and independence as much as possible to ensure that they continue to make valuable contributions to society. It is because of their strife and struggles that we are now able to live the blessed lifestyle to which we have become so accustomed.

However, we would be negligent if we did not acknowledge that the rapid changes we have experienced within a relatively short timeframe within these Cayman Islands is taking a toll on the social fabric of this society. Mr. Speaker, our country has experienced and continues to experience the breaking down of our values, norms and beliefs—the ties that bind and create supportive communities—as well as the weakening of socialising agents, most importantly, family relationships. Due to this deterioration of essential support mechanisms, our communities are clearly suffering. The need for an effective and vibrant community development agency is evident and critical.

My Ministry has, therefore, made a policy decision to strategically realign the Community Devel-

opment unit under the ambit of the Department of Children and Family Services. Community development is a process of helping a community strengthen itself and develop towards its full potential. As facilitators, the Community Development officers will work in partnership with community members and organisations to identify and meet community needs.

Mr. Speaker, the Community Development Unit will, therefore, act as the conduit through which the Department of Children and Family Services can mobilise and empower communities to express their needs, support their collective action, and help with the development of projects. Empowered communities will ultimately result in stable, productive families and, in turn, a dynamic workforce contributing to the continued economic success of our country and minimising reliance on government services.

Mr. Speaker, another serious issue of which we are all aware is the increasing scope and complexity of the challenges facing our young people as they seek to cope with the rapid change and growth in our society and economy. What local research tells us is that our children are being exposed to a number of factors which without the proper guidance and intervention can inhibit their ability to reach their full potential. These factors are: abuse and/or neglect; exposure to substance abuse; exposure to violence; exposure to criminal activity; poor parent/child relationships; adoption of inappropriate role models; lack of involvement in structured community activities; low educational attainment; involvement in Juvenile Court system at an early age.

Mr. Speaker, our children, exposed to any one of these predetermining factors, manifest a myriad of challenging behaviours which require individualised and targeted therapeutic intervention. Failure to do so means that we are caught in a terrible cycle of creating marginalised and disadvantaged children who grow up to be marginalised and disadvantaged adults. Hence, the face of escalating numbers of children in need of care and protection increasing numbers of young offenders, drug abuse and violent gang activity, particularly among our boys and young men. My Ministry is re-evaluating current practice and programmes with a focus on holistically developing our young persons' social and resilient skills.

For example, one area that requires further examination is the Foster Care Programme, which we will be looking to revitalize in order to cater better to the needs of those children who require care and protection. Mr. Speaker, these strategies and plans will be realised with the unwavering support and willingness of my esteemed colleagues, especially in the current economic climate. Moreover, it is our responsibility as citizens, as members of this community, to ensure that we do not lose another generation in these Cayman Islands to violence, drug abuse and crime. I therefore implore our churches, the private and public sectors to go above and beyond in these

challenging times to curtail the further disenfranchisement of our youth—our future.

The Children and Youth Services Foundation has a critical function in the Ministry's strategic plan, which is to ensure that a continuum of care for children and youth who are deemed to be high risk or in need of specialised attention is available. The Foundation will receive funding so that it can continue to provide the necessary assistance and programmes to the young people in their care. The Children and Youth Services Foundation will also continue to work in partnership with the Department of Children and Family Services to ensure that effective programmes and proactive interventions are available to those vulnerable children. One of the many goals of this organisation is to renovate and enhance the level of safety at the Bonaventure Boys' Home and the Francis Bodden Girls' Home.

If I may give a brief background, Mr. Speaker, you will be made aware that in September 2003, the National Housing Community Development Trust (known as the Trust) was incorporated under the Companies Law as a company limited only by guarantee and not by having a share capital. The Trust is a wholly owned government entity and also obtained licensing and registration under section 80 of the Companies Law. On 7 June 2006, its name was changed to The National Housing and Development Trust.

Mr. Speaker, the Trust was created for the business of providing the following:

1. Housing
2. Accommodation
3. Assistance to help house people
4. Associated facilities and amenities
5. Loans and advances and the giving of guarantees

Since ascending to this honourable office, my Ministry and I have been reviewing the activities of the Trust. On 11 August 2009, the Governor in Cabinet appointed a new Board of Directors to the Trust consisting of many well-known and well-respected persons from within our community. Mr. Speaker, this is no slight on the previous Board members; quite the contrary, for it is very evident that the previous Board members were dedicated and gave a tremendous amount of their time for the betterment of the Trust.

However, since they were appointed, the new Board of Directors and staff of the Trust have been actively engaged in a number of initiatives and programmes, namely:

1. Provision of affordable housing to Caymanians and Caymanian status holders.
2. Government Guaranteed Home Assisted Mortgage Programme.
3. Build-on-your-own-property Programme.
4. Helping Hands Programme.

I will now give a synopsis on each of these programmes.

**Affordable Housing:** This programme has been and still is the primary function and focus of the Trust. There has been extensive preparation work done for the future development of quality affordable homes for those persons in need. This preparation work includes:

- a) Acquisition of new properties throughout Grand Cayman.
- b) Development of housing sites, including approval of subdivision plans, site plans and housing plans.
- c) Assessment of loan applications including segregation of those applications that could qualify under the Government Guaranteed Home Assisted Mortgage Programme.
- d) Quantifying the required amount of the next drawdown of the US\$29 million bond issue.
- e) Determining the number of homes that are urgently needed to be constructed on each site in order to determine the required amount of the next drawdown on the bond.

**Government Guaranteed Home Assisted Mortgage Programme:** This appears to have been a successful programme to date, whereby there are approximately 179 total applications processed under this programme with a value of approximately \$28.5 million. Additionally, there are 119 applications pending processing. Many of these applicants on the pending list have met the qualification process, but have not yet found a home to purchase.

**Build-on-your-own-property Programme:** This programme assists those qualified Caymanians who own their own property by providing essential bridge financing for the construction of a home. Once these homes are constructed under the guidance of the Trust, the mortgages are then refinanced by commercial banks under the Government Guaranteed Home Assisted Mortgage Programme.

**Helping Hands Programme:** This is designed to assist those who may not be in a position to qualify for any other programme by providing financial counseling and assisting with some guidance and goals for getting their finances to a state whereby they can qualify for one of the Trust's housing programmes. It also provides a mandatory home-buyer education counselling programme for first-time home owners who qualify for either of the Affordable Housing Government Guaranteed Home Assisted Mortgage or Build-on-your-own-property Programmes.

Additionally, Mr. Speaker, the Ministry, the Board, and staff of the Trust have met and suggestions have been made for improvement in outlining our vision of putting the dream of home ownership within reach for Caymanian families. We are looking at the feasibility of a national policy for housing and have reviewed previous reports taken to Cabinet in this regard.

We have also been looking at the option of reconstituting the Trust as a government authority which will allow it to carry out its functions with greater

ease and flexibility. As part of this initiative we have been deliberating the best way to recruit the requisite expertise for this task. As mentioned in the UDP's manifesto, we will ensure that our Affordable Housing Programme will better address the needs of the disabled and will continue to work with local financial institutions to establish a partnership to ensure affordable housing.

Mr. Speaker, in closing I have presented a brief overview of the plans for the Ministry of Community Affairs and Housing 2009/10 budget year. I urge you all to show your support for my Ministry's plans by granting your approval of this Budget. In this day of financial woes, increasing numbers of people in need, rising levels of crime, and the growing challenges facing our youth, it is absolutely critical that we continue to place human development at the top of our country's agenda. If we fail to do this, there will be nothing good or decent left in our country for future generations to inherit. They will not know the joy of living in the peaceful, nurturing and friendly Cayman Islands that we have all had the privilege of experiencing.

What is a country without people who genuinely care for and respect each other? Who are empowered to improve their lives and take care of others in their community? What is a country without a well and stable population? It is, I say, an empty shell.

The budget proposed by my Ministry will go a long way in strengthening families, communities and the country as a whole.

Mr. Speaker, as it stands, the proposed budget marks a 2 per cent reduction from the actual 2008/09 Budget since we are acutely aware of our current economic challenges. This reduction was achieved by the merging of services to better utilise staff and other resources and will not reduce or negatively impact the assistance in services provided to our clients in need. Furthermore, as I am sure you will appreciate in the face of our current hardships, this Government has a moral obligation to provide services to those persons who are truly in need.

This does not mean that it will be a free for all. We will be taking considerable steps to root out abuses of the system, for the Caymanian way has always been and continues to be marked by self-sufficiency, pride and respect for one another. My Ministry will continue in this tradition.

In closing, Mr. Speaker, the ultimate goal of my Ministry is to ensure a happy and healthy resident population of the Cayman Islands through the development of policies and legislation and access to service that will enable people to enjoy the highest possible level of wellbeing. It is said that the ultimate test of a moral society is the kind of world that it leaves to its children. It is my hope and duty to ensure that our children inherit a society that upholds our conviction in meeting future challenges while daring to hope for a better tomorrow.

Thank you, Mr. Speaker. May God continue to bless these Cayman Islands.

**The Deputy Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Final call, does any other Member wish to speak? [pause]

If no other Member wishes to speak, I call on the honourable Third Official Member to wind up.

*[very loud and persistent cell phone interference]*

**Hon. G. Kenneth Jefferson:** Thank you, Mr. Speaker.

I am obviously grateful for the opportunity to present some brief concluding remarks.

Mr. Speaker, I will pause because there is severe interference.

*[very loud and persistent cell phone interference]*

**The Deputy Speaker:** Sorry, Third Official Member. You can continue.

**Hon. G. Kenneth Jefferson:** Thank you, Mr. Speaker.

I think it is best for me to start all over again, given the interruption . . . and I think it is starting yet again.

*[very loud and persistent cell phone interference]*

**Hon. G. Kenneth Jefferson:** Thank you, Mr. Speaker.

I was saying that I am grateful for the opportunity to provide some brief closing remarks in respect of the Appropriation (July 2009 to June 2010) Bill, 2009.

Mr. Speaker, I have listened quite carefully to all of the contributions made by honourable Members who spoke today. I have made quite extensive notes on the points made, starting with the Honourable Leader of the Opposition who spoke first this morning.

We also heard from the Elected Member for North Side who also made some very valuable comments. He put things in a way that I believe the ordinary person on the street can relate to and gave some real life examples of situations where things did not go quite as well as they were intended to go.

Mr. Speaker, several of the earlier points made were centered on whether the estimates, the revenue measures, were realistic. Several of the points were made as to what the effect of those measures would be in terms of the competitiveness of the Cayman Islands, specifically in respect of the financial services arena.

Comments were also made in regard to the degree of effort made in attempting to reduce the cost shown in the 2009/10 Budget before the House. And comments were made to the effect that the reduction

was quite slim and meagre, and that greater efforts need to be placed on arresting this tendency of increasing operational expenditures as time goes by.

Mr. Speaker, I can say briefly that in terms of the revenue measures the Government proposes to implement that there have been extensive consultations with the private sector, particularly the financial services sector. Those specific related fees to financial services have actually been the suggestions of persons directly involved in that industry. And it was their suggestion, which the Government took on board and put forward in the Address that I gave on Friday.

The method Government employed was to go to the financial services sector and say to them, *These are the measures that Government is proposing to implement; can we have your comments please?*

The initial response by those at that meeting was that they generally agreed with the need to increase fees in certain areas, but they wished to be given an opportunity to make alternative suggestions as to the level of fees being introduced. So the Government allowed, particularly the financial services sector, the opportunity for them to go away and bring back to Government. In many instances they brought back the same revenue measures that Government had proposed in the first instance, in many instances at greatly reduced increases than were initially proposed.

And so, Mr. Speaker—

**The Deputy Speaker:** Honourable Member, I am not sure if we have made arrangements to go late, but before we reach the hour of interruption, can I take a small convenience suspension.

I am asking Members to suspend for 15 minutes.

**Proceeding suspended at 4.28 pm**

**Proceedings resumed at 5.00 pm**

[Honourable Mary J. Lawrence, Speaker, in the Chair]

**The Speaker:** Please be seated.

It is past the hour of 4.30, and I need to find out if the House is going to continue, or if we are going to have a motion for the adjournment.

Honourable Leader of Government Business

## ADJOURNMENT

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I propose to move the adjournment of this honourable House until 10 am Wednesday for the Honourable Financial Secretary to complete his speech, after which we will move immediately into Finance Committee.

Therefore, Madam Speaker, I move that this honourable House be adjourned until Wednesday next at 10 am.

Madam Speaker, out of an abundance of caution, I better say that once we begin Finance Committee we will be working late.

**The Speaker:** Thank you, Leader of Government Business.

The motion before the House is that this honourable House be adjourned until 10 am Wednesday. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

### **VOTE OF THANKS**

**The Speaker:** I would like to thank Members of the House for their indulgence this afternoon. I had to leave on a family emergency.

I want to thank the Deputy Speaker for taking the Chair while I was gone.

The House is now adjourned until 10 am Wednesday.

**At 5.02 pm the House stood adjourned until 10 am, Wednesday, 7 October 2009.**





**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**7 OCTOBER 2009**  
**10.37 AM**  
*Third Sitting*

**The Speaker:** I will ask the Honourable Minister responsible for Health, Environment, Youth, Sports and Culture to say Prayers.

**PRAYERS**

**Hon. J. Mark P. Scotland:** Let us pray.

*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, honour 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.

Before we begin I want to make an apology for the late start of the Parliament this morning. We had some [technical] difficulties we had to deal with and it did slow down the start. Thank you.

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

**The Speaker:** I have no messages or announcements.

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

**The Speaker:** I have received notice from the Honourable Leader of Government Business that he will make a statement this morning.

**Statement by the Honourable Leader of Government Business on Revenue Measures**

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, the Hon. Financial Secretary will address the Opposition's questions in his closing remarks, but I have some areas that I must address in this statement on the Revenue Measures.

The Opposition has expressed concern that the Government Measures are not realistic, that our statements about the Cayman Islands Government having difficulty paying its bills were reckless and going to hurt us, and that we are going to cause damage by selling the country's assets.

Madam Speaker, what the Opposition has failed to mention is how we got here. How did we find ourselves in this situation? Instead of being able to move this country forward, the first 100 days of this Administration has had to be spent trying to clean up the incredible mess that the Leader of the Opposition and his government left behind.

On taking up office on the 27<sup>th</sup> of May, my Government found itself in a gigantic mess caused by the PPM's failure to plan and their extravagant spending, the mismanagement of the two schools projects, their refusal to listen to advice from myself as Leader of the Opposition and others on the impending dangers to our Islands of the fallout because of the international financial crisis.

The Government had no alternative but to increase various fees on different business entities, but mostly on the financial industry in these Islands. So, when the Opposition says that the Government has put the worst increase on the little man, Madam Speaker, it is nothing short of scaremongering. That is what they are good at. This move of fee increases was done after considerable consultation with all sectors. After rejection of some of the initial fees by various sectors, Government then appointed a committee represented by the financial industry and other business sectors. As a result of the work done by that private sector committee the present fee structure became part of the 2009/2010 Budget.

As in football, there seems to be many Monday morning quarterbacks in this House on the Opposition benches. First and biggest, is the Leader of the Opposition himself.

Since the PPM Government just messed the country up in this way, they allowed the Foreign and Commonwealth Office (FCO) for the first time in our history to clamp down on these Islands in a manner and with an attitude unseen and unheard of before.

The FCO wants us to do what they say is more sustainable—that is income tax, property tax or something of equal strength or devastation, depending on who is looking which way.

The question I must ask the Leader of the Opposition, and anyone else for that matter, is: What have the complainers offered on this clampdown by the FCO? Madam Speaker, they can sit there and close their eyes. I hope they are listening. A solid Nothing, Zero, Zilch!

Lo and behold, the Opposition is now trying to do what they have always done, and what they did for their past four years, trying to shift the focus of their mismanagement to blame somebody else—this time, to blame the Government, saying, we, the Government, didn't do right in putting forward the fees

Madam Speaker, on top of them causing the damage—on top of them driving the truck into the water, killing the engine—they have only managed to float and drag themselves on to the beach saying the road had a bend in it and they didn't know about it, so they took a wrong turn!

I ask the Leader of the Opposition and his mouth pieces on that side: What are their solutions to fix the problem? As I said, Mr. Leader of the Opposition, you have NONE!

The Leader of the Opposition and his team are only good at what they have done, create more confusion and soon they will be trying to convince the public that the UDP did all this because we don't like Caymanians. That's what you are going to hear from them. That is part of their modus operandi. Their modus operandi is to scandalise, to spread confusion, spread misinformation and allow the Government in power to become the shovel in the process. It won't happen!

Next, Madam Speaker, we had to use all our energy, resources and, perhaps, political capital to rectify the situation with the OECD that found us on the grey list which was completely avoidable. Through no easy feat this Administration managed to elevate this country from sure disaster and move us to the white list within two months after taking office; a task that they could not accomplish during their four years in office. Oh, they did not talk about that, Madam Speaker.

The Opposition says that we are overly ambitious in our efforts to produce a balanced budget. Can they please answer for me, were they overly ambitious when they stood by and watched the civil service grow from just over 3,000 employees to almost 4,000

employees? Were they overly ambitious when they allowed the operational budget to grow to \$525 million for the year ended 30<sup>th</sup> June 2009? Were they overly ambitious when they committed the country to capital projects in the multiple hundreds of millions of dollars that we could not afford? Were they?

And where was the Leader of the Opposition? Fishing?

**The Speaker:** Please keep your addresses to the Chair.

**Hon. W. McKeeva Bush:** Thank you Madam Speaker.

I don't know if you could even answer that one though, Madam Speaker.

Now the Opposition is questioning the Government's Budget. Again I ask the question why are we here? Do they have the moral authority to ask that question? For the first time in our history, we as a country were unable to exercise fiscal responsibility and prudence which led us down a path of sure disaster. And where are the Opposition's solutions? I have heard the Leader of the Opposition ask a lot of questions, but I have not heard him state any tangible solutions.

Oh, they have agreed there should be no income tax and property tax. And God forbid if I had taken that route. They probably would have put people on the street against us. That's what they are good at.

The UK expressly stated that if we did not show a plausible and sustainable budget they would exercise their power and surely move us down the road of direct taxation—they made no bones about it!—a path that we, the Cayman Islands and our way of doing business, surely could not recover from, in my opinion.

At least the Opposition agreed with our approach to resist direct taxation. God only knows what they would have done, though. So as the Government, through strong leadership and determination, we embraced the responsibility to fight for the survival of our people and we were bold enough to make the tough decisions that were necessary to move this country forward and secure our future.

As the Government, we are not happy to increase any fees, particularly during a challenging global recession. Unfortunately, we had to play with the hand we were dealt and we have made every effort to find creative solutions that would have the least impact on business and the residents of these Islands. And when I say the least impact, Madam Speaker, [it is] on those that really can't afford it. And that is the small man. But here is the Opposition saying that that is who we are putting it on. Did they study the taxes or the fees that have been increased, whatever they are saying they are?

Madam Speaker, let's look at remittances: As it relates to the new Remittance Services Money

Transfer Fee of 2 per cent on companies such as Western Union, Quick Cash and Money Gram, the Government is very sensitive about charging any fees that affects the livelihood of our residents, especially the lower income earners in our community. No matter where they come from we have that duty and obligation. However, given the difficult circumstances that we were faced with we felt that as part of averting the impending crisis all members of our community should play a part in the solution. Based on our discussions with the money transfer companies, our understanding is that the average amount sent per transaction is approximately \$200.

As such, the impact to the typical user of these transfer services would be approximately \$4 per transaction. We are aware that the money transfer companies have concerns that these new fees will have an adverse impact on their business, but we feel that Money Transfer Companies will be able to continue providing a valuable service to their clientele at a competitive rate and keep filling the void that has been left by the banks to this important segment of our community.

Madam Speaker, what I can say to those individuals who would send money by money transfer? The other alternative was the community enhancement fee which was a payroll fee. And that would have been on salaries over \$3,000 per month.

Madam Speaker, the Leader of the Opposition is going out. I hope he is not going out. I really want him to hear what I am saying because he asked these questions.

The two front benches have gone, but, nevertheless, I hope they are in here shortly because they are asking these questions.

So, Madam Speaker, those people . . . And a less part is gone too. Yeah, a lesser part.

Madam Speaker— [chuckle]

**The Speaker:** Please refrain from the comments. Thank you.

**Hon. W. McKeeva Bush:** Yes, Madam Speaker, as much as possible.

So, those persons, whether they are Filipino, Jamaican or from wherever, who use the remittance services, they are left in a more fortunate position in this. Now the company has to pay some more, but so be it, Madam Speaker. I probably made some enemies in this, but so be it!

What I hope to do and [what the] Government hopes to do, is that at some point in time we can remove some of these fees or lessen the impact of some of these fees; but that would have to be at a time when this country is much more flushed than we are today. We are in a sorrowful state, and no wonder the Opposition has to leave! But when you can't take the heat you should get out of the kitchen, and perhaps that is what they are doing.

The Business Premises Fee of 10 per cent will be assessed on market value of occupied commercial rental income. This new fee will replace the existing stamp duty fee on leases. The current existing stamp duty fee is on the full amount of 5 per cent for lease terms not exceeding 5 years, 10 per cent for lease terms exceeding 5 years but not exceeding 10 years, and 20 per cent for lease terms greater than 10 years of the average annual rent and is paid when the lease is executed and registered. However, the existing stamp duty fee regime is most ineffective and has an extremely low rate of compliance because it relies on the tenant to register the lease with the land registry and pay the stamp duty.

This move was difficult to enforce because the land registry had no effective way of knowing the tenants and their individual lease terms. The new proposal requires the landlord to register all their leases with the land registry on an annual basis and pay the related Business Premises Fee. The land registry has a record of all the property owners. Existing leases that are registered and stamp duty duly paid would not be required to pay a new fee until the related lease period expires and a new lease is contracted.

This, Madam Speaker, is on commercial properties. This is not on the small apartments and so as I understand, it would not affect the smaller Caymanians. This affects larger, or even if a smaller building, commercial properties.

So, when the Opposition says we are hurting the little man, Madam Speaker, they certainly could not have studied the measures.

Work Permit Fees will increase across all categories except domestic work permits. So this does not hurt all the ordinary Caymanians who have domestic helpers, Madam Speaker. The Government is very mindful of that group of individuals in the country.

The Government is very sensitive about the cost of doing business in Cayman, particularly as it relates to labour cost for professionals in comparison to our competitor jurisdictions such as Canada, US, and Ireland. As such, the Government felt that the increase to work permit fees across the board is supportable only by the removal of an existing employer expense such as the pension obligation for work permit holders. Hence the cost of conducting business in Cayman will not increase on that side. Pension contributions for none Caymanian employees for both the employer and the employee would become only voluntary. They pay it if they want to pay it.

Currently employers must contribute 5 per cent to an employee's pension plan and I think it is the same amount for the employee. These funds would already be accounted for in the employers cost of doing business. The employer would be able to fund the higher permit fees through the money they would have otherwise paid to that pension plan. In the case of the unskilled and trade workers, the employer's existing pension obligations would typically be higher

than the projected increase in permit fees (e.g. \$20,000 x 5 per cent = \$1,000 pension savings; work permit increase of \$500) and, therefore, would result in a net benefit to small Caymanian businesses as well. But you never heard the Opposition say that.

Customs Import Duties are proposed to increase by 2 per cent, except those items that are currently duty free. The Government was particularly concerned about increasing duties during a period of recession because of the financial difficulties that all residents are already facing. However, in an effort to keep cost down for our residents the Government will terminate the annual garbage fees and consider the increase in duties as replacement for collecting garbage fees.

So, again, Madam Speaker, this is a much better position for the average person because this is spread across everyone. And some of the smaller people will pay on import duty simply because they consume goods from a store or something like that. But they won't feel that directly because they don't perhaps import directly. Of course, we know anyone who is importing is going to pass that 2 per cent on. But what we are saying is that they pay the 2 per cent and they do not have to pay any more garbage fees.

The truth is, Madam Speaker, there are many people who came to Government and said, *No, don't take that off; still make everybody pay whatever garbage fees they can pay.* A number of people specifically came to me on that point because they feel that should be an obligation a citizen has. But we said, *look, it is not working.* And there are a few people who are paying, but it is a lot of trouble for Government to collect that way also. So we did it this way: People get a break across the board. Did the Opposition Leader say anything about that? No, Madam Speaker, No!

The Opposition has specifically questioned the impact the numerous fee increases will have on the financial services industry. The Government fully understands the sensitivity of raising fees in the financial services industry because of the tremendous competition that Cayman faces to attract and retain business. As such, the Government carried out extensive consultation with the financial services professionals to ascertain the level of fee increases that the industry felt could be absorbed at this time that would not have a detrimental impact to our most vital partners.

The Government is committed to continuing its work with the financial services industry to create new products, attract new business and expand the client base for these Islands, improving on existing services, and the lowering costs in the long run by finding more efficient ways of doing business.

That is why, Madam Speaker, we are committed to the financial industry. That is why we have specifically formed a ministry to deal directly with the industry because we recognise the problems that they are in. We recognise the competition that they face. And we recognise the fact that the last government

really did not help them. We are going to help them grow business and we will do it.

We know we are going to take licks for doing it, and it has to be done in part through Immigration, but we are going to do it to ensure they get the right type of people. We will ensure also that our people move up the ladder and the glass ceiling is removed. That will take some time, but we are going to work with the finance industry to ensure that their business grows. And in their business growing we are going to ensure that Caymanians get jobs and prosper.

Madam Speaker, on the matter of selling government assets . . . if I have my way, Government will retain some ownership, or at a given point have full ownership of any asset. But, for now we must utilise these assets to help keep us afloat.

The sewage system is already in need of work. That is going to create a cost on the Water Authority. The Water Authority is asking for an increase, not just for that, but anything they spent they have to replace it. And so, Madam Speaker, we believe that that is an asset that we can utilise in helping Government out of this mess that the Leader of the Opposition left us in.

But I still say that if I have my way we are going to retain some ownership. We can't say why and how at this point because those are commercial transactions, but we are going to move in that direction. And it is the same with the Administration Building.

If the Civil Service Pension Board for instance—

**The Speaker:** Order!

**Hon. W. McKeeva Bush:** —If the Civil Service Pension Board for instance can become a partner in that building, who better to have an ownership than the civil servants of this country? Who better?

Madam Speaker, I would be proud the day that could happen. I don't know if it can. There are many people who would like to get that as a business transaction. My determination is to ensure that at the end of the day I can get us out of this mess that the Leader of the Opposition left us in, and at the same time address that situation of ownership for people in this country.

I can't say any more on that, Madam Speaker. But, as I said, we must utilise the assets that we have to help get us out of this fix that he left us in. Otherwise his friends in the FCO would be here speaking to [him] and not me. But he did not know that. Like Rip Van Wrinkle, they went to sleep and when they awoke the gun was rusted and couldn't fire and time had passed them by.

Madam Speaker, the accusation of being reckless through the international press by the Leader of the Opposition, is one that I take seriously. We have shown that we are not reckless in any shape or form. In fact, there is much more that I could have

said that would appall and frighten the people of this country; but that is not my *modus operandi*. And perhaps the Leader of the Opposition should tell some of his people who are on the radio about what the local banks have told the Government because of their mismanagement.

**The Speaker:** Ah—

**Hon. W. McKeeva Bush:** Sorry, Madam Speaker, I am really speaking to you.

**The Speaker:** Keep it this way, sir.

**Hon. W. McKeeva Bush:** But I wanted to catch his attention because he has been busy talking and not listening.

What is reckless is when the former Leader of Government Business (now the Leader of the Opposition) said that he didn't know that this crisis was arising. It was not only reckless, it showed why the Government and the country were in a mess, and in a mess because we had no leadership then. Anyone who has any kind of common sense, much less management ability, should have known that something was radically wrong in October when the United States republican presidential candidate, Mr. John McCain, suspended his campaign in order to go back to Washington and help to deal with the emerging United States financial crisis, and that if it was affecting the United States, it would affect the Cayman Islands.

Madam Speaker, when Lehman Brothers folded, and the Leader of the Government then, our Leader of the Opposition now—the one who is talking and not listening now—told the Country that it would only cost us \$245,000. And in February 2008, when I warned him of impending dangers, he stood right in this spot and told me standing over there, “not on the kindest of mornings would I listen to you.” That should have told him something. He even went so far as to say that the Cayman Islands would not be affected by the global economic crisis. And he comes here and get on a radio—

*[inaudible interjection]*

**Hon. W. McKeeva Bush:** You didn't? Oh yes you did Bobo.

**The Speaker:** Honourable Leader of Government Business, please, this way.

**Hon. W. McKeeva Bush:** Madam Speaker, he should have known! He was the Leader!

He trounced us in 2005 telling the people that he was a better manager, and better than me, and they must put him office—and they did. And what did he do? He now has the temerity to say that I am reckless because of what I told this country.

Furthermore, the people of this country ought to know that on my visit to the Foreign and Commonwealth Office they told us (not just me) in that room that they sent an economist here. And that economist went to Cabinet, and that economist told the Government that they were on the wrong track. Now, for all of the United Kingdom's faults, plans, and their philosophies, and for everything that they would want to see undone here, the fact is they are true in what they said.

What did he do? And what did the Member from East End do? And what did the front bencher, the former Minister of Education, do? What did they do? Spent more like it was going out of style and told me and their own officers, *We make the money, you do what we say*. Yeah. And now they talk about recklessness?

Madam Speaker, for him to now say that I am reckless, it seems to me that he should do what he said he would do—go back home and plant cassava. Anybody with any modicum of sense should have seen this thing coming. We feel that through a collective partnership and a shared responsibility we can overcome and prosper through these very difficult times.

I would like to thank all of our residents, business partners and the civil servants for their continued support for the success of these Cayman Islands and 'A Better Way Forward'.

Madam Speaker, I do thank you for your indulgence. I know it is difficult at times. I've had a hard task master; politics is a hard task master. But I must speak the truth. And the truth shall make you free.

The country is in better hands today and I am determined that we are going to float this ship off the reef. That is what the United Democratic Party will do. That is what the civil servants are going to help us do. And, Madam Speaker, we will get the good ship Cayman sailing in the right direction with good sails.

Thank you, kindly.

**The Speaker:** Thank you, Leader of Government Business.

I am going to take a short suspension to allow the recording press to leave, the television and radio.

Proceedings are suspended for five minutes. Please be back in the chamber.

**Proceedings suspended at 11.14 am**

**Proceedings resumed at 11.26 am**

**The Speaker:** Proceedings are resumed. Please be seated.

## **GOVERNMENT BUSINESS**

### **BILLS**

## SECOND READING

### Debate on the Throne Speech and Second Reading of the Appropriation (July 2009 to June 2010) Bill 2009 (Budget Address)

*(Continuation of debate thereon)*

**The Speaker:** The Chair recognises the Honourable Third Official Member, continuing his reply.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

Madam Speaker, the 2009-10 Budget forecasts that the Government will earn some \$562.2 million in operating revenues. And, as I said in my Budget Address on Friday, included in this amount and in arriving at that amount there is some \$94.9 million in revenue measures.

Madam Speaker, the revenue measures have been developed to generate additional income in as smart and fair as possible, and in as sustainable a way as possible. These revenue measures will help to diversify and strengthen our income base.

Further, Madam Speaker, the Government has detailed the establishment of a revenue enhancement group which made recommendations and will continue to make recommendations to Cabinet on possible new revenue enhancement measures. The group was chaired by Mr. Canover Watson. Other members of the group were: Mrs. Cindy Scotland, of the Cayman Islands Monetary Authority; Mr. James Bergstorm, from Ogier; Mr. David Bree, of DMS Management; Mr. Norm McGregor, of Deloitte; Mr. Len Goldberg, of Greenlight Re; and Mr. Paul Byles, as an economic advisor to the Government.

Madam Speaker, the Government extends its sincere thanks for the group's valuable input and the giving up of their time to assist the Government.

Following the advice of the group, and after much deliberation and consultation with the financial services industry, the Government decided to introduce a range of revenue measures, the details of which I will again explain shortly, particularly for the benefit of the wider public.

Before I do that, Madam Speaker, I think it is a sensible and suitable context that we speak to the revenues of the Government at a much more global level. If we look in the Annual Plan and Estimates document (on page 309 in that document) we will see that in the year just ended, 30 June 2009, actual received revenues were \$487.4 million during that last year.

And so, Madam Speaker, I said in my Budget Address that revenue measures which the Government will implement during the current 2009-10 year will have an impact on this 2009-10 year of \$94.9 million. So, if we were to add last year's actual revenues of \$487.4 million to the revenue measure impact we are forecasting for this year, of \$94.9 million, we

would arrive at a figure of \$582.3 million as the expected revenue for the current 2009-10 year, if the previous year's revenues all came into the current year. And, if our forecast for the impact of the new revenue measures were indeed \$94.9 million, we would expect this year to have a revenue figure in the region of \$582.3 million.

When we actually look in the Annual Plan and Estimates document we see that the forecast revenue for this year is not the \$582.3 million, but is, in fact, a fairly significant discount. It is actually shown at \$562.2 million. And so there is a difference, Madam Speaker, of \$20 million (approximately) between the \$582 million that I spoke to and the actual forecast revenue for the current 2009-10 year. And I say that, therefore, to say that the Government has been as conservative as it possibly can be in making our revenue estimations for the current 2009-10 year.

Madam Speaker, let us quickly consider again some specific revenue measures, and I won't be long.

**Work Permit Fees:** Madam Speaker, in my substantive Budget presentation last Friday I said that the Government was expecting to receive \$15 million from increased work permit fees, including fees for permanent residents and key employee designation applications. And for the sake of clarity, I wish to make it clear that the actual forecast for this particular category is \$14.9 million, which has been rounded in my speech to \$15 million from the following changes to work permit and immigration fees:

**Work permit fees:** For 2009-10 the Government is forecasting increased revenues of \$11.29 million. In July prior to the consideration of any fee increase the Government was forecasting to receive \$34.5 million for work permits under the assumption that there would be a slight decrease to the number of work permits based on the projected decline in economic activity. The total amount forecast to be collected under work permits in the current 2009-10 year is \$45.79 million and that is shown on page 316 of the Annual Plan and Estimates document.

The fees charged for the grant and renewal of work permits are being increased across all categories of work permits, with the exception of those charged for nurses, teachers, ministers of religion, and domestic workers. Those are the exceptions with no increases to those categories.

Madam Speaker, other increases range from \$125 for gardeners as an example, to \$5,250 for paralegals, as an example of an increase on the upper end. Using these two examples, the work permits for gardeners will be proposed to go from \$250 to \$375 and in the case of paralegals their work permits will move from \$2,750 to \$8,000.

Madam Speaker, for employees in the professional category these work permit fees are proposed to be increased by \$3,000 on average.

**Annual Permanent Resident Work Permit Fees:** The work permit fees charged to these residents who have been granted permanent residence

with the right to work are also proposed to be increased in line with other work permit fees. For 2009-10 the Government is forecasting that it will realise some \$2.47 million from this category of work permits.

**Key Employee Designation:** Currently this designation attracts a \$250 application processing fee and the Government intends to increase this to be the same as the annual work permit fee payable for that same particular category. Based on the volume of key employee designations approved during the previous 2008-09 and the number currently in progress at the Department of Immigration, an assumption has been made that employers will seek a similar number of key employee designations in the current 2009-10 year resulting in an additional \$1.2 million of revenue for the Government.

**Madam Speaker, Annual Company Registration Fees:** Annual company fees for non-residents exempt and foreign companies are proposed to be increased between \$150 and \$500. At the 30 June 2009 there were 94,221 companies registered at the General Registry.

Madam Speaker, for the sake of calculating the revenue impact of the proposed increase in company fees it was assumed that there would be a 5 per cent reduction in the number of companies registered. This was the Government's attempt to put forward a realistic revenue estimate figure from the proposed changes. Based on this, it is expected that the Government will earn additional revenue of \$17 million approximately in the current 2009-10 in the following categories of companies: Non-resident companies the additional revenue, \$.88 million; non-resident companies \$1.2 million; foreign companies, \$2.62 million, and exempt companies \$12.27 million for a total of \$17 million approximately.

**Other General Registry fees,** Madam Speaker, the Government expects to earn additional revenue of \$4.7 million in the 2009-10 year from these fees which include proposed increases in the cost of certificates certifications, expressed filings, filings, and name reservations.

**Tax and Trust Undertaking Fees:** These certificates guarantee that certain entities will not be subject to taxation within the Cayman Islands for periods of 20 to 50 years. And these fees are currently at [\$500] per certificate, and are proposed to be increased to \$1,500 per certificate. The Government expects to earn an additional \$5.9 million in 2009-10 bringing the forecast annual revenue for this category to 10.4 million as shown on page 316 of the Annual Plan and Estimates document.

Madam Speaker, a new annual fee of \$200 will be introduced on exempted companies, exempted trusts and exempted limited partnerships which currently have a Tax Undertaking Certificate. This fee will be paid to the General Registry of January of each year when such a company has to renew its fees. The Government expects to earn an additional \$15 million per year from this particular area.

Madam Speaker, mutual funds annual licence fees are proposed to be increased by \$500. Although we are currently approximately 9,825 funds for the purposes of calculating revenue measure impact for the 2009-10 year, this number was actually reduced by 10 per cent purely for the sake of calculating the increase in the proposed revenue measure.

And even after reducing by the number of funds by 10 per cent and applying the increase the Government expects to earn additional revenue of 4.4 million in the 2009-10 year bringing the total forecast annual revenue for this category to 31.89 million which is shown on page 316 in the AP&E document.

The Honourable Leader of Government Business has just spoken on the proposed changes to import duties and made it clear that it is Government's intention that the 2 per cent increase on all imports that are presently dutiable, that that be seen as a replacement for the regular and normal six-month billing of garbage fees. And, Madam Speaker, I would say for the benefit of the listening public that the Government proposed to allow the usual six-month billings of garbage fees that are due to take place in January of 2010 to be the last such billing, and then thereafter they would cease.

Madam Speaker, I now wish to turn to the operating expenses of the Government that are forecast in the Annual Plan and Estimates document.

In my Budget Address, Madam Speaker, I stated that the Civil Service had identified various ways in which it could curtail operating expenditure, and I stated that a vigorous and detailed expenditure review and expenditure cutting exercise was conducted in order to bring back expenditure to levels down to those of 2008-09, the previous year.

Members have made comments and remarks about the operating expenses not being reduced significantly enough, and I would like to take some time to specifically point out and explain some of the major reduction in operating expenses that the Government achieved during the current 2009-10 budget preparation process.

Madam Speaker, if we were to go to the AP&E on page 309 and look at the totals for operating expenses, the forecast for this current year is \$531.9 million. In the previous year it was \$537.4 million approximately. And so, on the face of it, the current year shows a reduction of 5.5 million approximately from the prior year actual expenditure level. And honourable Members have made the comment that that is a measly reduction from the previous year.

What Members will also see is that included in those totals and in arriving at those totals we have included the net deficit of public authorities (that is statutory authorities and government companies); we have included their performance in those particular years in the totals I have just given.

So, if we wanted to get a truer indication of the core, or central government's, operating expenses we would have to subtract away in the case of the



current year a forecast of \$6.7 million deficit of the public authorities. And in the case of the previous year, 2008-09 year, we would have to subtract away of \$11.4 million approximately.

So, when you strip that particular item out of the operating expenses to arrive at a truer core government operating expenses figure, you will actually find that the movement is approximately \$1 million less and not \$5.5 million. And so the comment by honourable Members would be even more pronounced that not enough was done.

But, Madam Speaker, a movement of \$5.5 million as a reduction or a movement of \$.9 million as a reduction from the previous year, they at a global level masked some significant reductions that have actually taken place. And to be fair they have also been some increases from the previous year as well. And so, when those reductions and increases are netted out we get the figures of \$5.5 million as a reduction, or the \$.9 million as a reduction if we were to strip away the net deficit in public authorities from those figures.

And so, Madam Speaker, just by way of illustrating the point that I've just made, I would like to detail quickly some of these particular areas in which there have been reductions that are being hidden by a quick glance at page 309—Vacant Posts, Madam Speaker.

When the 2009-10 Budget was originally prepared the personnel cost category included for some 258 vacant posts for the current year. Two hundred and fifty-eight vacant posts were budgeted to be included in the 2009-10 year. These vacant posts through a cost cutting exercise were reduced by 74 down to 184 posts. The additional cost associated with these vacancies decreased by \$3.45 million from \$11.1 million approximately to \$7.6 million.

Madam Speaker, the cost of the 74 vacant posts, which were removed in the budget preparation process, contributed to the overall decrease in personnel cost category that we see from page 309 in the AP&E document. By way of information to the House, of the 184 vacant posts that are proposed to be filled in the current year, 48 per cent of those posts are in the Portfolio of Internal and External Affairs; 24 per cent (approximately) are in the Ministry of Financial Services; and 14 per cent are in the Ministry of District Administration.

Overtime: The individual expense lines in the 2009-10 Budget shows that overtime has been reduced by \$4.3 million when you compare the \$1.8 million that is in the 2009-10 Budget now for overtime with the \$6.1 million that was the actual overtime incurred in the previous year.

Official travel: The individual expense line items in the 2009-10 Budget shows that official travel has decreased by some \$.7 million and you get that when you compare the 2.1 million that is in the 2009-10 Budget with the \$2.8 million that was incurred in the previous financial year.

Fuel and Oil: Although the individual expense line again in the Budget shows that the cost for fuel and oil expenses has increased by \$0.1 million from the \$2.2 million last year to the \$2.3 million this year. The minimal increase takes into account the increase in fuel and cost associated with police marine boats coming on stream for a full year in the current 2009-10 year, whereas in the previous year we did not have a full year of operation by those boats in that year. And it also takes account of the expected arrival of the helicopter which will also have some fuel needs.

And so, the point is, Madam Speaker, that if there were not reductions in fuel and oil category the increase that we would have seen in this year over last year's total would have been substantially more than just the \$.1 million that is evident. And so, that small increase is as a result of reductions in other areas for fuel and oil.

Madam Speaker, when we compare the individual expense line items in the 2009-10 Budget with the 2008-09 actual amounts, the Government also achieved savings of \$2.8 million in wages; \$1 million in telephone charges; \$.5 million in duty allowances; \$.2 million in office supplies; \$.2 million in electricity and \$.8 million in advertising cost. And the total amount of these savings is \$5.5 million approximately.

Madam Speaker, to be fair and balanced there are increases in the 2009-10 Budget when you compare certain expense items with the previous year.

Employee Healthcare Costs: These costs have increased by \$3.8 million approximately. The reason for this increase is due to the insurance cost premiums established by CINICO increasing during the current 2009-10 year.

Professional fees, Madam Speaker, have increased by \$2.1 million when compared to the previous year. And the majority of this increase \$1.2 million is due to the cost of hiring external accountants to be used along with existing civil servants to carry out the tasks of producing the backlog of annual reports for the Government.

Madam Speaker, the cost of insuring buildings has also increased by \$2.4 million as compared to the previous year.

The cost of insecticides has also increased by \$.6 million when comparing the 2009-10 Budget with the previous year's budget.

And so, Madam Speaker, I would reiterate the point that although from a quick glance of the income statement on page 309 in the AP&E, some of the significant reductions in expenditures are hidden by just looking at that document as shown on that particular page.

Comment has also been made in respect of the proposed sale of the Government Administration building. Honourable Members will know that the AP&E document contains a possible sale price of \$50 million. And Member have also queried why if the building is going to be sold do we have an appropria-

tion of approximately \$40 million for capital expenditure in respect of that same building.

Madam Speaker, we have placed a full year appropriation in the Budget because, although we anticipate the Government will ensure the building is sold within this current financial year, the precise timing and terms on which it is sold are still being calculated and worked out now. And it is for that reason why a full year appropriation is shown in the current year's budget.

Madam Speaker, queries were also made as to why the Government would bring a surplus budget to the House in difficult economic times. The reason for that is that the Government's overall fiscal strategy was centered on the primary goal of bringing the Government's finances back into compliance with the Principles of Responsible Financial Management.

Madam Speaker, I can also say that the Government obviously had to take into account the significant possibility that the Foreign and Commonwealth Office (FCO) could very well have said to the Cayman Islands Government, *If you have a deficit budget you are not in compliance with the Principles of Responsible Financial Management and therefore we are going to have a say in the extent to which you can borrow.*

Members would have seen from past correspondence between the Cayman Islands Government and, specifically, the Leader of Government Business, and the UK Minister, Minister Bryant, in which the UK was proposing to grant the Cayman Islands Government an ability to borrow, but in stages, and to borrow dependent upon certain results having taken place.

And so, Madam Speaker, the Government felt that that was an improper way to bring a budget to the Legislative Assembly showing a particular figure for borrowing, yet telling MLAs that the ability to borrow and the authority for borrowing was dependant upon some future uncertain event. Madam Speaker, that is not a proper way to bring a budget to the House.

So, for that reason the Government decided to seek to achieve full compliance with all of the Principles of Responsible Financial Management, and therefore to bring to the House a surplus budget and to make that surplus as modest as possible.

Madam Speaker, the Government has had to make some difficult decisions that will impact most. But the Government feels that in the end these decisions will lead to a stronger and more stable Cayman Islands. Government efforts have focused on reducing and controlling core government expenditure, improving financial performance, maximizing dividends from our statutory authorities and Government companies, and implementing new and appropriate and sustainable revenue measures.

As I said, Madam Speaker, the Government's desire to restore full compliance with the Principles of Responsible Financial Management was the primary driver for producing a budget which projects its forecast, a modest surplus operating position.

Madam Speaker, had the Government brought a deficit position this obviously would have had to have been funded. It would have resulted in lower cash reserves forcing the Government to seek additional borrowings along with further revenue enhancement measures in an effort to become Public Management and Finance Law (PMFL) compliant.

Madam Speaker, I will close by stating that with the announced appointed day on 6 November of this year, the Financial Secretary will cease to be a Member of the House and will cease to be an Official Member of Cabinet. This, therefore, Madam Speaker, will be my last Budget as Financial Secretary.

I wish to thank all honourable Members for their support and assistance and probing questions over the years. It has been a sobering experience. It has been a maturing experience and I feel that I am better for it. On that note I would wish to thank all honourable Members for their contributions to the Appropriation (July 2009 to June 2010) Bill, 2009, and, Madam Speaker, I seek their support for the Bill.

Thank you.

**The Speaker:** Thank you, Honourable Third Official Member.

At this time, I think we will call for the lunch break until 2.00 pm.

**Hon. W. McKeever Bush:** No, no.

**The Speaker:** Pardon me.

**Hon. W. McKeever Bush:** We should take the vote now.

[pause]

**The Speaker:** The Honourable Third Official Member has presented his winding up speech. I will now put the matter to a vote.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Appropriation (July 2009 to June 2010) Bill 2009, given a second reading.**

**The Speaker:** Before we go into Finance Committee I will suspend the House for lunch break until 2.00 pm.

**Proceedings suspended at 12.03 pm**

**Proceedings resumed at 2.15 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

Out of an abundance of caution I am going to do the Second Reading of the Bill again.

Second Reading of the Appropriation Bill (July 2009 to June 2010).

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Appropriation (July 2009 to June 2010) Bill, 2009, given a second reading.**

**The Speaker:** I will call now for a motion for the adjournment for this particular portion of the sitting of this House.

## **ADJOURNMENT**

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, we propose to move immediately to Finance Committee. Thereafter, as we complete our business, the House will be back in session.

I therefore move the adjournment of this honourable House to a date to be fixed, in fact immediately after Finance Committee.

**The Speaker:** The question is that this honourable House do adjourn for a date to be fixed immediately after Finance Committee.

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

**Ayes.**

**The Speaker:** The Ayes have it.

The House is accordingly adjourned until after Finance Committee, which will immediately follow this sitting.

**At 2.16 pm the House stood adjourned until the conclusion of Finance Committee.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**14 OCTOBER 2009**  
**11.00 AM**  
*Fourth Sitting*

**The Speaker:** I will call on the Third Official Member to say Prayers.

### PRAYERS

**Hon. G. Kenneth Jefferson:** Let us pray.

*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, honour 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.

### ADMINISTRATION OF OATHS OR AFFIRMATIONS

#### Oath of Allegiance

*By Mrs. Cheryll M. Richards*

**The Speaker:** I call on Mrs. Richards to come forward and take the Oath of Allegiance.

**Hon. Cheryll M. Richards:** I, Cheryll Melanie Richards, do swear that I will be faithful and bear true alle-

giance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law so help me God.

**The Speaker:** On behalf of this House, I welcome the Honourable Temporary Second Official Member responsible for Legal Affairs, and invite her to take her seat.

Please be seated.

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

#### Apologies

**The Speaker:** I apologise for the late start of the House this morning. There was some incomplete business that we needed to deal with.

I have apologies for absence from the Honourable Minister for District Administration, Works and Gender Affairs, and from the Honourable Deputy Speaker.

### PRESENTATION OF PAPERS AND OF REPORTS

#### Report of the Standing Finance Committee on the Appropriation (July 2009 to June 2010) Bill, 2009

**The Speaker:** I recognise the Honourable Third Official Member responsible for Finance and Economics.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the Report of the Standing Finance Committee on the Appropriation (July 2009 to June 2010) Bill, 2009.

**The Speaker:** So ordered.

Does the honourable Member wish to speak on the Report?

**Hon. G. Kenneth Jefferson:** Yes, thank you Madam Speaker.

The Committee met on four (4) dates: 7 October (beginning of deliberations), 8 October, 9 October, and 12 October. On those four dates the appropriations shown on the Schedule to the Bill were considered.

The Committee approved all of the appropriations shown on the Schedule to the Bill with some amendments to those scheduled appropriations.

**The Speaker:** Order.

**Hon. G. Kenneth Jefferson:** Firstly, the Committee agreed to change the names of two appropriations—TP 52 and NGS 73. Secondly, the Committee agreed to certain increases and decreases to the proposed appropriated amounts.

In respect of the increases, Madam Speaker, the Committee agreed that for Output Group FTD 22 \$500,000 be added, as this was a newly-created Output.

It also agreed that NGS 7 be increased by \$150,000; that TP 52 be increased by \$400,000; and that Equity Investment, EI 51, be increased by \$200,000. It was agreed that Output Group IEA 15 be increased by \$50,000, and Executive Asset, EA 99, be increased by \$250,000, for a total Increase of \$1.55 million.

In terms of decreases, the Committee agreed that NGS 2 be decreased by \$1.55 million.

So, Madam Speaker, in overall terms the increase and decrease agreed to by the Committee nets to zero with the result that there is no overall change in the total expenditure level.

Madam Speaker, the Committee also met yesterday, 13 October, to consider and agree to the Report that has just been tabled.

As the proceedings of Finance Committee are continuing to be broadcast publicly, there isn't a need for me to provide much more detailed information now.

Madam Speaker, the Committee concluded its deliberations by agreeing that the Schedule to the Bill, as amended, stand part of the Bill, that Clauses 1 and 2 also stand part of the Bill, and that the Report just tabled be the Report of the Committee to the House.

Thank you, Madam Speaker.

**The Speaker:** Thank you, honourable Member.

#### **Cayman Islands Monetary Authority Annual Report 1<sup>st</sup> July 2007 – 30<sup>th</sup> June 2008**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I beg to respectfully lay on the Table of this honourable House the Cayman Islands Monetary Authority Annual Report 1<sup>st</sup> July 2007 – 30<sup>th</sup> June 2008.

**The Speaker:** So ordered.

Does the Member wish to speak on the Report?

**Hon. W. McKeeva Bush:** No, Madam Speaker. The Report is very much self-explanatory.

**The Speaker:** Thank you.

#### **National Drug Council 2007 Annual Report**

**The Speaker:** Honourable Minister for Health, Environment, Youth, Sports and Culture

**Hon. J. Mark P. Scotland:** Madam Speaker, I am pleased to table the National Drug Council 2007 Annual Report.

**The Speaker:** So ordered.

Does the honourable Minister wish to speak on this Report?

**Hon. J. Mark P. Scotland:** No, Madam Speaker.

The Report is self-explanatory. I encourage Members to peruse it. Thank you.

#### **Financial Statements of Civil Aviation Authority of the Cayman Islands for the years ended 30<sup>th</sup> June, 2006 and 2005**

**The Speaker:** Honourable First Official Member responsible for the Portfolio of Internal and External Affairs and the Civil Service.

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the Financial Statements of Civil Aviation Authority of the Cayman Islands for the years ended 30<sup>th</sup> June, 2006 and 2005.

**The Speaker:** So ordered.

Does the honourable Member wish to speak on this Report?

**Hon. Donovan W. F. Ebanks:** Madam Speaker, just to say that I think the notes to the Financial Statements are sufficiently explanatory and I encourage Members to familiarise themselves. Also, I take the opportunity to publicly commend the Director General of Civil Aviation and his staff for their excellent work on the regulation of air transport, and in their efforts to develop and expand the local aircraft registry here in the Cayman Islands.

Thank you.

#### **Report of the Standing Business Committee for the First Meeting of the (2009/2010) Session of the Legislative Assembly**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I beg to respectfully lay on the Table of this honourable House the Report of the Standing Business Committee for the First Meeting of the 2009/2010 Session of the Legislative Assembly.

Madam Speaker, there were three meetings. Minutes are recorded for 23 June 2009, 1 July 2009, and 22 July 2009.

**The Speaker:** So ordered.

Does the honourable Minister wish to speak further on this Report?

**Hon. W. McKeeva Bush:** No, Madam Speaker, thank you kindly.

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** I have received no statements by honourable Members and Ministers of the Cabinet.

## GOVERNMENT BUSINESS

### BILLS

#### FIRST READINGS

##### Misuse of Drugs (Amendment) Bill, 2009

**The Clerk:** The Misuse of Drugs (Amendment) Bill, 2009.

**The Speaker:** The Bill has been read a first time and is set down for Second Reading.

##### Customs (Amendment) Bill, 2009

**The Clerk:** The Customs (Amendment) Bill, 2009.

**The Speaker:** The Bill has been read a first time and is set down for Second Reading.

#### SECOND READINGS

##### Misuse of Drugs (Amendment) Bill, 2009

**The Clerk:** The Misuse of Drugs (Amendment) Bill, 2009.

**The Speaker:** I call on the honourable Temporary Second Official Member to move the Second Reading of the Bill.

**Hon. Cheryll M. Richards:** Thank you, Madam Speaker.

I beg to move the Second Reading of a Bill shortly entitled, The Misuse of Drugs (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved.

Does the Member wish to speak thereto?

**Hon. Cheryll M. Richards:** Thank you, Madam Speaker.

I rise to present to this honourable House the Misuse of Drugs (Amendment) Bill, 2009. This Bill seeks to amend the Misuse of Drugs (2009 Revision) in relation to the mode of trial for certain offences under the Law. It also seeks to effect other minor consequential changes to the Law and to make provisions for related matters.

By way of background and summary overview, these amendments are being proposed following upon a recent Privy Council decision in which the Privy Council ruled in part that the provisions of the Misuse of Drugs Law (then the 2000 Revision), and specifically section 60 thereof, lacked clarity in respect of the mode of trial for inchoate offences, such as being concerned in the importation of a controlled drug which is a hard drug.

Contrary to accepted practise over the years, and a previous ruling of the Grand Court, the Privy Council held that such offences are not summary only or "C" offences, but are instead offences which are triable either way thus being "B" offences triable in the Grand Court upon the election of an accused person.

The Court in its ruling also noted that at present there is no distinction in respect of the maximum sentences for cases involving drugs which are tried before a Grand Court or a Summary Court.

Madam Speaker, the Bill therefore seeks to clarify the position as to which offences are summary only and to further ensure that all inchoate offences are treated in the same way as a relevant principal offence; further, that there is a distinction with penalties on convictions for such matters. Thus, it is proposed that mandatory penalties, or maximum penalties, to be imposed in the Grand Court, also be increased.

By this Bill, offences at the higher end of the scale (such as importing, exporting or producing controlled drugs, being hard drugs) would remain Category B offences, and smaller scale offences (such as buying or selling controlled drugs and being concerned in such activities) would be Category C offences.

Madam Speaker, I turn now to the detailed provisions of the Bill before this honourable House.

Clause 2 of the Bill seeks to amend the Misuse of Drugs Law, the principal Law, in section 2(1)(b) to reflect the passage of the new Proceeds of Crime Law, 2008. Thus, the term "realisable property" would now include the words, "a gift that is tainted within the meaning of section 70 in the Proceeds of Crime Law, 2008."

Clause 3 of the Bill also seeks to amend the principal Law to make new reference to the Proceeds of Crime Law, 2008. Thus a substitution is made deleting the reference to sections 39 or 40 in the principal Law, which were repealed by the new Proceeds of Crime Law, 2008 (section 2 thereof), and substituting a reference to that Law.

Both of these are, therefore, simply tidying up provisions to reflect the new Proceeds of Crime Law.

Clause 4 contains the main amendment being proposed. Presently, section 60(1) of the principal Law provides that, and I quote: **“Notwithstanding any other section of this Law where a person is charged with any offence of selling, dealing in, distributing, supplying, dispensing, storing, issuing a prescription for, administering, importing, exporting, producing or attempting, contrary to section 3(1) which relates to a controlled drug that is a hard drug, then such offence shall be deemed, for the purpose of determining the mode of trial, a Category B offence in accordance with section 5 of the Criminal Procedure Code (1995 Revision).”**

Madam Speaker, by way of explanation, Category B offences are triable either before a magistrate in the Summary Court or by a judge or jury before the Grand Court. An accused person will, therefore, have a right of election in the Summary Court as to where he wishes his case to be tried.

A difficulty which arose relative to this section is that on a literal interpretation, which was approved by the Grand Court in a local case in 1997, offences which were not specifically stated in this list were held to have been deliberately excluded by the legislature and, thus, were Category C offences and triable only before the Summary Court with no right of election to the Grand Court.

This meant, by way of example, that where a courier brought drugs into the Island and was charged with importing such drugs, a courier would have a right of election; but the person who went to the airport to meet the courier to collect the drugs, and was charged with being concerned in the importation of that drug, had no right of election as this latter offence was deemed a Category C offence.

The Privy Council has now held that the words in section 60—any offence of selling, dealing in, distributing, importing, et cetera—include the offence of being concerned in importing, and that that offence, contrary to previous rulings and accepted practise, is not a separate and distinct offence.

The Court referred to the drafting of the section as not particularly felicitous. They stated, however, that given the history of the legislation they would expect for the purposes of the mode of trial that persons who are charged with assisting or being concerned in importing a hard drug to be treated in the same way as a defendant who is charged with importing the hard drug.

The Court did not specifically rule on whether the offence of possession with intent to supply—

another offence which is not mentioned in section 60 in its present form—is a Category B offence, rather than a Category C offence, as it has now been treated. Issues have now arisen with respect to the second offence with the argument being that elements of the offence of dealing, which offence is specifically included in the present section 60, are contained in the offence of possession with the intent to supply and that by analogy and argument this would make the offence of possession with the intent to supply also a Category B offence.

The Cayman Islands Court of Appeal, in a judgment delivered in September of this year, heard arguments on the matter and reviewed the legislative history including going back to the debate in this honourable House in 1985. The Court concluded that it was not possible to hold that there is any clear policy emerging from that debate in 1985, that the offence of dealing was intended to include the then newly created offence of possession with intent to supply.

The Court traced the legislative history, which, by way of refreshing memory on that history, I will refer to very briefly:

Until 1982, in this country all drug offences were tried summarily. The maximum sentence of imprisonment was then 15 years. In 1982, the maximum sentence was increased to the present levels of 20 years and 30 years for the more serious offences involving hard drugs. These are the offences which were specified in Part B of the Second Schedule to the principal Law.

At that time the legislation included a provision (section 25 of that Law) which enabled those liable to be sentenced to a term of imprisonment exceeding 15 years to elect trial on indictment. At the same time a new offence of possession with intent to supply was created; but it was not added to the list in Part B of the Second Schedule.

Also, in section 3(1), the principal Law was replaced by the words **“—assists or is concerned in any of such matters—”**, although this amendment was not also included in Part B of the Second Schedule. And it was at that time that the predecessor to what is now section 60 was included. And that new provision conferred rights to elect trial on indictment in respect of those then termed more serious offences in Part B of the Second Schedule. But that list, again, did not include the offence of possession with intent to supply.

In 1986, that latter offence (of possession with intent to supply) was added to the list of more serious offences in Part B of the Second Schedule and the words **“—assisting or being concerned in—”** were also added to that list. But no corresponding change was made to the list of offences described in the predecessor to section 60 of the principal Law.

Having reviewed the legislative history, the Court noted that the Summary Court has persisted over many years with the practise of trying defendants for the offence of possession with the intent to supply

in the Summary Court, rather than affording a right of election to the Grand Court. The Court concluded that there was no basis for the argument that the Court must interpret the Law in a different way from what was apparently the practise over the many years. They concluded that the legislation on the face of it meant that the offence of possession with the intent to supply is not a Category B offence.

It is anticipated that there may well be further discussion and argument on this point. There is, therefore at present, some apparent legislative uncertainty and, consequently, a need for clarification as to what the legislature actually intends.

Clause 4 of the Bill, Madam Speaker, seeks to do just this. Every possible offence would now be listed in the section and there would be no confusion as to what was meant to be omitted or included, and whether one is similar to another or contains the component parts of another.

The inchoate offences of attempting, assisting, or being concerned in, would attach to the principal offences and be of the same mode of trial. This is in accord with the ruling of the Privy Council previously mentioned.

There is one distinct change, Madam Speaker, in that it is proposed that four offences—selling, dealing in, distributing, and supplying—are now specifically stated to be Category C offences triable only in the Summary Court, rather than Category B offences. These would have no right of election.

The reason for this proposal is that, although each of these is a separate and distinct offence, there is some similarity between these offences and the offence of possession with intent to supply. It would be consistent, therefore, to have no distinction between possession with the intent to supply and those offences when it comes to mode of trial.

The proposal, therefore, is that they would, together with offences of possession and consuming, be grouped together in the same category in Part B of the proposed new section 60. The eight Category C offences would be:

- i. Selling;
- ii. Buying;
- iii. Dealing;
- iv. Supplying;
- v. Distributing;
- vi. Possessing;
- vii. Consuming;
- viii. Possession with intent to supply; or (and the proposed section continues)
- ix. Attempting, assisting or being concerned in any matter relevant to those offences.

Madam Speaker, Part A of section 60 would contain eight offences of which all would be Category B offences. Those offences are:

- i. Importing
- ii. Exporting
- iii. Producing

- iv. Storing
- v. Dispensing
- vi. Issuing a prescription
- vii. Administering; or
- viii. attempting, assisting, or being concerned in any of those matters just listed relative to a hard drug.

By this division it is sought to draw a careful and unequivocal line between the top end of importers, manufacturers and producers, and the lower but no less serious end of the scale of street supply, sharing, possessing and use.

Penalty limit: It is proposed by Clause 5 of this Bill that a third column would be added to the Schedule to increase the possible penalties in the Grand Court. Thus, on page 7 of this Bill, the third column is entitled "Conviction before the Grand Court" and there is a maximum penalty which is added for each of the categories which is different from the maximum penalties which can be imposed in the Summary Court.

There is also a proposed increase in the first line, second column of the Schedule, to increase the maximum sentence on second conviction before the Summary Court. Presently, the maximum sentence on a second or subsequent conviction before the Summary Court is also 15 years. The proposal is that on the second conviction before the Summary Court that maximum would increase to 20 years.

That is the column referring to "buying, consuming, possessing, assisting or being concerned in, or attempting two ounces or more, by way of amount, of a hard drug." On first conviction it would remain 15 years plus a fine without limit. (That is before the Summary Court). On second or subsequent conviction before the Summary Court the maximum, which is presently 15 years, would go up to 20 years. And the third column would indicate the maximum before the Grand Court.

For "selling, dealing in, distributing, supplying, dispensing, storing, issuing a prescription for, administering a hard drug of less than two ounces" on first conviction before a Summary Court it would remain, as presently, 15 years and a fine without limit. The penalty on second or subsequent conviction would remain, as presently, 20 years and fine without limit, but there is the added column which would increase the maximum penalties in the Grand Court to 25 years and a fine without limit as to the amount.

And for the final category, which is "selling, dealing in, distributing, supplying, dispensing, storing, issuing a prescription for, administering, possessing with intent to supply, importing, exporting, producing, assisting or being concerned in or attempting" in relation to "a hard drug of two ounces or more", the penalty on first conviction in Summary Court would remain as 20 years plus unlimited fine; on second conviction 30 years plus unlimited fine. But there is a third column added. The maximum penalty in the Grand Court would be 35 years plus unlimited fine.

Madam Speaker, it is hoped that the combination of these new provisions would provide a mecha-



nism whereby any person or persons involved in court proceedings of this nature would have clearly defined guidelines regarding the scope of possible punishment for each first and second drug offence depending on the venue for trial.

Finally, Madam Speaker, there are the transitional provisions which are set out in Clause 6 of this Bill. In the interest of fairness, as drafted they provide that any sentence which is to be imposed, if it is in relation to a matter that was pending before the passage of the new law should it be passed into law, any such sentence imposed should be under the old Law.

Madam Speaker, it is only the procedural provisions which would apply immediately.

The Bill therefore hopes to provide greater clarity with respect to the disposition of matters while maintaining a fair and appropriate balance with respect to the rights of all individuals. It is responsive to issues which have arisen in the courts and which have taken up a significant amount of court time, and it underscores the serious and careful approach of the Government towards crime and the delivery of justice.

I therefore commend this Bill for the consideration of this honourable House. Thank you.

**The Speaker:** Thank you, Honourable Temporary Second Official Member.

Does any other Member wish to speak?

The Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, just to ask for some clarification.

As I understand it, an accused person has the right on second or third offence to choose trial in Summary Court or trial by Grand Court. But if he chooses trial by Summary Court he cannot get the maximum sentence that is provided for if he chooses Grand Court. So why are we giving him the option to get a lower sentence by simply asking to go to Summary Court rather than Grand Court?

Maybe the Government would consider increasing the maximum penalty for the second offence to the same 25 years whichever way he gets his trial.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Just to say that these were matters that were under consideration while the present Opposition was the Government. And, therefore, we are in accord with what is being proposed.

**The Speaker:** Thank you.

Does any other Member wish to speak? [pause] Does any other Member wish to speak?

[pause] Does any other Member wish to speak? [pause]

Member for East End.

**Mr. V. Arden McLean:** Thank you.

Madam Speaker, just a clarification. Under the different categories, I see where buying two ounces or more can attract a sentence. But could the Honourable [Temporary] Second Official Member, in her winding up response, explain why less than two ounces is not listed as an offence that attracts those same sentences?

**The Speaker:** Thank you, Member for East End.

Does any other Member wish to speak? [pause]

[Second] Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you.

First of all I would like to thank the Honourable [Temporary] Second Official Member for the detailed explanation for, as one of my old ancestors would say, the "cool, calm and collected way" it was presented.

Many people would know, especially people who have been in parliament with me since 1992, that I have always said that dealing with drugs is one of the greater challenges and one of the most important things we need to head off because it can destroy us from within. I am pleased to see that they have increased some of these penalties.

There are people out there selling these drugs to our children. I do not care who it is, I have no pity on them. I am glad to see that this has come here. We must stand firm and stop thinking that these are school children out there, and help our children.

Once again, I want to say that the Honourable [Temporary] Second Official Member's presentation was very comprehensive and detailed.

**The Speaker:** Thank you.

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

If not, I call on the Honourable [Temporary] Second Official Member to exercise her right of reply.

Excuse me, before you begin, would everybody please turn off their microphones when they are not being used because when you whisper it interferes with the transmission. Thank you.

Please proceed.

**Hon. Cheryl M. Richards:** Thank you, Madam Speaker.

In response to the questions posed, first in respect of the distinction in respect of maximum penalties for Grand Court sentences, just to say that there has always traditionally been a distinction, and the

acceptance that the Grand Court, being the court of higher jurisdiction, would be able to impose higher penalties than the Summary Court.

This was an observation made in the Privy Council case mentioned, that the usual distinction was absent; the usual distinction that one would expect. So, this is an attempt, or an effort to return to the normal way with imposing a higher maximum penalty for the Grand Court.

With respect to the absence of buying, the offence of buying was not listed in section 60 of the present Misuse of Drugs Law because it was always a Category C offence and the penalty is provided in section 16(4) of the present Law, which states:

**“Notwithstanding subsection (1), whoever is guilty of an offence that-**

- a) **is contrary to section 3(1); and**
- b) **is in relation to a controlled drug that-**
  - i. **is a hard drug; and**
  - ii. **is less than two ounces in weight; and**
- c) **consists of buying, consuming, possessing, or attempting to buy, consume or possess any such drug,**

**“is on summary conviction, liable in the case of a first conviction for such an offence to a fine of ten thousand dollars and to imprisonment for seven years; and in the case of a second or subsequent conviction for any such offence to a fine of twenty thousand dollars and to imprisonment for fifteen years.”**

So, being a Category C offence, the sentence is provided for in that section and is lower than if the amount of the hard drug was in excess of two ounces.

Madam Speaker, there remains for me to thank honourable Members, those who have spoken and those who have not, for their support of this Bill which we hope will serve to make a difference in clarifying matters in relation to these cases.

Thank you.

**The Speaker:** Thank you, Temporary Second Official Member.

The question is that a Bill shortly entitled the Misuse of Drugs (Amendment) Bill, 2009, be given a Second Reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Misuse of Drugs (Amendment) Bill, 2009, given a Second Reading.**

## **Customs (Amendment) Bill, 2009**

**The Clerk:** The Customs (Amendment) Bill, 2009, Second Reading.

**The Speaker:** I call on the Honourable Third Official Member to present the Bill.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

I beg to move the Second Reading of a Bill shortly entitled, The Customs (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved, does the Member wish to speak thereto?

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

I rise to present the Bill on behalf of the Government, which is a Bill for a Law (if passed) to amend the Customs Law (2007 Revision). And the purpose of the Bill is to make provision for customs officers assigned to the Royal Cayman Islands Police Marine Unit to carry arms.

This provision is contained in Clause 2 of the Bill, and the only other clause in the Bill, Clause 1, gives the name of the proposed law, if this Bill is passed.

Madam Speaker, with the re-establishment of the joint Police/Customs Marine Unit, customs officers now regularly patrol the seas with police officers. At times they are required to intercept and board suspect vessels in dangerous circumstances and, whilst the police officers are normally armed, the customs officers do not currently have the legal authority to be equally armed. Consequently, their capacity to protect themselves or to assist their colleagues is limited and this continues to be a matter of concern to the officers.

It should also be noted that the Immigration Law was amended in 2003 to permit Immigration Officers to carry arms in the performance of their duties.

Madam Speaker, the principal Law is therefore sought to be amended in section 11(3) by deleting the word “an” and substituting the words “Subject to subsection (4), an.”

The principal Law is sought to be amended in section 11 by inserting after subsection (3) the following subsections: “(4) Where an officer is assigned to perform duties with the Royal Cayman Islands Police Marine Unit, that officer may, with the authority of the Collector [that is, the Collector of Customs] and the approval of the Commissioner of Police, carry arms in the performance of those duties.”

And what is proposed to be subsection (5), reads: “(5) For the purposes of subsection (4), the authority of the Collector and approval of the Commissioner of Police shall be given under and in accordance with the general or special directions of the Governor.”

Madam Speaker, it is important to make it crystal clear that this Bill only proposes that customs officers be allowed to carry arms when on assignment with the Royal Cayman Islands Police Marine Unit. Customs officers carrying out duties that are not in respect of the Marine Unit surveillance will not be allowed to carry arms. Therefore, the circumstances in which customs officers are proposed to be allowed by this Bill to carry arms are quite restrictive.

Madam Speaker, I would respectfully draw Members' attention to the simple proposed committee stage amendment to insert into the Bill a definition of "arms." This simple proposed amendment at committee stage has been circulated to all honourable Members.

Therefore, Madam Speaker, I commend the Customs (Amendment) Bill, 2009, to this honourable House for passage. Thank you.

**The Speaker:** Thank you.

Does any other Member wish to speak?  
[pause]

Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker, only again to ask . . . while I support the Bill, I do not support the restriction in the Bill for only marine activities because I can envisage, the way that things are going in Cayman, in the very near future customs having to combine with police units on land as well as at sea. I would therefore respectfully suggest that we may want to consider removing the restriction and leaving it open to any combined operation with the police unit or even an operation of customs on its own, with the permission of the Collector of Customs, that the customs officers could be armed.

Thank you.

**The Speaker:** Thank you.

Leader of the Opposition.

**Hon. D. Kurt Tibbetts:** Thank you.

Madam Speaker, I am in a way glad that the Member for North Side spoke before I did, because the fact of the matter is that that is one of the points needed to be made. I am certainly glad that is his view.

Madam Speaker, this is a case of better late than never. For many, many years I and many others in this legislature, including some of my colleagues that are here with me now in the Opposition, have championed the cause. Most of us, if not all of us, have had representation from these very officers over the years. And I don't mean today! It goes back many years when I first remember hearing about it.

It always was surrounded . . . even when some of us were in Cabinet (who are not there now but have been there), got into arguments (if I have to use that word) with the Official arm of Government. And let me clarify that so that no one who is sitting

here today thinks that I am fingering them. I am talking higher up than them, and also, Madam Speaker, going over to the Commissioner of Police.

I want to say this: I do not disrespect persons. But for me, personally, I would not have in this piece of legislation where the Commissioner of Police has to give permission. Not me. Not from my own experiences, because it has always been the case that that was where the problem was.

Madam Speaker, for the love of me, I could never understand when these individuals who would be going out along with the police and physically making their reports of certain incidents that occurred . . . perhaps it is safe now to say this. But I know of individuals who have said to me, *Listen, I am taking it on my own. I am taking my weapon with me for my own protection.* I am serious. And all of that has been related in private quarters to the powers that be about this situation. And, thank God, today it is in some form or fashion being rectified.

Madam Speaker, the amendment the Honourable Third Official Member briefly spoke to (which has been passed around to us) is another situation that has been the subject of many complaints prior to this with customs officers when they are dealing with certain duties of interdiction (as I may term it), and they do not even have a baton or a pair of handcuffs. And they do not [even] have a police officer beside them.

Incidents have been related to me where they have had to physically lie down on top of people and hold them down until they could get somebody to come with a pair of handcuffs (namely, a policeman). Perhaps this will help that situation also, Madam Speaker.

I have to tell you, not for one minute am I suggesting that there should not be some type of authority that gives permission. But if it is a situation where the police and customs are doing a joint effort on whatever, then there should be no reason why the Collector of Customs cannot give that permission once he knows the police are going to be armed.

What happens . . . I know somebody will say it can't happen, but I believe it can. What happens . . . of course, before I go any further, Madam Speaker, certainly any and all of those officers must be properly trained—absolutely—in the use of firearms. But what happens if the Commissioner of Police feels like they should not be armed but he still wants to carry them along too? That's not impossible. But I guess one could argue that point either side.

My view is, in the same way the Commissioner of Police has to give permission for the police, it should be the Collector of Customs for the customs; but not for the Commissioner of Police to give the Collector of Customs permission for the customs officers. That is my view.

Madam Speaker, there is a situation of . . . and I say that because there are situations—and not only here in Grand Cayman. I know of situations in

Cayman Brac and Little Cayman where there are perhaps incidents that are not a joint effort, but customs themselves . . . and I don't want to get into the whys and all of that. But customs themselves, without the police being present have had to go and deal with certain situations and information, without even a pair of handcuffs or a baton.

So you see, Madam Speaker, I am saying that while this Bill to a certain extent gives the authority required for these joint efforts, there are instances that I have known of in the past when there are efforts that are solo, meaning by customs officers alone. And surely the Collector of Customs should be in a position to make a judgment call, just like the Commissioner of Police, whether those individuals can and should be armed.

I would strongly ask the Honourable Third Official Member (who is the mover of this amending Bill) to seriously consider it along with the Government. Madam Speaker, it is not about trying to give recognition to customs officers on the same level as police officers; it is simply a matter of depending on what the operation is that the authority should, in my view, rest with the Collector of Customs.

I do not see the Collector of Customs not having as good a level of judgment as a Commissioner of Police. Certainly, the Collector of Customs and his officers have their own experiences just like the police have, both in joint operations and in operations that are related only to customs offences and in operations related only to police offences. If we look at the various points of entry which are commonplace and most commonly used, it is the Customs Department that deals with border protection in most instances, more so than the police.

Unless my point is not clear, I am not suggesting that customs officers, as a rule, be armed; I am saying that in the same way this Bill is to allow them to be armed with certain joint operations with the police, I am absolutely certain that in the past they have had their own operations. It is not all the time that you have days to plan. And it is not all the time that you have time on your hands to plan these types of operations.

In many instances what this Bill refers to is routine operations with the Marine Police and customs officers being part and parcel of that whole operation as was the case years ago. Then there was some split up. And I do not know what the internal politics of all that was, but now it is happening again. I am only saying, Madam Speaker, even if I seem repetitious it is because I want to make sure that the point is not taken lightly, that if we are going to deal with this matter we just as well deal with it right.

While the Opposition supports the Bill, we also wish for the Government to look at giving the amendment to the Customs Law some more teeth to allow the customs officers to perform their various duties with proper equipment whenever it is necessary.

Madam Speaker, this is something that we argued for while we were in Cabinet. It just seems to me (just jogging my own memory) that there is a principle which seems to be applied from those who would be either head of state or in charge of the police who do not come from these shores. I do not know what they are used to, or what their environment is, and what is inculcated in their minds. But, while no one is suggesting that everybody should be walking around like Buster Crabbe, certainly, there should be the ability given to the Collector of Customs to make that judgment call rather than have to depend on the Commissioner of Police.

It already states here, Madam Speaker, and they make sure to have that in, that "with the general or special directions of the Governor." So that's already there. And on another day maybe I would argue against that, but I am not going to argue against that one today. But, certainly Madam Speaker, the Collector of Customs should not have to have permission from the Commissioner of Police.

*[inaudible interjections]*

**The Speaker:** Honourable Member, please refrain from comments.

You may continue Leader of the Opposition.

**Hon. D. Kurt Tibbetts:** Madam Speaker, just so you are clear, and I understand why you say what you say. I am not referring to the person; I am simply referring to the wording of the Bill. That's all.

**The Speaker:** Honourable—

**Hon. D. Kurt Tibbetts:** I won't say any more, Madam Speaker.

**The Speaker:** Honourable Leader of the Opposition, I was speaking to your colleague in the back.

**Hon. D. Kurt Tibbetts:** Oh, I'm sorry. I thought you were referring to the fact that I was using the word "Governor" which was in the Bill.

Not to worry then, Madam Speaker.

Madam Speaker, I believe that the point is made and I will anxiously wait to hear what the Honourable Third Official Member will reply to with the points that have been raised by the Member for North Side and by the Opposition, and we will see where we go from here.

Thank you, Madam Speaker.

**The Speaker:** Thank you, honourable Leader of the Opposition .

Does any other Member wish to speak?

*[pause]*

Honourable Minister for Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, I would crave the indulgence of Members of the House having listened to a few of the contributions thus far, and having just heard the off-microphone comments by the Member for North Side, if you would entertain the luncheon suspension at this time so the Government can consider some of the points that have been brought and see if it would necessitate an amendment at present.

**The Speaker:** Member for East End, we cannot talk across the floor please.

*[inaudible comments and laughter]*

**The Speaker:** All questions and statements are to be directed through the Chair.

The Minister for Education has asked for the luncheon suspension at this time, and it is 10 minutes past 12. We will suspend until 1.30.

#### Proceedings suspended at 12.08 pm

#### Proceedings resumed at 2.32 pm

**The Speaker:** Proceedings are resumed. Please be seated.

When we took the break we were in the process of debating the Second Reading of the Customs (Amendment) Bill. Does any other Member wish to debate on this Bill before we proceed? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

If not, I will call on the Honourable Third Official Member to wind up.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

The Honourable Leader of the Opposition and the honourable Elected Member for North Side both gave contributions to the Bill. Over the luncheon break we took note of the observations made by those two honourable Members. At committee stage we propose to have an additional amendment to the Bill which in particular deals with the contributions made by those two honourable Members.

So, with that brief summary, I thank all honourable Members for their contributions and silent support of the Bill.

**The Speaker:** The question is that a Bill shortly entitled the Customs (Amendment) Bill, 2009, be given a Second Reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Customs (Amendment) Bill, 2009, given a Second Reading.**

**The Speaker:** The House will now go into Committee to consider both Bills.

#### House in Committee at 2.36 pm

### COMMITTEE ON BILLS

**The Chairman:** Please be seated.

The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Temporary Second Official Member and the Honourable Third Official Member to correct minor errors and such the like in these Bills?

Would the Clerk please state the first Bill and read the clauses?

#### Misuse of Drugs (Amendment) Bill, 2009

**The Clerk:** The Misuse of Drugs (Amendment) Bill, 2009.

Clause 1. Short title

**The Chairman:** The question is that Clause 1 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1 passed.**

**The Clerk:** Clause 2. Amendment of section 2 of the Misuse of Drugs Law (2000 Revision)—definitions and interpretations.

**The Chairman:** There is an amendment to Clause 2.

I call on the Temporary Second Official Member.

**Hon. Cheryl M. Richards:** Madam Chair, I beg to move that the Misuse of Drugs (Amendment) Bill, 2009, be amended in Clause 2 by deleting "(2000 Revision)" where it appears and substituting "(2009 Revision)."

**The Chairman:** The amendment has been duly moved, does any Member wish to speak thereon?

The question is that the amendment stands part of the Clause. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 2 passed.**

**The Chairman:** The question is that Clause 2 as amended stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 2, as amended, passed.**

**The Clerk:** Clause 3. Amendment of section 43—compensation.

**The Chairman:** Honourable Temporary Second Official Member.

**Hon. Cheryll M. Richards:** Thank you.

I beg to move that the Misuse of Drugs (Amendment) Bill, 2009, be amended in Clause 3 by deleting “43” wherever it appears, and substituting “31.”

**The Chairman:** The amendment has been duly moved, does any Member wish to speak thereon?

The question is that the amendment stands part of the Clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 3 passed.**

**The Chairman:** The question is that Clause 3 as amended stand part of the Bill.

Does any other Member wish to speak?  
[pause]

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 3, as amended, passed.**

**The Clerk:** Clause 4. Repeal and substitution of section 60—procedure in respect of certain offences.

**The Chairman:** Honourable Temporary Second Official Member.

**Hon. Cheryll M. Richards:** Thank you.

I beg to move that the Misuse of Drugs (Amendment) Bill, 2009, be amended in Clause 4 by deleting “60” wherever it appears, and substituting “45.”

**The Chairman:** The amendment has been duly moved. The question is that the amendment stands part of the Clause.

Does any Member wish to speak thereon?

If no one wishes to speak, I shall put the question. Those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 4 passed.**

**The Chairman:** The question is that the Clause as amended stand part of the Bill.

Does any other Member wish to speak?  
[pause]

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 4, as amended, passed.**

**The Clerk:** Clause 5. Amendment of Second Schedule—Sentences relating to the offences contrary to section 3(1) which relate to a controlled drug that is a hard drug.

**The Chairman:** Honourable Temporary Second Official Member, please.

**Hon. Cheryll M. Richards:** Thank you.

I beg to move that the Misuse of Drugs (Amendment) Bill, 2009, be amended in Clause 5 firstly, by deleting “(2000 Revision)” and substituting “(2009 Revision)”; and, secondly, in the new Part B proposed for insertion in the Second Schedule to the principal Law, by deleting “60” and substituting “45.”

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereon?

If no one wishes to speak, the question is that the amendment stand part of the Clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 5 passed.**

**The Chairman:** The question is that Clause 5 as amended stand part of the Bill.

Does any other Member wish to speak?  
[pause]

If not, the question is that Clause 5 as amended stand part of the Bill. Those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 5, as amended, passed.**

**The Clerk:** Clause 6. Savings and transitional provisions.

**The Chairman:** The question is that Clause 6 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 6 passed.**

**The Clerk:** A Bill for a Law to amend the Misuse of Drugs Law (2000 Revision) to vary the mode of trial of certain offences under the Law; to effect minor consequential changes to the Law; and to make provision for related matters.

[pause]

**The Chairman:** Temporary Second Official Member.

**Hon. Cheryl M. Richards:** Thank you, Madam Chair.

I beg to move that the Bill entitled the Misuse of Drugs (Amendment) Bill, 2009, be amended in the long title by deleting "(2000 Revision)" and substituting "(2009 Revision)"; the long title, "A Bill for a Law to amend the Misuse of Drugs Law (2009 Revision) to vary the mode of trial of certain offences under the Law; to effect minor consequential changes to the Law; and to make provision for related matters."

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?  
[pause] If not, I shall put the question.

The question is that the amendment to the long Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to the Title passed.**

**The Chairman:** The question is that the Title as amended stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title, as amended, passed.**

### **Customs (Amendment) Bill, 2009**

**The Clerk:** The Customs (Amendment) Bill, 2009. Clause 1 . Short title.

**The Chairman:** The question is that Clause 1 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1 passed.**

**The Clerk:** Clause 2. Amendment of section 11 of the Customs Law (2007 Revision)—Law enforcement.

**Hon. G. Kenneth Jefferson:** Madam Chair, before we get to Clause 2, I had respectfully circulated a proposed amendment following Clause 1.

**The Chairman:** Honourable Third Official Member, Clause 2.

**Hon. G. Kenneth Jefferson:** Thank you.

I beg to move that the Bill be amended in Clause 2(b) by deleting the currently proposed subsection (4) and substituting the following subsection (4): "Where an officer is assigned to perform duties with the Royal Cayman Islands Police Force, that officer may, with the authority of the Collector and the Commissioner of Police, carry arms in the performance of those duties."

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?  
[pause]

If not, the question is that the amendment stand part of the Clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 2 passed.**

**The Chairman:** The question is that Clause 2, as amended, stand part of the Bill.

Does any other Member wish to speak?  
[pause]

If no Member wishes to speak, I shall put the question, that Clause 2, as amended, stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 2, as amended, passed.**

**The Clerk:** [New] Clause 1A. Amendment of section 2 of the Customs Law (2007 Revision)—definitions.

**The Chairman:** Third Official Member.

**Hon. G. Kenneth Jefferson:** Thank you, Mr. Chairman.

I beg to move that the Bill be amended by inserting after Clause 1 the following [New] Clause 1A: "The Customs Law (2007 Revision) is amended in section 2 by inserting after the definition of 'apron' the following definition—'arms' means firearms as defined in the Firearms Law (2008 Revision), and includes batons and handcuffs;".

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak?  
[pause]

**Hon. D. Kurt Tibbetts:** Madam Chair.

**The Chairman:** Leader of the Opposition.

**Hon. D. Kurt Tibbetts:** Madam Chair, with your permission, I would like to seek some clarity from the Honourable Third Official Member.

I know that the proposed amendment clearly gives the definition of "arms" to include batons and handcuffs. I am wondering if there is anywhere in the Customs Law now which allows for customs officers to be able to use batons and handcuffs in any other operation outside of the one we speak to specifically in the amendment, which is, a joint operation with the RCIPS Marine Unit.

**The Chairman:** Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Chair. And thanks to the Honourable Leader of the Opposition.

Yes, in the Customs Law (2007 Revision) section 10(1) of that reads as follows: "**The Collector shall have power to provide officers with equipment, clothing, appointments, cleaning materials, insecticides, and such other things as may be necessary or expedient for the performance of their duties and, to this end, may issue customs officers with the double-lock handcuff, 22" to 24" expandable baton and defence spray.**"

**Hon. D. Kurt Tibbetts:** Okay.

**The Chairman:** Any other questions?

If no other Member wishes to speak, the question is that the [New Clause 1A] stand part of the [Bill].

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: [New] Clause 1A passed.**

**The Chairman:** The question is that the Misuse of Drugs (Amendment) Bill, 2009, and the Customs (Amendment) Bill, 2009, be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Hon. D. Kurt Tibbetts:** Madam Chair, please forgive me. I think the Second Official Member wanted to get a matter clarified just before we . . .

**Hon. Cheryl M. Richards:** Thank you, Madam Chair.

I was just inquiring whether we had referred to the long Title of the Customs Bill.

**The Chairman:** No. Thank you Second Official Member.

**The Clerk:** A Bill for a Law to amend the Customs Law (2007 Revision) to make provision for customs officers assigned to the Royal Cayman Islands Marine Unit to carry arms; and for incidental and connected purposes.

**The Chairman:** The question is that the long Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.



**Agreed: Title passed.**

**The Chairman:** The question is that Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: The Misuse of Drugs (Amendment) Bill, 2009, and the Customs (Amendment) Bill, 2009, to be reported to the House.**

**The Chairman:** The House will now resume.

### House resumed

**The Speaker:** Proceedings are resumed. Please be seated.

## REPORTS ON BILLS

### Misuse of Drugs (Amendment) Bill, 2009

**The Clerk:** The Misuse of Drugs (Amendment) Bill, 2009.

**The Speaker:** Honourable Temporary Second Official Member.

**Hon. Cheryl M. Richards:** Thank you, Madam Speaker.

I beg to report that a Bill entitled, The Misuse of Drugs (Amendment) Bill, 2009, has been examined by a Committee of the whole House and passed with the following amendments:

- In Clause 2, by deleting "(2000 Revision)" where it appears and substituting "(2009 Revision)."
- In Clause 3 by deleting "43" wherever it appears, and substituting "31."
- In Clause 4 by deleting "60" wherever it appears, and substituting "45."
- In Clause 5 by deleting "(2000 Revision)" and substituting "(2009 Revision)"; and
- The new Part B proposed for insertion in the Second Schedule to the principal Law by deleting "60" and substituting "45."
- In the long Title by deleting "(2000 Revision)" and substituting "(2009 Revision)" so that the long title now reads "A Bill for a Law to amend the Misuse of Drugs Law (2009 Revision) to vary the mode of trial of certain offences under the Law; to effect minor consequential changes to the Law; and to make provision for related matters."

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

### Customs (Amendment) Bill, 2009

**The Clerk:** The Customs (Amendment) Bill, 2009.

**The Speaker:** Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

I beg to report that a Bill shortly entitled, The Customs (Amendment) Bill, 2009, was considered by a Committee of the whole House and passed with two amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

## THIRD READINGS

### Appropriation (July 2009 to June, 2010) Bill, 2009

**The Clerk:** The Appropriation (July 2009 to June, 2010) Bill, 2009

**The Speaker:** Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Thank you, Madam Speaker.

I beg to move that a Bill shortly entitled, The Appropriation (July 2009 to June, 2010) Bill, 2009, be given a Third Reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The Appropriation (July 2009 to June, 2010) Bill, 2009, be given a Third Reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Hon. W. McKeeva Bush:** May we have a division, Madam Speaker?

**The Speaker:** Madam Clerk.

### Division No. 4/09-10

**Ayes: 11**

\*Hon. W. McKeeva Bush  
 Hon. Rolston M. Anglin  
 Hon. Michael T. Adam  
 Hon. J. Mark P. Scotland  
 Hon. Donovan W. F. Ebanks  
 Hon. Cheryl Richards  
 Hon. G. Kenneth Jefferson  
 Capt. A. Eugene Ebanks

**Noes: 0**

Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour  
Mr. D. Ezzard Miller

**Abstentions: 5**

Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden  
\*\*Mr. V. Arden McLean

*\*Hon. W. McKeeva Bush: Those who abstain can't get paid!*

*\*\*Mr. V. Arden McLean: You don't need to be paid—*

**The Speaker:** Order!

*\*Hon. W. McKeeva Bush: Those who abstain can't get paid.*

*[inaudible interjection]*

*\*Hon. W. McKeeva Bush: Maybe. I'm doing a hell of a lot more than you've been doing.*

**The Speaker:** I would not want to have to ask to remove Members from the House this evening. Please let the proceedings of the House continue without all of that, thank you.

The result of the division is 11 Ayes and 5 abstentions.

**Agreed by Majority: The Appropriation (July 2009 to June, 2010 Bill, 2009, given a Third Reading and passed.**

**Suspension of Standing Order 47**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** I move the suspension of Standing Order 47 to enable the Bills to be read a third time, the Misuse of Drugs (Amendment) Bill and the Customs (Amendment) Bill.

**The Speaker:** The question is that Standing Order 47 be suspended to enable The Misuse of Drugs (Amendment) Bill, 2009, and The Customs (Amendment) Bill, 2009, to be given a Third Reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended to enable The Misuse of Drugs (Amendment) Bill, 2009, and**

**The Customs (Amendment) Bill, 2009, to be given a Third Reading.**

**THIRD READINGS**

**Misuse of Drugs (Amendment) Bill, 2009**

**The Clerk:** The Misuse of Drugs (Amendment) Bill, 2009.

**The Speaker:** Honourable Temporary Second Official Member.

**Hon. Cheryl M. Richards:** Madam Speaker, [inaudible-microphone not on] The Misuse of Drugs (Amendment) Bill, 2009, be given a Third Reading and passed.

**The Speaker:** The question is that a Bill entitled The Misuse of Drugs (Amendment) Bill, 2009, be given a Third Reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Misuse of Drugs (Amendment) Bill, 2009, read a third time and passed.**

**Customs (Amendment) Bill, 2009**

**The Clerk:** The Customs (Amendment) Bill, 2009.

**The Speaker:** Honourable Third Official Member.

**Hon. G. Kenneth Jefferson:** Madam Speaker, I beg to move that a Bill shortly entitled, The Customs (Amendment) Bill, 2009, be given a Third Reading and passed.

**The Speaker:** The question is that a Bill entitled, The Customs (Amendment) Bill, 2009, be given a Third Reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Customs (Amendment) Bill, 2009, given a Third Reading and passed.**

**The Speaker:** There is no other business on the Order Paper for today, so I will call on the Leader of Government Business to bring a motion for the adjournment.

## ADJOURNMENT

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

A proposal for business tomorrow is Presentation of Papers and Reports, the Customs Money Declarations and Disclosure Amendment Regulations 2009, the Public Management and Finance Law (2005 Revision), the Financial (Amendment) Regulation (2009), and Government Business, Bills, the Parliamentary Pensions (Amendment) Bill, 2009, the Customs (Amendment)(No. 2) Bill, 2009, the Stamp Duty (Amendment) Bill, 2009, the Public Management and Finance (Amendment) (No. 2) Bill, 2009. Standing Orders will be suspended accordingly to deal with these matters.

Therefore, I move the adjournment of this honourable House until 10 am tomorrow. If Members talk long we will work late; if they talk short, we will get out early. The House is proposed to be on suspension on Friday.

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

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

**Ayes.**

**The Speaker:** The Ayes have it.

**At 3.21 pm the House stood adjourned until 10 am Thursday, 15 October 2009.**

**OFFICIAL HANSARD REPORT**  
**THURSDAY**  
**15 OCTOBER 2009**  
**10.38AM**  
*Fifth Sitting*

**The Speaker:** I will ask the Elected Member for East End to read Prayers.

**PRAYERS**

**Mr. V. Arden McLean:** Let us pray.

*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, honour 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 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.

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

**Apologies**

**The Speaker:** I have [received] notice of absences from the Honourable Juliana O'Connor-Connolly, Minister for District Administration, Works and Gender Affairs, and from the Honourable Cline Glidden, Deputy Speaker.

I have also received an apology from the Second Elected Member for Bodden Town, Mr. Anthony Eden, who will be arriving late.

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

**The Speaker:** I have received no statements from honourable Members or Ministers of the Cabinet.

**GOVERNMENT BUSINESS**

**BILLS**

**Suspension of Standing Orders 45, 46(1) and (2)**

**The Clerk:** Suspension of Standing Orders 45 and 46(1) and (2) to enable the Parliamentary Pension (Amendment) Bill, 2009; the Customs (Amendment) (No.2) Bill, 2009; the Stamp Duty (Amendment) Bill, 2009; the Public Management and Finance (Amendment) (No. 2) Bill, 2009 and the Public Service Management (Amendment) Bill, 2009 to be read a first time.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I move the suspension of Standing Orders 45 and 46(1) and (2) to do as intimated by the Clerk.

**The Speaker:** The question is that Standing Orders 45 and 46(1) and (2) be suspended.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Orders 45, 46 (1) and (2) suspended to enable the Parliamentary Pension (Amendment) Bill, 2009; the Customs (Amendment) (No.2) Bill, 2009; the Stamp Duty (Amendment) Bill, 2009; the Public Management and Finance (Amendment) (No. 2) Bill, 2009 and the Public Service Management (Amendment) Bill, 2009 to be read a first time.**

## FIRST READINGS

### Parliamentary Pensions (Amendment) Bill, 2009

**The Speaker:** The Parliamentary Pensions (Amendment) Bill, 2009, is deemed to have been read a first time and is set down for Second Reading.

### Customs (Amendment) (No.2) Bill, 2009

**The Speaker:** The Customs (Amendment) (No.2) Bill, 2009, is deemed to have been read a first time and is set down for Second Reading.

### Stamp Duty (Amendment) Bill, 2009

**The Speaker:** The Stamp Duty (Amendment) Bill, 2009 is deemed to have been read a first time and is set down for Second Reading.

### Public Management and Finance (Amendment) (No.2) Bill, 2009

**The Speaker:** The Public Management and Finance (Amendment) (No.2) Bill, 2009 is deemed to have been read a first time and is set down for Second Reading.

### Public Service Management (Amendment) Bill, 2009

**The Speaker:** The Public Service Management (Amendment) Bill, 2009 is deemed to have been read a first time and is set down for Second Reading.

### Suspension of Standing Order 46(4)

**The Speaker:** I recognise the Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I move the suspension of Standing Order 46(4) to enable the Bills on the Order Paper to be read a second time.

**The Speaker:** The question is that Standing Order 46(4) be suspended to allow the Bills on the Order Paper to be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(4) suspended.**

## SECOND READINGS

### Parliamentary Pensions (Amendment) Bill, 2009

**The Clerk:** The Parliamentary Pensions (Amendment) Bill, 2009.

**The Speaker:** I recognise the Honourable First Official Member.

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

Madam Speaker, I beg to move the Second Reading of a Bill for a Law to amend the Parliamentary Pensions Law, 2004.

**The Speaker:** The Bill has been duly moved and is open for debate. Does the Honourable First Official Member wish to speak thereto?

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

Madam Speaker, the pension benefits for Parliamentarians and indeed for the holder of your good office, that of the Speaker, are prescribed by the Parliamentary Pensions Law, 2004. This Law was passed by this honourable House on 29 July 2004, and gazetted on 23 August 2004. I will come back to those dates a bit later on because they do have some significance.

The Parliamentary Pensions Law, 2004, repealed and replaced the then Parliamentary Pensions Law, which was originally enacted in 1984. The most significant changes introduced in the 2004 Law could perhaps be summarised as follows:

- The qualifying period of service for a participant to become eligible for a pension was reduced from a total of six years to a total of four.
- There was the introduction of a provision to allow a participant (be that a Member or a person serving in office as Speaker) who is eligible to claim a pension to do so whether that individual is still serving or not.

So, if someone qualifies to claim his pension, whether or not he is still serving in his elected or appointed capacity, the individual can do so; and, having done so, he can then become a defined contribution participant. Or a person who has been a Member and has served the required minimum time, and has reached the required minimum age, may claim a pension and, if re-elected after having claimed a pension, or reappointed to the office of Speaker after having claimed a pension, would also become a defined contribution participant.

Essentially, the amendment reflected the fact that careers in this honourable House, unlike those in the broader community that we serve, can often be intermittent; that they are seldom of sustained dura-

tion from commencement until one permanently retires from the arena.

The other significant changes that were introduced in 2004 were various administrative provisions which reflected the introduction of the provisions for the Public Service Pensions Board established under the Public Service Management Law to administer the pension benefits of the participants in the Parliamentary Pensions Plan, as well as it currently does in relation to both public servants and members of the Judiciary.

What the Parliamentary Pensions Law, 2004, did not do was alter the provision that all participants, elected or appointed, [were] enrolled initially (following election or appointment) in a Defined Benefits Plan. And so, as the Law currently stands, anyone elected or appointed for the first time to the Office of Speaker is enrolled in a Defined Benefit Plan.

Madam Speaker, a Defined Benefit Plan is one where the individual's pension entitlement is essentially determined by the period of service and the earnings towards the end of that service. And they were the traditional form of pension provision and fairly commonly simply funded from revenue. The establishment of dedicated funds to address these pension commitments in organisations, whether in Government or in the private sector, and the recognition of the substantial levels of contributions that were required in order to be able to fulfill the obligations under such defined benefit plans has generally led to the discontinuation of the offering of such plans and their replacement by what are referred to as Defined Contribution Plans.

Madam Speaker, Defined Contribution Plans, on the other hand, do not provide benefits related either to term or to remuneration at the end of that term, but benefits are based on what has been contributed to the Plan, how well it has appreciated, how well those contributions have been managed, invested wisely and, hopefully, increased in value.

Obviously, because their contributions are commonly a percentage of earnings, there is an indirect linkage to earnings and one would expect that those at higher earnings would at the end of the day, having contributed more, enjoy correspondingly more lucrative pensions than those who were at a lower salary band.

Madam Speaker, this is essentially what the Government did 10 years ago in respect of public service pension benefits when, under the Public Service Pensions Law, all new employees were required to be enrolled in a Defined Contribution Plan. And those persons who had been previously employed and enrolled in a Defined Benefits Plan retained that entitlement; but all new hires went into a Defined Contribution Plan. It is also the form of pension the National Pensions Law (which was enacted around the same time) provides for within the private sector.

And so, Madam Speaker, against this background, where all Caymanians who have been em-

ployed in either the private sector or the public sector over the past 10 years or so would now be enrolled in a Defined Contribution Plan, and being mindful of the lower costs and, thus, the financial benefit of operating a Defined Contribution Plan, this Bill now seeks to amend the Parliamentary Pensions Law, 2004, to provide for any person elected to this honourable House or appointed to the post of Speaker, for the first time after the commencement of this amending legislation to become a Defined Contribution participant.

It in no way (as mentioned just now as had been applied to the public service) seeks to distract from or reduce the benefit of current participants; it applies only to persons who become participants for the first time after the date of the amendment coming into effect.

Madam Speaker, the Bill, if approved and brought into law, would bring, firstly, parity between what is provided in the broader community under the National Pensions Law; what provides in the public service (and has been provided for the last 10 years since the current Public Service Pensions Law was enacted in 1999) where all new entrants go into a Defined Contribution Plan; what provides in the Judiciary Pension Plan, where all new entrants go in as Defined Contribution participants; and it would bring the Parliamentary Plan in line with all of those other existing pension systems.

Secondly, it would obviously reduce the ultimate cost to Government in funding the provision of pension benefits. That was the driver behind the change for the public service and, certainly, is a benefit that would be realised here. Related to that would be the reduction in the ongoing need to mitigate against a risk of having enough funds to meet an obligation at the end of an individual's period of service, and, certainly from a timing perspective, would make it clear and well known to all future aspirants to these hallowed Chambers what the new arrangements would be long before they perhaps considered whether to seek such office.

I mentioned at the outset the date that the Law was passed (in late July 2004) and gazetted (in late August 2004). I am sure that we are all mindful of that transpired in September 2004. And while the 2004 Law provided for the enactment of Regulations to give effect to the various provisions in the Law, unfortunately those regulations were not enacted in what would have been the normal timeframe one would have expected (a few months after the Law was passed), and, in turn, have unfortunately never been enacted.

Madam Speaker, I always tell people I am not a fan of history. That is why I opted to study engineering. If I were a fan of history I might have studied Law like some persons in here.

I guess various factors contributed to that. The reality is that regulations have been prepared, are now poised to be implemented, but there is a further provision that Members will see in the Bill which seeks

to amend the Law to allow for the provisions of the regulations to be made retroactive in order to ensure that anyone to whom they should apply would not suffer any disability or loss by virtue of them not having been in effect in a more timely manner.

And, Madam Speaker, as it transpires, there has been at least one participant, who has been participating I think perhaps more in the Defined Contribution Plan over the last few years, having claimed entitlements under the Defined Benefits Plan. And so, the regulations have to empower the Public Service Pension Board, as administrators of the Plan, to deal with the benefits of those persons who were contributing obviously before the regulations came into effect.

The purpose of the amendment proposed in clause 3 is intended to empower the Cabinet (who make the regulations) to make them with that retrospective consideration so as not to jeopardise or reduce the benefits of those people who would have been participating in the Defined Contribution Plan before the regulations were brought into effect.

Madam Speaker, those are effectively what the two substantive clauses of the Bill seek to do: 1) to provide that any person who is elected to the Assembly or who is appointed Speaker for the first time after the date of the commencement of this amendment, if successful, would become a Defined Contribution participant; and 2) that “. . . if the Governor in Cabinet is satisfied that it is equitable that a regulation should have retrospective effect in order to confer a benefit on or remove a disability attaching to any person or class of persons, the regulation may be given retrospective effect for that purpose unless the regulation as amended would reduce the benefit of a participant as accrued prior to such amendment.”

Madam Speaker, I trust that Members have been able to grasp the extent and purpose of the proposed amendments. I crave their support and would be happy to hear any observations or questions they may have.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable First Official Member.

Does any other Member wish to speak?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Madam Speaker, I rise in support of the Bill. However, I must say that if I had been a parliamentarian in 2004, I would never have supported the switch from defined benefits to defined contributions because I think there is substantial loss of value between the two pensions. However, the First Official Member is quite correct in that the Law as drafted does carry within it sufficient preservation of those who would not benefit.

As I understand, the big difference between a Defined Benefit and Defined Contribution Plan is that a Defined Benefit stipulates on an agreed formula what one's pension would be from the date one retires until death do us part; and in a Defined Contribution the benefit paid is also on an agreed calculated formula, but it only lasts until the funds that have been contributed minus what has been lost by investments and/or any addition to those through investments. But, when the funds run out the pension stops.

So, unless we are going to put in here . . . I would draw the Member's attention to [section] 26(3)(a), and I believe there may be need for some consequential amendment which clarifies the fact that a Defined Contribution Pension is not guaranteed for life, otherwise we have to put in some kind of caveat where the additional funding would come from—whether from Government treasury or whatever—if one happens to outlive one's monthly contribution, in order to maintain a pension.

I believe there may be need for a consequential amendment there that says that those who retain their parliamentary pension under a Defined Benefit Plan . . . the clause is correct; but those who will now go into a Defined Contribution Plan can only expect to get whatever pension the formula calculates for them until the funds run out.

I believe that's a . . . I invite the Government and the Member to look . . . I mean, I could be wrong, I'm not an expert on pensions. But I did have a little bit to do, when I was here the last time, with the introduction of various pension legislations. And I believe it is important that Members realise that important difference between a Defined Benefit Plan, under which one purchases on an agreed formula, usually on the service divided by an agreed number of total months in relation to one's final salary in a Defined Benefit.

In a Defined Contribution, whether you take your cash and buy an annuity, which you purchase a monthly pension for X number of years—and there are formulas which actuaries use to try and predict your lifespan. And In most instances you may outlive the contributions that you have asked for and then they can go to your surviving spouse or beneficiary. But I believe we need to address the fact of the possibility.

Quite frankly, the rate at which parliamentarians contribute as a percentage of their salary multiplied by the length of time they are likely to be here, is not going to be a great sum of money when one reaches 55, because the average length of service here is not like the 20 or 30 odd years of the Leader of Government Business; the average service is much closer to one or two terms.

So, if one multiplies that in terms of what your total contribution is going to be based on—and we all pray that we don't retire this year when we have had great financial meltdown . . . and most of us who are in Defined Contribution Plans have lost somewhere

between 45 and 60 per cent of the value of our pensions. If one retires now the pension one is likely to be able to purchase through an annuity is not likely to be a great deal.

So, I would just invite the Government to look at that clause because I believe we need to put protection in there one way or the other from those people who get a Defined Contribution that they understand that it is not going to be for life. And, secondly, that the Government will not be called on at some later date to fund these Defined Contribution Plans.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Elected Member for North Side.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If no other Member wishes to speak does the honourable mover wish to exercise his right of reply?

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

Madam Speaker, I would like to thank the Member for his comments and the concerns he expressed. Those will be considered.

As the Law now prescribes, the Defined Contribution part of the plan is to be administered by the regulations I referred to earlier which have been prepared. But I will seek to have his concerns addressed relative to those regulations and see how they can best be accommodated.

Those regulations, in turn, Madam Speaker, are subject to affirmative resolution by this Parliament, and so I will obviously have to bring them here for that purpose.

I am grateful for the input, for the comments he made and we will take those into consideration. And I wish to thank other Members for their implied support.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable First Official Member.

The question is that a Bill shortly entitled, The Parliamentary Pensions (Amendment) Bill, 2009, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Parliamentary Pensions (Amendment) Bill, 2009, given a second reading.**

**Customs (Amendment) (No.2) Bill, 2009**

**The Clerk:** The Customs (Amendment) Bill, 2009

**The Speaker:** I call on the Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Madam Speaker, I beg to move the Second Reading of a Bill entitled, The Customs (Amendment) (No.2) Bill, 2009.

**The Speaker:** The Bill has been duly moved and is open for debate. Does the honourable mover wish to speak thereto?

Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I rise to present the Bill on behalf of the Government, a Bill for a Law to amend the Customs Law (2007 Revision).

Madam Speaker, this Bill seeks to effect various amendments which are as a consequence of the creation of the constitutional office of Minister charged with responsibility for Finance; and to make provisions for incidental and connected matters.

Madam Speaker, clause 1 of the Bill provides the short title and makes provision in respect of the commencement of the legislation.

Clause 2 amends section 74(2)(a) of the principal Law to enable a bond for the observance of a condition imposed by Customs to be taken on behalf of the Minister responsible for Finance instead of the Financial Secretary.

Clause 3 contains transitional provisions.

So, Madam Speaker, I commend the Customs (Amendment) (No.2) Bill, 2009, to this honourable House.

**The Speaker:** Thank you, Honourable Leader of Government Business.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If no other Member wishes to speak, I call on the Honourable Leader of Government Business to exercise his right of reply.

**Hon. W. McKeever Bush:** Madam Speaker, I suspect that these Bills will go without debate.

I thank Members for their support.

**The Speaker:** The question is that the Bill shortly entitled the Customs (Amendment) (No.2) Bill, 2009, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.



**Agreed: The Customs (Amendment) (No.2) Bill, 2009, given a second reading.**

**Stamp Duty (Amendment) Bill, 2009**

**The Clerk:** The Stamp Duty (Amendment) Bill, 2009.

**The Speaker:** I call on the Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, this Bill for a Law to amend the Stamp Duty Law (2007 Revision) is to effect various amendments which are consequential upon the creation of the constitutional office of Minister charged with responsibility for Finance; and to make provisions for incidental and connected matters.

Clause 1 of the Bill provides the short title and makes provision in respect of the commencement of the legislation.

Clause 2 amends section 2 of the principal Law to delete from the legislation the definition of the term "Financial Secretary" and to insert a definition of the term "Minister of Finance" which means "the Minister charged with responsibility for Finance under section 54 of Schedule 2 to the Cayman Islands Constitution Order 2009."

Clause 3 amends section 4 of the principal Law to provide that the Minister of Finance (instead of the Financial Secretary) has the care and management of the collection of stamp duty.

Clause 4 of the Bill amends the Schedule to the principal Law to enable the Minister of Finance (instead of the Financial Secretary) to impose conditions in respect of stamp duty concessions relating to conveyance for owner-occupied homes.

Clause 5 contains transitional provisions.

Madam Speaker, I therefore commend the Stamp Duty (Amendment) Bill, 2009, to this honourable House.

**The Speaker:** Thank you, Honourable Leader of Government Business.

The Bill has been duly moved and is open for debate. Does any Member wish to speak? Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

If no other Member wishes to speak, I call on the Leader of Government Business to reply.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I thank Members for their support.

**The Speaker:** The question is that the Bill shortly entitled, The Stamp Duty (Amendment) Bill, 2009, be given a second reading.

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

**Ayes.**

**Agreed: The Stamp Duty (Amendment) Bill, 2009, given a second reading.**

**Public Management and Finance (Amendment) (No.2) Bill, 2009**

**The Clerk:** The Public Management and Finance (Amendment) (No.2) Bill, 2009.

**The Speaker:** I call on the Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the Second Reading of a Bill entitled, The Public Management and Finance (Amendment) (no.2) Bill, 2009.

**The Speaker:** The Bill has been duly moved and is open for debate. Does the mover wish to speak thereto?

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

The primary purpose of this amendment is to effect the necessary amendment to references to the Financial Secretary in the Public Management and Finance Law consequential to the creation under the new Constitution of Minister charged with responsibility for Finance.

Therefore, Madam Speaker, as enumerated in the Memorandum of Objects and Reasons to the Bill, clause 3 of the Bill substantively deals with the replacement of the "Financial Secretary" with the "Minister responsible for Finance" in the appropriate instances.

The Bill also amends the nomenclature of the existing Law in two other areas. One effects the change from "chief officer of the Portfolio of Finance and Economics" to "chief officer (Public Finance)" and transfers responsibility for certain technical determinations and functions from the Financial Secretary to that officer. This is dealt with in clauses 4, 5, 6 and 11 of the Bill.

The second effects the change from "Portfolio of Finance and Economics" to the "Ministry responsible for Finance," and is dealt with in clauses 2, 6 and 7 of the Bill.

Clause 13 provides transitional provisions in relation to the consequential amendments.

Madam Speaker, the opportunity is also being taken in clause 10 of the Bill to clarify section 60(c) of

the Law that covers the powers and duties of the Auditor General.

Clause 10 of the Bill empowers the Auditor General to conduct value for money audits into the financial dealings of various entities and has the same powers and duties given to the Auditor General under the Constitution.

Madam Speaker, this short Bill is required to confirm the current Public Management and Finance Law to the provisions of the new Constitution, which is being brought into force on 6 November [2009], to ensure an orderly transition to a Minister responsible for Finance. I therefore commend the Public Management and Finance (Amendment) (No.2) Bill, 2009, to this honourable House.

**The Speaker:** Thank you, Honourable Leader of Government Business.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If no other Member wishes to speak, I call on the Honourable Leader of Government Business to exercise his right of reply.

**Hon. W. McKeever Bush:** Madam Speaker, just to thank Members for their silent support. But also to thank the Honourable Financial Secretary and the staff in the various departments who have been at work since May to bring these [Bills], and I believe there are a number of other [bills] which might be brought to give effect to certain changes in the new Constitution on the appointed day.

So, I would just like to thank various civil servants for their assistance in these matters.

**The Speaker:** The question is that the Bill shortly entitled, The Public Management and Finance (Amendment) (No.2) Bill, 2009, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Public Management and Finance (Amendment) (No. 2) Bill, 2009, given a second reading.**

**Public Service Management (Amendment) Bill,  
2009**

**The Clerk:** The Public Service Management (Amendment) Bill, 2009.

**The Speaker:** I call on the Honourable Leader of Government Business.

[pause]

**Hon. W. McKeever Bush:** Madam Speaker, sorry for that delay. I was discussing the matter with the Honourable Chief Secretary who will be taking that Bill.

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

Madam Speaker, the Public Service Management (Amendment) Bill, 2009 (along the lines of the bills previously presented by the Honourable Leader of Government Business), seeks to amend the Public Service Management Law to make a number of changes that are necessary to facilitate the coming into force of the Cayman Islands Constitution Order, 2009.

Those changes predominately relate to changes in titles of various offices and the recognition of certain new offices. Certainly the office of the "Director of Public Prosecutions" is one that comes to mind. But they are all essentially of a title and nomenclature nature and do not in any way substantially alter the provisions of The Public Service Management Law. Thank you.

**The Speaker:** Thank you, Honourable First Official Member.

The Bill has been duly moved and is open for debate. Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If not, I call on the Honourable First Official Member to exercise his right of reply.

**Hon. Donovan W. F. Ebanks:** Madam Speaker, just to thank Members for their implied support. Thank you.

**The Speaker:** The question is that the Bill shortly entitled the Public Service Management (Amendment) Bill, 2009, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Public Service Management (Amendment) Bill, 2009, given a second reading.**

**The Speaker:** The House will now go into committee to consider these Bills.

**House in Committee at 11.33 am**

## **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses?

### **Parliamentary Pensions (Amendment) Bill, 2009**

**The Clerk:**

Clause 1 Short title.

Clause 2 Amendment of section 27 [of] the Parliamentary Pensions Law, 2004— participation upon re-election to the Legislative Assembly, to Cabinet, etc.

Clause 3 Amendment of section 42 of the Parliamentary Pensions Law (2004 Revision)— regulations.

**The Chairman:** The question is that clauses 1 through 3 do stand part of the Bill.

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

**Ayes.**

**The Clerk:** The Ayes have it.

**Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a Law to amend the Parliamentary Pensions Law 2004; and for incidental and connected Purposes.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title Passed.**

### **Customs (Amendment) (No.2) Bill, 2009**

**The Clerk:**

Clause 1 Short title and commencement

Clause 2 Amendment of section 74 of the Customs Law (2007 Revision)—bonds and security

Clause 3 Transitional provisions

**The Chairman:** The question is that clauses 1 through 3 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a Law to amend the Customs Law (2007 Revision) as a consequence of the creation of the Constitutional Office of Minister charged with responsibility for Finance; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

### **Stamp Duty (Amendment) Bill, 2009**

**The Clerk:**

Clause 1 Short title and commencement

Clause 2 Amendment of section 2 of the Stamp Duty Law (2007 Revision)—definitions.

Clause 3 Amendment of section 4—Commissioner

Clause 4 Amendment of Schedule—rates of duty

Clause 5 Transitional provisions

**The Chairman:** The question is that clauses 1 through 5 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 5 passed.**

**The Clerk:** A Bill for a Law to amend the Stamp Duty Law (2007 Revision) as a consequence of the creations of the Constitutional Office of Minister charged with responsibility for Finance; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**Public Management and Finance (Amendment)  
(No.2) Bill, 2009**

**The Clerk:**

- Clause 1 Short title and commencement
- Clause 2 Amendment of section 2 of the Public Management and Finance Law (2005 Revision)—definitions
- Clause 3 Amendment of miscellaneous provisions of the principal Law—transfer of powers from the Financial Secretary to the Minister of Finance
- Clause 4 Amendment of miscellaneous provisions of the principal Law—transfer of powers from the Financial Secretary to the chief officer (Public Finance) of the ministry responsible for finance
- Clause 5 Amendment of section 27—information to be included in forecasts

**The Chairman:** The question is that clauses 1 through 5 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 5 passed.**

**The Clerk:**

- Clause 6 Amendment of miscellaneous provisions of the principal Law—change of names
- Clause 7 Amendment of section 35—power to make regulations
- Clause 8 Amendment of section 42—annual budget statement
- Clause 9 Amendment of section 58—independence of Auditor-General
- Clause 10 Amendment of section 60—powers and duties of Auditor-General
- Clause 11 Amendment of section 72—deposit of trust assets consisting of money
- Clause 12 Amendment of section 74—unclaimed trust assets

**The Chairman:** The question is that clauses 6 through 12 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 6 through 12 passed.**

**The Clerk:** Clause 13 Transitional provisions.

**The Chairman:** The question is that clause 13 stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 13 passed.**

**The Clerk:** A Bill for a Law to amend the Public Management and Finance Law (2005 Revision) as a consequence of the creation of the Constitutional Office of Minister charged with responsibility for Finance; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**Public Service Management (Amendment) Bill,  
2009**

**The Clerk:**

- Clause 1 Short title and commencement.
- Clause 2 Amendment of section 1 of the principal Law—short title and commencement
- Clause 3 Amendment of section 2—definitions and interpretation
- Clause 4 Amendment of section 2—definitions and interpretation
- Clause 5 Amendment of section 5—Public Servant's Code of Conduct
- Clause 6 Amendment of section 6—personnel authorities of Governor
- Clause 7 Amendment of section 7—Governor may delegate employment powers
- Clause 8 Amendment of section 9—appointment of Official Members

**The Chairman:** The question is that clauses 1 through 8 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 8 passed.**

**The Clerk:**

- Clause 9 Amendment of section 12—dismissal or early retirement of Official Members
- Clause 10 Amendment of section 15—duties of Head of Civil Service
- Clause 11 Amendment of section 16—performance agreement responsibilities of Head of the Civil Service
- Clause 12 Amendment of section 17—performance agreement responsibilities of Head of the Civil Service
- Clause 13 Amendment of section 18—salaries of certain posts

**The Chairman:** The question is that clauses 9 through 13 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 9 through 13 passed.**

**The Clerk:**

- Clause 14 Amendment of section 22—political pressure from Ministers and Official Members
- Clause 15 Amendment of section 23—political pressure from Members of Legislative Assembly
- Clause 16 Amendment of section 24—duties of Portfolio of Civil Service
- Clause 17 Insertion of section 36A—procedure for appointing Director of Public Prosecution

**The Chairman:** The question is that clauses 14 through 17 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 14 through 17 passed.**

**The Clerk:**

Clause 18 Amendment of section 37—remuneration and terms and conditions of employment of Auditor General and Complaints Commissioner

Clause 19 Insertion of section 37A—remuneration and terms and conditions of Information Commissioner

**The Chairman:** The question is that clauses 18 and 19 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 18 and 19 passed.**

**The Clerk:**

- Clause 20 Amendment of section 38—dismissal and early retirement of Auditor General, Director of Public Prosecution and Complaints Commissioner
- Clause 21 Insertion of sections 38A and 38B—term of office and removal of Information Commissioner; sections 30, 31 and 32 apply to Director of Public Prosecution
- Clause 22 Amendment of section 41—procedures and requirements for appointment
- Clause 23 Amendment of section 44—power to discipline, dismiss, retire staff early or otherwise terminate
- Clause 24 amendment of section 63—provisions relating to Portfolio of Legal Affairs
- Clause 25 Amendment of section 69—offences

**The Chairman:** The question is that clauses 20 through 25 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 20 through 25 passed.**

**The Clerk:** A Bill for a Law to amend the Public Service Management Law (2007 Revision) to revise that Law in light of the Cayman Islands Constitution Order 2009 and the Freedom of Information Law (2007 Revision); and for incidental and connected purposes.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**The Chairman:** The question is that the Bills considered in Committee be reported to the House.

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

**Ayes.**

**Agreed: The Bills to be reported to the House.**

**The Chairman:** The House will now resume.

**House Resumed at 11.40 am**

**The Speaker:** Please be seated.  
Reports on Bills.

## **REPORTS ON BILLS**

### **Parliamentary Pensions (Amendment) Bill, 2009**

**The Clerk:** The Parliamentary Pensions (Amendment) Bill, 2009.

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

Madam Speaker, I beg to report that a Bill entitled the Parliamentary Pensions (Amendment) Bill, 2009, was considered by a Committee of the whole House and approved without amendments.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Customs (Amendment) (No.2) Bill, 2009**

**The Clerk:** The Customs (Amendment) (No. 2) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, thank you.

I beg to report that a Bill entitled, A Bill [for a Law] to amend the [Customs Law (2007 Revision)] as a consequence of the creation of the constitutional office of Minister charged with responsibility for Finance; and to make provisions for incidental and connected matters was considered in Committee with no change and is now ready for a third Reading.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Stamp Duty (Amendment) Bill, 2009**

**The Clerk:** The Stamp Duty (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to report that a Bill entitled the Stamp Duty (Amendment) Bill, 2009, was considered in Committee with no change and is now ready for a third reading.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Public Management and Finance (Amendment) (No.2) Bill, 2009**

**The Clerk:** The Public Management and Finance (Amendment) (No. 2) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to report that a Bill entitled the Public Management and Finance (Amendment) (No.2) Bill, 2009, was considered in Committee with no change and is now ready for a third reading.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Public Service Management (Amendment) Bill, 2009**

**The Clerk:** The Public Service Management (Amendment) Bill, 2009.

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks:** Madam Speaker, I beg to report that a Bill entitled the Public Service Management (Amendment) Bill, 2009, was considered by a Committee of the whole House and approved without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Suspension of Standing Order 47**

**Hon. W. McKeeva Bush:** Madam Speaker, I move the suspension of Standing Order 47 to enable the Bills on the Order Paper to be read a third time.

**The Speaker:** The question is that Standing Order 47 be suspended to enable the Bills [on the Order Paper] to be read a third time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended to enable the Parliamentary Pensions (Amendment) Bill, 2009, the Customs (Amendment) (No. 2) Bill, 2009, the Stamp Duty (Amendment) Bill, 2009, the Public Management and Finance (Amendment) (No. 2) Bill, 2009, and the Public Service Management (Amendment) Bill, 2009, to be read a third time.**

### THIRD READINGS

#### Parliamentary Pensions (Amendment) Bill, 2009

**The Clerk:** The Parliamentary Pensions (Amendment) Bill, 2009.

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks:** Madam Speaker, I beg to move that a Bill entitled the Parliamentary Pensions (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Parliamentary Pensions (Amendment) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The Parliamentary Pensions (Amendment) Bill, 2009, has been read a third time and passed.

**Agreed: The Parliamentary Pensions (Amendment) Bill, 2009 given a third reading and passed.**

#### Customs (Amendment) (No.2) Bill, 2009

**The Clerk:** The Customs (Amendment) (No. 2) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to move that a Bill entitled the Customs (Amendment) (No. 2) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Customs (Amendment) (No. 2) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The Customs (Amendment) (No. 2) Bill, 2009, has been given a third reading and passed.

**Agreed: The Customs (Amendment) (No. 2) Bill, 2009 given a third reading and passed.**

#### Stamp Duty (Amendment) Bill, 2009

**The Clerk:** The Stamp Duty (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move that a Bill entitled the Stamp Duty (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Stamp Duty (Amendment) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The Stamp Duty (Amendment) Bill, 2009, has been given a third reading and passed.

**Agreed: The Stamp Duty (Amendment) Bill, 2009 given a third reading and passed.**

#### Public Management and Finance (Amendment) (No.2) Bill, 2009

**The Clerk:** The Public Management and Finance (Amendment) (No. 2) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move that a Bill entitled the Public Management and Finance (Amendment) (No. 2) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Public Management and Finance (Amendment) (No. 2) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The Public Management and Finance (Amendment) (No. 2) Bill, 2009, has been given a third reading and passed.

**Agreed: The Public Management and Finance (Amendment) (No. 2) Bill, 2009 given a third reading and passed.**

**Public Service Management (Amendment)  
Bill, 2009**

**The Clerk:** The Public Service Management (Amendment) Bill, 2009.

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks:** Madam Speaker, I beg to move that a Bill entitled the Public Service Management (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Public Service Management (Amendment) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The Public Service Management (Amendment) Bill, 2009, has been read a third time and passed.

**Agreed: The Public Service Management (Amendment) Bill, 2009, given a third reading and passed.**

**The Speaker:** There is no further business on the Order Paper for today. I now call on the Leader of Government Business to move the motion for adjournment.

**ADJOURNMENT**

**Hon. W. McKeeva Bush:** Madam Speaker, thank you very much.

Madam Speaker, we will not be meeting tomorrow, instead the House will meet on Monday, God willing. Therefore, I move the adjournment of this honourable House until Monday at 10 am.

**At 11.50 am the House stood adjourned until Monday, 19 October 2009, at 10 am.**





**OFFICIAL HANSARD REPORT**  
**MONDAY**  
**19 OCTOBER 2009**  
**11.20 AM**  
*Sixth Sitting*

**The Speaker:** I will ask the Honourable Minister responsible for Health, Environment, Youth, Sports and Culture to say Prayers.

**PRAYERS**

**Hon. J. Mark P. Scotland:** Let us pray.

*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, honour 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.

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

**The Speaker:** There are no messages or announcements.

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

**The Speaker:** I have received no notice of statements by honourable Members and Ministers of Cabinet.

**GOVERNMENT BUSINESS**

**MOTIONS**

**Suspension of Standing Order 24(5)**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I move the suspension of Standing Order 24(5) to enable a Government Motion and a Private Member's Motion to be dealt with during the current Meeting. Those motions will soon be tabled.

**The Speaker:** Thank you, Honourable Leader of Government Business.

The question is that Standing Order 24(5) be suspended to enable a Government Motion and Private Member's Motion to be dealt with during the current Meeting. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 24(5) suspended.**

**BILLS**

**Suspension of Standing Order 46(1) and (2)**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I move the suspension of Standing Order 46(1) and (2) to enable The Patents and Trade Marks (Amendment) Bill, 2009, and The Securities Investment Business (Amendment) Bill, 2009, to have a first reading.

**The Speaker:** The question is that Standing Order 46(1) and (2) be suspended to enable The Patents and Trade Marks (Amendment) Bill, 2009, and The Securities Investment Business (Amendment) Bill,

2009, to be read a first time. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(1) and (2) suspended.**

## FIRST READINGS

### Patents and Trade Marks (Amendment) Bill, 2009

**The Clerk:** The Patents and Trademarks (Amendment) Bill, 2009.

**The Speaker:** The Patents and Trade Marks (Amendment) Bill, 2009, is deemed to have been read a first time and is set down for Second Reading.

### Securities Investment Business (Amendment) Bill, 2009

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2009.

**The Speaker:** The Securities Investment Business (Amendment) Bill, 2009, is deemed to have been read a first time and is set down for Second Reading.

### Suspension of Standing Order 46(4)

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I move the suspension of Standing Order 46(4) in order for the two Bills on the Order Paper to have a second reading.

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the two Bills on the Order Paper to be read a second time. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(4) suspended.**

## SECOND READINGS

### Patents and Trade Marks (Amendment) Bill, 2009

**The Clerk:** The Patents and Trade Marks (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to move the Second Reading of a Bill entitled The Patents and Trade Marks (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved and is open for debate. Does the Honourable Leader of Government Business wish to speak thereto?

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I rise to present a Bill for a Law to amend The Patents and Trade Marks Law (2007 Revision).

Madam Speaker, as a result of the Government's agreed revenue package associated with the 2009/2010 Budget, this Bill seeks to change miscellaneous fees and incidental and connected matters.

Clause 1 of the Bill provides the short title and makes provision in respect of the commencement of the legislation which will be 1 January 2010.

Clauses 2 and 3 of the Bill provide for (a) an increase in annual fees and application fees, relating to patents and trade marks; (b) an increase in fees payable for searches in the Registry of patents and trade marks; and (c) the imposition of a penalty, if an annual fee is not paid before 1 March in each year.

Finally, clause 4 of the Bill contains transitional provisions.

I therefore commend The Patents and Trade Marks (Amendment) Bill, 2009, to this honourable House for passage.

**The Speaker:** Does any other Member wish to speak?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Madam Speaker, I rise to support the Bill, however I do have a few concerns and questions.

This Bill proposes to increase the fees charged by the Government for registering trade marks and patents, and I know that it is a very nominal amount of \$200. I don't believe that the Government of the Cayman Islands can do anything today for \$200. I wonder how we came about increasing this fee from \$150 to \$200—whether we had any time in motion studies done to determine how much of the administrative time is used up [and] how many resources are used up in the process—because the registering of a trade mark and a patent is not a simple procedure.

The regulations to this Bill lay out quite a few things that the Government must do for this \$200,

such as, it must maintain a register of the recorded patent rights, a register of recorded trade marks, a register of expired patent rights, a register of expired trade mark rights. And under section 7 of the regulations there are several items that must be recorded in this registry, such as, the name and address of the proprietor and agent making the application on behalf of the proprietor; the effective date of extension to the Islands; a reference to the particulars of the grant or registration sufficient to identify such right in a positive manner; the expiry date of the protection afforded by the recording. For patents, a short descriptive headline and for trade marks the international classes for which protection is sought in the Islands in conjunction with any applicable limitation.

Now I know that the normal practice in Government for many years has been that you meet with the people in the private sector industry and ask them to recommend a fee that they can bear. But I think it is of paramount importance that the Government of today makes sure that we are, at the very least, recovering what it costs Government to provide this service. And I would hazard a guess that providing this service costs more than \$200 because the Law also requires a very detailed Gazette notice. And particularly for patents and trade marks this is a very detailed analysis of applications.

And the Law provides for the appointment of a Registrar of Patents and Trade Marks, and again, I would hazard a guess that that is a fairly highly paid civil servant.

I looked into the Compendium of Statistics to see if I could ascertain the number of trade marks and patents that were registered on an annual basis over the last couple of years. They are not there, so I do not know whether that means there are so few that Government does not keep track of them or whether it was an oversight by the Department of Economics and Statistics Unit in Government in doing the Cayman Islands' Compendium of Statistics 2008.

I think everyone wants us to run the Government as a business. Those people in the private sector, who are making the big money (the legal firms, et cetera) in providing these registration processes, should accept that the Government should at least recover its costs. My recommendation is that we should be looking for about 20 per cent profit. So, I would have been much happier, Madam Speaker, if this fee had been more like \$1,000, because I believe that that is the kind of time, effort and expense that the Government is expending on registering one of these patents and trade marks.

I have some concerns that we are not evaluating the cost of these services properly and that the Government might in fact be playing a losing game. I support the increase in fees, but I do not have before me the information by which I can determine that the fee increase is adequate and I would suggest that what research I have been able to do this morning does not indicate to me that a \$50 increase on a fee

that has not been increased since 2006 is adequate to recover Government's expenditures in this area.

With those few words, Madam Speaker, I support the Bill.

**The Speaker:** Thank you, honourable Member for North Side.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If no Member wishes to speak, I now call on the Honourable Leader of Government Business to exercise his right of reply.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I would like to thank the Member for North Side for his support and his observations. We have consulted with the stakeholders of the financial services sector and we were advised that the proposed increases are what the sector can sustain, and the increases will therefore not cause us to become uncompetitive. Those are some of the reasons we have to be very conservative with in our approach to fees.

The Member would recognise the amount of discussions that we have had with stakeholders as a Government since taking office. And I can tell honourable Members that we have consulted widely, down to the last minute on the Budget to get the private sector on board for them to assist us in putting fees forward.

At all times, Madam Speaker, we have to be cautious as much as we would like to be able to charge more. I, certainly as an incoming Minister of Finance, would like to be able to charge more; but we have to be cautious. As I keep saying, we know other territories which were once agricultural based are now becoming tourism and financial services [based] and are offering competition. I still think the Islands are on top and believe our country is the best jurisdiction to practise in and, therefore, keep up our economy. But we have to pay attention to that, lest we fall.

As I said, I certainly appreciate the Member's support and his observations. But we have to keep the fees as is.

**The Speaker:** Thank you Honourable Leader of Government Business.

The question is that The Patents and Trade Marks (Amendment) Bill, 2009, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Patents and Trade Marks (Amendment) Bill, 2009, given a second reading.**

**Securities Investment Business (Amendment) Bill, 2009**

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to move the Second Reading of a Bill entitled The Securities Investment Business (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved and is open for debate. Does the Honourable Leader wish to speak thereto?

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, this Bill seeks to amend the annual fee in respect of certain categories of securities investment business.

Clause 1 of the Bill provides the short title of the legislation.

Clause 2 amends section 4(b) of the Securities Investment Business Law (2004 Revision) by deleting "one thousand dollars" and substituting "three thousand five hundred dollars."

Madam Speaker, I therefore commend The Securities Investment Business (Amendment) Bill, 2009, to this honourable House. And, as Members can see, this is a substantial increase.

**The Speaker:** Thank you, Honourable Leader of Government Business.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If no Member wishes to speak, I call on the Honourable Leader of Government Business to exercise his right of reply.

**Hon. W. McKeeva Bush:** Madam Speaker, just to thank honourable Members for their silent support.

**The Speaker:** The question is that The Securities Investment Business (Amendment) Bill, 2009, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Securities Investment Business (Amendment) Bill, 2009, given a second reading.**

**The Speaker:** The House will now go into Committee to discuss The Patents and Trade Marks (Amendment) Bill, 2009, and The Securities Investment Business (Amendment) Bill, 2009.

**House in Committee at 11.35 am**

## **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses?

I would appreciate if Members would turn off their microphones when they are talking to each other. Thank you.

### **Patents and Trade Marks (Amendment) Bill, 2009**

**The Clerk:** The Patents and Trade Marks (Amendment) Bill, 2009.

- |          |   |
|----------|---|
| Clause 1 | Short title and commencement  |
| Clause 2 | Amendment of section 11 of the Patents and Trade Marks Law (2007 Revision)—annual fee |
| Clause 3 | Repeal and substitution of Schedule—fees  |
| Clause 4 | Transitional provisions   |

**The Chairman:** The question is that clauses 1 through 4 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 4 passed.**

**The Clerk:** A Bill for a Law to amend The Patents and Trade Marks Law (2007 Revision) to vary miscellaneous fees; and for incidental and connected purposes.

**The Chairman:** I was taught, and I am sorry I have to say this, but I was taught when I was growing up that it was bad manners to speak when someone else is speaking. I would appreciate that that is observed in this House. That may not be the correct way to state it, as parliamentary, but that is my opinion. It is very

distracting to be listening to conversations on the side. Please turn your microphones off if you are whispering.

The question is that the Title do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### **Securities Investment Business (Amendment) Bill, 2009**

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2009.

Clause 1 Short title

Clause 2 Amendment of section 5 of the Securities Investment Business Law (2004 Revision –requirement for a licence

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend The Securities Investment Business Law (2004 Revision) so as to increase from one thousand dollars to three thousand five hundred dollars the annual fee in respect of certain categories of securities investment business; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question is that the Bills now be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: The Patents and Trade Marks (Amendment) Bill, 2009, and the Securities Investment Business (Amendment) Bill, 2009, to be reported to the House.**

**The Chairman:** The House will resume.

**House resumed at 11.45 am**

**The Speaker:** Please be seated.  
Report on Bills.

## **REPORT ON BILLS**

### **Patents and Trade Marks (Amendment) Bill, 2009**

**The Clerk:** The Patents and Trade Marks (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I have to report that The Patents and Trade Marks (Amendment) Bill, 2009, was considered in a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

### **Securities Investment Business (Amendment) Bill, 2009**

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I have to report that The Securities Investment Business (Amendment) Bill, 2009, was considered in a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

### **Suspension of Standing Order 47**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I move the suspension of Standing Order 47 to enable the Bills on the Order Paper to be read a third time.

**The Speaker:** The question is that Standing Order 47 be suspended to allow The Patents and Trade Marks (amendment) Bill, 2009, and the Securities Investment Business (Amendment) Bill, 2009, to be read a third time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended.**

### THIRD READINGS

#### Patents and Trade Marks (Amendment) Bill, 2009

**The Clerk:** The Patents and Trade Marks (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I move that The Patents and Trade Marks (Amendment) Bill, 2009 be given a third reading and passed.

**The Speaker:** The question is that The Patents and Trademarks (Amendment) Bill, 2009, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Patents and Trade Marks (Amendment) Bill, 2009, given a third reading and passed.**

#### Securities Investment Business (Amendment) Bill, 2009

**The Clerk:** The Securities Investment Business (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I move that The Securities Investment Business (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that The Securities Investment Business (Amendment) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Securities Investment Business (Amendment) Bill, 2009, given a third reading and passed.**

**The Speaker:** There is no further—

*[inaudible interjection]*

**The Speaker:** Honourable Leader of Government Business.

*[pause]*

**The Speaker:** I'm going to call a short suspension for five minutes so that everyone can get their act together on this. Thank you.

**Proceedings suspended at 11.53 am**

**Proceedings resumed at 11.58 am**

**The Speaker:** Please be seated. Proceedings are resumed.

Honourable Leader of Government Business.

### GOVERNMENT BUSINESS

#### MOTIONS

##### Government Motion No. 3/2009–10—The Insurance Law (2008 Revision)—The Insurance (Variation of Fees) Regulations, 2009

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the Government Motion No. 3/2009-10—The Insurance Law (2008 Revision)—The Insurance (Variation of Fees) Regulations, 2009, and it reads:

**WHEREAS section 20(f) of the Insurance Law (2008 Revision) provides that the Governor in Cabinet may make regulations amending the Schedule of the principal Law save that any amendment increasing the scale of fees prescribed in the Schedule shall require the confirmation of the Legislative Assembly;**

**BE IT THEREFORE RESOLVED THAT the attached Insurance (Variation of Fees) Regulations, 2009 be confirmed by the Legislative As-**

**sembly pursuant to the provisions of section 20(f) of the Insurance Law (2008 Revision).**

**The Speaker:** The question is BE IT THEREFORE RESOLVED THAT the attached Insurance (Variation of Fees) Regulations, 2009 be confirmed by the Legislative Assembly pursuant to the provisions of section 20 (f) of the Insurance Law ( 2008 Revision).

The Motion is opened for debate. Does the Honourable Minister wish to speak thereto?

**Hon. W. McKeever Bush:** Thank you, Madam Speaker. I apologise to you for the inconvenience of the break as I had to get some information from the Financial Secretary.

Madam Speaker, the Motion before the House is as a result of the Government's agreed revenue package associated with the 2009-10 Budget. These regulations seek to amend annual insurance licence fees and for incidental and connected matters.

Madam Speaker, there has been extensive consultation with the financial services sector on this matter and the sector agrees that the proposed increases are modest and sustainable.

I therefore commend Government Motion No. 3 to all honourable Members of the House, and ask that they give their support thereto.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If no Member wishes to speak, does the mover of the Motion wish to exercise his right of reply?

**Hon. W. McKeever Bush:** No thank you, Madam Speaker. I just want to thank Members for their support.

**The Speaker:** the question is BE IT THEREFORE RESOLVED THAT the attached Insurance (Variation of Fees) Regulations, 2009 be confirmed by the Legislative Assembly pursuant to the provisions of section 20(f) of the Insurance Law (2008 Revision).

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 3/2009-10 passed.**

**The Speaker:** If there is no further business on the Order Paper I call on the Leader of Government Business for a motion for the adjournment.

**ADJOURNMENT**

**Hon. W. McKeever Bush:** Madam Speaker, thank you very much.

We apologise for the late start this morning as the photocopy machine had some damage done to it last night due to the rain. So, we do apologise to the Members and the press who were here waiting, and to other persons, for the late start.

Madam speaker, the Government has the Legal Practitioners (Amendment) Bill; the Marriage (Amendment) Bill; Government Motion No. 4 (which is a guarantee for Government, for HSBC loan to the Cayman Islands Development Bank); and the Music and Dancing Control (Amendment) Bill, 2009. These Bills and Government Motion will be dealt with on Wednesday.

Further, there is a motion by the North Side Member, which will be dealt with on Thursday, which asks the Government to consider a matter which involves the Foreign and Commonwealth Office (FCO) and the Governor of the Cayman Islands. And that matter will be taken on Thursday.

Further, all Members are concerned, as is the public, in regard to another spate of criminal activity, namely robberies and break-ins, Madam Speaker. We are much concerned. The Government has been in discussion with the Commissioner of Police, and, Madam Speaker, [everyone] knows what the Government's position is on this matter. I believe everyone knows what the position is of everyone in this House as far as crime is concerned. We are more than concerned about what is taking place. I have asked for a task force. The Commissioner of Police has his strategy.

Madam Speaker, honourable Members of this House (that is, Elected Members and Ministers of Cabinet) in no way, shape, or form (except for policy), control the police. We control policy. We vote funds. And we are not satisfied with what is taking place in the country. Coupled with all the other matters, statements by His Excellency the Governor and all that has gone on in the last couple of years with various investigations, people in the country are most upset. Therefore, Madam Speaker, we have to walk softly to an extent for this country, because it is the country we are dealing with . . . and I have heard of marches and everything else.

There are far too many people in this country, much less on the outside that are willing to smear us and see us go down at a time when they know or might think we are weak. This is a time for all of us to be as levelheaded as possible, keeping and bearing in mind what we are faced with and who we are dealing with. And, as I said, there are far too many people who go on the blogs and radio shows—which are listened to overseas as well—and that, Madam Speaker, can only serve to give the Cayman Islands a further black eye.



So, we have to be as careful as possible, bearing all that in mind. As Legislative Members we are concerned about what we see happening, therefore we have asked the Commissioner of Police to come and talk to us as a Government for a few minutes and then to all of us as Members of this honourable House in regard to the matters before us as far as crime is concerned.

Madam Speaker, I move the adjournment of this honourable House until 10 am Wednesday, [21 October 2009].

**The Speaker:** The question is that this honorable House be adjourned until 10 am Wednesday, [21 October.]

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

**Ayes.**

**The Speaker:** The Ayes have it.

**At 12.07 pm the House stood adjourned until 10 am Wednesday, 21 October 2009.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**21 OCTOBER 2009**  
**10.50 AM**  
*Seventh Sitting*

**The Speaker:** Good morning everyone. Proceedings are resumed.

I will call on the [Second] Elected Member for West Bay to say Prayers.

**PRAYERS**

**Hon. Rolston M. Anglin:** Let us pray.

*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, honour 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.

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

**The Speaker:** There are no messages or announcements.

I apologise for the late start again this morning. We are having some technical difficulties with the equipment because of the rainy weather.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**Employment Information and Human Resources  
Activity Annual Report for the Fiscal Year 1<sup>st</sup> July  
2008 to 30<sup>th</sup> June 2009**

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks:** Thank you.

Madam Speaker, I beg to lay on the Table of this honourable House the Employment Information and Human Resources Activity Annual Report for the Fiscal Year 1<sup>st</sup> July 2008 to 30<sup>th</sup> June 2009.

**The Speaker:** So ordered.

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

**The Speaker:** I call on the Honourable Leader of Government Business. I have received a statement from him.

**The History of the Development of Legal Aid in the  
Cayman Islands**

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

The subject of legal aid has been under discussion since 12 October, when the matter was raised in Finance Committee. As a Government, I believe it appropriate for us to put on record and state the facts surrounding this matter today.

Madam Speaker, before 1975 the concept of providing the Caymanian people with legal assistance paid by the Government was unheard of.

The Legal Practitioner's Law, enacted in 1969, provided initial guidelines under which qualified attorneys at law were authorised to practise Cayman Islands' Law, and grandfathered in those unqualified persons at that time practising as law agents. This legislation, however, made no provision for legal aid. Attorneys practising in the Cayman Islands were left alone to set their fees for the legal services they provided for legal aid work.

By the 1970s, attorneys practising in Cayman (except for a few of them) were immersed in developing offshore financial practices. As their practices grew and developed, they became less interested in the matters of the Caymanians who were poor and

unable to pay their fees, namely, legal aid. On occasions some of them would assist a Caymanian in matters before the courts, but many of them considered that assistance as a charitable donation of their time.

Between 1972 and 1975 the number of persons appearing before the courts who could not pay for legal services began to increase. The Government took the view that those persons appearing before the courts could not rely on charitable representation and enacted the Poor Persons (Legal Aid) Law, 1975, which was revised in 1997 becoming the Legal Aid Law. The Legal Aid Rules were similarly enacted.

The Legal Aid Law, by its initial title, implied that it was enacted to assist the Cayman Islands poor people. The sum of \$20.00 per hour paid to attorneys assisting the poor before the courts is also an indication that this modest per-hour sum would not attract those attorneys who were then billing \$200.00 to \$300.00 per hour to leave their lucrative practices for \$20.00 per hour. Representation by legal aid was left to the few Caymanian attorneys who could not break into the lucrative financial market, or who did not have the resources and relationships to make the right connections.

Between 1988 to 1997 the then Caymanian Bar Association executive, namely, Mr. Steve McField, the late Mr. Ormond Panton and Mr. Orren Merren, lobbied the Government and had meetings with various judges with a view to increase the per hour payment for Caymanian attorneys to provide legal representation to those who needed it before the courts but could not afford to pay for it. That lobbying and those meetings with Government resulted in a gradual increase of the legal aid hourly rate from \$20.00 to \$100.00 in 1992. Today the attorneys doing legal aid work are paid \$135.00 per hour, perhaps more.

Before 1997 the majority of attorneys providing legal aid service were Caymanian. They carried the legal aid caseload for the scheduled criminal offences legally aided under the Law and the civil cases granted legal aid certificates. Although they represented essentially poor clients in those proceedings, they had to wait up to three to four months before being paid the low rate for giving up hours of their profitable practice. That scheme of putting Caymanian attorneys out of payment for such long waiting periods drove most of the Caymanian attorneys away from the legal aid practice. When that happened, the cry went up that there was a shortage of attorneys to do legal aid work. That cry was far from the truth—Caymanian attorneys were willing and able to do legal aid service provided they were paid in a timely manner.

The Government responded and agreed that there were insufficient funds to fund legal aid service. They suggested that the wealthy Law firms give the legal aid fund money in lieu of their services. That suggestion was unaccepted by the Cayman Islands Law Society when the Legal Reform Committee presented its report in July 2008. Some Caymanian legal

aid attorneys turned away to try and build a successful practice.

Between 1998 and today, some law firms added legal aid sections to their practices and brought in foreign attorneys to do legal aid work funded by Government. Two legal commissions, one in 2005 and the other in 2008, recommended changes in the way legal aid is delivered in the Cayman Islands. Those reports were commissioned as a result of numerous complaints of escalating cost of legal aid, as stated, but the concept of providing legal aid began as a charitable scheme to be funded by the Government. However, there was no established independent legal aid institution to dispense this fund for legal aid services.

The provision of legal aid services was and is still voluntary (as opposed to structured) which makes the scheme ineffective and costly. Because there is no independent institution created specifically for the provision of legal aid services, successive governments provided monies allocated for legal aid to the court to decide who gets legal aid and who is refused legal aid. But the court is not the entity that should decide who gets and does not get legal aid given the inherent conflicts. In most other jurisdictions that I have checked, legal aid has its own independent governance structure, funding agreements and service mandate. Research has revealed that many other jurisdictions were forced to make significant restructuring of their legal aid schemes to meet their proliferating cost.

Research shows that in British Columbia, Canada, for example, legal aid services are established by a law that gives an independent body responsibility for the administration of legal aid. In British Columbia they have controlled rising legal aid cost. The escalating cost of legal aid in those other jurisdictions has been the primary reason why their Governments decided to make legal aid services independent and more responsible.

In Quebec, research shows that legal aid is administered by an independent legal aid commission responsible for administering legal aid services in Quebec. This service has kept legal aid funding in Quebec stable. The cost of legal aid in the Cayman Islands is constantly rising.

Our statistics show that since 1999 the Cayman Islands Government expenditure on legal aid is as follows:

Budget Year	Total Spent
1999	\$ 556,818.56
2000	\$ 567,353.21
2001	\$ 766,099.96
2002	\$ 1,203,660.25
2003 (half year)	\$ 421,014.60
2003/04	\$ 821,909.76

2004/05	\$ 1,524,960.13
2005/06	\$ 1,728,312.01
2006/07	\$ 1,775,000.00
2007/08	\$ 1,850,000.00
2008/09	\$1,850,000.00 (at least)
Total:	\$ 13,065,128.48

Madam Speaker, out of the Cayman Government funds allocated for legal aid for the year 2008/09, one attorney at law alone providing legal aid services billed the Legal Aid Fund the sum of \$146,042.14.

Our statistics also show that in Budget years 2008/09 legal aid billings by various attorneys amounting to the sum of \$187,142.21 were not approved. Had that sum been approved, though, the legal aid cost to the Government of the Cayman Islands would have amounted to the sum of \$2,037,714.22

Madam Speaker, the McField-Pitcairn plan to reduce this spiraling and runaway legal aid cost to the Cayman Islands Government is not only timely, it is prudent. It is sensible and it is thought [out], although we are hearing that it is not thought out by those opposing it. It is thought out and will put a cap on the Government's legal aid spending.

The McField-Pitcairn plan is designed to assist the Cayman Islands Government in reducing the budget in this crucial time of local and international economic downturn. Moreover, Madam Speaker and honourable Members, the plan is designed to meet the needs of a broader area of the poor and needy and remove the perception that there is no transparency or accountability in the way legal aid is dispensed and delivered.

The Government decided to accept the McField-Pitcairn plan for the establishment of a Legal Services Office with oversight by a Legal Services Committee to reduce the legal aid escalating cost. This is what I said in Finance Committee, Madam Speaker.

The Legal Services Office will be staffed with salaried qualified attorneys and support staff together with Caymanian law students and graduates. Those Law students and graduates will receive on-the-job experience and training to become the future pool of Caymanian legal aid attorneys.

The McField-Pitcairn plan took into consideration the rise in population, including persons on social assistance, and that the numbers of those seeking legal aid will rise significantly, and that the present hourly billing will rise comparably driving up the legal aid cost significantly. This meant that the structure of legal aid for the future must be planned, must be sustainable, must be effective and must be efficient.

It is intended that the Legal Services Office will provide a broader range of legal services than

those now being provided, which are primarily relegated to matters of criminal and civil courts. The Legal Services Office will not only continue to provide legal aid services for those matters but will provide legal services at the grass roots level to workers, the poor, tribunal representations, women and children.

The Government, in order to reduce the escalating rise of the cost of legal aid in the country accepted that plan. That plan will end the historical regime of open-ended legal aid funding capping the amount of legal funds, making the delivery of legal aid services independent of the courts and dependant on a structured Legal Services Office rendering a high quality legal aid service to the many rather than to the few.

Mr. McField and Mrs. Pitcairn have their roots deep in the Caymanian communities, and they are well known to everyone with interest in those facing severe legal and economic disadvantage. They include the homeless, the young people, women who have experienced violence, individuals with mental issues, and the handicapped. Access to legal services is linked to health, security to the individual, and the community as a whole.

Those who are poor lack access to sufficient housing, nutrition, professional education, and technical preparation. They face social dislocation. When you think of it, the Legal Services Office will act as a buffer to provide direct legal services and advice and referral to the most appropriate social and community services.

The Legal Services Office will help to resolve problems before they escalate into more costly problems. It will help those poor persons, the indigent and the intimidated struggling to navigate through the court system and before tribunals on their own. All such changes are subject, however, to a revision of the existing legal aid legislation, which we have asked to be done.

Madam Speaker, It is the Cayman Islands Government that provides the funds to pay for legal aid using the taxpayers' money. It is the Cayman Islands Government that has the responsibility to provide legal aid funds for the poor and for those less fortunate. It is the Cayman Islands Government that has to find the money to pay for this escalating cost—not the Bar Association, not the courts nor the Criminal Bar Association or the Caymanian Law Society. It is the people of this country, and the Government has to administer those funds.

Together, Mr. McField and Mrs. Pitcairn are aware that they are breaking new ground for the Caymanian low income people. They also understand that we must work toward positive change. They do understand how difficult it is for the working poor who cannot afford to hire an attorney in their hour of need. They understand change, they welcome it. And this is what the Government wants.

Madam Speaker, I am reminded that Machiavelli stated in his book *"The Prince"*: ". . . **there is**

**nothing more difficult to carry out nor more doubtful of success nor more dangerous to handle than to initiate a new order of things; for the reformer has enemies in all those who profit by the old order, and only lukewarm defenders in [all] those who would profit by the new order . . .”**

Madam Speaker, I can sit down because that states exactly what the Government is facing. What the country faces, in fact: Not only in legal aid, but in everything that we are attempting to do.

Madam Speaker, legal aid at present and some of the concerns:

When a government is aware that its present legal aid system is the subject of shortfalls, the subject of consistent criticisms and subject to claims that it is not being handled efficiently, then the State has a duty to step in. Furthermore, the Government has a duty to determine whether what currently occurs is in the best interest of the delivery of that service.

The following lists some of our current concerns:

1) The view that proper legal aid audits have never been prepared . . . I hope that this is not true because to suggest this is preposterous. Such an audit is important as it would set out the information that would enable any relevant body to conduct a proper assessment in light of the complaints levied against the system.

We would be able to review the list of all legal aid cases; the comments made by the recipients and those that did not receive legal aid to independently assess the quality of service; the amounts spent on civil and criminal matters; the names of the firms that provide legal aid services and the percentage of their business reliant on legal aid. In light of the comments that certain firms have built their practice solely on legal aid, the names of the lawyers that provide legal aid services and the amounts earned by such lawyers and or firms; the amounts spent on the employment of foreign Queen's Counsel or any other visiting counsel and local Queen's Counsel on legal aid matter, the number of unpaid matters, how contributions are collected, the number of outstanding matters and the likes.

Madam Speaker, as I said, there seems to have been no audit ever prepared. But you can believe that when we set up this system if no more than to try to prove us wrong you are going to see audits done and audits called for, and all manner of evil said about it because that is the way life is in this Island. Certain people can do anything and say anything and get away with anything. And they have, sad to say, in this country. But you [let] other people from any other strata of life that they consider below them try to do anything, Madam Speaker. And you are going to hear they are crooked, that they stole the money, that their family is no good! You never hear the end of it in this country. Just let them try to do something different.

Machiavelli said it right.

2) Pre-trial advice is not available for minor civil matters. Under the proposed system legal aid advice

will extend to: domestic violence; problems within the family, with marriage; housing; debts, and so on. These services will be available to the maximum number of persons that qualify within the proposed budget.

3) Currently (listen to this one!), lawyers are paid up to \$6000 to collect \$3000 in value as they are paid by the hour.

Let me repeat that. Lawyers are paid up to \$6000 to collect \$3000 in value as they are paid by the hour. That's good management. That is good value for money.

**The Speaker:** Would the Honourable Member stick to his prepared text, please?

**Hon. W. McKeever Bush:** Madam Speaker, I am trying to do that, but you know how difficult that is with the criticism that we take. And I am sure that if I am going astray, if I am saying the wrong thing, I will be corrected. But I will bow to your wishes, Madam Speaker.

4) At present no one enforces the contribution which the judges decide on. There is no financial formula used to ascertain the contribution that must be made by a recipient.

5) Few lawyers are interested in doing legal aid work and even fewer in pro bono work—'forced charity' being a contradiction of terms.

6) The perception that there are firms that rely solely on legal aid for the existence of their practice. This perception suggests that Government sustains these firms and without Government funding they would not exist. Whether this is the appropriate use for Government funds and whether there is a fraud with respect to the Immigration law.

7) There is no maximum cost on cases.

8) Presently legal aid applicants are required to complete a form for financial investigation that is inadequate. Legal aid applicants today are not required to produce any documents in support of expenditures to the courts to determine whether they are eligible and whether they should make a contribution.

9) The perception of bias as legal aid is currently granted by the court system.

10) Legal aid is granted to persons that do not need it. That is a perception.

11) There is also no legal aid for pre-trial advice.

Let's look at the benefits of the proposed system:

1) Legal aid will be available for all areas of law subject to certain maximum expenditure and contributions.

2) There will be no unnecessary adjournments.

3) The lawyers will not be paid by appearance in court but will be on a salary.

4) Pre-trial advice will be available.

5) Recovery of contribution will be enforced.

6) The public will have access to lawyers at all times, even online. At present, Madam Speaker, applicants only have access to one legal aid officer for one and a half hours only as I understand it.

7) The current perception of favoritism by judges and faceless people will be removed.

8) Legal aid will be available across the Island.

9) Family law matters will be attempted to be settled by mediation and not advanced straight to court.

10) Provide assistance to a greater number of people. This way everyone who deserves it will be represented.

11) Transform the administration and delivery of legal aid to cut the costs, become more efficient and assist with a controlled budget.

12) Enhance the concept of a fundamental right through the provision of access to the courts.

13) Funding will be spent in areas where it is most needed and can make a difference in people's lives.

14) There will be access to more information early in the case to determine how much an applicant is expected to pay.

15) Legal aid recipients will be treated more like clients rather than wards of the state.

16) Legal aid recipients will not be required to pay the mandatory CI\$750 to be eligible; giving more people the opportunity to benefit from the system and increasing democracy.

17) Change the perception of education. In our islands we make people feel as if legal aid is not for them but only for persons who commit heinous crimes. And the State is responsible for costs. There is also the perception that you become the ward of the State when you seek assistance.

18) Students that attend the Cayman Islands Law School will be involved and have access to relevant training and experience and should be able to complete their articles at the clinic. One of the major complaints that is leveled at the profession is that Caymanian lawyers are not trained, and those that do get some training are not properly trained. Working at the Legal Aid Clinic will not only provide the training but provide them with the confidence to open their own firms.

Madam Speaker, I would like to add (and I know you do not have this copy, but I can give this to you) it is noted that what is required under the Human Rights Convention in terms of what citizens are entitled to and, in particular, the proposed amendments to our Constitution as this relates to Human Rights. This must be coupled with the fact that there are limitations in what this community can afford, especially:

- a) during an economic downturn; and
- b) when the legal fraternity, who are better placed and skilled, have not volunteered to step up and assist governments past and present, in absorbing costs by assisting in providing pro bono services.

Madam Speaker, The Cayman Islands Law Society made it clear that legal service of this kind should be provided by Government and borne by the society as a whole and not by the legal profession. Any government that takes its responsibility seriously must review costs and determine how services can be delivered effectively and efficiently.

Our Government recognises how money allocated to legal aid has been disproportionately spent in criminal matters, and this has been at the expense of legal services being equally provided to others who also need it. The reality is that cost-cutting is necessary and the funds allocated to legal aid must be spent in a way that benefits a wider cross-section of the community. This will mean that caps will be placed on monies allocated to legal aid matters. This is not to suggest that the Government does not appreciate that people must be represented and that their rights must be observed and protected; but we have to face our specific reality, as I said, when we have limited financial resources.

The McField-Pitcairn plan suggests that lawyers should be salaried in this matter and that it should be made clear what this Government can afford and what it cannot. This is not to say that cost cutting is intended to deny people of their rights. But a balance must be struck. Thus far, there has been a lot of criticism about the idea of providing legal aid service at a reduced cost and in a structured environment. Criticism is expected and easy. But where are (or were) the proposals submitted by all nay-sayers about doing anything constructive to address the current problems and criticisms leveled at legal aid and its dispensation for decades?

So, Madam Speaker, Government has heard the complaints, even accusations. For now I will pay the accusers no mind. We must try something else. There are those in the community who need Government's assistance through legal aid. The present cost to Government is far too high. The country has a tremendous challenge in finding sufficient revenue to provide services to our people. We are offered a new system for the dispensation of legal aid. We will give the new system a chance. If it fails, we will try something else. But for now, we are moving forward with the McField-Pitcairn offer and their plan.

As I said, Madam Speaker, ". . . **there is nothing more difficult to carry out nor more doubtful of success nor more dangerous to handle than to initiate a new order of things; for the reformer has enemies in all those who profit by the old order, and only lukewarm defenders in [all] those who would profit by the new order . . .**"

Madam Speaker, I thank you. I know there is a matter that I raised in the statement that you do not have and I will make sure that you have that copy. Thank you.

**The Speaker:** Thank you, Leader of Government Business. I would appreciate it if copies were provided to all Members of the House as well.

Yes, Member for East End?

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

I wonder if under Standing Order 30(2) you would allow me to ask the Leader of Government Business a couple of questions on this statement.

**The Speaker:** Yes, you may proceed.

### Short Questions—Standing Order 30(2)

**Mr. V. Arden McLean:** Thank you.

I am just wondering if the Leader of Government Business could tell us when this plan, the McField/Pitcairn plan, will be made available either to the House, the Members, or to the public; and, if what will happen now in the interim whilst the Law is being amended to facilitate the office . . . because obviously it cannot be done without the Legal Aid Law being changed seeing that there were only \$300,000 allocated to the Chief Justice which he can legally spend. The new office, whatever that may be, will not be able to . . . it has to be established by law. So what is going to happen in the interim whilst that is being established?

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, Finance Committee left \$300,000 in the vote. That will have to do until the end of the year (the next two months). By then the new office will be set up and we will move forward with the dispensation through the Legal Aid Services Office.

**The Speaker:** Member for East End.

**Mr. V. Arden McLean:** Thank you.

Madam Speaker, I would appreciate if he would answer the other question, which was, when will this plan be made available to honourable Members of this House or the public in general?

**Hon. W. McKeeva Bush:** Madam Speaker, the information I have given clearly outlines what the plan will do. And Members have that statement in front of them. When a more formal written plan is [drawn up] then Members will have that in their hands also. Clearly, what I have outlined is a plan.

**The Speaker:** Thank you Honourable Leader of Government Business.

## GOVERNMENT BUSINESS

## BILLS

### Suspension of Standing Order 46(1) and (2)

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I move the Suspension of Standing Order 46(1) and (2) to enable the Bills upon the Order Paper to be read a first time.

**The Speaker:** The question is that Standing Order 46(1) and (2) be suspended to enable the Bills upon the Order Paper to be read a first time. The three Bills are: The Marriage (Amendment) Bill, 2009; The Music and Dancing (Control)(Amendment) Bill, 2009; and the Legal Practitioners (Amendment) Bill, 2009.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(1) and (2) suspended.**

## FIRST READINGS

### Marriage (Amendment) Bill, 2009

**The Clerk:** The Marriage (Amendment) Bill, 2009.

**The Speaker:** The Bill has been read a first time and is set down for Second Reading.

### Music and Dancing (Control) (Amendment) Bill, 2009

**The Clerk:** The Music and Dancing (Control) (Amendment) Bill, 2009.

**The Speaker:** The Bill has been read a first time and is set down for Second Reading.

### Legal Practitioners (Amendment) Bill, 2009

**The Clerk:** The Legal Practitioners (Amendment) Bill, 2009.

**The Speaker:** The Bill has been read a first time and is set down for Second Reading.

### Suspension of Standing Order 46(4)

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I move the Suspension of Standing Order 46(4) to enable the Bills upon the Order Paper to be read a second time.

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the Bills upon the Order Paper to be read a second time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(4) suspended.**

## SECOND READINGS

### Marriage (Amendment) Bill, 2009

**The Clerk:** The Marriage (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I beg to move the Second Reading of a Bill entitled, The Marriage (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved, does the mover wish to speak thereto?

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I rise on behalf of the Government to present a Bill for a Law to amend the Marriage Law (2009 Revision) to increase the fee relating to the grant of special licences.

Special marriage licences are issued by the Governor to those persons, usually tourists, both of whom are not ordinarily resident in the Cayman Islands. The specific changes to the fees and procedures for special marriage licences included in this Bill are as follows:

1. Introduction of a new, non-refundable application fee of \$50 for all applications for a special marriage licence;
2. provisions which will allow for the refund of the licence fee of \$150 when an application is refused; and
3. removal of the requirement for a special licence to bear a stamp of the value of \$10.

Thank you, Madam Speaker. With those few comments I ask Members to support the Bill.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

If no other Member wishes to speak, I call on the Honourable Leader of Government Business to exercise his right of reply.

**Hon. W. McKeeva Bush:** Just to thank Members for their support, Madam Speaker.

**The Speaker:** The question is that a Bill shortly entitled, The Marriage (Amendment) Bill, 2009, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Marriage (Amendment) Bill, 2009, given a second reading.**

### Music and Dancing (Control) (Amendment) Bill, 2009

**The Clerk:** The Music and Dancing (Control) (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** I beg to move the Second Reading of a Bill entitled, The Music and Dancing (Control) (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved, does the Member wish to speak thereto?

**Hon. W. McKeeva Bush:** Madam Speaker, the Music and Dancing (Control) Law (1995 Revision) is being amended to make provision for an application fee in respect of a license application and to increase the fees payable on the grant of a licence.

The fees charged by the government for Music and Dancing licences were last changed some 14 years ago (1995) and no longer bear any relationship to government's cost in processing and administering these licences; hence the need now to amend this Law.

The specific changes to the fees included in this Bill are as follows:

1. Introduction of a non-refundable fee of \$50 for all applications for a grant, variation or renewal of a music or dancing licence;
2. Increase in the annual licence fee from \$100 to \$500;



3. Increase in the fees for licences in the case of a period of less than one year, per quarter or part thereof, from \$25 to \$500;
4. Increase in the fees for a temporary licence from \$50 to \$300;
5. Increase in fees for an occasional license (for a day, that is), from \$10 to \$300;
6. Increase in the fees for a variation of a license from \$20 to \$100.

With those few comments, I ask Members to support the Bill.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

If no other Member wishes to speak, I will call on the Leader of Government Business to exercise his right of reply.

**Hon. W. McKeever Bush:** Just to thank Members for their support.

**The Speaker:** The question is that a Bill shortly entitled, The Music and Dancing (Control) (Amendment) Bill, 2009, be given a second Reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Music and Dancing (Control) (Amendment) Bill, 2009, given a second reading.**

#### **Legal Practitioners (Amendment) Bill, 2009**

**The Clerk:** The Legal Practitioners (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** I beg to move the Second Reading of a Bill entitled, The Legal Practitioners (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved. Does the Member wish to speak thereto?

**Hon. W. McKeever Bush:** Madam Speaker, I rise to present a Bill for a Law to amend the First Schedule to the Legal Practitioners Law (2007 Revision), to increase the fees payable by attorneys-at-law admitted to practise law in the Cayman Islands from \$300 to \$2,000. These fees shall apply to attorneys-at-law granted either general admission or limited admission.

All other fees in the principal Law remain unchanged. I therefore ask Members to support the Bill.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

If no other Member wishes to speak, I will call on the Honourable Leader of Government Business to exercise his right of reply.

**Hon. W. McKeever Bush:** Just to thank Members for their support and to say that we are appreciative for the efforts to help us raise funds. So there should not be any complaints about fees being raised.

**The Speaker:** The question is that a Bill shortly entitled, The Legal Practitioners (Amendment) Bill, 2009, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Legal Practitioners (Amendment) Bill, 2009, given a second reading.**

**The Speaker:** The House will now go into Committee to consider the Bills.

**House in Committee at 11.43 am**

### **COMMITTEE ON BILLS**

**The Chairman:** Please be seated.

The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses?

#### **Marriage (Amendment) Bill, 2009**

**The Clerk:** The Marriage (Amendment) Bill, 2009.

Clause 1 Short title

Clause 2 Amendment to section 22 of the Marriage Law (2009 Revision)—Special Licences

**The Chairman:** The question is that clauses 1 and 2 remain part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Marriage Law (2009 Revision) so as to increase the fee relating to special licences; and for incidental and connected purposes.

**The Chairman:** The question is that the Title remains part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**Music and Dancing (Control) (Amendment) Bill, 2009**

**The Clerk:** The Music and Dancing (Control) (Amendment) Bill, 2009.

Clause 1	Short title
Clause 2	Repeal and replacement of section 12 of the Music and Dancing (Control) Law (1995 Revision)—fees
Clause 3	Amendment of Schedule to the principal Law—fees
Clause 4	Transitional provisions

**The Chairman:** The question is that clauses 1 through 4 remain part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 4 passed.**

**The Clerk:** A Bill for a Law to amend the Music and Dancing (Control) Law (1995 Revision) to make provision for an application fee in respect of a licence application and to increase the fees payable on the grant of a licence; and for incidental and connected purposes

**The Chairman:** The question is that the Title remains part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**Legal Practitioners (Amendment) Bill, 2009**

**The Clerk:** The Legal Practitioners (Amendment) Bill, 2009.

Clause 1	Short title
Clause 2	Amendment of the First Schedule to the Legal Practitioners Law (2007 Revision)—admission fees

**The Chairman:** The question is that clauses 1 and 2 remain part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Legal Practitioners Law to increase the fees payable by attorneys-at-law admitted to practise; and for incidental and connected purposes.

**The Chairman:** The question is that the Title remains part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**The Chairman:** The question is that the Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**House resumed at 11.47 am.**

**The Speaker:** The House is resumed. Please be seated.

**REPORTS ON BILLS**

**Marriage (Amendment) Bill, 2009**

**The Clerk:** The Marriage (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I have to report that a Bill entitled, The Marriage (Amendment) Bill, 2009, was considered by a Committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

#### **Music and Dancing (Control) (Amendment) Bill, 2009**

**The Clerk:** The Music and Dancing (Control) (Amendment) Bill, 2009

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I have to report that a Bill entitled, The Music and Dancing (Control) (Amendment) Bill, 2009, was considered by a Committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

#### **Legal Practitioners (Amendment) Bill, 2009**

**The Clerk:** The Legal Practitioners (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I have to report that a Bill entitled, The Legal Practitioners (Amendment) Bill, 2009, was considered by a Committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

#### **Suspension of Standing Order 47**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** I beg to move the suspension of Standing Order 47 to enable the Bills on the Order Paper to be given a third reading.

**The Speaker:** The question is that Standing Order 47 be suspended to enable the Bills on the Order Paper to be given a third reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended.**

### **THIRD READINGS**

#### **Marriage (Amendment) Bill, 2009**

**The Clerk:** The Marriage (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move that a Bill entitled, The Marriage (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled, The Marriage (Amendment) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Marriage (Amendment) Bill, 2009, given a third reading and passed.**

#### **Music and Dancing (Control) (Amendment) Bill, 2009**

**The Clerk:** The Music and Dancing (Control) (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move that a Bill entitled, The Music and Dancing (Control) (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The Music and Dancing (Control) (Amendment) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Music and Dancing (Control) (Amendment) Bill, 2009, given a third reading and passed.**

**Legal Practitioners (Amendment) Bill, 2009**

**The Clerk:** The Legal Practitioners (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I move that a Bill entitled, The Legal Practitioners (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled, The Legal Practitioners (Amendment) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Legal Practitioners (Amendment) Bill, 2009, given a third reading and passed.**

**The Speaker:** There is no further business on the Order Paper. I call on the Leader of Government Business for a motion for the adjournment.

## **ADJOURNMENT**

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker. And I do thank Members and also apologise for the late start.

The House is intended to come back tomorrow when we will deal with the Private Member's Motion tabled by the Member for North Side [Mr. D. Ezzard Miller]. We will work through that item tomorrow until we complete it.

Therefore, I move the adjournment of this honourable House until 10 am tomorrow.

**The Speaker:** The question is that this House stands adjourned until 10 am tomorrow.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**At 11.54 am the House stood adjourned until 10 am, Thursday, 22 October 2009.**



**OFFICIAL HANSARD REPORT**  
**THURSDAY**  
**22 OCTOBER 2009**  
**10.58 AM**  
*Eighth Sitting*

**The Speaker:** I will ask the Third Elected Member for George Town to say Prayers.

**PRAYERS**

**Mr. Alden M. McLaughlin, Jr.:** Let us pray.

*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, honour 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.

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

**The Speaker:** I have received no messages or announcements.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**The Speaker:** The Third Elected Member for West Bay.

**Written Complaint Number CO708-11041 made 13 February 2008 against the Immigration Department —Timeliness of the Internal Complaints Process Related to Complaints Against the Department: Special Report to the Legislative Assembly Dated 3 August 2009**

**Mr. Cline A. Glidden, Jr.:** I beg to lay Written Complaint Number CO708-11041 made 13 February 2008 against the Immigration Department on the Table of this Legislative Assembly.

**The Speaker:** So ordered.

**Legislation and the Individual's Right to Privacy Own Motion Investigation Report Number 14 (a) Prepared by the Office of the Complaints Commissioner Dated 28 September 2009**

**The Speaker:** Third Elected Member for West Bay.

**Mr. Cline A. Glidden, Jr.:** I beg to lay the report Legislation and the Individual's Right to Privacy Own Motion Investigation Report on the Table of the Legislative Assembly.

**The Speaker:** So ordered.

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

**Private Member's Motion No. 1/09-10, Motion for Legal Action to Recover Cost of Tempura and Other Investigations**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeever Bush:** Thank you, Madam Speaker.

When the Motion by the Member for North Side [Mr. D. Ezzard Miller] was aired in Finance Committee, I had my concerns at that point. Considering the current position of Operations Tempura and Cealt, taking into consideration the Motion that was finally tabled by the Member for North Side in this honourable House, and taking into consideration the recent statement by His Excellency the Governor and the public outcry, but recognising our dialogue with the Foreign and Commonwealth Office, I thought it most prudent that I seek a leading counsel's opinion.

This counsel was obtained from London and the following is that opinion:

1) The Private Member's Motion No. 1/09-10 invited the Legislative Assembly to consider whether the Government of the Cayman Islands should initiate legal proceedings against the Foreign and Commonwealth Office in the courts in London, England, for the recovery of the costs and expenses associated with and incidental to Operations Tempura and Cealt.

2) Each of the operations was authorised by His Excellency the Governor and, according to the Auditor General's special report on Operations Tempura and Cealt, the cost of these investigations to the Cayman Islands has been conservatively estimated at CI\$6.8 million up until June 2009.

3) The Motion is brought by the Elected Member for North Side, Mr. D. Ezzard Miller, and seconded by the Second Elected Member for Bodden Town, Mr. Anthony Eden.

4) The Motion is premised on the fact that liability for these costs should rest with His Excellency the Governor and that by reason of the terms of his appointment the United Kingdom Government and the Foreign and Commonwealth Office should also be found to be vicariously liable for these costs.

5) The Motion raises unprecedented issues of constitutional importance. It follows hard on the heels of public disquiet and displeasure with the costs without any tangible benefits to the Cayman Islands of Operations Tempura and Cealt. It is highly regrettable that a Governor of these Islands, whether justified or not should have conducted himself in such a way as to give rise to a debate in the Legislative Assembly on whether the Government of the Cayman Islands should institute proceedings for the recovery of damages against him on the grounds of misfeasance of public office.

6) Plainly, this is an issue of the utmost seriousness in the light of which, with prudence and the public interest of the Cayman Islands in mind, I have considered it necessary to obtain the opinion of leading counsel on the following:

- a) Whether by custom, practice or the Constitution, His Excellency the Governor is immune from suit from the tort of misfeasance of public office.
- b) Whether His Excellency the Governor can as a matter of Law be sued in the courts of the Cayman Islands.
- c) Whether His Excellency the Governor can as a matter of Law be sued in the courts of England and Wales or the United Kingdom for the tort of misfeasance of public office.

7) The opinion of leading counsel on the liability of His Excellency the Governor as a matter of generality is that subject to certain defenses, he may be sued in the courts of the Cayman Islands in the ordinary way, whether the claim against him arises from

liabilities incurred by him in his private or public capacity.

8) Further, contingent on the evidence and if so advised, a claim for damages of misfeasance of public office may be brought against His Excellency the Governor in the courts of the Cayman Islands. However, any claim for damages for misfeasance of office will require the claimant to establish His Excellency's state of mind in connection with each act against which damages are claimed.

9) To successfully maintain a claim of misfeasance of public office, the following will be required to be proved:

- a) the act or conduct has been committed by a public officer;
- b) the act or conduct must have been done by him in the purported exercise of his power as a public officer; and
- c) the act or conduct must have been done either
  - i) maliciously; or
  - ii) knowing that the act or conduct is invalid or unauthorised;
  - iii) knowing that it would probably injure the claimant;
- d) the act or conduct must cause loss or harm to the claimant.

9) Leading counsel's opinion is that any claim against His Excellency the Governor for damages for misfeasance of public office will stand or fall on whether it can be proved that the Governor acted in the knowledge or with reckless indifference to the fact that his acts were beyond his powers and to the fact that his acts would probably cause loss or damage to the Government of the Cayman Islands.

10) Whether the element of reckless indifference can be proved will, of course, be dependent on whether there is evidence that His Excellency the Governor in his appointment of Operations Tempura and Cealt exercised the power otherwise than in an honest attempt to perform the relevant duty. In this context, unless his actions can be shown to have been dishonest, any claim based on the tort of misfeasance of public office is likely to be unsuccessful.

12) On the question of venue, namely, whether any claims against His Excellency the Governor for damages for misfeasance of office may be brought in the courts of England and Wales, leading counsel's view is that such a claim may be brought. However, he cautioned against such an approach whereas in this instance any claim for damages for misfeasance of public office may be brought more effectively in the courts of the Cayman Islands.

13) The Legislative Assembly, this honourable House, will have to give careful thought to the matter set out hereinbefore, and will have in mind the requirement for the clearest and most persuasive evidence before any claim for damages for misfeasance

of public office may be brought against His Excellency the Governor.

Thank you, Madam Speaker.

**The Speaker:** Thank you, honourable Leader of Government Business.

## OTHER BUSINESS

### PRIVATE MEMBERS' MOTIONS

**The Speaker:** Elected Member for North Side

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Just one question before moving the Motion: I trust that in moving the Motion I will be given the liberty to respond to some parts of the statement just made by the Leader of Government Business, since it has now been made public.

**The Speaker:** Leader of Government Business.

**Hon. W. McKeever Bush:** Madam Speaker, the statement just made is a public statement and, of course, this House could not—and I am sure you will agree, Madam Speaker, and on our part of the Government—seek to curtail the Member's speech in any way in regard to what has been said.

**The Speaker:** Thank you, Leader of Government Business.

Member for North Side.

#### Private Member's Motion No. 1/09-10—Motion for Legal Action to Recover Cost of Tempura and Other Investigations

**Mr. D. Ezzard Miller:** Thank you.

I beg to move Private Member's Motion No. 1/09-10, entitled, Motion for Legal Action to Recover Cost of Tempura and Other Investigations. It reads as follows:

**WHEREAS there has been much public discourse and expressed displeasure of the money spent on Operation Tempura, Cealt and other investigations;**

**AND WHEREAS there has been no successful prosecutions in the Cayman Islands Courts from these investigations, which could justify these large expenditures;**

**AND WHEREAS the Cayman Islands are facing tough financial times necessitating additional revenue measures to fund the Government;**

**BE IT THEREFORE RESOLVED THAT the Government consider taking legal action in the courts in London, England, to recover these expenditures from the United Kingdom Government and the Foreign and Commonwealth Office in that their duly appointed Governor of the Cayman Islands, in our opinion, may have committed mis-**

**feasance while in the Office to which they unilaterally appointed him;**

**BE IT FURTHER RESOLVED THAT the Government through the Honourable Attorney General report to this Legislative Assembly their decision on this matter in the next meeting of this Legislative Assembly.**

**The Speaker:** Is there a seconder for this Motion?  
Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** I beg to second this Motion.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED THAT the Government consider taking legal action in the courts in London, England, to recover these expenditures from the United Kingdom Government and the Foreign and Commonwealth Office in that their duly appointed Governor of the Cayman Islands, in our opinion, may have committed misfeasance while in the Office to which they unilaterally appointed him;

**BE IT FURTHER RESOLVED THAT the Government through the Honourable Attorney General report to this Legislative Assembly their decision on this matter in the next meeting of this Legislative Assembly.**

The Motion is open for debate.

Does the Member wish to speak thereon?

**Mr. D. Ezzard Miller:** Not hardly, Madam Speaker, but if you twist my arm I will.

**The Speaker:** Member for North Side, please proceed.

**Mr. D. Ezzard Miller:** Madam Speaker, it troubles me to have to bring this Motion here to this honourable Parliament today seeking legal redress on Operation Tempura and others to try to recoup some of the cost of the expenditure for these investigations.

This Motion is mostly about costs, but I also believe it is about principle and standing up for what one believes is best for one's country. I also believe that we need to let the administering power understand and know that in this day and age we are not likely to sit back and let them continue to rule Cayman with their unilateral dictatorial decisions.

I believe the people, Members of this Parliament, have always showed respect to the UK Government, our colonial masters. But I am beginning to question whether the UK Government appears to be willing and ready to reciprocate with an equal amount of respect. The *Daily Mail* article, which has circulated the rounds of this Island and, obviously, the UK (and I think the title is "Scotland Yard's Sunshine Squad") . . . while the article goes on to take the actions of the team to task, and while it does not have much good to say about Cayman, it is hardly fair to say that it promotes the administered power in a good light.



In the face of the lack of any successful prosecutions from these investigations it is hard for me as a Member of this House to appreciate, understand or even continue to entertain the Governor's continued insistence through the media that there is large-scale corruption in the police force. I think his most recent release of October 16 expands that now to basically include anybody in public life in the Cayman Islands.

We all know that this supposedly started out as an investigation into the police force. It was accidentally, or deliberately, expanded to include our courts; and now we hear the Governor's statement including all members in public life in the Cayman Islands.

I believe that that is rather unfortunate because one of the things that always appeared to be lacking in Cayman in getting successful conviction for crime and criminals before the court was an enthusiastic involvement of our local people in giving evidence or reporting fellow Caymanians. This exercise and this expansion I believe, Madam Speaker, will lead . . . and I would hazard to say that evidence that my constituents have brought to me recently (over the past 90 days) of their direct observation of criminal activity, and their refusal to report the activity to the authorities because they fear that the people they are reporting will get the information that they reported them.

Madam Speaker, in all of my life I have tried to live according to many of the lessons that my Aunt Nettie and others taught me in Sunday School. (And that is why some people call me the eternal optimist.) A big portion of that was, always wanting to look for the good in other persons and any activities that were going on. But, Madam Speaker, I have been looking at these investigations in the various media reports for (as a former Member of this House used to say) a long, long, long, long time. And I must confess that each day that goes by I find it more difficult to believe that there is any of the remotest possibility that any good can come out of this exercise.

Madam Speaker, let me make it emphatically clear that bringing this Motion here today is not intended to offer any protection, cover-up, or to sugar coat my personal disdain for corruption at any level, either in this House, the Civil Service, the wider civil society, the Governor's office, the FCO or the UK. Because when you look at recent media reports, one finds it difficult to believe that the United Kingdom can successfully claim to be in any position to be investigating Caymanians of being corrupt in their public life.

So, Madam Speaker, let no one pretend that the reason I am bringing this Motion is to try to say that corruption should not be investigated. Neither is this Motion intended to provide a forum under the cover of parliamentary privilege to unnecessarily attack the Governor or his office. Anything that I say in here I have already said in public.

I wrote a letter about 18 months ago to the media, which was published, where I said that if the Governor's management ability, as observed from the decisions and the effect of the decisions that he had been making, was that of any middle-management level civil servant, he would have been terminated for lack of performance.

I have questioned some of his intents. And while he has not chosen in his most recent press release to put my name to some of his suggestions, I believe that every person in this House, and most people in the country, know he is talking about me. But I will give him the benefit of the doubt because when I am talking about him he will know.

Madam Speaker, I am a firm believer and practitioner that corruption must be rooted out wherever it exists. But if one suspects corruption, the investigation of those complaints should be professional and should be done on the QT (as we North Siders would say), and it should be done with stealth and guile. And when one has in one's hands the necessary evidence to take forward a prosecution, prosecution should be taken to the proper courts and therefrom should come the public knowledge that one is being investigated.

The only possible reason to do it any other way is that if one is really not interested in successful prosecutions but only interested in maligning one's character. There is an old saying in Cayman, Madam Speaker—*cockroaches don't like light*.

Madam Speaker, what troubles me even more than the cost of these investigations is the fear, the intimidation, the destruction of confidence in our police service and Caymanian public life and the judicial system at large. This fear, in my opinion, is created by pronouncements by the special investigation team and/or the Governor himself—the most recent being the Governor's pronouncement of 15 October [2009].

I would quote, Madam Speaker, in the fourth paragraph, **"I do not think that the Cayman Islands face the scale of issues we have seen in the Turks and Caicos Islands [and I will deal with that suggestion later on in my contribution], and hopefully it never will. But we would be deluding ourselves if we thought that this country has been totally free of any corrupt or unethical behaviour in the police or elsewhere in public life, or that such problems could not occur in the future. [Caymanian Compass, 15 October 2009]**

What troubles me about this press release is the unwritten tenor and what we used to call reading between the lines. There are several suggestions made in this where the reader could quite easily draw the opposite intent. One of those statements is where the Governor says, **"A few people may have other reasons why they do not wish to see the investigations continue or succeed."** Certainly a sentence with several meanings, Madam Speaker, one of which could possibly be that people, such as me, who choose to speak out in public against what is going

on, may wish to have them stop because I might be corrupt. Madam Speaker, I take great umbrage to that. If you want to walk on the fighting side of Ezzard Miller, question my integrity.

The one unbreakable promise that I made to my dear mother when I got involved in politics way back in 1980 was that I would never do anything in political life where she would have any shame going to Women's Guild. And regardless of what people said about anything that I did in Government, nobody, nobody, nobody—including Her Majesty's appointed Government—has any reason or authority on which to question my personal integrity.

So, Madam Speaker, I am publicly calling on the Governor today, if he has any complaint about Ezzard Miller being corrupt, charge me. Put me before the courts. If he does not, I expect [him to say] in his next statement, if he is talking in general terms, that this corruption indication does not apply to D. Ezzard Miller.

As one very famous lady Member of this parliament used to say many years ago, Madam Speaker, she was the only one in parliament certified to be mentally sane because she had a doctor's certificate that said that she was now sane, because she had been insane in medical terms.

This country—the government's treasury—spent two hundred and seventy-odd thousand dollars in 1993. They brought in Idi Amin's former Chief Justice to do—

**The Speaker:** Order!

**Mr. D. Ezzard Miller:** And at the end of the day, Madam Speaker, they could not find a single dollar that was misspent, they could not find a single decision that had been taken that was not properly documented, and the final conclusion on that investigation was that the matter and the project had been so well thought out and so many people had been involved in the decision-making process that it should have been given an opportunity to succeed.

Madam Speaker, I think I can clearly say that the Cayman Islands Government has certified me to be an honest person of integrity. Maybe I will send a copy of that report to His Excellency.

That's part of the problem, Madam Speaker. A lot of people in this country believe that Cayman was born in 1996 or the year 2000. Some of us who have been around—and in particular around these Chambers—know a little bit about what went on in the past.

Madam Speaker, the Governor in his statement also talked about people who wish to use this opportunity to beat up on the United Kingdom Government, and that what we really want is independence. Let me put his mind to rest about what Ezzard Miller feels about independence. And if he goes back to the 1972 Constitution and some of the comments I made publicly when I came back from university on holiday when they were doing that, he will find that I

have long been an advocate for independence for the Cayman Islands.

Madam Speaker, I am the son of a sea captain. I know what it is to have somebody in charge of the ship. We can go as far back as the mutiny on the Bounty to tell you what happens when you do not have somebody in charge. I have always believed that Caymanians should be in charge of the ship. Now, what I have never advocated and will never advocate is independence over night, or independence according to the United Kingdom's calendar.

I have always said . . . in 1972 when I raised it first, I think I used the year 2000 then; in 1992, when we had Sleepy Smith doing the 1992 Draft Constitution, I suggested then in a written submission that we should set a date for independence in 20 years' time. When Mr. Benson, Mr. Leonard [Ebanks] and Mr. Arthur Hunter were doing the Constitutional Review conducting public hearings in 2001/2002 for the 2003 Draft Constitution, I raised the matter with them again. I was bold enough to put my beliefs and my convictions in writing and again I suggested that the country should have a debate about independence and set a date 20 years down the road.

When the PPM Government came to my district in 2006 (might have been 2007, but I think it was 2006) to have their constitutional hearings, I raised the matter with them and suggested then (2007 I'm told) that we set the date some 15 or 20 years down the road for independence. They made it clear that they had not come to North Side to talk about independence. They did not support it and they were not going to entertain my discussion on it. I accepted that and we moved on to other troubling matters which I wished at the time to aggravate them with.

Madam Speaker, I have publicly said that my disappointment in the Constitution that comes into force on 6 November this year is that there is no devolution of authority from the Governor to this Parliament or the duly elected people in this House. There is some quasi delegation, but anything he gives you he can take back. I believe that we need to have a national discussion of the pros and cons of independence, on when we want to seek independence from the UK, and the type of independence we want to seek from the United Kingdom.

My greatest fear is that one day we are going to be told that we will be independent in a couple of months and the country will not have prepared itself for what is, in my view, the inevitable. So the Governor needs to veil nothing about I might be seeking in some undercover way to try and wrestle independence from the United Kingdom.

Madam Speaker, I heard the Leader of Government Business say in his speech that this Motion raises issues of constitutional importance—unprecedented issues of constitutional importance. I do not believe that is so. Way back in the 1960s private citizens in this country took a case to the Privy Council against what was then the Governor (except

he was called an administrator) and won. I believe that in recent times our Government has taken the United Kingdom Government to court on the tax initiatives and won.

So, I do not believe that the Governor's statement should frighten us into believing that if we do what is the established process, of taking him to a court of law and getting a court's decision as to whether they are liable and should refund some of this money, should in any way have any bearing or any negative effect on our constitutional relationship with the United Kingdom.

There was also talk in his statement here about some politicians wanting control of the police and that the United Kingdom is not prepared to give any politician in any of its Overseas Territories control of the police. But, Madam Speaker, one is left to wonder what is best for a country. Should a person who has to face the electorate of this country every four years, be judged on his performance in office and what he does, be in charge of our police and other security matters? Or should we just accept that our colonial masters can appoint anyone who may not have a single day of experience in any position where he had to set policy or make decisions about policing or other judicial matters in his life prior to being appointed to such a lofty position as Governor in the Cayman Islands?

Madam Speaker, I believe that the days are long gone when the United Kingdom Government has at its disposal a large number of people who have years of experience in colonial administration from which to appoint governors. I would suggest that the last one of such persons was appointed several governors ago, and that what we are getting now are not necessarily coming to the table with the appropriate skills set or experience to take on such a job.

So, when we see these statements that politicians should not be in charge of police but some person who is unilaterally appointed by some administering power should have full [charge] and nobody is allowed to question it . . . I think we need to ask some questions.

Madam Speaker, I believe that the *Daily Mail* article I mentioned earlier supports my Motion that there are good grounds to take this matter to court and get some funds reinstated in our Treasury. Many of us, prior to seeing the Auditor General's Report and prior to seeing this article, had heard numbers like \$6 million and \$7 million thrown around. But it really did not hit home. Because when we are down here and the country is talking about having a \$600 million budget and you are talking about \$6 million or \$7 million, to most people that's not a lot of money, right?

But when it becomes public knowledge that one individual is receiving large sums of money—in the region of twenty-five-plus thousand dollars per month—and when you do the math on it and you find out that this thing costs us, including Saturdays and Sundays, some C\$8,000 per day . . . Now, most

Caymanians can relate to that, because that's three or four times the average monthly income for Caymanians that we are spending on this matter per day.

Madam Speaker, the statement by the Leader of Government Business, which I must take the opportunity to thank him for because the legal opinions that he has expressed here are similar to the ones that I received. So, we can all rest assured that this thing can be done legally; it is just a matter of this House having the political will to say it should be done. He presented sufficient evidence and I am sure that the legal person he spoke to is eminently more qualified than anybody I would have access to for legal advice.

But, Madam Speaker, I was very careful in the choice of words in the resolve section. I used the word "misfeasance" rather than "malfeasance" (which had been moved in Finance Committee), because after further research and looking up the definition of these two words I came to the conclusion that "misfeasance" was more appropriate.

In *Chambers Dictionary*, the new 9<sup>th</sup> Edition (which claims it is the richest range of English Language from Shakespeare to the present day), the authority on English today; "*misfeasance*" is defined as "a doing of a lawful act in a wrongful manner."

When I looked up the definition of "*malfeasance*" it says, "wrongdoing, the committing of an unlawful act, especially by a public official."

Madam Speaker, I am not making any suggestion here, but it is somewhat coincidental that on the same page there is a definition of *male menopause*, which says, "crisis of confidence identified in middle-aged men, comparable to—"

**The Speaker:** You are straying.

**Mr. D. Ezzard Miller:** I am not making it up.

I bow to your ruling, Madam Speaker.

What I am suggesting in this Motion, Madam Speaker, is that the Governor is not guilty of—sorry, Madam Speaker, not male menopause, Ma'am—misfeasance.

But Madam Speaker, you need to tell these people on my right that they are interrupting me and that is leading me to make these mistakes and to wander from my prepared text.

[laughter]

**The Speaker:** Order please.

[inaudible]

**Mr. D. Ezzard Miller:** But Madam Speaker, there is a distinct difference. I am not in any way suggesting that we take the United Kingdom and the FCO to court for the Governor and his team doing anything unlawful. What I am suggesting is that while what they did was legal, in my opinion, some of it could be interpreted as doing it wrongfully, even though it was legal.

Madam Speaker, again, I have never been a great proponent or believer in conspiracy theories and all the stuff that can be wrapped up and inculcated in going back to the JFK magic bullet. I read the Warren Commission Report and I believed the Warren Commission Report from day one.

But when one follows the twists and turns of this Tempura investigation and Cealt (which I understand is ongoing), all of us . . . I may be being investigated today. I don't know. I hope not. If I am, I am not scared of it. That will be a big disappointment when they get to the end of that one.

But when one looks at all the twists and turns, when one sees all of the negative things that are happening in and around these investigations, when one sees and observes the decisions that the courts of this country are handing down as decisions based on information and evidence gathered at these investigations, one is hard pressed to not believe that there is the remotest possibility that our colonial masters are trying very desperately to shut this country down.

Our financial industry has been subject to, in my view, unjustified criticism and scrutiny in the past . . . I better not say that. Um, let me think of a new word . . . in the most negative way (I am trying very hard, Madam Speaker) from the highest echelons of the United Kingdom Government—namely, the Prime Minister himself, Mr. Gordon Brown. It is a matter of public record that he has been doing this from the time that he was head of Exchequer. We called him Minister of Finance.

I believe these investigations have destroyed public confidence locally in our police and in our judicial system. I believe it has had a negative effect on the international confidence, in particular, in our judicial system. That was something, Madam Speaker, that we could boast about for years—decisions and precedents set on international law in our courts, recorded in the highest courts internationally, as high as the Privy Council, on decisions. Sir John's invented term a long time ago of "dual criminology" has stood the test of time. And there are others. I am not a lawyer, so I do not remember them all.

Madam Speaker, the increase in crime is having a negative effect on our already troubled tourism industry.

There was a time in our recent history, which I can remember, when the colonial relationship between Cayman and the United Kingdom was such that their unilaterally appointed governor was expected to represent the interests of Cayman to the United Kingdom. Madam Speaker, there has been a seismic shift in that relationship. I believe that the most recent appointments have a different view, and they are here to represent the interests of the United Kingdom in the Cayman Islands.

Madam Speaker, that may sound like a subtle change, but when one takes on board the fact that the Cayman Islands have grown to become a serious competitor in the financial industry, and a serious

challenge to the London financial market whose government is constantly raising taxes, and now we are being told as recently as last night on local television by these same people that we have to very seriously consider direct taxation and the justification is given that all of the other Overseas Territories who have a financial industry already have a form of direct taxation so it should not be injurious to Cayman.

Madam Speaker, I want to quote a paragraph from a book out of my library, *Conflict Peace and Development in the Caribbean*. This is a series of articles delivered by some eminent academic and political people of the Caribbean. There is one here, "The small state in the Caribbean, policy options for survival." I will just read a small portion, with your permission, Madam Speaker. Anybody who wishes to check the book can have a free look at it later on. I can't afford to give it to Parliament, so I won't table it.

I quote, Madam Speaker: "The Caribbean small state, because of its location, finds itself constrained in its choice of internal strategy for development and its choice for a strategy of external relations designed to maintain its security and to secure resources for development. Peace in the Caribbean of the small state is thus defined to mean the removal or, more realistically, the significant diminution of such constraint. I note quickly in passing that those few ruling groups in the small states who have sought from time to time to reject such constraints have been subject to destabilization in a variety of ways including denial of aid funds from international agencies and banks, the withdrawal of investment, the withholding of technologies and spheres, the encouragement of internal dissent and the mounting hostility of international propaganda campaign."

Most of us in here, Madam Speaker, are aware for some time now that there have been several articles in the international media that are not really complimentary to the Cayman Islands.

Madam Speaker, as one looks over the history of the Cayman Islands, in particular the events post-Ivan and what we got and what we didn't get, the kind of international criticism we received, it is beginning to become increasingly difficult for an optimist like me to continue to accept or believe that these events are just coincidental or perchance, and are not really a determined effort to destabilise and ruin the Cayman Islands.

Madam Speaker, the continued suggestion by the administering powers, the continuing reminder of what has happened in the Turks and Caicos Islands and, in my belief and in my opinion, the threat that they will do the same to us is disturbing to me. Most of us hear on the surface that the British Government went in there to stop corruption. That may be so. I do not have any axe to grind for anybody in the Turks and Caicos Islands. The people of the Cayman Islands need to understand a little bit about what they have done so that when we hear these statements coming from the people who can do it . . . They can do

it before 5 o'clock this evening. They can do it before midnight tonight. They can do it before Christmas. And there is nothing, there is nothing, there is nothing anybody in here—who is a duly elected representative—can do about it.

What did they do? They dissolved the duly elected government and appointed some kind of committee of their choice to run the country. They brought in their own experts to run the government. More importantly, in my view, they suspended trial by jury of one's peers, which means that anybody who is accused is going to stand before one of their appointed judges and be judged.

And I am not suggesting anything untoward; but we all see the pictures in the *Daily Mail* and we see how some of these experts that we bring in treat us locals and our country with such disrespect and disdain. So, we have to be very cognisant of what they are indicating they will do.

Madam Speaker, in response to the statement by the Leader of Government Business let me repeat that this Motion is asking for one thing and one thing only; that we put the relevant authorities before the relevant judicial authorities for a decision. It is not intended for the Governor or the FCO to seize this opportunity because we are asking them to go before a proper court of law for a decision to take any unnecessary constitutional action in this country. That is not what this is about.

We have all been taught and raised up that British jurisprudence and the place to get proper decisions is in a proper court of law. That is all I am asking for. If we win, we win; if we lose, we lose. But I am doing what I believe is right by this country and right by the voters of North Side who put me here. I am suggesting that there is enough in this whole process that both parties can go before a properly established court of law and ask for a decision. That is all I am doing.

Again, I happen to agree with most of what was said by the Leader of Government Business in his statement. I do not agree with some of it, and I have already stated one part. Number 9 says, **“To successfully maintain a claim of misfeasance of public office, the following will be required to be proved; [And, Madam Speaker, the public needs to understand, as well as all Members in here, that I am not one of those learned friends. I am not a lawyer.] (a) the act or conduct has been committed by a public officer; (b) the act or conduct must have been done by him in the purported exercise of his power as a public officer; [None of that is being questioned. All of that is admitted and agreed.] and (c) the act or conduct must have been done either (i) maliciously; or (ii) knowing that the act or conduct is invalid or unauthorised . . .”**

I do not necessarily agree. I am not suggesting that this was done maliciously. And the dictionary definition of the word says that what I expect he did

was legally authorised. I just happen to think it was a wrongful act that he did.

I do not think we need to raise the threshold, nor am I suggesting that it was done with reckless indifference. I believe that my concern is the lack of results of the investigation which justified the expenditure. I do not think it was done with reckless indifference, I believe it was done through careful thought and, not reckless, but deliberate difference knowing what they were doing; and if I subscribed to the conspiracy theory, also believing they would achieve their objective whether or not they put anybody behind bars for corruption.

I am not in any way suggesting that the Governor is being dishonest in any of this activity. I do not think we need to raise the threshold for that either because I really have not seen anything to make me believe that he may have acquired a chalet in Switzerland in this process. So I am not in any way suggesting that he somehow gained in a dishonest way from these investigations. I do not believe that is a matter that was ever intended or ever on the table. I think if I continue to use the word “malfeasance” such things would have been indicated, but that is not in the Motion.

Finally, Madam Speaker, the position of the Leader of Government Business in [number] 13, **“The Legislative Assembly . . . will have to give careful thought to the matters set out hereinbefore, and will have in mind the requirement for the clearest and most persuasive evidence before any claim for damages for misfeasance in public office may be brought against HE the Governor.”** I accept that.

I believe that the resolve section of the Motion asks for one thing, and one thing only: for the Government, including the Governor, over the next several weeks (before the next Meeting of the Legislative Assembly) to consider whether or not it is in the interest of this country to seek judicial redress for this matter and to come back here and tell us yes or no as to whether they are going to sue the authorities listed in the Motion.

Thank you.

**The Speaker:** Thank you Member for North Side.

Does any other Member wish to speak?

[pause]

Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker.

As I rise to second this Motion, this is probably one of the more unlikely occurrences that would have happened being the ultra conservative that I am. There is not a lot more that I can add to the words of the mover who dealt with this very comprehensively.

Madam Speaker, when it comes to the word “conspiracy” . . . I will not adopt that word. What I will bring to the Motion is my experience over 17 years. I will attempt to show an eerie trend that has evolved over the years.

Having served with five different Governors and in three Cabinets, second only to the present Leader of Government Business, I have had the opportunity to observe some uneasy and questionable activities by senior administrative personnel. I will reflect back on other situations that have caused me concern over the years. I will draw us back to the situation of the Euro Bank fiasco and the questionable actions of the then Attorney General.

But even before this scandal broke, Madam Speaker, I and a senior civil servant made certain observations against one of our officers working here, namely Brian Gibbs. He and I went to the then Governor and shared with him certain actions that we were not comfortable with that we saw going on. We were told that there was nothing untoward. We took it for granted, Madam Speaker. The rest is history. It was discovered (to put it lightly) that we were being spied upon in an attempt to undermine our financial industry.

Subsequently, this very Governor, I am reliably informed, sought to overturn decisions made by our duly appointed Immigration Board. And one of the really, really most painful situations in my time in Government was when we, as the duly elected Cabinet of the people of these Cayman Islands, were called monkeys, saying that we were like monkeys in a barrel trying to get to bananas on a bunch!

Of course it is recorded in the *Hansards* of this House in my response to his Throne Speech on 22 February 2002. Madam Speaker, with your permission, I would like to read, and I have asked that you receive a copy. Madam Speaker, I quote from the *Hansard* of that date, at the bottom [of page 74], it's very short: **"He goes on to say in the next paragraph, 'The governance of these Islands could have a different complexion by next year.' Once again I say [that was me], make haste slowly.**

**"Finally in my opinion, the monkey courts of history will try the leadership style of our present Governor and when the final chapter is written it will be found wanting and quite possibly the bananas will be finished."**

Madam Speaker, I am not using that as a comparison to the different types of leadership I have experienced, but following on from some of the things the Elected Member for North Side spoke about. I will bring back to the attention of this House . . . and it gives me great concern.

I am reading now from Minister Chris Bryant's letter of 27 August [2009] to the Leader of Government Business. He says, "It would be unwise to expect that the Cayman Islands prosperity can presume [presume!] on an offshore tax haven status." And to think that as hard as we try across the board and throughout the financial industry, at his level still calling the Cayman Islands—the fifth largest financial centre in the world—a tax haven. . . That bothers me a lot, Madam Speaker.

But, just 21 days ago, on 1 October [2009] in another letter to the Leader of Government Business, he says: **"I repeat my view that a true diversification of the revenue base should be part of any future strategy to ensure the long term stability of CIG public finances. It will not be enough to rely [and he once again speaks here] on tax haven status in the new world of financial transparency and global financial regulation. I urge you therefore to broaden your tax base as a matter of urgency."**

Madam Speaker, I take this as a serious warning. No matter what we do . . . and we have complied with every international requirement for transparency. There is no other financial centre in the world that has done what we have over the time period, and yet they keep stretching the goalpost. That gives me concern, Madam Speaker.

There was another item in regard to the present Governor at the time of the Brian Gibbs situation. And I sadly remember one of our very young, bright, upcoming civil servants, because he stood up to him, he tried every way to get rid of him. Madam Speaker, I was in the Cabinet at that time. Some of my colleagues in here will remember when we sat with him and told him that this could not happen. Thank goodness we staved that off and he is one of our very respectable young men at a very high position in Government and I am very proud of him. He is a nonsense person and you cannot pull the wool over his eyes.

Just briefly to comment, and not to take it back to the Throne Speech, but the second paragraph by the Governor, **"While I cannot speak substantively for my successor who will arrive in January, he undoubtedly will face many of the same issues that I faced, and I would expect his approach to be much the same."** [2009/10 *Official Hansard Report*, p. 126]

Madam Speaker, that scares the daylights out of me! To think that an administration would continue as we have witnessed over the past 15 or 20 years, and as briefly spoken to by the mover of this Motion (the Elected Member for North Side), when he compares the Turks and Caicos . . . Madam Speaker, whatever has been alleged . . . it is a totally different situation altogether. The pressure we are facing is not amongst us as legislators or as a Cabinet; the pressure that is coming on us at this time is from external factors. So I do not agree with that comparison.

He said he takes advice. Just another brief example was when Minister (at the time) Clifford, came to get money for the prosecution and we as a Cabinet objected. We said we could not agree with it. I do not have to tell this House about the fiasco with Judge Henderson that cost us millions of dollars because of lack of consultation with our local legal professionals.

Madam Speaker, this honourable man was being prosecuted. I am made to understand that he

was charged with an un-indictable offence. So what happened? Once again it went to trial in our own courts of justice and was thrown out. You and I, as we go to Fosters, Hurley's, Kirks or wherever we buy, are going to pay for this kind of stuff. This is the concern, Madam Speaker.

Forgive me for repeating some of the things that the Elected Member for North Side said, what has been happening really does not add up. Madam Speaker, if there is corruption, whatever it is, everyone knows my ultra-conservativeness, let us leave no stone unturned. But when we do this research make sure there is good evidence, that when our prosecutors go to a court of law before a judge (whoever it may be) that it is something that can stand and be looked at in the proper manner.

Madam Speaker, I could say a lot more, but I know that other colleagues of mine have been through some of these things.

One of the things that convinced me to second this Motion, Madam Speaker, is in the report of the Auditor General. This is on page 21 of the Auditor General's Report in regard to Operation Tempura and Cealt:

**"I concluded that there were significant deficiencies in the administrative management of the police investigation projects Operation Tempura and Operation Cealt and the accounting for their related costs. In my opinion, there were inadequate oversight and project management processes in place to ensure appropriate management of contracts, proper expenditure monitoring, reporting of expenditures to the Cabinet, and providing the means to ensure due regard for value-for-money in the acquisition of resources."**

Madam Speaker, in regard to Operation Tempura, we were summoned to hear about this situation only to find out that we had external people in our Islands for months doing investigations. All I am saying, Madam Speaker, is that if he did not want to share it with the entire Cabinet at that time, we have a Leader. I think in confidence he could have shared with the Leader of Government Business what was going on.

Of course, it has recently come out that the management part of this entire operation did not start to come together until three months after, or something like that. This is not good enough for us here in the Cayman Islands. We must stand up and be counted.

I have two sons and a couple of grandchildren. I am here to make sure to the best of my ability, and with my colleagues, that the Cayman Islands continue from the days where you and I came—a good, stable, safe place. My vault is already built, so I have nothing to worry about or lose down the line.

In closing, Madam Speaker, I would like to leave with this honourable House the prayer evangelist Billy Graham prayed for the great United States. Madam Speaker, it so very much applies to us here in

Cayman at this time. You may have seen this. Billy Graham's prayer for our Nation:

**"Heavenly Father, we come before you today to ask your forgiveness and to seek your direction and guidance. We know Your Word says, 'Woe to those who call evil good, but that is exactly what we have done. [And we are doing it here in Cayman, Madam Speaker] We have lost our spiritual equilibrium and reversed our values. We have exploited the poor and called it the lottery. We have rewarded laziness and called it welfare. We have killed our unborn and called it choice. We have shot abortionists and called it justifiable. We have neglected to discipline our children and called it building self esteem. [And I warn our Cayman parents, do not let that happen to us!] We have abused power and called it politics.**

**"We have coveted our neighbor's possessions and called it ambition. We have polluted the air with profanity and pornography and called it freedom of expression. We have ridiculed the time-honored values of our forefathers and called it enlightenment. [And we can speak so much of that here in Cayman, Madam Speaker. We know where we came from; we know the standard that we set. He closes:] Search us, Oh God, and know our hearts today; cleanse us from every sin and Set us free."**

Thank you, Madam Speaker.

**The Speaker:** Thank you, Member for Bodden Town. I think this is a good time to have the lunch break. We resume at 2.00.

**Proceedings suspended at 12.30 pm**

**Proceedings resumed at 2.26 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

*[pause]*

**The Speaker:** Madam Clerk, do we have a quorum?

*[inaudible]*

**The Speaker:** Before the lunch break we were debating Private member's Motion No. 1/09-10.

Does any other Member wish to speak?

*[pause]*

Does any other Member wish to speak?

*[pause]*

Does any other Member wish to speak?

*[pause]*

Fourth Elected Member for George Town, are you ready to debate?

**Mr. Ellio A. Solomon:** Yes, Madam Speaker. Thanks.

Madam Speaker, I rise to make a contribution to the Motion brought today by the Member for North Side [Mr. D. Ezzard Miller].

I believe it is important that I stress, in as much colorful language or whatever is required to make sure that it is stated, that I personally believe that the spirit of this Motion is a good one. And for clarification when I state “the spirit of the Motion,” I think, as the first line indicates, that there has been much public discourse about it. A significant number of persons out there take the view that what has transpired in this country in many respects is unacceptable, and that every reasonable action that this Government or any government can take to ensure that it does not occur again, should be done.

I believe we have all expressed our own views about this Tempura case. I recall that during Finance Committee (if I could take us back) I was the first one here on the Floor to actually mention my personal position, that I would like to see—and I believe I received some form of undertaking from the Attorney General—some action taken to ensure that the Governor and the Foreign and Commonwealth Office (FCO) would, I believe as I termed it, work towards issuing for this country, the Cayman Islands and the Caymanian people, a clean bill of health.

Madam Speaker, from the time I have been knee-high to a grasshopper (to use that expression) we have heard allegations of corruption in Government, and we have heard allegations of corruption specifically about the police as well. I think there have been instances that I can recall where information has been given to the Royal Cayman Islands Police (RCIP) and sometimes it seemed that even before the police arrived there were certain elements within society who already knew that a call had been made. And I believe the Member for the district of North Side echoed that today in his statements.

I think he mentioned that some persons in his constituency are fearful about reporting information to the police out of concern that that information will be leaked. And we could go on with that one particular issue but I believe that that is enough to be able to state that there are always concerns in terms of corruption within government—whether it be elected officials, the Civil Service or the RCIP.

The mover of this Motion stated today in this honourable House that members of the constituency that he represents (and I believe in every indication he is representing it well) are still concerned about reporting things to the police. Madam Speaker, I think that in itself should say to us that the job of ensuring that we do what we can as elected officials to remove that is still not done.

Madam Speaker, I stress again, because I believe it is important, as I get into the body of the discussion, that I support the spirit and the direct intentions of this Motion, but I believe that we need to also look a bit beyond those intentions and the spirit of the Motion. I believe that I have been entrusted as an

elected official, particularly one who has had the pleasure today to form the Government, to make sure that my actions are going to be, and I stress, in the long-term best interest of the Caymanian people. Not even just in the best interest, but in the long-term best interest of the Caymanian people.

And, with that, Madam Speaker, as I learned many years ago, and is solidified today, that means that there is a responsibility on me, and I believe all of us as elected officials. I definitely believe that it is a position that this Government takes; that we have to make sure we are cautious and not just jump in and perhaps act on a feeling.

Madam Speaker, I heard the Member mention that initially when the Motion was brought the word “malfeasance” was actually used, and that that went through a subsequent change. Today the word that is used is “misfeasance.” I indicate that, Madam Speaker, because I believe it is important. Any one of us could make a small error, a small mistake; but I believe that that is indicative and worthy of highlighting to show that sometimes we have an opportunity in life to correct those errors, and oftentimes we do not.

I learned from an early age to make sure that I am cautious and careful in what I say, because once you have said it there is no way you can take it back. So, if we can sit in this honourable House today and on that one simple point we can stand a few days later and appreciate the need to make a modification, just even to that one word, Madam Speaker, I think it highlights the importance of us as a Government, as elected officials that are here to serve the long-term best interests of the Caymanian people, to make sure that as we proceed with whatever decision we are going to make, that we proceed cautiously, reasonably and responsibly.

For the little bit that most persons would perhaps know of me I hope that they would be able to draw a conclusion that I am one who will not shy away from a fight. If there is something to be fought about, Madam Speaker, I will fight for it.

I believe that even my journey to this honourable House, as I mentioned perhaps in my first statements, has been a long road and a very, very difficult fight. And just to share a little bit of that with you, Madam Speaker, I even remember once when I was in school (and I am not going to question the intentions) I had a teacher who said—and I guess because of where I was from it was particularly stressed—he said, “Clean the desk out because you are going to grow up to be a garbage man.”

Madam Speaker, I did everything I could to make sure that was not going to be the case, and I fought. But I believe I fought in a very sensible way.

I’ve even had some Members of this honourable House who, in their own words, have told me that I am not their class. But, Madam Speaker, if I went down that particular road . . . I realise that even in that particular battle, assuming I was successful, I may end up losing the war. And the bottom line of the



situation is that sometimes we have to avoid and make sure that we are not going to put ourselves in the position where we lose the boat fighting over an oar. And as one radio [announcer] once said, "Sometimes when we battle over the past, what we risk losing is, in fact, the future."

Madam Speaker, I heard some of the comments that were made, for example, with respect to the United Kingdom and whether or not this country is going to go down the road of independence. I believe the Member for North Side talked about the fact that he has always supported it, and called for positions in terms of perhaps setting up a clear objective as to when that particular date would be. I have shared my comments on this before, Madam Speaker, and, with the indulgence of the House, I will share some of those concerns again.

It is my personal feeling and belief that the Cayman Islands, like many other countries, is now having to undergo some transitional phases. We now find ourselves where, in my humble opinion, words such as "independence" are almost obsolete, particularly in a world today of interdependence. Arguably, independence no longer exists.

We see even great countries, like the United States of America, that find certain organisations, whether it is the World Trade Organization or otherwise, having their own internal policies, whether it be internal or foreign policies, dictated to by other organisations. This is a world that is moving towards interdependence. And I stress that because I believe it is important when we talk about the future of the Cayman Islands to appreciate that it is a world of interdependency.

I have my personal feelings, Madam Speaker, in terms of where the United Kingdom, perhaps, would like to take us. If I listened to some of the indications today, as I have heard before by a significant [number] of individuals, they will state to you, whether it is through a conspiracy theory or otherwise, that their personal position is that the United Kingdom wants to destroy the Cayman Islands, and that somehow or another that is their sole intention. At one point in time when we had His Excellency the Governor on the [radio] programme, he referred to those remarks as rubbish. But, Madam Speaker, if we agree that some of the actions we are seeing are abusive in nature, even if we want to go down that road . . . and let's explore it for a second.

If we take that particular route, Madam Speaker, the abuser, whether it be a relationship of man and wife, boyfriend and girlfriend, or country and country, the abuser very rarely releases the abused. I believe that if one wants to go down that route that is a conclusion that they could possibly draw. I think perhaps it is *the* conclusion.

I believe that in this world of global interdependency . . . and when I read statements from the Secretary of State, Mr. Jack Straw, in a document with projections all the way until I think 2012 . . . he made it

abundantly clear that the objective of the Foreign and Commonwealth Office is to look out for the best interests of the United Kingdom. So, I do not think we have to spend too much time in this House, and I do not have to have 17 or 20 years of parliamentary experience to know that the objective of the FCO is to look out for the best interests of the United Kingdom.

If we are in this pond together and our interests are one, well then there are benefits. But I feel very confident that when those interests diverge, when there is a conflict, the United Kingdom is going to look out for their interests. I have very little doubt of that, Madam Speaker.

So, when I look at all of this and see some of the events that are happening, I have to very quickly take another short side road and make a comment insofar as even the Auditor General's Report. I have to note that the Auditor General, perhaps in somewhat not his usual style, was very sparing in some of his comments. I know in the past he has made comments to the effect of wanton disregard for the people's funds. I have to note, Madam Speaker, that I did not see those sorts of comments in this particular report.

Madam Speaker, I have no doubt that the FCO is looking out for the interests of the United Kingdom. And as we look at what the United Kingdom is doing, I believe that we have an objective. And I definitely take this personally in my capacity as an Elected Member and as a Member of the Government. I want to see what is in the best interests of the Caymanian people long term. And in order to do that I fundamentally believe that, yes . . . do we have to fight? As I said, I won't shy away from that. I think we have an obligation to do so. But we have to make sure that we are waging the right fight in this country. I think there are major issues that have to be addressed, and rather than us taking a simple position to say, *I want to bring a lawsuit*, I believe it is an issue to take a macro level approach and say, *I want to make sure that I am going to take action that is truly going to bring about a victory*.

As I mentioned before, Madam Speaker, if I had gone on some of the comments that I have received throughout my life, as much as it is, I would not be where I am today; I would perhaps be out there still in a quarrel. But I know that what I had to do . . . And I'm comfortable making those statements, Madam Speaker, because I believe it also reflects many persons in our country today. I encourage them, hopefully by those statements, that we have to look at the long-term objective and say that we want to win, and how it is that we as individuals and as a country can guarantee that victory.

Madam Speaker, my personal belief is that if we are going to wage that battle, and if we want to win, we have to make the fundamental changes in Government that are going to ensure that victory for the Cayman Islands and for the Caymanian people.

When I look at it in terms of the misfeasance and saying that we want to have a specific lawsuit, I have to ask myself if I believe personally . . . and just based, again, on some of the information that I heard the Leader of Government Business read today. If in fact we believe that we will win in that debate . . . because, Madam Speaker, I can assure you that it is going to be a costly exercise if you want to go down the route of taking the UK to court. And there is no guarantee.

I think the Member for North Side also mentioned that he took the position on principle. Again, I can appreciate that. He said, *If we win, we win; and if we lose, we lose*. But, Madam Speaker, I think that words can very easily describe what the back finds very difficult to do, because to say, "if we win, we win, and if we lose, we lose" . . . it is a bit more complicated than that. The fact of the matter is that if we lose, it is not as simple as saying, *Well, we have spent millions and millions of dollars of the taxpayers' money and we have lost*. It is not as simple as that, Madam Speaker.

Just like in any relationship, if you attempt to extract your pound of flesh I can assure you that someone will make their efforts to extract theirs as well. And we also have to ask ourselves what it does in terms of relationships. There are a lot of consequences that I personally feel have to be considered. And just like the Member can mention that there was a change, particularly on the word "malfeasance" to "misfeasance," I personally would have loved to have seen a motion come forward asking the Government (again I will stress that this is my personal position) to consider the appropriate action to take and not necessarily to channel in one specific direction. I believe that there are perhaps viable options, alternatives that can be taken.

Madam Speaker, if we take some of the statements made today by both the Member for North Side and the [Second Elected] Member for Bodden Town [Mr. Anthony S. Eden] and appreciate, whether we want to take the position that the UK is abusive or whether we want to take the position that they are *frien-frien* or foe, I believe that we have an obligation to take our time and look at all of the various things that have to be addressed in the country. That is the fight, Madam Speaker, personally, that I want to win.

I look at this country right now, as we have found it as a Government in a situation where we were not compliant with the law, not in the financial position that we should be in. I personally believe that that hurts the country. When we talk about independence, and I have made that statement before, my belief is that the only true form of independence is economic independence. And some of the actions of the previous administration have robbed us of that. I think that one of the things we need to do is to ensure, whether it is the Government or whether it is the Governor or the FCO, that we plug the holes in that ship to make sure that the Cayman Islands, the Government

on behalf of its people, can maintain its economic independence.

Madam Speaker, we can make these sorts of statements; we can make a lot of statements and it may sound snappy. It may even get you a headline in the newspapers, and may sound good. But when rubber meets the road I want to make sure that the fight that I am going to engage in is one that we can win. I believe we can win if we concentrate our efforts today as parliamentarians to ensure that we can work to create economic independence for this Government, economic independence for the country—not the reverse.

I've heard about the Constitutional changes. I've seen some of it. I went on some of those negotiations. I think the Member for North Side was correct again in that statement, because in large part there seems to be some delegation of powers. But bottom line is that the Governor, the FCO, the UK and the political directorate still hold control. And, so, Madam Speaker, we can perhaps flatter ourselves with that façade that somehow or the other we have improved. I definitely see some additional expenses for the people of this country. But whether it has improved or not, in my opinion, is questionable.

I like to work with what is within our sphere of influence. So, on top of that list, Madam Speaker, everything that we do insofar as the running of the country, should be aiming to make sure that the Cayman Islands and the Government maintain its financial independence. We have gotten off of that boat, Madam Speaker, and we have seen what position that has allowed the United Kingdom to take with respect to the Cayman Islands.

I continue to highlight it because a lot of these issues, good intentions or not, in my humble opinion, can be some red herrings that distract you and you can get carried down a particular hole. And while you are doing that we are losing time.

I heard the Member speak about suggestions from the 1970s. Madam Speaker, we are here in 2009. We have a new generation of parliamentarians today and we are still in the same position. How many little holes are we going to climb down in and argue and debate about? Or are we going to do what is in the long-term best interest for the people of this country?

Madam Speaker, uneconomic independence is within our grasp. It does not just mean putting the legislation together. I say to my colleagues on this side of the hall and on the other side of the hall that if we want to fight then let us wage a good fight. And we can win, Madam Speaker, just like I have, and so many other persons before me (because I'm not unique in that). We have all had our fight. And that fight to win, Madam Speaker, is that at the end of the day, despite the global recession, despite whatever the previous government may have failed to do or may have done, despite what the UK is doing and wishes to do and the fact that we find ourselves non-

compliant . . . Do you know how I think we win? We win by showing that at the end of the day through all of that that the Cayman Islands and the Caymanian people are going to come out on top.

And how do we do that? By one of those things I mentioned, to make sure we are compliant, that our economy is in order and that we are working more and more towards greater financial independence. Because in this world of interdependency that, I can assure you in my humble opinion, is what is going to make the difference.

We have a small nation, like Japan, that has the second largest economy in the world. And I can assure you it is not because of a piece of paper that lays in their parliament that makes them and keeps them in that position. Fundamentally, in this world it is the financial independence that you have. And when you can say, as Japan can say, for example, that they are the second largest economy in the world, that allows you to sit there and rub shoulders with the giants, Madam Speaker. So, those are the fights I want to engage in.

I see every single day . . . and if we break it down in terms of the Motion, line item by line item, this is a snapshot of what I saw coming into parliament, and what I continue to see up until today. We see people out there who have sent me here by voting because they had a little bit of hope.

They say poverty is not the man who does not have money in his pocket; it is the man who has no hope. That says to me that our people are still wealthy because at least they can say they still have hope. And their hope, Madam Speaker, is that we can come in here as parliamentarians and do what is necessary to get this economy going, to make sure that we can put food on the table for those many mothers and fathers who are having difficulty today doing that.

Just today, sitting in this parliament, Madam Speaker, if I have received anything less than five text [messages] from someone saying, *I am packing my things and am having to leave my house, can you help me find a place to stay? I need the money to pay my rent.* This is what our people are facing on a daily basis. Those are the people who sent me here and those are the people I am here to represent.

Madam Speaker, I am going to continue to say—hopefully not for two hours . . . but when we talk about representing those individuals, I now have to say, even with respect to the lawsuit and looking out for the long-term best interests of those same people, where is the money going to come from for this lawsuit?

From where does any Member wish to take the funds? Where is it going to come from?

I know what the argument is already, Madam Speaker, and what it is going to be. Part of that argument is that at a time when we are in a global recession and we would wish to be able to actually put money into the economy to create some spending, create more jobs and opportunities, this Government

finds itself in the unfortunate position that we must instead be adding additional taxes. So, let's be down to earth and realistic.

Madam Speaker, to the persons who text me (and I'm pretty sure text some of the same Members here in parliament) who have no place to stay, difficulties feeding themselves, difficulties feeding their family . . . where, are we going to tell them, are we going to find these millions of dollars? And I think the line, Madam Speaker, again with all due respect, "If we win, we win, if we lose, we lose," does not quite aptly describe the full gravity of the situation. It is my humble opinion it does not.

Therefore, where I have my personal feelings . . . because I don't want it to be misunderstood. I sat in this hall and asked for a clean bill of health. And why do I ask for it? Because I believe that the United Kingdom has come down here—and I mentioned this in my previous profession and I mention it again today . . . they have come, they have investigated us, they have rummaged through our drawers, they have dug up our closet and have found nothing, Madam Speaker. Nothing! I don't know what will happen in the next few days or the next few weeks, but they have found nothing.

Madam Speaker, I believe that we can turn that around. How can we take those same lemons and make lemonade with it? The situation right now is that by the UK's orders some of their best have come here, investigated us and have found nothing. For that reason I said that the United Kingdom has an obligation to make sure and to go, whether it be to the United Nations, whether it be to the newspapers, the *Guardian*, the *Daily [Mail]*, whomever, and tell the world now that the Cayman Islands has been investigated and that nothing has been found.

So where I can get up right now, Madam Speaker . . . and nothing would give me more pleasure than to say and to feel at the end of the day that I am fighting for my people, I want to assure this honourable House that that is what I am going to do. But I am going to make sure it is not going to be a situation where we are going to arguably attempt to win a battle and lose the war.

Madam Speaker, I know what it is like. I appreciate that in the political arena if you can get up and make a very short and snappy statement it is good marketing, because at the end of the day somebody has to come along and defeat that, if you like, with a statement that requires three or four minutes at the minimum.

Madam Speaker, I want at all times to make sure that our actions are in the long-term best interests of the people of this country. I think statements to the effect of not knowing when . . . I think this was a statement on independence. We do not know when it would happen, whether it would be over night (the Member from North Side said), or whether it is going to happen on the United Kingdom's calendar. And, Madam Speaker, again I agree—we do not know. And

if we feel, Madam Speaker, that independence for this country is inevitable and that it could happen over night, tomorrow, on the UK's calendar, is that not all the more an obligation to ensure that we are not going to lose this ship fighting over the oar; that, in fact, we are actually going to do everything we can to make sure that when that time comes—at our choosing or on the choosing of the UK—that we are prepared? I would like to believe so. That is the obligation that I believe we owe to our constituents. I believe that is the obligation that we owe to every Caymanian out there.

So, Madam Speaker, not taking too much more time, I will summarise it by saying that during Finance Committee I raised that motion because it is my personal feeling that the Foreign and Commonwealth Office and the Governor's Office now, after they have spent the taxpayers' money and have conducted the investigation, owe us a clean bill of health.

I would like to stress that in that Auditor General's Report it highlights the spending and everything and the fact that the monies may not have been spent correctly. We all see that. We all saw the article that the Member for North Side highlighted. I had it circulated to me on the weekend about the "Sunshine cops" here in the Cayman Islands. We are all outraged by that, Madam Speaker. Every one of us!

That is something worthy of mentioning and repeating. Every single Member in this House, I feel, can confidently state that they are outraged at what is happening. The taxpayers would have paid [\$]200[,000] or [\$]250,000, however much was necessary for the Auditor General to complete that Report on Operation Tempura. And we are astounded, perhaps not too surprised, at those findings. And, Madam Speaker, it hurts.

But I will stress at the same time that if an investigation takes place . . . and to give an example, if I am sitting there and I happen to arrive home and find that my house was broken into, I imagine that I would like to have an investigation conducted, and, hopefully, the police officers would find someone. But if they do not find someone, Madam Speaker, I hope that does not cause me to suggest that the money should not have been spent for the investigation. But what is unacceptable is in terms of how that money has been spent.

Again, I note that the Auditor General did not mention things like "no value for money." I think in this particular Report he does not say that. I think he is calling on the people of this country to make an inference for themselves as to whether there was value for money.

But, Madam Speaker, without attempting to put words in my colleagues' mouths, I am very confident that on both sides of the hall, the Opposition, that includes the independent Member for the district of North Side, and on this side I believe I can definitely speak confidently for my colleagues, that all of us are outraged by a lot of the things that we have seen. And

it is in our same feelings and instinct to want to extract a pound of flesh (for the want of a better expression) for what we have seen. Because in the difficult times that we have found ourselves, to know that we have had wasting of the people's money, whether it be \$1 million, \$100,000 or the entire \$6 million to \$8 million, that is outrageous, Madam Speaker.

But [with] all of that I want to continue to say (as I bring this to a close), that I am not going to attempt to win a battle and to lose the war. Madam Speaker, if I have made it here today it is because I sought to make sure that I would win the war.

For the many Caymanians out there who have also achieved their successes, and for those who are going to achieve their successes, as I am confident they will, Madam Speaker, it will also be because they are focused to make sure. They are not just concentrating on the battle; but in the long run that they are going to win this war.

And, Madam Speaker, with respect to this issue, I call on all of the Members of this honourable House to make sure that we can do everything we can to ensure that we are going to create a true victory for the Caymanian people. And that victory, in my opinion, is going to come when we can concentrate on issues for the long-term best interest of our people. And one of those fundamental issues, as I mentioned before and is worthy of reiterating, is our economic independence.

This particular Motion, in my opinion, is unfortunate in that the Government is being channeled and ringed in that one particular . . . I would have loved to have seen the Motion come and ask the Government to consider what appropriate action can, should, and perhaps will, be taken.

So, Madam Speaker, with that I don't believe I have any other comments on this particular issue, other than to make my final appeal that there are persons in this country who are requiring all of us to do the right things. And where we can all have our personal feelings, I definitely believe that the people of this country have entrusted in me and this Government—all of us—the obligation to make sure that we are not just going to act on those feelings, but do what is in their long-term best interest.

Therefore, I call on all Members of this honourable House to join with the Government and amongst all of the other objectives to make sure that we can get the Cayman Islands back on track in terms of the economy, that we can achieve true financial viability and economic independence. That, to me, is fundamental if the Cayman Islands are going to be successful in the future. I do not want to lose this boat, Madam Speaker, by fighting over and over.

With that I want to again thank the Member for North Side. As I mentioned before I don't think that there is much disagreement in terms of the spirit and intention of the Motion he brought. I want to thank him for all the contributions he continues to make and

thank him also for the Motion he brought. And with that I end my appeal.

Thank you very much, Madam Speaker.

**The Speaker:** Thank you, Fourth Elected Member for George Town.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker.

Madam Speaker, I rise to make a few short comments and bring out what I think are some important points for Private Member's Motion No. 1/09-10; Motion for Legal Action to Recover Cost of Tempura and Other Investigations.

I make mention of the honourable Member for North Side [Mr. D. Ezzard Miller], the mover, and I also mention the seconder, the Second Elected Member for Bodden Town [Mr. Anthony S. Eden], and compliment them on the timely manner in which they have brought this Motion to this honourable House.

Madam Speaker, this investigation developed in such an unpredictable way from 2007, in times that we did not even know the investigation was actually taking place. It has been hard, I believe, for every person in this country to follow the investigation. But today we do have some simple facts on how it was laid out contained in the Auditor General's Report.

Basically, number one, the Foreign and Commonwealth Police Advisor for the Overseas Territories advised the Governor to engage the Metropolitan Police to carry out specific investigations. And number two, during that investigation other information was uncovered which resulted in the Governor, Police Advisor, and the Commissioner of Police removing themselves from the investigation.

The point that I want to bring out here is (as this is reported) is what actually took place with the people's money. The leader was removed from the investigation, and what was actually left was investigating officers in a team with basically a blank cheque from this country because the assignment that had originally started from the Governor's Office now had no head to it. As we heard earlier today by some other speakers, it had no captain of the ship and it went rudderless through the waters building up an expense for this country.

Madam Speaker, these costs continued. It is reported that the estimate to June 2009 was \$6.8 million. We don't know what the real cost will be because of the pending lawsuits that have been brought against the Cayman Islands Government because of how the investigating team brought charges. So, will this be \$10 million? Will it be \$20 million? Will it be \$30 million? We don't know.

I believe what is important to all of us in this honourable House is that there is a fundamental flaw that allowed this to happen. That flaw is that we, the Caymanian people, have no control over how this money is spent. It is basically taxation without representation. The FCO ordered an investigation and the people that are being investigated, so to speak, have to pay for it.

I would dare say that in countries that were not in the same financial position as we are in this country the FCO would have had to fund this investigation. Maybe there would have been a different way that it was managed. Maybe the money would have been looked at differently. But, Madam Speaker, we are here today, and that is water under the bridge that we have to understand how to deal with.

The cost to this country will not be known in the short term. The damage to this country may never be known, because we can put a number on what was paid out of our Treasury and can come back at some point in time and say that was \$20 million or \$30 million. But the damage that they have done to our economy will never be known.

Madam Speaker, how many mutual funds, hedge funds, law firms, accounting firms, captive insurances, multinational corporations have sat down in their boardrooms to make decisions about which financial centre they are going to choose to do business in? And before the year 2007, when they looked at the Cayman Islands as a financial centre, what popped up? Beautiful weather, great place to live, no crime, good schools for the children; harmonious, everybody gets along . . . Never, never, never, would they see that a judge had been arrested; the judicial system is in disarray, and crime is a problem.

Madam Speaker, when these companies put us up against our competitors we, as a territory, are looking for a competitive edge to bring them here to domicile them here and to do business here. This investigation in the way it was handled made us lose our competitive edge. Madam Speaker, I don't know how we will ever put a value on the negativity that is through the world's financial market because of this investigation. How much . . . how much has this really cost the financial industry and our economy?

Madam Speaker, when a family or an individual is thinking about a vacation or an area to buy a vacation home or invest for retirement, what do you think the publicity that Tempura . . . and as my friend across the aisle said before in one of his statements, the "cloud of corruption" that has been put over us . . . how much has this cost our tourism because people won't come here? How much has it cost our real estate market?

Look at the reports that are coming out. I'm not sure that we can blame all of the negative reports on this, but they can certainly blame some of the negative reports on this. What do you think the cost of the damage really is?

The Motion calls for the Government to consider taking legal action to recover expenditures—a very real reason to consider this Motion. Unfortunately, we have no other forum to clear our good name. I really don't believe the FCO is going to clear our good name. I believe the public relations campaign that they should move forward with will not be moved forward. And it is an opportunity for us to clear our name, and a platform that we can stand on to show that all of the things that have been put in the press have been cleared, and that we should not be damaged by what has been circulated throughout the world.

The damages caused by untruth and bad publicity in the marketplace have no formula to assess what monetary value can be put on the negative that it cost this country. But I would guess that it is in the hundreds of millions of dollars. Unfortunately, Madam Speaker, these damages will continue for years, and years, and years. The rewards and the fruit that would have come four and five years from now in these multinational companies that located here and brought their people to be domiciled here, and bought houses and rented houses and contributed to our society, will simply not be here. And we will not know how to put a value on that. But today we know that there is major damage and a grievance that has been caused to us.

Madam Speaker, a lawsuit will cost us some money. Unfortunately, the only forum that is available to us at this point to correct the damage is to hopefully receive and manage our public relations that we do receive positive publicity on a worldwide basis as this case proceeds. And as the facts are told the cloud starts being removed from over our heads.

Madam Speaker, I ask you, what would the positive campaign waged in this court case be worth to this country in clearing our name, understanding that this is our opportunity, and clearly understanding the damage that we are facing and understanding that this damage is not going to go away today or tomorrow or the next day, that this is going to stay with us year after year because of the real estate market, because of tourism and because of the financial industry having to balance and look at these reports that are out there? The expense that will be paid by the Caymanian Treasury, I believe would be a small part of what this country could benefit from with the case handled correctly and our name being proven—that corruption is not taking place in the Cayman Islands and that the investigations just went wrong.

The third point that I really want to hit home is on the people who were the targets of this investigation. How do you think the judge felt sitting in jail and then being found innocent?

How do you think the police officers who have invested good portions of their lives felt being charged, sitting in jail and then being found innocent?

How do you think the private citizens felt when they were accused, made go to court and sit in jail and then were found innocent?

All of these individuals, Madam Speaker, have been wronged. Their lives were put on hold. It affected their family, their extended family and the community surrounding them. How do you put a value on what that investigation did to this community?

Madam Speaker, I believe that these points and comments are important to the Motion that has been moved.

Let us take this opportunity to recover the money that was spent, which we had no control over when it was spent. Give us a chance through the case with a public relations campaign to limit the damage of bad publicity by getting our message out and using it as a platform. And, most important, Madam Speaker, hopefully this would give all of the people that this affected in such a very bad way, that turned their lives upside down, a little bit of satisfaction that something is being done to right the wrong that was done to them.

Madam Speaker, in closing, I again compliment the Member for North Side and the Second Elected Member for Bodden Town for this most timely Motion.

**The Speaker:** Thank you, First Elected Member for Cayman Brac and Little Cayman.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Elected Member for East End.

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

Madam Speaker, somewhere, some time ago I read an article that said even preachers are human beings. I preface my debate with that to say that I am a human being and subject to mistakes too. But, then, all others are as well.

I ain't claiming to be a preacher, Madam Speaker. Certainly not! But I wanted to make sure that I get permission before I make my mistakes, or ask for forgiveness.

Madam Speaker, I rise to make my contribution to the Motion currently on the Floor of this honourable House, moved by the Elected Member for North Side [Mr. D. Ezzard Miller], and seconded by my colleague, the Second Elected Member for Bodden Town [Mr. Anthony S. Eden].

Madam Speaker, I guess I and my other colleagues in the former Cabinet have been as the people in this country would say, "in the thick of this" from the very beginning. Therefore, many may say that I have some responsibility for it. I have made some statements concerning this since leaving Cabinet (and before, I might say), and I attempted to lay out the facts as best I could without breaking any secrecy rules that I was subject to as a Member of Cabinet. And I will try to maintain that.

Madam Speaker, I would like to start by saying that the Governor on (I think) Friday last, the 20<sup>th</sup>,

sent out his statement. And in that statement he talked about those who at first supported this and now do not (that is, the investigation).

I want to make it clear to the people of this country that when I became aware of this investigation it was when the Leader at the time, the Honourable D. Kurt Tibbetts (now the Leader of the Opposition), called me over the weekend saying that the Governor wanted to see us on the Monday morning (or the Tuesday, I believe it was) after Easter in his Office at the AALL Building. He did not have any information as to what it was, or at least he did not tell me.

When the five of us arrived, the Governor proceeded to introduce us to a gentleman by the name of Mr. Bridger (five, meaning the Elected Members of Cabinet, Madam Speaker). He introduced us to a gentleman named Mr. Bridger, and explained to us that they had been on Island for the last six months and were conducting a covert investigation.

Suffice it to say, I was absolutely surprised to think that under the Governor a covert investigation was being conducted and there was a Cabinet that knew nothing of it—at least not the five who were duly elected by the people of this country. The other three officials will have to answer for themselves. They are yet to say whether they knew of it, at least publicly.

Madam Speaker, after hearing the reasons . . . by that time they had absolutely cleared Mr. Desmond Seales and Deputy [Commissioner of Police] Ennis from the original allegations. And it was then said that as a result there were other leads that they were following. But they would not give us any details. To this day I have not received any details on any of the investigations, so I want to get that straight right there. Neither have any of my colleagues in Cabinet at the time. We got it through the newspapers and the courts.

And I am going to address that one too, where the Governor said . . . It was not consulted widely. It might have been widely but it was not closely, because it was not in Cabinet. We are going to deal with that one too.

I got two hours, right?

Yes, Madam Speaker.

Madam Speaker, at the time I personally said to the Governor that there is no right time to hear that there is corruption in our police force. No time is the right time. However, now is as good a time as any to weed it out because the police force is our only means of defense, protection and the likes. So, from that perspective I supported a broad brush investigation to ensure that if there was corruption that it would be removed—investigated and properly dealt with.

Within a week we were advised in confidence of the arrests that were going to be made the following morning. And we were told that we could not say anything about it—and we did not. The arrests went down . . . I assure that, Madam Speaker. Maybe the other Members who were here then—those who are the Government now (the Opposition then) the five of

them—can say exactly what happened because we did not come to the briefing that the Governor and Mr. Bridger had with them here at the Legislative Assembly. He had already briefed Cabinet so we did not come to that.

Madam Speaker, that was when they arrested Mr. Lyndon [Martin], Mr. Rudolph [Dixon], and the young man there from the Licensing Department, Burman Scott. They were going to suspend the Commissioner of Police and Mr. Jones.

Madam Speaker, you can imagine the concerns that we expressed about the whole top tier of the police force being either suspended or arrested. And by that time the Governor had already brought in the Commissioner of Police, a temporary one. He had been here for two days and we did not know anything. But nevertheless, we continued to—or I did—support the process.

They said they would keep us updated. The only thing we knew of it was what was being said in the papers and the likes. And I should . . . No, I will say that later.

When the Judge was going to be arrested, again the Governor called us to Cabinet (just the five of us) and explained to us that he and the investigating team wanted to update us. We were told that Judge Henderson was going to be . . . not going to be—was being arrested as we spoke. That is when the boo-boo started going off in my head.

I really got scared, and I expressed that. And so did the other four Members. The one question that we asked them about the Official Members was if the Attorney General had been informed of this and what part did he play in it.

And they said to us, “Nothing.”

I said, “Well, how can we do this when we have an Attorney General responsible for this?”

They said that they had to bring in a lawyer.

Now we know what happened with that lawyer—he even apologised. He [did not even know the law!] And, yes, he said “The Governor told us that Bridger and the Investigating Team did not have any confidence in the Attorney General.” That is now the current Attorney General, the Honourable Samuel Bulgin. Same said guy!

Madam Speaker, I have to go through all of this, Ma’am, to clear my name so that if the people need to hold me accountable, they will hold me accountable based on what I had and what was given to me. I don’t have a problem with that.

The Judge was arrested. As a matter of fact, we were watching it through the Cabinet Office from upstairs where they took him out at the back, where they brought him in and took him into the police station.

Madam Speaker, shortly thereafter—within days—the Judge expressed that he was going to sue and the likes, and the what-have-you, and it was unconstitutional and the likes. We began to express grave concern about why and what for, and why was

the Judge arrested. I expressed those in the strongest of terms to the Governor [because I was] concerned about it.

We still were not given any details on it and, Madam Speaker, rightly so. I don't think it was our place to receive any intricate details on an investigation. You know, we are no police officers. Some of us like to think we are lawyers and the likes, but we are no police officers. So, when the court case, which we know went off quite speedily for the Judge, and the then Chief Secretary brought the paper for extraordinary expenditures to pay for the judges and the lawyers and the likes, I said we are drawing the brakes now because nothing has happened. And if this is where it is going I am removing myself from it.

I told my colleagues I was no longer going to support this investigation because it was going downhill fast.

Madam Speaker, to cut a long story short, we decided then as a party, shortly thereafter, that we were not going to pay the \$1.25 million which I think was awarded to the Judge. And I told the Governor, *You have reserve powers, use them! Arden nah voting no more money.*

I expressed to the Governor personally that I did not have anything against Mr. Bridger from a personal perspective, but, obviously, his welcome as the investigator had expired and they needed to find someone else. No disrespect to him, just let him move on and bring someone else to continue the investigation.

Madam Speaker, as we expressed that, here comes the talk show host saying that I had something to hide and it must be because I could feel the waters around my ankles. The same Fourth Elected Member for George Town now—him—and Mr. Austin Harris—

**The Speaker:** Keep your names to the titles, please.

**Mr. V. Arden McLean:** No, no, no, Madam Speaker.

I was saying the Fourth Elected Member for George Town and Austin Harris—

**The Speaker:** I understand what you said—

**Mr. V. Arden McLean:** —who was his co-host.

**The Speaker:** I understood what you said.

**Mr. V. Arden McLean:** Okay.

#### Point of Order

**Mr. Ellio A. Solomon:** Point of order, Madam Speaker.

Madam Speaker, the Member from—

**The Speaker:** What is the point of order?

**Mr. Ellio A. Solomon:** The Member is misleading the House, Madam Speaker.

**The Speaker:** What is the point of order?

**Mr. Ellio A. Solomon:** He is misleading this honourable House, Madam Speaker, by giving false information. He is making accusations against me and obviously someone else. But the accusation against me simply is not true.

**The Speaker:** Fourth Elected member for George Town, when you are going to make a point of order you must be able to name your Standing Order as well.

*[inaudible interjection]*

**The Speaker:** When you are standing on a point of order you must be able to say which Standing Order you are standing on. You are supposed to name it so that I will be able to look in here and see if that actually exists.

Thank you.

Go ahead Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, for the benefit of this House, and to respect the Chair, let me explain why I said that.

I prefaced my debate by saying I'm a human being and can make mistakes for that particular reason—because I know they are going to jump up. But let me explain to you, Madam Speaker, that that one was not a mistake—because I was on the radio with the same Mr. Harris (who is a friend of mine) last Wednesday morning and he apologised to me for the same thing, because he said both of them had said so.

Now I can get the transcript from the Radio Station too.

The Fourth Elected Member for George Town said that the water must be coming up our ankles and was getting too close to us, and that is why we did not want it to continue. That is what he said.

**The Speaker:** Okay. Please move on.

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

Madam Speaker, as we all know, the Governor went on and used his reserve powers and paid out what had to be paid out.

The Governor has made a lot of public utterances since, and that is his right, I guess. He talked about using Tempura as a beating stick to the UK. It is more than the UK that needs to be beaten with Tempura! He also says . . . I'm trying to find it before I misquote him because this is in the public. He is going to get some reply this evening.

The Governor says, and I quote, about corruption: **“But we would be deluding ourselves if we**



thought that this country has been totally free of any corruption or unethical behaviour in the Police or elsewhere in public life, or that such problems could not occur in the future.” [15 October Press Release by HE the Governor.]

Madam Speaker, I noticed that either he left his own office out of there or . . . I hope he is covering it under “public life.” I have never in my life done anything untoward in my country. So I would invite him to clear my name. I am not a part of that, and if he can tell me that his office—which is a public office—falls under that, then I am satisfied too. I hope it does!

Madam Speaker, I have never once not supported the investigation of corruption no matter where it is. It can be anyplace—in public life or private life—as long as it affects someone other than that one individual. And I have never heard of corruption affecting one person only. There have to be other victims. There must be other victims of corruption when corruption is present. There have to be other perpetrators as well, and victims as a result of corruption. In public life the victims happen to be the people of this country. Someone is affected.

I have always supported it. There is no one in this honourable House who has supported the police force more than I have. To this day I do. But, certainly, if there is reason to believe that there is corruption in the police service then we need to resolve it and deal with it. But no one, as a result of these investigations, can tell me that we have come that close, anywhere near corruption.

They charged the Judge for some rubbish; they charged Dixon for some rubbish about releasing a former deputy. Now, Madam Speaker, I could understand if money had exchanged hands, even \$10. They charged Burman for taking the orders, or so they say.

*[inaudible interjection]*

**Mr. V. Arden McLean:** Well, arrested him; accused him, locked him up, embarrassed him.

Madam Speaker, the day that we take away the discretionary powers of the police is the day this country falls in problems.

You are going to tell me that the police see someone driving down the road doing 55 [mph] as opposed to the 40 [mph] that they are supposed to do, and they have a child in the back seat who is sick, and because they did not have on their hazard lights that police officer needs to hold that man there and prosecute him? That is discretionary powers.

And tomorrow, if they arrest someone who they suspect of drinking while driving, when they get him there to the police station and they say, *Well, the circumstances are such* . . . Come on. We need to leave these people with discretionary powers. And that is what Tempura was about—discretionary powers?

What happens the day they see one of us flick a cigarette on the ground someplace as opposed to putting it in the ashtray? Does that mean the police are going to arrest you [and charge] five hundred dollars, instead of telling you to pick it up?

That is what it amounted to!

And no one can prove to me that Tempura has proven—now Cealt, or whatever it is, is still going on. No one can tell me that Tempura has amounted to much more than spending \$6.8 million out of the people’s money unnecessarily!

And I should continue to support it? And then the Governor comes out bashing me?

He bashed the wrong man.

I have no place to go.

He has a home in England. And I will forever be *right ya so*. This is mine!

During that discourse with the same Governor, Madam Speaker, I said to him, “I think sir, that I do not know . . .” what he is prepared to sacrifice to satisfy his constituency in the great Mother country. But I knew what I was prepared to sacrifice to satisfy my people—and that was my life.

And I invited him to exercise his powers and to send me Northward. I’m home still, *ya nah!*

Madam Speaker, I did not have to go any place to become something or somebody. I was born right here by Ms. Beulah. And now I am going to be accused of having some ulterior motive for not continuing to support an investigation that they destroyed or they tried to make light of?

I am convinced, Madam Speaker, that every one of them is trying to destroy my country. Now they are going to take my life, if that is what has to be done!

It is my position, Madam Speaker, it is my opinion that every one of them is on some ulterior motive to take my country down. I will not allow them to do that! Not as long as I can stand on my two feet. I will not, if that is there objective!

**The Speaker:** Don’t impute motives to other people, sir.

**Mr. V. Arden McLean:** Madam Speaker, I did say my opinion, Ma’am.

**The Speaker:** Okay.

**Mr. V. Arden McLean:** I will bow to your ruling, Madam Speaker.

Madam Speaker, it makes me angry. It really makes me angry, because the good people of East End asked me to come and represent them.

This real estate is always going to be here! It just so happens that I occupy it at this time. And the Governor cannot . . . he talks about good governance? He cannot come out with this kind of statement against people in this country!

If he can do it, then I can stand on the real estate that the people of East End own and say that it is my opinion that he was part and parcel of the conspiracy to destroy my country!

**The Speaker:** Member for East End . . .

**Mr. V. Arden McLean:** Yes, Ma'am, I'm right here.

**The Speaker:** Please do not cross the line again. You can continue.

**Mr. V. Arden McLean:** Madam Speaker, I will . . . I . . . I . . . I . . . I . . . Madam Speaker—

*[inaudible interjections]*

**Mr. V. Arden McLean:** No, I did not take my tablet this morning. That's the problem.

Madam Speaker, I respect the ruling of the Chair. I really and honestly respect that.

Madam Speaker, the only place that I have in my life, and in the lives of the people of East End, to be able to defend me, and, more importantly to defend them, is here in this little piece of real estate that they own. This is theirs; it is not mine. They sent me here. I cannot, in all fairness to good representation and to them, sit here in my country and take this kind of abuse. And I will not!

Madam Speaker, I ain't going to challenge you to the point that you have to ask me to leave or be escorted out of here. But the Governor must be told that he does not have the authority on everything and he can make mistakes too.

Look at the report that was made public recently—every excuse in this world is in that management response. And I must sit here and then hear the Government's spokesperson—their General Secretary—stand over there and try to justify it? Some of them better get up and talk about it—someone on the frontbench.

Madam Speaker, I only occupy this for a time you know. I really only occupy this seat for a time. And, Madam Speaker, you really know me longer than all of these in politics. You know I have no kipper for my mouth when I see injustice. You know that, Madam Speaker. And I don't want to be disrespectful to you, Madam Speaker. Lord knows I don't! Nor do I want to be disrespectful to anyone else, because I was never taught that.

But there comes a time in a man's life when he takes no more and he must stand; and if it means he is curtailed in his life, then he must take the circumstances of his stance!

That's what I'm prepared to do!

Had enough of it! Had enough of it! I suffered for four years under the Governor, and could not say anything because of my country.

I hope they know I'm in the Opposition now.

They—the Government Bench—have to keep their mouths closed! My tenure in there is over. And I can say anything on the street too. I have nothing else to lose, you know, Madam Speaker. The only thing I have to lose is a *whoooooole* country, and all therein.

The Governor can get on a British Airways flight in first class and go home and relax. I can't! I will forever be here. I may be on the street with a few torn pants, or I may be in here, or I may be in East End facing east on my back, but I'm going to be here.

And whilst I am here, whilst people can hear my voice, I am going to speak! He who is offended by it must let me know and, if I am wrong, I will apologise. But he must prove me wrong!

You know how many nights I did not sleep because of this same Tempura? It is time to get it off of my chest. That is why I didn't take my tablets this morning. This is the people's House. It does not belong to the Governor, nor does it belong to anyone else in this country. It is the people's House; they have a right to be heard, at least the East Enders, through me.

And the Government has not even responded to this Motion.

Madam Speaker, I understand that we have to walk cautiously. Oh, I understand all of that! I have been there. I understand the Leader of Government Business saying that you have to walk cautiously and saying that his legal opinion said that the Governor can be, but you have to . . . That is one opinion! That's one legal opinion. You will get 20 other legal opinions saying take him to court!

I know we are in dire straits. The Government is trying. The global recession has caught us up. Sure! And I hear the Fourth Elected Member for George Town talking about fighting the right battles.

Madam Speaker, I can tell you this: if there are no battles, you've lost. If you try to pick every one that you are going to fight, someone is going to outflank you. And we are being outflanked. If we don't stand up, how do we expect . . .

I hear Members asking for a clean bill of health, because there is no corruption, there's this and that and what have you. Yeah, that is all well and good and I applaud them. But, Madam Speaker, they turn right around and say that we are not going to get it, that they are not going to provide it for us. That is so true. How do we defend ourselves, then?

Madam Speaker, I want to refer back to my first statement: We are human beings. The Governor is a human being. I'm not saying these things were done deliberately. God forbid! Some of the things during the investigation . . . but something is wrong with it. Something is wrong with it.

Madam Speaker, yes, we have to move cautiously, we have to ensure . . . But, Madam Speaker, I must tell you this: I really don't want see that man again, *ya nah!*

*Noooo*, Madam Speaker.

I wished them a fond farewell the other day.

Let me repeat it so that it can be in the *Hansard* here so that my great, great, great grandchildren can find it. I wish him smooth sailing when he leaves, but strong winds on his back. And may they blow forever and one day. If I never see him again it will be too soon. He is the worst thing that has happened to us since Columbus landed.

Madam Speaker, I see you reaching for that microphone, but I did not say any more.

Madam Speaker, I have been here long enough and one of the things I've done since being here is that I have read the Standing Orders. I'm not saying that I know them inside out, but the fundamental ones I know. I know those things and most of the Constitution as well. Madam Speaker, no one in their right mind . . . I don't know . . . you know?

What do they call it, Napoleonism?

When we hear the justification of good governance . . . Madam Speaker, if I tell you I heard that 9,000 times in the four years I was in Cabinet I would not be lying. *Good governance! Good governance! You know our actions must be in the interest of good governance. Good governance!*

So what he thought we were doing here?

That is why we came!

Everybody is a crook in this country. That's the problem! All of a sudden, as we hit Cabinet, we were the biggest thieves God had ever put breath in. But, more importantly, we did not know what was good for the country. That was the problem.

Madam Speaker, you are getting a little closer to where I am? I hope all Members are, because that is the abuse that I had to put myself through to ensure that my country continued. And when people called the PPM indecisive . . . Thank God we were, because if I had made the decisions that were rolling around in my head, it would not have been good!

Madam Speaker, I love you to death. I really do. And I really appreciate you just sitting there like that and looking at me.

*[laughter]*

**Mr. V. Arden McLean:** You know, it bothers me, Madam Speaker. It really does.

And the rest of the Members in here will probably not be as loud as I am, and maybe they don't need to be. They have their way, I have mine.

And, Madam Speaker, I'm not yelling at you, I'm just incensed with the kind of behaviour that has been imported, or seconded, or appointed to govern my country.

And, Madam Speaker, another one has come and he looks like he is even worse!

Madam Speaker, I—

**The Speaker:** Member for East End . . . take a deep breath and continue.

**Mr. V. Arden McLean:** Madam Speaker, my colleagues are telling me that I may have a cardiac arrest this evening, so I better back off.

**An hon. Member:** I'll give you CPR!

**Mr. V. Arden McLean:** No you won't. I don't want your mouth on mine!

*[laughter]*

**Mr. V. Arden McLean:** Madam Speaker, sometimes when I speak . . . most Members know that I try to make it a little lighter, and that is when I am coming down, you know.

But, Madam Speaker, I just want to say that at the end of the day it is clear to me that the Government is somewhat restrained in what their position is going to be. And I appreciate that. And they may be somewhat instructed on what their position *can* be, and I appreciate that. I don't have a problem with that because if the head of the dog starts biting, then the tail . . . we have a problem.

If you are holding on to the tail of the dog and the head has no control, you are going to get bitten. So, the head needs to make sure that when they are walking on ice it is not cracking.

Now, that does not necessarily apply to all of us in this honourable House. Many of us can take positions different from Government. But they have collective responsibilities . . . and I have been there so I know what it is like, and I have had to do it too.

Madam Speaker, I wrestled with it, especially the night before I had to do it. I wrestled with it. And I know there will be many of those out there at the head who are wrestling and seeing how hard those teeth are—their own teeth! But they have to know that it has to be softened. I understand all of that.

Somewhere those five honourable Members out there who are holding the head will be able to say, just like me . . . Just like the Governor sent out on 20 October at 6.43, (6.34 or something), **"I look forward to the day when the whole story can be told."** [15 October press statement by HE the Governor]

That was part of his statement.

Well, I know I'm telling mine now, so he had better start telling his. I hope his day hurries and comes so we can really hear the full story. I really look forward to that, Madam Speaker. And I know the honourable Members out there are currently making that same statement in their minds, because they can.

Madam Speaker, so much has gone on in my country. And that makes me wonder about those who come here and say . . . And, Madam Speaker, I'm pausing because I'm choosing the right words so you don't push yourself up to the microphone there.

Those who come here under this disguise of good governance . . . and Madam Speaker, somehow something tells me that many of those coming here and who think that we are still running around in grass skirts and living in mud huts . . . I have had to let them

know that there is no uncharted land in this country. If you want to put on those top boots and use that safari hat, find someplace else to go. There is no unexplored land.

We are as good as you are, and in most instances better, because we know best what is good for our country.

You think the people of this country did not know what they were doing when they picked 15 people to come in here? Soon to be 18. Of course, they knew. And if we want independence, Madam Speaker, it is times like this . . . and I know the Governor is going to listen tonight or get the *Hansard*. In times like these is when we need the saviour. That's a song, right?

Madam Speaker, I say to my people in this country: In times like these, when we have a Government in England that is trying desperately, desperately, to destroy us, and they send their representative to our country—

**The Speaker:** Member for East End, you are imputing a motive again.

**Mr. V. Arden McLean:** Madam Speaker, I was speaking about Her Majesty's Government, the elected Government.

**The Speaker:** I understand that. But is this supposed to be your opinion, or are you making a statement?

**Mr. V. Arden McLean:** It's always an opinion, Madam Speaker, but I find it hard for me to admit that.

But, anyway, my opinion, Madam Speaker.

**The Speaker:** Thank you.

**Mr. V. Arden McLean:** Madam Speaker, it is times like this when many [people], particularly of my (and the Member for North Side's) age bracket and below, would love to see our country move as far as east is from west from the UK. There are many of us in this country, Madam Speaker. But we know our people want a different path. They want that relationship.

Madam Speaker, remember the White Paper? And remember my good friend and colleague (the Second Elected Member for Boddin Town) saying in here that it was not worth the paper that it was written on? This was years ago before I came here. But I remember it.

Madam Speaker, very one sided. There was no partnership in that. There is no partnership in it! I expressed that also to the negotiating team on the new Constitution. I don't see any partnership. This is not partnership, and if the people of this country knew what their representatives have to go through to ensure that it does not trickle down on them to affect them, and to keep good peace and order in this country, they would be surprised.

I don't think it is about the structure, the written structure of that relationship; it is about the human beings that they appoint in these positions. Therein lies our major problem with that relationship. Everybody comes with a new objective, with a preconceived position, with an objective of doing something their way, and we are just natives.

I wonder if they understand that this is one of the most sophisticated countries in the world. Some of the smartest people in this world reside right here. But they come with this preconceived position that they have to lead us out of the wilderness, and this is the way it has to be done. We have been here for many, many years.

When the wilderness was here . . . in my lifetime, the wilderness was on 11 September 2004 when [Hurricane] Ivan struck us, and we did not have one leaf left on the trees and they would not send us one pound of fertiliser to get a leaf back. That was the wilderness.

No one came to our aid.

Madam Speaker, I don't have a problem with challenging people's decisions. Mine has been challenged many times. Challenged many time. But we are trying to justify the Governor's possible mistakes, and Tempura's mistakes, but all like me . . . I know that they are trying to get ready to throw me under the bus now. One of those reports is going to soon come out saying that Arden McLean spent too much money here or there or what have you. Or, McKeeva Bush spent this and did that; but they are try and justify everyone else who is not one of us—not one of us!—and they can spend it.

Don't worry, they come from a big country and they know best. That is our problem! We are afraid to challenge people's abilities. I am not challenging their integrity, because I don't like people doing that to me either. But their abilities are open for question. And, Madam Speaker, I can tell you what, it's been a long time I have seen a one who really knew what they were doing. Not a one!

Peter Smith did not even know that the sun had come up in the morning!

[laughter]

**The Speaker:** Ah, please—

**Mr. V. Arden McLean:** Madam Speaker, he is a former Governor. He *nah* the Governor?

**The Speaker:** Member for East End, he is the former Governor, and he is not here to defend himself. You go ahead, and say what you have to say.

**Mr. V. Arden McLean:** Thank you, Madam Speaker, but—

**The Speaker:** Please proceed.

**Mr. V. Arden McLean:** He'll never be in here either, thank God.

Madam Speaker, as I understand it, and, Madam Speaker, I am not challenging your ruling. But my restriction is to the current Governor; there is nothing about former Governors that I cannot challenge, as I understand. Maybe your good self and Members understand it much better than I do, but former Governors . . . because I needed to say something about Dinwiddy too.

Now you can't expect me, Madam Speaker, to see one, two, come here and they set a trend and expect to let the other one off. Not one of them come . . . they all come with a preconceived position, and it's wrong. It makes my country suffer and we need to be . . .

Her Majesty's Government, the Elected Government is who gets these people to come. Madam Speaker, you think that is not political? You think the Labour Government is going to send a conservative Governor down here? Noooooo, no, no, no, no! Everything is politics. I know I wouldn't send anyone who doesn't support me. And I am sure Gordon Brown and Tony Blair scrutinise all of those Governors they send out to their Territories. And their wishes must be carried out. And they send them with the preconceived position.

Madam Speaker, I am going to stop now because I am not going further. I am going to leave that up to my good friend, the Elected Member for North Side, because I know he can deal with it. I become too passionate, Madam Speaker. That is my problem. And I lose sight of everything other than what I believe is good for my country. I'm not saying that I am right all the time, Madam Speaker; but I have a right to stand up and be counted, and more so now that the people of East End put me inside here. I have a right to defend them and to advocate for their causes.

Madam Speaker, I have many sleepless nights too. I question the direction this country is going into. I really do. And that is not to say just today. I questioned it many years ago, even as a Cabinet Minister I questioned it. Where are we going? Many people in our country do not understand that the ultimate power lies in the representative of Her Majesty's Government. We need to start thinking of the many smart, intelligent, educated people in our country.

You know, we get on the talk show and talk about the little old flag on the car of the Leader of Government Business. And then, when we see our Governor, the flag preceding him when he arrives . . . oh, that is a big thing. But poor McKeeva can't drive around with one little old flag. You, Know, Madam Speaker . . .

No, no. It makes my head want to explode. We elected him en mass. We elected him en mass and we have to respect that.

*[inaudible interjection]*

**The Speaker:** Order please.

**Mr. V. Arden McLean:** Madam Speaker, I don't care who he is. It matters not to me who he is. I am going to fight him politically, so I can have him removed. But during the time he is there he must be afforded the same respect that the Governor gets!

He is the head of us, too.

Yes! He's head.

Politically he is a head—the people put him there. Not me!

If it was left to me I wouldn't get him there. But I have to respect the wishes of the people. I hope he puts 20 flags on there. It does not bother me. I mean, I rib the Leader of Government Business all the time. But he knows it does not bother me when he drives up to the parades.

And yourself too! You are the third in line, but of course, he is going to drop you down on Hog Sty Bay so you can walk up in the rain. No, Madam Speaker, that is how I feel!

Understand me, Ma'am. Understand me! We must respect these positions.

We are not going to go any further if only the Governor can use the Union Jack on his vehicle. I'm oversimplifying it, Madam Speaker, but it has its point. And a crown for the license plate. That's fine, I don't have a problem with that. But give me crown or West Bay turtle on the vehicle of the Leader of Government Business too; something that represents us. Give us a pineapple on the license plate or something made out of silver. Or three stars. Yeah, three stars and he represents the whole country. Three stars made out of Caymanite or something. That is the identity of our Leader.

But no, no, no, no, we can't afford to do that because then that is going to put him on too high of a pedestal, and that would be above the Governor. And, of course, they are going to then want him to drive one of those things that Brian Barnes does, that little bicycle peddle or whatever it is. And then the Governor will be driving around in stretch Jaguar. You know?

**The Speaker:** Member for East End, we have reached the hour of 4.30 are we going to continue the debate?

#### **Moment of Interruption—4.30 pm**

#### **Suspension of Standing Order 10(2)**

**Hon. W. McKeeva Bush:** Madam Speaker, yesterday I indicated that we would continue debate until we completed. Therefore, I beg the suspension of Standing Order 10(2) in order to continue the business before the House.

**The Speaker:** The question is that Standing Order 10(2) be suspended to allow the House to continue after the hour of 4.30 pm.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 10(2) suspended to enable the House to continue its business beyond the hour of 4.30 pm.**

**The Speaker:** Member for East End you may continue.

**Hon. W. McKeever Bush:** Don't be long now.

**Mr. V. Arden McLean:** Thank you, Madam Speaker. As much as I am defending that Leader of Government Business he tells me "don't be long now."

[laughter]

**Mr. V. Arden McLean:** Madam Speaker, that's a lighter moment.

Madam Speaker, I said all of that to say that that is a trait in this country where we—

**Hon. W. McKeever Bush:** That's the problem.

**Mr. V. Arden McLean:** —and it is creating a problem for the younger generation as well. And we need to start moving in that direction so that they know that you are from Bodden Town, and they can have something to aspire to.

The only thing they see driving around with a flag on it . . . and I'm oversimplifying it but it has a point, Madam Speaker, like I said earlier. And we need to make them know who the Leader of Government Business is. That is the kind of stuff . . . and the Leader of the Opposition. All of these protocols we need to . . .

But when they hear me objecting to something that the Governor comes out and abuses me with, then I'm the bad guy. And really I'm not a bad guy, Madam Speaker. I'm trying to defend them. I'm trying to support them. I need them because I've spent more on this earth than I can hope to spend. So, I'm moving on into the sunset. But they need to come up.

Do they want to be Premier? Do they want to be Leader of the Opposition? That's a goal.

Do they want to be Speaker? That's what their goal must be.

But if they drop you in the rain two blocks away, do you think that my son or anybody's son is going to want to be Speaker of this Legislative Assembly to be dropped in the rain two miles away and

disrespected like that holding the third highest office of the land? No. Madam Speaker.

Or, like the Leader of Government Business to hear on the radio and see in the papers about two little old vehicles with lights on it and that kind of stuff?

Madam Speaker, when I go to other countries I am treated better than I am here. I went to the swearing-in of the Prime Minister of Barbados in January a year ago, and I had police escort. Outriggers. Not a soul stopped us on the road. They did not know who was in the car, but I was in the Prime Minister's car.

All I am saying is that I'm not trying to be disrespectful. I am saying that whoever comes here as Governor is not God with infinite power. That all I'm saying. We have people here who have reached the highest office of the land that Caymanians can hold now. But afford them that same respect. And if we make our mistakes, forgive us. Forgive us first before you go and take the mountain out of somebody else's eye.

And we need to understand that many of these people mean us no good, Madam Speaker. And I said this long before I got into politics. If I personally had a choice, do you think I would not prefer to see McKeever run the country than an Englishman?

Thank you, Madam Speaker, I support the Motion.

[laughter]

**The Speaker:** Does any other Member wish to speak?

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, I delayed rising because it seems more than curious that the Government has yet, at least the front Bench of the Government, has yet to formally indicate what their position is in relation to this important Motion that is before this House today.

That, Madam Speaker, is even more curious because something occurred this morning that I don't recall ever having occurred before. There is on the Order Paper a Motion calling for the Government to consider—only to *consider*—whether or not to take legal action against the United Kingdom Government, and, I suppose necessarily, against their local representative, the Governor. And before that Motion is actually moved, the Leader of Government Business stands up and reads a long statement in which he sets out some concerns his Government has, and refers to a legal opinion which the Government has al-

ready obtained in relation to the matters that are referred to in the Motion.

And, having done all of that, having hemmed and hawed and saying on the one hand this and on the other hand that, it concludes with a cautionary note saying that the Legislative Assembly would need to take very carefully into consideration a whole range of things before it were to authorise the Government to embark on a course of action involving a suit against the United Kingdom Government.

Now, Madam Speaker, the Motion never and has not asked the Government to do anything other than to *consider* whether or not such an action should be taken. And it is framed in that way I think (not that I had anything to do with the drafting of the Motion) because the mover and the seconder have both sat on the other side of this honourable House and understand full well that there are a great deal of factors that have to be taken into account when a government decides whether or not to engage in legal action, let alone legal action against the Mother country.

So, while we were treated to an extensive discourse by the Fourth Elected Member for George Town [Mr. Ellio A. Solomon] about why the Government should not do it, the Motion is not asking the Government to do anything other than to consider the matter. And I think over on this side we are still somewhat confused as to why what the Leader said in his statement has not been said in response to the Motion, rather than having it sit somewhere out there in left field and, up until this point, when almost every Member of the Opposition has spoken (all but one), we still don't have an official position of the Government in relation to this matter.

While we recognise the high office that the Fourth Elected Member for George Town holds in his party, thus far he is not a Member of the Executive of the country, and he did not say that he was speaking on behalf of the Government. He did say, if I recall correctly, that he believed his colleagues would agree with his view in relation to a number of points; but that is not the same thing as saying *I am speaking and putting forward what the Government's position is*.

So, at this point in the day when we are 12 minutes past the hour of interruption, those of us on this side are no better off in knowing what the Government's position is in relation to this Motion. Are they going to support it or are they not? Are they prepared to consider whether further action or legal action should be taken? Or are they going to continue to hem and haw?

Now, Madam Speaker, I am not without sympathy to the Government and the difficult position that they are in. For, like my colleagues on this side, we have sat there before. We understand how very difficult and ticklish an issue this matter is. So, as I said, I am not unsympathetic to their cause. But I would say that on a matter as important as this we ought, collectively, to be sending a message—a clear message, a unanimous message—to those who have some in-

volvement in this matter, because this is a hugely important point. This is a critical juncture in our constitutional relationship with the United Kingdom Government.

And I say that, Madam Speaker, not just because on 6 November we will start a new era in our constitutional history, but because this particular issue is not cured, or will not be prevented simply by the provisions of the new Constitution. Indeed, Madam Speaker, as long as there is a constitutional relationship linked with the United Kingdom, which ultimately gives the United Kingdom Government the authority to make laws for peace order and good government, they will always hold the upper hand and be in a position where they can, when they see fit, to intervene. What we have managed to do successively since we got our first Constitution in 1959 is create a structure whereby it is more difficult for them to justify intervention in local matters.

Madam Speaker, before I launch into how I really want to address this subject, I want to say, Madam Speaker, that I want to consider this matter. I want this House and those who listen to this debate to consider what has transpired and what is transpiring, and what might transpire in the constitutional context. We can change the players as much as we like, and we can all complain about the personality of this one and that one who holds this or that particular post. But, ultimately, it is the nature of the relationship that will govern what transpires which will allow certain things to happen or not happen, as the case may be.

And so, Madam Speaker, when I hear the Fourth Elected Member for George Town (and he can be forgiven because he is a new parliamentarian) belittle some of the things that the Elected Member for North Side said about the evolution of our constitutional framework, and to say that we need not worry about all of that; that it does not really make any difference, what matters is whether or not we have economic independence. . . . I could not help but to smile wryly. To take that simplistic view of this issue is to not even begin to understand how we have gotten to where we have gotten in this country both economically and constitutionally; is to disregard the tremendous efforts, struggles and toils in the trenches that people, like the Elected Member for North Side, have been involved with.

If we believe for one little moment that our constitutional framework, our relationship with the United Kingdom and how that is defined, and what it permits or does not permit, is not intricately tied to our economic fortunes, then I suggest that we need to go back and look again at where this country has come from and how we have gotten there. We need to examine the changes in the relationship, even if not constitutionally, in the nature of the relationship between us and the United Kingdom over the course of the past 50 years.

It is only by doing that, that we start to understand how much issues that we are dealing with

now—Tempura and Cealt, and the various other investigations launched by the Governor single handedly with no consultation with anyone locally—impact every one of us, including, most importantly, our children and those yet unborn. And if we allow these sorts of things to happen and go away unchallenged and act subserviently and say, *Yes, you are the Governor, we ought not to question your judgment, that we need to get on with the more important things* . . . we miss, Madam Speaker, the fundamental point in all of this. For as long as we simply accept that if the Governor does it, it must be well done, we are in major, major problems.

Madam Speaker, in the nine years that I have been here I have had the honour and privilege to represent the people of George Town. Eight of them have been spent battling for a new Constitution. And while the document we have is not perfection—in fact, it falls short in a few respects, far short, of what I personally would have liked to have seen—it is a far better arrangement that we are about to come into than the one we are about to depart from, as far as the interests of this country are concerned vis-à-vis the United Kingdom.

And I am going to talk particularly about one of those that I believe impacts upon this situation we are dealing with here now. But I will come to that in a bit.

You see, Madam Speaker, in the early days, following the 1972 Constitution, the relationship we had with the United Kingdom was (to plagiarize a former US President's words) a much kinder and gentler relationship, because the United Kingdom did not view its Overseas Territories (at least not this one) as a threat, did not view them as a source of potential embarrassment. And we did not create for them any issues with their then relationship with the European Union.

Those were very different times. And so, they could afford to be maternalistic when dealing with the Cayman Islands. And our long, long history of loyalty to the Crown . . . everyone spoke, save a few politicians who perhaps had the benefit (if you may call it that) of other experience, or of having studied and looked at what had happened in other colonies, but our people spoke generally in loving and patriotic terms about the Mother country, and particularly about the Queen.

But what has transpired over that period, as Cayman has gone from economic strength to economic strength and has become more and more sophisticated, we have created more challenges for the United Kingdom, both in terms of their relationship with the European Union, but also in terms of competition—direct competition—with them. And so, it is not that anybody should believe the UK hates us and would like to kill us and all of those things; it is nothing like that. This is . . . and they will tell you, those who are honest enough to tell you, that it's a matter of business.

Well, you'll never get official circles to admit that. But when they talk about their contingent liabilities and the importance of complying with international treaties and obligations with which they are bound, particularly as it relates to the European Union, you can translate that to understand why the nature of the relationship has altered so significantly, over these past 20 years particularly. And for us to sit around and simply say that what we have to worry about is economic independence and disregard the impact of the relationship between us and the United Kingdom on that objective, I think is to make a huge, huge mistake, and to simply believe that we need to do this thing or that thing and everything is going to be all right. If the PPM had not come along everything would be fine, in that scenario.

Madam Speaker, we need to understand and appreciate that the context in which Chris Bryant writes to the Leader of Government Business saying you need to do this, that or the other, cannot be divorced from this situation that we are dealing with here. And I am not the proponent of any conspiracy theory. These are all individual parts of a bigger whole in terms of attitude to the Overseas Territories. And we need to appreciate all of that. And that, Madam Speaker, that is why constitutional evolution is so important.

I am no advocate for independence, although I recognise its inevitability. And if I am given anything of the lifespan of my forebearers it is going to happen in my lifetime. And those of us who believe that we can ignore the nature of the constitutional relationship, ignore these signs that we see in things like the attitude adopted to how we run investigations Tempura Cealt and others, and believe that none of that has anything to do with the rest of all of this, we are making a huge mistake, Madam Speaker.

And it does not matter who occupies the office of the Governor . . . I should not say that, because different people have different personalities and some people perhaps would approach it differently. But the point I am making is that we cannot rely on having a person with a good attitude or good personality or one who is more . . . I am searching for one proper word, but I will just use a more basic expression . . . someone who is in love (as some of the previous Governors have claimed to be) with the Cayman Islands, as the basis for things working well. And that is what the constitutional changes are about, even though, as I said, in some instances (and this is perhaps not only my view, but certainly mine), it falls short of where I think we need to be.

But that is why that is so important and why we have to challenge situations like Operations Tempura and Cealt, and the decision-making, and the lack of consultation, and the lack of advice taken by whoever is Her Majesty's representative and the duly elected Government at the time. If we let those get away I don't know what else would be done under the



cover of darkness away from the minds and eyes and attention of the duly elected people of this country.

That is what this is about, fundamentally. Whether or not the Government decides, having taken the best advice they can, that it makes sense to mount the action or not is quite another matter. And I am not sitting here pounding on the desk telling the Government, *You must sue the Governor, you must sue the UK Government*. I don't want us to throw good money after bad. But this Motion provides the platform that we need for the Elected Representatives of the people of this country to articulate their concerns about this kind of unilateral thumbing of the nose at the Elected Representatives by Her Majesty's representative who says *I am responsible. My judgment is better than yours. You just go away and leave me alone*. That is essentially what he told the Cabinet of which I was a part.

And, Madam Speaker, as I said, I know personalities play a part in it. And I suppose you can't separate that. But those who follow the present Governor must understand that there is a will, that with all the differences and divisions that we have in this House there is a certain unanimity on issues of principle that affect the governance of this country. And just because you are Her Majesty's duly appointed representative, that, in and of itself, does not entitle you to treat with disregard what the Elected Members who form the Cabinet with you have to say.

And, as my colleague from East End said—perhaps not as quietly as I will say— but just because you are elected to the Cabinet that does not convert you into someone with a criminal mind.

I am going to say this before I go on to talk about some of the changes the present Constitution makes, which I hope will help with this sort of thing, Madam Speaker. One of the greatest disappointments I had in my tenure as a Minister was the day, about six months after this Governor took office, when I came to understand that this man had no trust in anyone sitting around the table—absolutely no trust—that this was not a partnership at all. I don't think I will ever get over that, Madam Speaker.

How do we get to the point where Her Majesty's representative is without blemish, without flaw, but the mere fact that you have been elected has somehow tarnished you in a way that one cannot trust you to impart vital information relating to the affairs of the country to you? I don't think I will ever get past that, Madam Speaker. There is something fundamentally wrong with that approach.

But as shocked as I was about that, in the context of the present cases, the day that I came to appreciate that the Attorney General was being left out of even the briefing because of his friendship that goes back years, and years, and years with the Chief Justice, was the day I said there is something fundamentally wrong here. How can you have a briefing calling five Elected Ministers to tell them, and a briefing down here with the Opposition inviting everyone to

come except the Attorney General? We cannot—and must not—allow those things to happen and say nothing about them.

As I said, I am not unsympathetic to the present Government because I know the constraints under which you labour when you sit in Cabinet. Been there! Done that! Got the stretch marks!

*[inaudible interjection]*

**Mr. Alden M. McLaughlin, Jr.:** Straining to keep from saying it!

So, Madam Speaker, let's not do what they rely on us to do because of our difference in political views and opinions, and because of the adversarial nature of this exercise. Let's not descend into condescension and arrogance and what the PPM Government did and what the UDP Government didn't do and all of those various things on this issue. There's plenty of time for that, and we've had more than enough of that. On this issue let us stay together. Whatever the Government decides, ultimately, to do is another matter. But I implore the Government to at least accede to the Motion and consider whether or not the legal action sought by the mover and seconder of the Motion should actually be initiated.

The powerfulness of that message cannot be said, Madam Speaker. But a break between the Elected Members of this House on this issue is a clear indication that the Government is siding with the Governor on this one, which is exactly what they want to see happen. Exactly what they want to see happen!

I beg you . . . I beg you, Mr. Leader of Government Business (Madam Speaker, through you) and your colleagues, if you have not considered acceding to the Motion, to do so; to do so. If ever there was a case of us-and-them, this is it. This is it.

There's \$6.89 million dollars referred to here by the Auditor General . . . the actual number is closer to \$15 million. And that is not an opinion. We have done the numbers, because there are things which the Auditor General has not included in his calculation. Fifteen million dollars in terms of the various investigations initiated by the Governor under the guise of in pursuit of good governance.

Madam Speaker, this is not just so of me, there are others in this House who have been here longer than I have. There are others who are more traveled than I am, have been to more meetings than I have, overseas and locally. But the audacity of some of the things that are said, trotted out by these people, sometimes leave even me speechless, because when they talk about good governance and the Governor will refer . . . One moment, Madam Speaker.

*[pause]*

**Mr. Alden M. McLaughlin, Jr.:** When the Governor will say, as he did in his statement of 15 October this year: **"I do not think that the Cayman Islands face**

**the scale of issues we have seen in the Turks and Caicos Islands, and hopefully it never will. But we would be deluding ourselves if we thought that this country has been totally free of any corrupt or unethical behaviour of the police or elsewhere in public life, or that such problems could not occur in the future.”**

And then he says—and I think this is directed at me, at least, I’m in the group: **“Yet others seek political control of the police. The National Security Council under the new Constitution will give the people of the Cayman Islands more say over the strategies and policies adopted by the RCIPS. But the UK was rightly not prepared to give politicians in Cayman, or in any other Overseas Territory, control over police operations or the appointment of senior police officers, in order to maintain the independence of the police in upholding the law impartially and without favour. The Governor too cannot interfere in operational matters such as who is arrested or prosecuted, though he is briefed on such issues.**

**“A few people may have other reasons why they do not wish to see the investigations continue or succeed.”**

Madam Speaker, all through that, and all through the countless statements and lectures that I have been through with my colleagues with the Governor over these past years, there’s always this political paint that colours whatever is being said. As soon as you include an Elected Representative in whatever it is, all of a sudden it’s gone bad. And, of course, what is unsaid in all of that is if you are, on the other hand . . . because the Governor is appointed—appointed, perhaps, by the UK Government—he is free of all of the human failings and foibles. And, Madam Speaker, so many of us locally, buy into all of that.

On the other hand, I have certainly never advocated, nor did I hear any of my colleagues advocate, that there should be political involvement in the sense of Elected Representatives deciding which commissioner is appointed, and so forth and so on. But we did advocate, and I firmly advocate, that there should be political involvement in the sense that the Governor alone should not decide who the Commissioner of Police and other senior officers are; that there should be something akin to a police authority as they have in the United Kingdom, which is made up of a range of different local people—not necessarily, and I certainly didn’t contemplate, that Elected Representatives would sit on such an authority.

Of course, if you listen to what the Governor said here, he said, “Oh that would be the beginning of the end.” But look at the structure they have in the United Kingdom. They deal with police authorities. The authorities are usually 17 members, 9 of which are local counselors, in other words, members of local government. They are not MPs, but local government representatives. The other eight are taken from civil society; one must be a magistrate. I looked at it awhile

ago. So, what is good for Mother country is terribly wrong for its territories, is the attitude that is adopted across the board.

And I have no doubt, Madam Speaker—I may be wrong—but I have no doubt that all of this is part of the overall context of what is trying to be achieved of somehow diminishing the stature, the standing, the reputation and the image of the Overseas Territories. It’s all part of this whole bigger picture about where we fit in on the global stage.

How can a little dot like the Cayman Islands actually attempt to be a major player in the provision of financial services to the world?

How dare they! They can’t even look after their own affairs. Look, we have to make sure that they have the right police.

Madam Speaker I’ve been around long enough. I’ve sat in enough meetings; I have listened to enough condescension and arrogance for me to come to those conclusions. So, Madam Speaker, let us not lose the tremendous opportunity presented by this Motion to send a collective message to all who will listen that on this—regardless of the political divide, the bitterness of the debate that has ensued over these past few months and during the campaign—on this we are all Caymanians who are standing up for what is right for our country. It doesn’t matter who is sitting in the seat of the Premier Designate. He or she is going to be Caymanian though! Oh yeah!

All of us who are here, are here I honestly believe, whether I agree with their policies or positions, or conduct for that matter, because at some point they believed they had something to offer their country and their people. And we are all here because the people have reposed sufficient trust and confidence in each of us to have voted us into this House.

Madam Speaker, we, the representatives, ought to be accorded a level of respect that is consistent with those realities, that they want to serve and are duly elected representatives. And we ought not have a situation where the Governor can go off and do things, commit the country to huge expenditure, to courses of action which result in major reputation damage without so much as a word to those who have been elected to lead. Because that is where we are!

Madam Speaker, I alluded at the start to one of my disappointments. And one of my disappointments is the fact that we could not agree—us as the then Government and the present Government as the then Opposition—on the inclusion in this new Constitution of a police authority. We are left with the situation now that while the National Security Council, which will come into effect under the new Constitution and require the Governor and the Commissioner of Police to discuss major policy matters—not operational issues, but major policy matters affecting security—with the National Security Council that will have private sector members, government members and the Leader of the Opposition, or his designate, as part

of it . . . and that is a vast improvement. We failed, Madam Speaker, because we could not agree that there should be a body which actually dealt with police appointments, discipline and other matters affecting the police. Our failure to agree on that is that we are back in the default position where sole authority for that still vests in the Governor.

Madam Speaker, as things have transpired and continue to transpire, that becomes, to me and others who have paid attention to this, a graver and graver omission from our new Constitution which comes into effect in a few short weeks. And, Madam Speaker, the sad thing . . . and I can say this personally because I personally drafted the provision. I personally sat down with Ian Hendry and persuaded him that if Gibraltar could have it, why not the Cayman Islands. Madam Speaker, what's done is done. But that is something that we need to consider.

One thing that is clear to all of us who have been here for any length of time is that it really does not matter what happens out there or who the Constitution says is responsible. You can believe who are going to get the licks. The Elected Government is going to pick up their share of licks for whatever transpires. I am elated that, in this instance at least, our electorate has come to understand that the Governor—and that is because the Governor kept saying *I'm in charge, I'm in charge, I'm in charge.*

I'm glad he's in charge.

I see him now trying to duck in this 15 October statement. I see him starting to do some what we used to call "simmey dimmeys"

[laughter]

**Mr. Alden M. McLaughlin, Jr.:** But largely he has, up until recently, said *I'm the guy. I don't have to consult with anybody. The police are the sole province of the Governor under the Constitution.*

So, Madam Speaker, it behooves and behooved us to seek to share as much of the decision-making powers as we possibly could and can. Once you have sat in Cabinet long enough you start to understand very quickly that you get held responsible regardless. And that is understandable because, as many a person has said to me, *But Mr. Alden I voted for you. If you can't do anything about it what is the good of having you there?*

Frustration!

When you have been around for a while you learn how to try to deal with it; but people just don't accept it. *What is the point of having you there if you can't do anything?* they say.

I don't disagree. How can I disagree with that?

Madam Speaker, I also said earlier that one of the things fundamentally altered is the dynamics of the relationship between us and the United Kingdom Government. And some of those who have spoken before me said that they understand that the Governor is going to put the UK's interests first and foremost.

They don't need to be down here for any length of time to understand that. If you listen, though, to the line taken it is always, *Well the Governor of the Cayman Islands is here also to protect and guard the interest of the Cayman Islands.* But nowhere did that appear in any of our constitutional documents up until the new one.

And you would not believe the fight that we had getting the UK to agree to include in that Constitution a line which said that the Governor should have regard to the interests of the Cayman Islands in making decisions. I could not believe the battle. It took three formal meetings to get to that point. And while I take a certain personal pride in having achieved it, the reality is that it does not say very much.

In the end this is what it says under Part II, section 31, of the new Constitution. It says: "**31(2) The Governor shall exercise his or her functions in accordance with this Constitution and any other law and, subject thereto, in accordance with such instructions (if any) as may be addressed to the Governor by or on behalf of Her Majesty.**"

And subsection (3) says, "**In the exercise of his or her functions under subsection (2), the Governor shall endeavour to promote good governance [they had to put that in there] and to act in the best interests of the Cayman Islands so far as such interests are consistent with the interests of the United Kingdom.**"

Now did we have to battle so long to get that in? That seems very innocuous, very logical. He is the Governor of the Cayman Islands. He is supposed to act in the best interests of the Cayman Islands. You can look around at any of the other constitutions of the Overseas Territories and, I promise you, they don't have any similar provision. I highlight that, Madam Speaker, simply to say—

**An hon. Member:** Tell them how they didn't want it in there.

**Mr. Alden M. McLaughlin, Jr.:** —that we ought not to ever underestimate the power and the impact of the constitutional document. Because here is something that has legal and constitutional effect we can rely on if decisions need to be challenged.

Relying on the attitude and interests and concern of the holder of the office is not something I would advise anyone to do, based on my limited experience as a Minister in Cabinet.

Madam Speaker, this is a good little country, if not the best. We are not perfect, and in many ways we have a lot to learn. But we ought to labour under no illusions that how far we get, how much further down the road of development and prosperity we get depends heavily on us in here. And that, Madam Speaker, means that we have to be willing to fight, to be willing to challenge things that are wrong and that damage our interests; [things] that damage this country's reputation and ability to continue to attract the

kind of people and business that has enabled us to create and have for our people the kind of lifestyle that we do, which is—even in these tenuous times—the envy of most of the world. Let us not allow political differences, self ambition to keep us from acting in concert in relation to a matter so fundamentally important.

The message that unanimity on this issue will send to the UK and the world will be extraordinarily powerful. It will tell the Governor to come and those to follow that you just can't ignore your elected Cabinet regardless of who ultimately has constitutional responsibility for a particular function; that you are there to work in partnership with them, and if you fail to do so you need to appreciate that there are consequences which you will follow.

You cannot treat your fellows (and I should not use that because the lady Minister for Cayman Brac and Little Cayman will tell me that she is not a fellow). You cannot treat your colleagues in Cabinet with contempt and disdain and irreverence. You cannot say that they are silly because they propose certain things. You cannot ignore the Constitutional office and function of the Attorney General and go get legal advice from whoever you want to and then disavow any involvement with the situation when it goes awry.

Those are the kinds of messages that accession to this Motion by the Government will send to the places that they need to be sent.

So, Madam Speaker, I implore—it is not my motion, I had no hand in it—but I applaud it having been brought. And it was brought by the most appropriate Member who could bring it—for with the Opposition, four out of five of us were Ministers in the last Cabinet. So, I don't think it would have been apropos for us to have initiated it.

Madam Speaker, I think that I have covered just about every aspect of this that I wished to, except to say that we must not lose sight of the personal damage that this has caused to many who have thus far been wrongly accused—in some cases wrongly charged. I have spoken to a number of them. Most of them are still very emotional any time this issue is discussed.

The country has been forced to pay Judge Henderson \$1.275 million. And many will say that he has been handsomely paid, and he is the foreign Judge. What happens to the Caymanians? I asked the question too. But, Madam Speaker, no amount of money can ever recover your reputation in instances like that. And I am not suggesting that the Governor made that decision. I don't think he did. But the way this whole thing was allowed to operate, that you had the "holier than thou" whom no one could question making all of these decisions without the benefit of local advice, how can you do something so. . .

You are not just going to arrest anybody, you know. It's not the drug dealer down the road. A Judge of the Grand Court! And you don't even check to see whether or not it is an arrestable offence? [chuckle]

Misfeasance?

Humph, I would think so. I would think so.

Madam Speaker, the toll it has taken and is still taking on the lives of people like Deputy Commissioner Dixon, Chief Inspector Burman Scott. They took the man and locked him up. For what?

Because they wanted him to be a witness?

This is good governance?

I have to shake my head sometimes about the double standards, because you see, it seems like *good governance* really only applies in the territories to people other than the Governor. They trot out this line about good governance—got to ensure good governance. They always bring up the spectre of the Turks and Caicos Islands, and we get these innuendo-laden statements about, "I do not think that the Cayman Islands face the scale of issues we have seen in the Turks and Caicos Islands." But we have our share of problems.

So, Madam Speaker, where are they?

Yes, Madam Speaker, I grew up in this country. Spent all of my life here. I have heard the stories, the rumours, the allegations about various police officers as long as I can remember. I am not suggesting that everybody there is lily white, or that wrong things may not have been done. But in a proper system you have got to have evidence before you go out and talk about charging people and ruining their lives.

And then this other statement about, "**We would be deluding ourselves if we thought that this country has been totally free of any corrupt or unethical behaviour in the police or elsewhere in public life.**" Where else? Does that include the Office of the Governor? That's public life too I believe. But somehow that Office is exempt from all of these things.

Madam Speaker, those of us who are in public life, especially after you have been here a little while, you know that no matter how much good you do there are going to be those, your political opponents sometimes, and often not even them, just the rumour mill, that say all matter of things about you, simply because you hold office. And most of us shrug it off. Sometimes it hurts bad, and you go sit by yourself and cry. I know all about it, Madam Speaker. So, it is something that comes with the territory.

But when you have your Governor . . . And to have the audacity to say this sort of stuff when every single investigation initiated with his blessing has been a disaster.

Shameless! Absolutely shameless!

Madam Speaker, there are those in this room who will attest, or who could attest (they may not) to the fact that I told this man, our esteemed Governor, that there would never be a conviction in the courts of the Cayman Islands coming out of these operations. It's too tainted. Nobody is going to believe a single thing. I don't care who goes there to give evidence.

Which jury does he think is going to convict anybody based on Martin Bridger's investigations?

And we are still spending I don't know how much more on Operation Cealt because they are investigating serious allegations of corruption and criminality. Well, let's see. Let's see. All I will say . . . and I'm sure they must be saying this to themselves—they better have good goods. They really better have good goods. I know it's much too late for the smoking gun, but they better have DNA or something because nobody is going to believe someone coming into the witness box and giving evidence about something that happened Lord knows how many years ago. Not after all of this.

Madam Speaker, the best thing we could do is close this chapter, this sad, sorry, expensive chapter in the history of the Cayman Islands, and move on. We have a wonderful opportunity. We are going to get a new Governor. I hope what Governor Jack said is not true. I hope he is not going to come and follow in his footsteps.

We have a new chance with a new Governor. We have a new Commissioner of Police. We even have a new Government—for better or for worse. But we have a new Government. Let's start anew.

Madam Speaker, I know my elected colleague from East End mentioned this, but I cannot help but do so too. When I heard the Fourth Elected Member for George Town get up and make his on-the-one-hand/on-the-other-hand speech I could not help but recall the beating, beatings (plural), that he gave us when we took the stance as a Cabinet that we were not voting any more funds for these operations Tempura, Cealt and the rest of it. He suggested that we had, perhaps, something to hide.

Madam Speaker, let me say this to him and to all within the sound of my voice: I have been here almost nine years. You may question my judgment, you may question my decisions, you may question even my management of particular things. You may say that I am stubborn, you may say I am hard headed, you may say all of those things. But anyone who suggests that I am other than honest in my dealings with Government or in private, if they say so outside the precincts of this House they better be prepared to prove it. That could be the Governor, or it could be Chris Bryant. I do not mind who it is.

I may get it wrong. I may make mistakes. That's fine. I am open game for that. Beat me up as much as you want about that. But if you suggest that I am dishonest, you better be prepared to prove it if you are outside of these precincts.

Madam Speaker, I just want to conclude now by again asking the Government (because I have been hearing little rumblings from over there) to really give careful thought to supporting the Motion. It does not commit them to do anything more than to consider. Having considered the matter and taking such advice as they deem necessary, they can then tell us what their decision is.

Coming from me, I can say this on behalf of my Opposition colleagues (and the Elected Member

for North Side, who moved the Motion, will say what he has to say on his own behalf): There will be no beatings up from this side whatever the Government's decision is, ultimately, as to whether or not to press the law suit or not. We would just want to ensure that they have taken proper legal advice and if they shared that with us and the advice was that this case was more likely to lose than to win, or it only has a 51 per cent chance of winning, or whatever the case is, we will be guided by that. But what is critically important, Madam Speaker, is that we are *ad idem* as a House about the seriousness of this matter and that we draw the proverbial line in the sand and say, *Henceforth and hereafter matters like this must require, must involve Elected Government*.

We have a new Constitution, a wonderful chance to move this whole thing to a new level altogether. Let us not squander the opportunity.

I thank you.

**The Speaker:** Thank you Third Elected Member for George Town. I think this is a good time to take a 15 minute break.

#### Proceedings suspended at 5.42 pm

#### Proceeding resumed at 6.15 pm

**The Speaker:** Proceedings are resumed. Please be seated.

We continue debate on Private Member's Motion No. 1/09-10. Does any other Member wish to speak? [pause]

Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

There is no doubt in any mind in this House, Government or otherwise, that this Motion is an important matter. It is one with a strong constitutional bearing. I must invite the Opposition, though, to heed their own advice: It is time to move on. There is much work to be done to turn this country around from the precipice. And I should add that while the frontbench spokesman on the Opposition criticised the Fourth Elected Member for George Town [Mr. Ellio A. Solomon], he agreed with his position, that it was time to move on.

Madam Speaker, I have listened all day to what Members had to say. I listened very intently, of course, to the Third Elected Member for George Town [Mr. Alden M. McLaughlin, Jr.] when he began his debate questioning why the Government had not spoken as yet.

But, Madam Speaker, as Leader of the Government, I thought it most important for me to listen to what Members had to say. I thought that in putting the statement that I did this morning that would have helped set the tone for the debate. I had hoped that.

But I do believe that it set out the Government's position.

I also felt it important that if the Opposition—who was just the Government five months ago—felt that these investigations were so wrong and that the Governor, who was the Governor while they (the Opposition) were the Government did so much wrong why, then, did they not bring this Motion? Why, then, did they not sue him or the UK?

Madam Speaker, I thought too that the Motion provided a platform for Members to have their say. And quite a few Members were itching, as you could tell from the talk shows, to have their pound of flesh. Let me say this, Madam Speaker: No one needs to remind McKeeva Bush about due protection of these Islands or how to fight for what is rightly Caymanian or something that belongs to us.

There is no Member in this House who has had any stronger and more direct battles with the United Kingdom than this Member. And I go back to the early days when the Member for North Side and I entered here as junior Members of the House. In fact, Madam Speaker, when I was not a Member of the House and took on the then Commissioner of Police Stowers . . . We had to fight that battle because it was not a police officer who was in question, it was the Commissioner at that time. And we fought a hard battle. And I was successful, even if it was not until the Member for North Side and I got here. We won! You can check the records if anyone . . . and I know older people remember it. Those born since that time would not.

I do not forget the battles I had with the then Governor. And the next one after that one, Governor Scott, who came here every morning, when he and his wife could not agree, and took it out on me!

*[laughter]*

**Hon. W. McKeeva Bush:** I do not forget, Madam Speaker, and I do not forget that I was successful—

**The Speaker:** Honourable Leader of Government Business, keep the private comments out please.

**Hon. W. McKeeva Bush:** Oh, oh, Madam Speaker, I will do that one.

But I do not forget that it was that same Governor that I had to take great issue with as he presided over the Executive Council, and he presided over this House, and he was the Governor. And all that put together, Madam Speaker, was completely and totally wrong as we had no fair hearing down here because if you went to him you can believe the Governor would make Cabinet know whatever we planned. So there was no fairness in the Chair.

And when I moved that motion, because it was moved a couple of times, I did not realise . . . I did not even realise it would pass. I sat there with great anticipation, but it passed. And he didn't realise it

would pass. And if you had [stuck] him, you would not have gotten a drop of blood at that time. But we were successful.

I have had my share of battles. And when I got to executive post, I had my share of battles then. From the very first time I went in the Governor went against my advice as the then Minister of Health. For one year I was [the Minister of Health]. Something I will never do again in life! And that was my first battle with the Governor.

Madam Speaker, I had my share all the way through then and up until I took issue with Governor Dinwiddy and the way he governed. And I took issue with the then Attorney General who thought he could come into this House and carry on his rascality too.

And the country cannot forget that, Madam Speaker. This here Leader . . . I can give this House a guarantee that there ain't nobody going to push Cayman down while I have that responsibility.

We will all remember that I took the United Kingdom to the European Court of First Instance, and I won! So, everybody knowing history the way we do . . . do not think that that is forgotten and do not think that I am in their good books.

So, when this country is to be protected, I, as the Leader, will stand in the gap and be counted. And this Cabinet is a strong Cabinet. Nobody is going to just push us around. They may believe so; but we will push back when that time is ripe—for I have had to do it before and I believe that opportunity is going to come again.

The Third Elected Member for George Town need not speak as if we did something wrong in not speaking first, because I will ask them, if they realised that the \$15 million as they said was being spent, and being spent wrong, then they should have taken action if they felt it could have been successful.

We have taken leading counsel's advice, and that Queen's Counsel is Professor Jeffrey Jowell—the same [counsel] who wrote the Constitution or led the Government's views on the Constitution. So, we have to take his advice. I really have already. Those of us on this side have made a statement of disgust in regard to the expenditure that we are complaining about. We have made that point. But we have considered, and we do not believe that we can win this one.

Anyway, Madam Speaker, the Member for George Town made many points in regard to the Constitution. Much of what he said we concur with. The Constitution is what it is. I did not vote for it, but I have to work for and with it.

We wanted a police ombudsman. That was not supported by the Government. The Government, Madam Speaker . . . when he said he did not believe he could get support, it was the same Government that spent millions to get their views to the public but would not help us, the Opposition, with one red cent so that we could get our views to the public.

So, Madam Speaker, I felt the hand of the Government as the Leader of the Opposition. Some-

times I felt that we were whistling in the wind. The Caymanian public is a hard taskmaster. They do not forget easily and will not forgive easily, it seems like. All of us need to learn that when you get here in this seat we have to be more than careful with what we do as politicians. We are the easiest ones for people to cry down. We are the easiest ones for them to say that we did something wrong.

Madam Speaker, when it comes to investigations, I am not scared of any. I have said all the time that if your heart is pure and your hands are clean then let them investigate. So I have not been scared of the investigations when they were called on me to check out Boatswain's Beach financing. I was not scared then, nor will I ever be scared because I know that I may do things to help people, that people can say I should not have done it that way, but I am not doing anything to take money from anybody.

If my real estate company can make money, that is a legal entity. So I am not scared. But Don King says they can investigate. Let them investigate. They say, let them say!

Madam Speaker, I do feel that we are getting nowhere. The Governor says in his statement that there is work yet to be done. I hope it pays off. But we never initiated any investigation. The funds that are there are there to pay for what has already happened.

Madam Speaker, I do not need to be long because, as I said, I think Members on both sides have covered it well. In fact, the Member for North Side [Mr. D. Ezzard Miller] I think has made his case. We have considered the Motion and we do not believe that it will get us anywhere now. I do not believe that we can get our money back. And that is our advice. But if we go down this route we will have to spend much more money on a court case.

Madam Speaker, I know how Members feel because we all feel this way. But I do not believe that this is the time for that kind of fight. This country is facing a tremendous challenge. It is not just the challenge of working or having a good working relationship with our administering power, the UK, because we have to have that. We have to know when to stand up to them [but], Madam Speaker, as I said I have made the United Kingdom know that they cannot push this Leader around. And if all of us work together, as our Cabinet sticks together and the Official Members work with us—and some of that will change soon because we will only have two Official Members who won't even have a vote in this honourable House—so we do need to work together.

Calls for standing together must be genuine—not just to win a motion or to make a point to the Governor. This country can be much stronger. I took the position that when the last Government won in 2005 I told the then Leader of Government Business “I am prepared to go when I have my 25 years in. Younger ones are coming, I am prepared to go. And I said I am not going to be standing in your way. The people gave you a mandate.”

I sat for two years over there. It was not until there was a call in the newspapers, *What is happening to the Leader of the Opposition?* And they said I was not doing my job. And, Madam Speaker, I listened. I tried to work with them. I did not abstain on their budget—

*[inaudible interjection]*

**Hon. W. McKeever Bush:** —that's the first place you must genuinely work together.

If the Government had to depend on that relationship then we would not have had a budget today. You might have not been in this House. The UK might have taken over the whole being. People do not know, Madam Speaker, the struggle in these last five months. Some of it you can't say. It's just not good to say at this point in time. But we are not out of the woods. We have them telling us now that we must review the Civil Service to see where we can cut, and that we must. And I have had to agree to that to examine options—and they have named them out—for revenue.

Now, we can say that those issues are not the only issues that when something such as these investigations and such as the expenditure comes up that we must stand up. I agree. But there is a time to fight and you must know when to fight. Thank God, as I get older it is not a word and a blow anymore. I can stand back, look and make a judgment. That is what we are doing, measuring where we go for this country to be successful. Measuring our steps!

Madam Speaker, in regard to any Governor ignoring Cabinet, under our Constitution he can only do that by getting the permission from the Secretary of State for the Overseas Territory to agree with him of course. But he is not going to push us around. I will fight them when the fight is win-able, and when I am right I will fight them. I do not think that today is that day. We may be right in feeling that this expenditure is too much; but can we win the fight? Do we have the money to do that fight? Can we take that chance? Can we go to court and not have the UK come back, if we lose that case . . . and as our advice is, you have to prove those points. Do we have the money?

Do we know what they would do to us if we are here saying all these things about them?

The First Elected Member for Cayman Brac [Mr. Moses I. Kirkconnell] said it could bring positive PR.

Humph!

Positive PR?

Oh, we would get PR. You can believe the *Guardian* and those other organs of the media perhaps controlled on that end will have a field day with us! Or at least have some glee in taking licks at these Islands.

No! We do need a serious PR campaign because we have taken some licks from them. But we

are going to get past this, Madam Speaker. We are going to get past this. This too shall pass.

Because they have the upper hand Constitutionally still . . . the Constitution is not as strong as everybody thinks, the new one or the present one. Not as strong. While you have some good things in it, it is not as strong. The Constitution draft that I put forward in 2003 was much stronger. Much stronger! We had some solvents in that and they would have had a battle if we had joined together on that.

Perhaps there are some lessons, Mr. Third Elected Member for George Town, in that you are back in the Opposition again and you should not oppose to just oppose. When you went from the Opposition to the Government, you ought to have found out. I know the Member for East End [Mr. V. Arden McLean] says often that he found out a lot of the things he thought they could do, and they pounded us proclaiming that we did not do it. They ought to have found out that it is not easy. You just cannot do it that way.

I know what a fighter the Member for North Side is, Madam Speaker. I have been on the opposite side with him. He is an Independent Member of this House today. I know that he means good for the people of this Island. Madam Speaker, when I have to do anything to help him and his people, he will get that. I just cannot support his Motion. But he knows that.

*[inaudible interjection]*

**Hon. W. McKeeva Bush:** It is not a matter of buttering anybody else. If you think that the Member for North Side needs buttering up, you try to butter him up!

*[inaudible interjection]*

**Hon. W. McKeeva Bush:** Madam Speaker, we have a tremendous job to do at this point in history in these Islands. Our financial position is the worst it has ever been. We have had little or no PR over the last couple of years. To top it off, being in this weak position the United Kingdom (in some instances doing the right thing, in my opinion, but it could have been done in a different way) put a strong hand on us.

Well, our budget is passed. We are compliant. We just have to meet the budget projections. We have to go on the road (and I will be doing that in the next couple of weeks) to tell the world that this country is not dead, that we are open for business, good business; and that we, the Government, want good business; that our regulatory regime is strong—perhaps stronger than London's or stronger than New York's—and that we have some of the best professionals in the world in this country; and that we have good technology and that we are improving our infrastructure. The country has tremendous opportunity and we need to make the world know that. And I will be doing that, myself and others.

We have a challenge with crime. This is becoming unbearable for the Government because, as Members rightly said, we do not have that kind of say over the police. I have asked for a task force, which I believe is what this country needs to crack down and we are meeting with the Governor, the Commissioner and several of us top brass (if you may) in the country to speak to that point. In fact, tomorrow . . . I ain't going to sit down.

There's no use in having a National Security Council, Madam Speaker, and the same thing goes on. If they cannot see with me, then they will have to answer to the people of this country because I am coming back here. I will be calling you, Madam Speaker, and telling you to call the House together, let me tell the House where we stand because I am not going to sit down up at the Glass House making people believe that we are getting something done and we have all the crime go on. I am not going to allow that.

So, it is a different ball game. This is not the First Elected Member for George Town [Hon. D. Kurt Tibbetts]. This is a horse of a different colour!

The world's economy is collapsing around us has put us in an untenable situation. People are just not travelling—tourism, being one of the main pillars of this economy. And we can say what we like, and many people say money is not everything. But, by God, when you don't have it, when the people don't have jobs, we understand that they need it. These are the challenges, and many more, of course—let's not even get into the education. That's longer term, and some immediate, of course, and many other issues to deal with.

But we are not . . . because we passed the budget, people think we can just lie back because Government got its budget, the country has a budget. We have had to charge people a lot in fees. So there is tremendous challenge. We need a time of calming. We need a time of reasoning, as the Bible says, "Come, let us reason together."

I do not think that this Motion has done the country any hurt, because there comes a time when you need to say something publicly. I felt at the time with Ballantyne that we had to stand up at that point. He was in the Cabinet. This was not somebody you did not know. He was sitting in front of me in Cabinet. And we removed him. It was the right thing to do.

I remember the Third Elected Member for George Town out there, same place, beating me to pieces about it on the motion. He said what we were doing was bad the way we were doing it. But we did the right thing.

When that time comes, there is no stronger rock than this one.

So, Madam Speaker, I think the Government has given our position where we stand. I hope that my friend from North Side will take it as we have put it.



**The Speaker:** Thank you, Leader of Government Business.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If not, I call on the mover of the Motion to wind up the debate. Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I would have preferred to have been given the night to assimilate my thoughts on the debate that has taken place and prepare to reply tomorrow. But that luxury has not been afforded me, so I will soldier on.

Madam Speaker, like the Members of the Opposition who have spoken, I too can empathise with Government's official position on this Motion. I understand their rationale, at least some of it I can appreciate, because I also took some legal advice before I brought the Motion here. Unlike the charges by the Fourth Elected Member for George Town [Mr. Ellio A. Solomon], this was no hurry-hurry decision on my part and not knowing what I was doing having to retract in certain terminology. But I can deal with him independently and give him some special treatment today.

Madam Speaker, I would agree with most Members who have spoken. I, too, have been privileged by the people of this country to endure the arrogance, the disdain, and the condescension from Her Majesty's representative in Cabinet.

I can remember quite vividly working on a project for some three years. I had taken some 36 papers to Executive Council on that one project for decision. And we had a change in governor. Two weeks after he came here he assumed and acted as if he knew more about the project than I did. Madam Speaker, I am one of the few people who has ever been in Cabinet who actually had a little bit of academic background on the subjects for which I was charged.

And I took great exception to that particular governor coming to Cabinet in a drunken stupor, drooling on the papers and chastising me about knowledge of health care administration and hospital construction. But I believe after that evening we developed a kind of hateful respect for each other because, like the Leader of Government Business [Hon. W. McKeeva Bush], and the Member for East End [Mr. V. Arden McLean], unfortunately I have been known in the past to get passionate about this country as well.

Madam Speaker, here is an example of this disdain that I am talking about. The school children in China know that Ezzard Miller is a married man now. I left a message for the Governor's office on a previous invitation that I was not coming to the function because my wife had not been invited. And here, on the 22<sup>nd</sup> of October, I get an invitation from the Governor's

office, "Mr. Ezzard Miller, MLA, and guest." The fact that they left off that I am a JP is not that important.

Madam Speaker, I am going to give this to the Serjeant-at-Arms and I am going to ask you to use your good office to write to the Governor and tell him that D. Ezzard Miller is happily married. I have a wife that I would be proud to bring to any function that he would invite me to.

**The Speaker:** Mr. Miller, that is not my responsibility; you will have to have your secretary do that.

**Mr. D. Ezzard Miller:** Madam Speaker, I am looking for an authority that is greater than mine because, obviously, he is not paying me any mind.

*[inaudible interjections]*

**Mr. D. Ezzard Miller:** And I am also trying to be a nice fellow because if I take this to the Glass House, what I am going to put on it before I take it is what those North Side farmers will put on it.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** The Leader says he'll take it. That's a higher office than me. Maybe he will listen to him.

*[inaudible interjections]*

**Mr. D. Ezzard Miller:** Madam Speaker, I spoke earlier about respect and us respecting them and they reciprocating the respect. That invitation, Madam Speaker, is not perchance; that is an insult. And it is an intended insult because of the things that I have been brave enough to say in this country.

Madam Speaker, we saw on the front pages of one newspaper, I think it even had a picture of the next guy that's coming. I wish they would have published his CV because what happens and what has happened in this country is that when these people are appointed, and they go through the Palace gates in London and have a cup of tea, they come out through the gates and they are experts in everything. Everything! They do not have a day's experience or a day's qualification in schooling or police matters or internal security or external security. But they come down here, and if one of us natives is brave enough to ask a question in Cabinet, we are ridiculed.

Of course, they do it in that beautiful old English diplomatic way, believing that we are so stupid that we would not understand that we are being ridiculed.

I hope, Madam Speaker, that if this debate here today does nothing more, it lets the young people of this country understand some of the challenges that they have to take on. Old fogies like me and the Leader of Government Business and the Member for East End, who have been in this fight long before we

were privileged to come to these Chambers . . . I, in particular, have been out of these Chambers for 16 years. But I never forgot to stand up for my people. And they do not forget that we stood up for our people.

It is time that we start, as the young people would say, to *big up* our own people. And it is time that we put in place protocols in this country. I recommended to the current Leader of Government Business in 2003 that we create the Order of Cayman, which should be several stories above the OBE or CVE, or MBE or any kind of E! I believe that I am at least one of the few people that has actually turned down an OBE twice because it doesn't mean anything to me.

One of the most productive and enjoyable times of my life was the privilege that the current Leader of Government Business gave me to chair the Quincentennial Committee and put together that year-long celebration and promotion of Caymanian values. I will never forget when he called me and asked if I would take on the responsibility. I asked him who the current chairman was. He said it was the Governor, Mr. Dinwiddy. Sometimes I mispronounce his name and call him *Dimwitty*, and I apologise for that. I have dyslexia, Madam Speaker.

I said to the Governor that what I would like to do with the Quincentennial celebration was to start it off with a national church service, because of our Christian heritage, and a celebration in January of the people of these Islands and identify 500 Caymanians to put on a wall in front of the courthouse. He suggested that it would be impossible to find 500 such people in this country.

If the Leader of Government Business remembers correctly, I told him, "Sir, I can bring you back a list of 5,000 tomorrow." And I never went back to that man's office for the whole time he was here. Any time there was anything to do with protocol with the Governor, Mr. Dinwiddy or the Quincentennial, the Prince came and everything, I sent my executive director, Ms. Martins, who did a wonderful job in dealing with them. I refused to deal with them.

Madam Speaker, I was privileged to change the face of George Town and to change the face of this country by recognising our own people. I am hoping, now that the Leader of Government Business is back in charge, that he can bring the proper National Heroes legislation down here and we can create the Order of Cayman. If he is so privileged to offer me I will take the first one. But I do not want any OBE or MBE because the Cayman Islands need people at the top who care about it.

As the Third Elected Member for George Town said, we have to somehow—and I believe the proper place to do this is in a court of law—make these people understand and the world out there that we are prepared to stand up for our people and we are not all idiots and that we know best what is best for Cayman because *our navel string buried ya*.

Those people are just walking through and they come in at such a level and we give them this wonderful house on Seven Mile Beach and they can get up every morning and do what most Caymanians cannot do—dip their feet in the water on Seven Mile Beach. Right? I told them long ago, build them a place up in Red Bay swamp. Turn that down there into a maritime museum.

You know, Madam Speaker, this current Governor . . . well they tried it when I was there too, I believe—that one that Mr. Bush was talking about a little earlier wanted a new house. This thing came up about the Glass House being unsafe and he needed to go somewhere else. I told him, "Sir, me and the Caymanians who work for government are coming here tomorrow. If it is good enough for us, it's good enough for you. And if you are leaving, because you might have the authority to do it, I am coming here tomorrow morning and I am going to stand up on the step and I am going to tell every Caymanian that it's unsafe to come in—don't come in!"

I see this one. He convinced them that the Glass House is unfit for him. He is too good for the Glass House. I think they used some excuse that it was not safe because the stairway enters inside the building or something. And they were going to put a stairway on the outside. I didn't see the United Kingdom sending any engineers down here, or any barges with any stairs to put on the side of the building. What did they do? They went out and got a big office for him on the waterfront. He could stand up and look at the cruise ships. And we had to pay extra for it. I'm sure we did. Right?

I still maintain, Madam Speaker, that if the Glass House is not good enough for him, it should not be good enough for any of us.

Mind, I believe there is nothing wrong with the Glass House, you know. That was just an excuse to get away from having to mix with us natives on a regular basis and to prevent us from seeing who was actually going up to the office and having tea with him.

Caymanians, Madam Speaker, particularly the young generation: I am appealing to them to debunk this cherished myth that because somebody happens to be appointed from across the pond—they couldn't get much further away, you know. Because, if they go too much further north they are going to fall off and start coming back toward us.

Just because he goes through a big iron gate with some horses behind it and a couple of other things, that he comes here and, all of a sudden when he steps on the Cayman Islands' terra firma he has a halo, he is omnipotent, he can do no wrong. Imagine, we have a Standing Order in our House that we cannot question him! Right? And we can't criticise him. And we are the people who have to go out on the hustings and get elected by the people to come here.

As the Third Elected Member for George Town said [Mr. Alden M. McLaughlin, Jr.], up until I would say the Auditor General's report came out, until

some of the numbers started to really get out here in the last couple of months, it was *"I'm in charge, I'm in charge, I'm in charge."* Who? You? Right?

Now, all of a sudden you see he is trying to shift it to the senior civil servants and some committee he selected right at the end. And it's all their fault. *"I'm constitutionally responsible, but I am really not the one who's spending the money."*

Madam Speaker, if you're in charge, you're in charge. And he has spared no opportunity to remind us that he is in charge.

Now, Madam Speaker, the Fourth Elected Member for George Town suggested that I was crawling into some holes going back to 1972 and trying to paint a picture of how we have struggled and that there was something wrong with that because we are in the modern age, and we are into bringing BlackBerry's in here and spending all our time on BlackBerry's and Twittering and whatever they are doing, right? Madam Speaker, there is a lot of good people, some stalwarts in this country, who have passed through these hallowed Chambers that we are now privileged to sit in, and who have fought many a fight for this country.

He seems to be a little obsessed with wars and battles. Well, Madam Speaker, I never declared war on anybody. I never said we were fighting any battle. I said the only place that I know that we can get exonerated, that we can be declared guilty or you can be declared innocent, or you can get (in his terminology) a "clean bill of health" when you are accused of such things as we have been accused in these investigations, is in a court of law.

Some of the legal advice that I have gotten believe that this case is very win-able. And, yes, Madam Speaker, I will agree with the Government's position paper that if we took the case in our local courts it would probably be cheaper. But the problem I have with that, Madam Speaker, is the courts are part of this whole process of what has been going on. And the international image of the Cayman Islands courts has at the very least been tarnished. At the very least it has to be described as collateral damage and that was a pretty good sized bomb that went off.

That is why I suggested that if they want to do it in London, because the decision I believe we could get would be favourable and it would have more standing in the international market if we took them on on their own ground, on their own soil, in their own courts and won! I still believe it is win-able.

In the last couple of weeks a lot of lawyers in Cayman have all of a sudden turned altruistic and are willing to step up to the plate as to what is good in our court system, what's bad, and how the Government should handle things. So, with the knowledge that the Government is unlikely to take the case, I would like to invite the Law Society, the Cayman Bar Association, and the Criminal Defence Bar Association to get together, pool their resources. Here is an opportunity for a young Caymanian intellectual lawyer to make a

name for himself: sue Mr. Bridger in court; sue the Governor in court; sue the FCO; sue the UK Office. Take it as a private citizen.

They can afford it.

In fact I met with one of their top, top people this weekend. He suggested that if we did it locally it would probably cost a couple of hundred thousand dollars. They even indicated that they might fund it, but they believe that it would be more effective and it would carry more weight internationally if the Government took the case.

Yes, Madam Speaker, this is about getting the money back. But that is not all it is about. I heard an old sage gentleman one time advise me that it is not all that important whether you go to court as defendant or plaintiff if you want to tell a story and you get your story told. This is about telling a story and taking a stand for this country.

If we win and we get back the \$6 million, \$7 million, \$15 million, whatever it is, that would be nice; but I believe that the fact that the Cayman Islands Government took a stand—not in any PR nasty battles in the newspapers, but we take it to the place we all go to look justice and ask for justice—I believe that, certainly in Cayman if we got a jury trial, I believe it would stand a *pretty* good chance of wining. But it may be a little more difficult—

*[inaudible interjections]*

**Mr. D. Ezzard Miller:** But, Madam Speaker, the point here is that you heard today from all sides of this House, and I hope that the Caymanian public, particularly the under 35- and 40-year-olds in this country, listen to what the people they send to the Glass House and whom they expect to govern have to endure from these people. And that we are collectively prepared to make a stand.

Madam Speaker, just to set the record straight for the Fourth Elected Member for George Town, if his memory serves him right he will know that when I moved the motion in Finance Committee, the motion said "misfeasance and/or malfeasance." I can assure the Member that I know the difference between the two.

Also, we should not be so quick to be giving ourselves certificates of excellence, when we've only been here less than six months, about what our performance is comparing it to people who crawl into holes to look for support and about constitutional advancement and things to do with independence and what their stands are and how we get there. Because most of us who have been down in those holes have done it for the good of people, like the Fourth Elected Member for George Town, so that he can have the opportunity to come here and get up and make those statements.

Madam Speaker, not to me; the respect is not due to me because I am a current Member and I can take it and I can give it. But the respect is due to our

forefathers who stood in these Chambers and defended this country and who sat in Cabinet and in Executive Council and defended this country and endured the kinds of things that you heard from people who have sat in Cabinet and in Executive Council from these people in order to get something, in order to get a portion of what they wanted to do in their respective ministries for the people whom they represented.

It takes a lot of muster, Madam Speaker. And it takes a lot of what I am not known to have—patience—to sit there in front of these people and be treated as if we never got out of the catboat. And they do not want us to fight over the oar. They will not even admit that we had a catboat, or that we were smart enough to build a catboat so that we could do what we had to do to survive. Caymanians are very resilient people. And they will survive this. And this too shall pass.

My only hope and my fervent prayer is that we are better for having travelled these investigations, and I firmly believe, and the larger purpose of this debate is to help the people who will come behind me understand what they are dealing with and that it is time to have an intellectual, spiritual and cultural discussion about independence for this country because it is not going to get any less.

We have complied with everything that they have asked for. But they are not going to stop asking. As we speak, I can promise you that they are dreaming up new things and creating new hoops and new ladders for us to climb. And we are going to have to climb them, and we will climb them. What we need to be able to tell them is that there comes a time when we are not climbing any more.

And I will tell you, Madam Speaker, if I had been in the position of the Third Elected Member for George Town when I think Mr. Hendry was advocating (I was not there) . . . as I understand it part of their position on the advancement of the Constitution was removing the Attorney General from the Chambers and from Cabinet. And Mr. Hendry looked at him and said, *“Well, to do that, we need to set a date for independence.”*

I would have looked at him and said, “Well, how does the 14<sup>th</sup> of July 2025 sound?” That’s my birthday. I think that’s a good day to have independence. Right? But we took that bogey off the table, because that’s all it is. They know, and they have their people listening to this debate now to figure out what we are thinking. And they know that if you want to slow Caymanians’ political advancement down, you bring out that real old dirty red herring. Right? Independence. Independence. Independence. And there are still enough voters who believe and who hope that the Queen actually remembers where the Cayman Islands is, and that whatever she sends down here has to be good for us.

But I would put down a line in the sand, a warning for all of us, for generations like my son, the

son of the Member for East End, the son of the Third Elected Member for George Town, the son of the Leader of Government Business, the sons and daughters of Members of this House are not going to tolerate what we tolerated. And I don’t blame them, Madam Speaker. I tell them if you cannot crow in Cayman, there is nowhere else you can crow.

In my opinion, Madam Speaker, I still hope that even though the Government may vote against the Motion today, they might come back in November and say “we took some further advice . . .” Even better yet, we don’t need to come back here; let me just see it in the newspaper that they sued Mr. Bridger in the court. I do not know if we have any extradition agreements that we can bring him back. I know the Governor with all his might could not get Mr. Kernohan to come back. And he assured us that he would be back . . . but, uh-uh. I haven’t seen him. He may be back, I don’t know. But I do not think he’s come back yet.

So, Madam Speaker, with the Government failing to accept the Motion, I repeat my challenge and my plea to the legal fraternity in this country to take up the cause. They are the great beneficiaries. The Members of this parliament and most Caymanians are not the great beneficiaries of the financial industry. They can afford a million here, a million there, a million anywhere. Madam Speaker, these kinds of investigations, this kind of unilateral dictatorship can do much more harm to this country—and has done much more harm to this country—than anything the current Government decides to do about legal aid.

If they are serious, if they really want to see what’s best, I invite them to step up to the wicket, take the law suit and show the international market that we can be proven innocent—innocent of all charges—in a court of law.

I thank those Members who supported the Motion, and I thank you, Madam Speaker, for accepting it.

**The Speaker:** Thank you Member for North Side.

The question is: BE IT THEREFORE RESOLVED THAT the Government consider taking legal action in the courts in London, England to recover these expenditures from the United Kingdom Government and the Foreign and Commonwealth Office in that their duly appointed Governor of the Cayman Islands, in our opinion, may have committed misfeasance while in the Office to which they unilaterally appointed him;

BE IT FURTHER RESOLVED THAT the Government through the Honourable Attorney General report to this Legislative Assembly their decision on this matter in the next meeting of this Legislative Assembly.

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

**Ayes and Noes.**

**The Speaker:** The Ayes —

**Mr. D. Ezzard Miller:** Madam Speaker, that was a rather weak No. Can I have a division, please?

*[laughter]*

**The Speaker:** Madam Clerk.

#### DIVISION NO. 5/09-10

**AYES: 5**

Mr. D. Ezzard Miller  
Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Anthony S. Eden  
Mr. V. Arden. McLean

**NOES: 10**

Hon. W. McKeeva Bush  
Hon. Rolston M. Anglin  
Hon. J. O'Connor-Connolly  
Hon. J. Mark P. Scotland  
Hon. Donovan W. F. Ebanks  
Hon. Samuel W. Bulgin  
Hon. G. Kenneth Jefferson  
Hon. Cline A. Glidden, Jr.  
Mr. Elio A. Solomon  
Mr. Dwayne S. Seymour

**The Speaker:** The result of the division is 5 Ayes, 10 Noes. Private Member's Motion No. 1/09-10 has failed.

**Private Member's Motion No. 1/09-10, Motion for legal action to recover cost of Tempura and other investigations, negatived by majority.**

**The Speaker:** There is no further business on the Order Paper. May I have a motion for the adjournment, please?

Honourable Leader of Government Business.

#### ADJOURNMENT

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I thank you and the staff and members of the media for putting up with us at this late hour.

I move the adjournment of this honourable House until 10 am Thursday, next week. I think that's the 29<sup>th</sup>.

**The Speaker:** The question is that this House adjourn until Thursday, 29 October 2009, at 10 am.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**At 7.30 pm the House stood adjourned until 10 am, Thursday, 29 October 2009.**

**OFFICIAL HANSARD REPORT**  
**THURSDAY**  
**29 OCTOBER 2009**  
**10.45 AM**  
*Ninth Sitting*

**The Speaker:** I call on the Honourable Leader of Government Business to say Prayers.

Her Majesty Queen Elizabeth II, her heirs and successors, according to law so help me God.

**PRAYERS**

**Hon. W. McKeeva Bush:** Let us pray.

*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, honour 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:** Proceedings are resumed.  
Please be seated.

**ADMINISTRATION OF OATHS  
OR AFFIRMATIONS**

*(Administered by the Clerk)*

**The Speaker:** The Chair recognises Mr. Franz Manderson.

**Oath of Allegiance**  
*By Mr. Franz I. Manderson*

**Hon. Franz I. Manderson:** I, Franz I. Manderson, do swear that I will be faithful and bear true allegiance to

**The Speaker:** On behalf of this House, I welcome the Honourable Temporary First Official Member responsible for the Portfolio of Internal and External Affairs and the Civil Service, and invite him to take his seat.

**Oath of Allegiance**  
*By Mrs. Cheryl M. Richards*

**The Speaker:** The Chair recognises Mrs. Cheryl Richards

**Hon. Cheryl M. Richards:** I, Cheryl Melanie Richards, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law so help me God.

**The Speaker:** On behalf of this House, I welcome the Honourable Temporary Second Official Member responsible for Legal Affairs, and invite her to take her seat.

Please be seated.

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

**The Speaker:** There are no messages or announcements this morning.

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

**The Speaker:** There are no statements by Honourable Members and Ministers of the Cabinet this morning.

**GOVERNMENT BUSINESS**

**BILLS**

**Suspension of Standing Order 46(1) and (2)**

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the suspension of Standing Order 46(1) and (2)

in order for the Bills on the Order Paper to be read a first time.

**The Speaker:** The question is that Standing Order 46(1) and (2) be suspended.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(1) and (2) suspended.**

## FIRST READING

### Building Societies (Amendment) Bill, 2009

**The Clerk:** The Building Societies (Amendment) Bill, 2009.

**The Speaker:** The Bill has been read a first time and is set down for Second Reading.

Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I think, out of an abundance of caution, we would need to suspend the relevant Standing Order to enable a second reading of the Bill.

**The Speaker:** Madam Clerk, Standing Order 46(4).

### Suspension of Standing Order 46(4)

**The Clerk:** Suspension of Standing Order 46(4) to enable the Bill on the Order Paper to be read a second time.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Madam Speaker, I move the suspension of Standing Order 46(4) in order for the Bill to be given a second reading.

**The Speaker:** The question is that Standing Order 46(4) be suspended.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(4) suspended.**

## SECOND READING

### Building Societies (Amendment) Bill, 2009

**The Clerk:** The Building Societies (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, the Bill before the House, A Bill for a Law to Amend the Building Societies Law, (2001 Revision), is to introduce a regulatory fee for building societies registered under that Law.

Madam Speaker, the Cayman Islands Monetary Authority has the responsibility for regulating building societies and there is a cost associated with that regulation. However, there is no provision under the current Law to levy a regulatory fee.

Clause 2 of this amendment Bill seeks to introduce an annual regulatory fee of \$7,000 payable on or before 15 January each year for each registered building society.

Madam Speaker, I commend the Building Societies (Amendment) Bill, 2009, to this honourable House for its consideration.

**The Speaker:** Honourable Leader of Government Business, the Bill has not been moved the second time. I call on you to move the Second Reading of the Bill.

**Hon. W. McKeeva Bush:** Madam Speaker, I thought I had done that. But I can say I therefore move the Second Reading of the Bill.

**The Speaker:** The Bill has been duly moved and is open for debate.

Does the Honourable Member wish to speak thereto?

**Hon. W. McKeeva Bush:** I think, Madam Speaker, the records will bear me out.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

I call on the Leader of Government Business to exercise his right of reply.

**Hon. W. McKeeva Bush:** Madam Speaker, I just want to thank all Members for their support of the Bill, and just to say, Madam Speaker, that I have seen some correspondence recently by an organisation called STEP (Society of Trust and Estate Practitioners) that made quite a racket about fees and other extraneous matters.

Let me say for the record, again, that when this Government came into office in May 2009, just a

few months back, we found an untenable situation with revenue. We have said it before, and will say again, that the international crisis has brought damage to the revenues of the country, but also damage done because of the way expenditure was handled locally.

Immediately upon taking office and finding the kind of situation, when we had the reports done by Budget to us, we made several statements. Immediately (because a budget was imminent) we started the process of consulting with the various stakeholders. And, Madam Speaker, there were small groups and there were large groups, and it went back and forth. At one point we thought we had an agreement for a community enhancement fee, which was really a fee on payrolls in the country. Stakeholders in the finance industry and others came back and said, *No, no, no, no, this is certainly not good enough; we can't handle this; this is going to destroy the country.* And all the "whys" and the "wherefores."

And then the UK was down on us to present because they had the upper hand, because we were not compliant, we could not borrow without their say so. Madam Speaker, we were in, what the old people from West Bay would say, in a *puccatery*.

Nevertheless, we consulted again with the industry. At the very last meeting they said, *Look, the fees that you have produced—* And this was done . . . each time we produced a fee we did so based on discussions with various groups. But one of the problems, Madam Speaker, that this country has, is that the industry hardly ever speaks with one voice. Every different association out there speaks their little piece in front of you and you think you have a unified position, and then they go behind your back and behind each other's backs, and it is all business. I guess there are no hard feelings because it is all business. But they are not unified and that is why we do have some of the problems.

When you check some of the other associations in the other territories they most times speak with one voice. Anyway, maybe they will get their act together. My job is to work with them to get a unified position on various matters affecting governance in the country and governance that affects their business. That is my job, that is my commitment, and we will continue to do that. We cannot work without working together, for a House divided against itself shall not stand.

I take the time out this morning to mention STEP. I loathe doing so because I do know who is involved, and there's politics involved in it. So, when you see some of the language you know it is political, you know where it is coming from. It's coming from the heart of an Opposition. But I expect that from Opposition. What I don't expect is the kind of playing that is going on with some of them, meaning some of those people who should be holding the hand of the country at a time when the country is facing its darkest hours. And they have not done that.

If you listen to them they don't care about the country, it seems. Some of them will tell you that we need this, and you go and work hard and burst back-bone to get it done and then, behind your back, they are sending business out of the country. They are sending business out of the country.

So, it does not matter what you do—and I have moved mountains since I have been in this position and have moved severe stumbling blocks to growth in this country. But we are not going to get growth as long as you have that kind of attitude you see coming from STEP.

Madam Speaker, at the very last meeting we held at the Westin, with probably 100 people in the room, together we met and chose a committee, a group, to come out to work and make suggestions and amendments to what had been suggested, the final suggestion that came out through the Government. But I want to reiterate that that suggestion of revenue that was put before them had come because of so many other discussions with so many other groups.

Madam Speaker, I asked Mr. Canover Watson to head that group. But we had Mr. Canover Watson, we had people from insurance, we had Mr. James Bergstrom, we had CIMA (Cayman Islands Monetary Authority) on it, we had various people from Deloitte. So, there was a representative group which everyone knew about. And I dare say that every association was represented in that room that day.

Madam Speaker, everybody also knows that the Government had a tight timeline in that by the end of the month we had to have a Budget. And I say this: Had the Opposition debated their two hours, we would not have had . . . And while I say they should have, I will say—to their credit—that if they had we probably would not have gotten out in time, because we know they would have said things that would have caused retort. I say that in all fairness.

We were on a tight timeline. And for that group to come out to talk about what went on in the past . . . You read it and you will see, as I said, it comes from the heart of the Opposition. We know who that is. But no duck worth its salt is going to deter us from what we know is the right thing to do for this country.

I am not going to allow this country to turn belly up. There are too many people in this country that would like to see that; and there are people outside of this country that would like to see this country turn belly up. I refused income tax. I refused property tax. But I refused it because (1) I don't believe in it; and (2) I believe that the country would have changed its entire makeup and it would be more damaging than good.

Where would people like them have been? I wonder where they would have been if we had to introduce income and property tax.

Madam Speaker, when we put on the fees in 2001, we did so under an uproar of protest by the Opposition. And, of course, they were, at the time,



backed by several of those organisations. But what happened, Madam Speaker, had we not put those fees on . . . and the commitment I gave to the country then . . . I am going to put the fees on, but I am going to ensure that business grows. I am going to help you grow your business. And that's the commitment we made and that is what happened.

Never, in the history of this country, could we grow to \$106 million in Government's accounts after finding little less than \$10 million when I became Leader of Government Business. The Leader of the Opposition (was then Leader) . . . when he left there was less than \$10 million in Government's coffers. I built it up to \$106 million, plus spending over \$50 million on the hurricane. But had we not taken the bold step of doing two things: examining the various fees . . . and some had not been raised in years, but they coiled about it.

We instituted the fees, but we worked with industry. I traveled with industry. I talked to associations abroad for industry. I sat down together with industry with people abroad to give them confidence in this country. And we built a strong financial industry. That is the commitment I am giving again. We said if the country can move forward, if we are allowed to move forward without the politics that I see now being played—mind you I am not going to pay some of them any mind. I will have to play politics and battle them with politics. But when it comes to the business I am going full force to get the things done because at the end of the day when we change some of the attitudes and when we change some of the regulatory positions and allow people to do business, Caymanians are going to be hired.

At the end of the day that is what matters to the United Democratic Party (UDP) and that is what will matter to me as the new Premier of this country—that my people are employed.

Never mind if we have to get permits for people to come in to do it. At the end of the day what our people want is to be able to pay their bills and not have to lose their homes, as is now being done. But that don't matter to STEP!

It perhaps will not matter to STEP because they would be prepared to *step* on people! It does not matter to STEP that the Foreign Office had an iron grip around our throat, and they were holding on because it is their position to change the tax and the regulatory position on the financial industry of this country. It's all about money!

Never mind, Madam Speaker, that the United Kingdom does not give us anything—has never given us anything! And some of those people who can't hold a glass of water to some of our own professionals are coming here and making millions of dollars off of this country, and then don't want to pay \$5,000?

No, Madam Speaker, I will stand up for all of them, including those who will criticise us. But I ain't gonna let them run the show. And they can call me autocratic, they can call me Castro, they can call me

anything! I get late for supper sometimes. So, they can call me anything.

What I am going to do is to grow business in this country and am determined to do so no matter where the stumbling blocks come from, because they come in from every direction. I have never seen things so politicised as what I have seen since I got elected this time. Never seen it!

Never had to contend with it in 25 years in this House!

Never had the politicians in the Service to deal with that I have to deal with!

I never had the politicians in the finance industry as what exists today!

You wanted a change in the Constitution. I didn't vote for it. I support democracy too, but we must live by it.

As a new Premier coming in here and a new Minister of Finance, which is going to be put on my lap, it is going to be me answerable; it's going to be me cursed. It's going to be me that the darts are thrown at. It's going to be me they call a crook. It's going to be my family that feels the licks and the pinches of it.

When I leave here next time, Madam Speaker—even if I only get one term—I am going to turn around this economy. I am going to put money back in the Treasury. But I am not going to allow people on the outside, whether they be crooks who write newspapers or whether they be other criminals out there . . .

When they talked about the banks that had run away because we put up the fees . . . Madam Speaker, they are not telling the truth. There was a severe change on B Class banks in those days. And we were moving because of OECD (Organization for Economic Co-operation and Development) and IMF (International Monetary Fund) and everybody else—all the international organisations that were putting regulations down on the country. People found it necessary . . . and perhaps some of those banks needed to go. Perhaps we did not need some of them because they never did any good . . . except give us a bad name. We want the best! And that is what this new regulatory regime has done. We've got the best.

Unfortunately, some of them ran because of the immigration regime. That's what I will change and I know I will be called names. I know all kinds of things are going to be said. But this new Government is not going to stand still. I am not going to lay blame on my partners and say I could not get it done. I will put it, get it instituted and, at the end of the day, Caymanians fortunes will be changed.

They will have jobs and be assured of jobs. We are going to make sure that happens. We are going to make sure that more upward mobility is given and that the proverbial glass ceiling gets removed. At the same time, I am going to make sure that an insurance company that needs an employee gets that employee. I am going to make sure that the fund man-

ager that we need for a billion dollars, we are going to get that manager. And if he needs to bring in his girlfriend or his wife, as long as he is paying the bill no immigration policy is going to change that. Make him bring his; he would not have to look at ours.

I hope when he brings her he takes her to Kirk [Freeport] and buys a gold watch for her. I hope when he brings his family he buys a car. I know that they have to eat, and I know that they have to buy ice cream for the children. I know some private school has to get their fees. What will this do for us? This will build a stronger Caymanian community.

I am asking one and all, including the media of this country—which I have never seen so flamboyant as they are today. Some of them don't have to live here forever! I invite them to, but they don't have to live here forever. I am going to ask them to be more careful in how they report things. Be careful!

It doesn't matter how people speak with passion. They can say you speak with passion and report it right. I am asking the Opposition, and I am asking every Member of this House, to put our best foot forward. I am asking the Civil Service of this country to put aside whatever hard feelings they have because their party lost. Some of them are too politicised! I am asking them to stop it! I have never seen it this way before.

I am asking the Governor not to pay this thing any mind, as to *He's going soon*. Let peace abide. There is a time for peace and good governance—and it is now.

It's not just only investigations that can cause good governance. When you twist and antagonise, that will cause bad governance, because everybody is human. And for some people it is a word and a blow. They do not have the patience.

I'm trying to have that patience, Madam Speaker. You know me from a long time. It was a word and a blow; but it is not that way anymore.

Madam Speaker, that is enough from me this morning. But the situation behooves us all, the international world . . . not business out there, because I keep saying, no matter what Obama does . . . and I appreciate him as a President and how far he has come—he has his job to do. Gordon Brown can do what he likes. No matter what they say, good money, clean money, is going to find its own level.

If we remain clean, if we have the best regulatory regime, nobody will hold a torch to the Cayman Islands. Nobody! Because we have good professional people here and we have good common sense. And more and more of our people are getting education and qualifications.

Now, I ask my people to remember this, that a qualification does not give you sense, and a qualification does not give you experience. They do not. But as for this representative, and my administration, we are going to do everything in the world to move the hurdles that keep them from moving forward.

Madam Speaker, all of us have to live here, move and have a being in this country, and I am begging one and all, it is time to settle down.

**The Speaker:** Order.

The question is that a Bill shortly entitled, The Building Societies (Amendment) Bill, 2009, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Building Societies (Amendment) Bill, 2009, given a second reading.**

**The Speaker:** The House will now go into Committee to consider the Bill.

**House in Committee at 11.16 am**

## **COMMITTEE ON BILL**

**The Chairman:** Please be seated.

The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in this Bill?

Would the Clerk please state the Bill?

### **Building Societies (Amendment) Bill, 2009**

**The Clerk:** Clause 1 Short title

Clause 2 Amendment of section 8 of the Building Societies Law (2001 Revision) – incorporation and annual fees

**The Chairman:** The question is that clauses 1 and 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Building Societies Law (2001 Revision) so as to introduce a regulatory fee for societies registered under that Law; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

## THIRD READING

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question is that the Bill be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bill to be reported to the House.**

**The Chairman:** The House will resume.

**House resumed at 11.19 am**

**The Speaker:** Please be seated.  
Report on the Bill.

## REPORT ON BILL

### Building Societies (Amendment) Bill, 2009

**The Clerk:** The Building Societies (Amendment) Bill, 2009.

**The Speaker:** Honourable Leader of Government Business.

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I have to report that a Bill entitled, The Building Societies (Amendment) Bill, 2009, was taken through Committee of the whole House without changes.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### Suspension of Standing Order 47

**The Speaker:** The question is that Standing Order 47 be suspended to allow the Bill on the Order Paper to be read a third time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended.**

### Building Societies (Amendment) Bill, 2009

**The Speaker:** Honourable Leader of Government Business .

**Hon. W. McKeeva Bush:** Madam Speaker, I move that a Bill entitled, The Building Societies (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The Building Societies (Amendment) Bill, 2009, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Building Societies (Amendment) Bill, 2009, given a third reading and passed.**

**The Speaker:** There is no further business on the Order Paper. I will call on the Leader of Government Business to make a motion for adjournment.

## ADJOURNMENT

**Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I move the adjournment of this honourable House sine die.

**The Speaker:** The question is that this honourable House be adjourned sine die.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**At 11.20 am the House stood adjourned sine die.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**18 NOVEMBER 2009**  
**11. 25 AM**  
*Tenth Sitting*

**The Speaker:** I call on the Leader of the Opposition, First Elected Member for George Town, to read Prayers this morning.

**PRAYERS**

**Hon. D. Kurt Tibbetts:** Let us pray.

*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, honour 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:** Proceedings are resumed, please be seated.

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

**First Sitting under the New Constitution Order,  
2009**

**The Speaker:** Today is the first sitting of the Cayman Islands Parliament under the new Cayman Islands

Constitution Order, 2009. I crave the indulgence of this honourable House to say a few words.

This momentous journey began on December 5, 1831, when the Magistrates and principal inhabitants met at Pedro Castle and took the decision to introduce representative government to the Cayman Islands. Hitherto, this band of men had offered the only form of government the country had known. Magistrates, all local men, appointed by the Governor of Jamaica, and the self-appointed principal inhabitants, mostly from the settlements on the southern coast of Grand Cayman, had banded together to establish and maintain law and order in the country.

Five days later, on December 10, 1831, elections were held and our country's first formal government was born—a bicameral form of government, with its upper House made up of the Magistrates, and the lower House of the elected representatives of the people.

In its first meeting on January 2, 1832, the first order of business was to pass the Act (or Law) which would regulate the Legislative Assembly and lay out its framework. It is interesting to note at this point that the courts had been established nine years earlier, on 13 December 1823, by an Act passed by the Magistrates and principal inhabitants. The 1831 election would not include representatives from North Side, East End or the Sister Islands. Their elections would be held later and their numbers added.

This form of government would evolve over the years into one body, known as the Legislative Assembly of Vestry and Justices, presided over by the Queen's appointed representative, and would hold sway until July 4, 1959, when we received our first written Constitution.

That document would be the first step in breaking the ties with the Island of Jamaica, to which we were annexed, and enshrining the rights of women to vote and hold elected office. The new form of government, known as the Legislative Assembly, would include the forerunner of today's Cabinet in the form of an Advisory Council to assist the Queen's representative in policymaking and day to day government. It would also define the beginning of modern Cayman.

The Commissioner of the day, Major Alan Donald, would state at the final meeting of the Assembly of Vestry and Justices on 3 July 1959, and I quote, "A new Constitution is not, and is not meant to be, the last word. But it is a big step into the main stream of modern Constitutional practice; a flexible instrument which will allow much development within its framework."

A further change in 1962 would sever the political ties with Jamaica, which chose independence, and establish the Cayman Islands firmly as a British Crown Colony by choice.

The late 60s would see the passage of legislation to establish the framework for a financial centre and tourism, the two main pillars of the economy, backed up, of course, by the Mosquito Research and Control Law to control—if not eradicate—the country's biggest pest.

In 1972 the country would adopt its third written Constitution formally establishing the Executive Council made up of both elected and appointed Members with responsibilities for various portfolios in the government and lowering the voting age to 18 to include the growing number of young Caymanians in the electoral process.

In its, his first Throne Speech the following year Governor Kenneth Roy Crook would declare, and I quote:

“Honourable Members, this is a year in which much will be expected of you. Many people will be watching, some potential investors, others potential tourists. They will be watching to see whether the government of the Cayman Islands can do three things at once: make a start on the process of transferring effective power to elected representatives, promote the development which the Caymanian people rightly expect, and preserve the peace and stability on which the future of these Islands depends.”

That 1972 document with few amendments would take us through the next three decades when the phenomenal growth of these Islands has astounded the world. In that period of time we have moved from the Islands “Time Forgot” to being the “Fortunate Islands”, as a later Governor would dub us, “a country of peace and prosperity.”

Today we stand on a new threshold. Under the Constitution Order, 2009, we have formally become the Parliament of the Cayman Islands and the Members before me are now Members of Parliament.

It is my distinct privilege today to welcome to this hallowed Chamber our country's first Premier, the Honourable W. McKeeva Bush, OBE, JP, First Elected Member for West Bay, Minister of Tourism, Finance and Development, leader of his party and leader of the Government.

I welcome also our country's first Deputy Premier, the Honourable Juliana Y. O'Connor-Connolly, Second Elected Member for the Sister Islands [Cayman Brac and Little Cayman], former Speaker of this honourable House and Minister of Communications, Works and Gender Affairs; our Country's first Deputy Governor, Honourable Donovan W. F. Ebanks, now serving as the First Official Member of the Cabinet and Parliament, though under the new Constitution without the right to vote.

It is fitting to note that he hails from the district of North Side, son of the late Craddock Ebanks, one of the longest serving Members in parliamentary his-

tory. It is fitting also that he will be called on later in this sitting to present to this honourable Parliament a bound volume of the Constitution Order, 2009, on behalf of one of the most vibrant organisations of children and young people in this country, the Little League Association, which he has been associated with since its inception.

I pause now to take the opportunity to welcome the representatives of that organisation, leaders and young people, who are here to witness the ceremonial presentation.

I welcome the Leader of the Opposition, Honourable D. Kurt Tibbetts, First Elected Member for the district of George Town and Leader of the previous Government who, with his party, piloted the new Constitution Order, 2009, to its conclusion.

I welcome the Attorney General, the Honourable Samuel W. Bulgin, who serves as the Second Official Member of the Cabinet in Parliament, again, under the new Constitution Order, 2009, without the right to vote.

I welcome all other Members of this honourable House, Ministers of Government, Members of the Government Backbench, Members of the Opposition and the Independent Member.

I make particular reference at this time to East End and North Side, single-member constituencies who may have been left out of the first Assembly in 1831, but whose voices are heard loud and clear in this Parliament; and to the Sister Islands, Cayman Brac and Little Cayman, who shared that distinction of exclusion in the first Assembly, but play a significant role in the present day Government.

In conclusion, I would remind all Members that words on a piece of paper do not constitute good government. Good government comes from you, elected by your constituencies to represent them in this honourable House to serve their best interests and to ensure the future of these beloved Islands we call home. May your commitment to our country and its people lead you to give of your best as we begin this next phase of our country's incredible journey.

May God bless you all, and may God bless these beloved Cayman Islands.

Thank you.

*[applause]*

## **PRESENTATION OF PAPERS AND OF REPORTS**

**Strategic Policy Statement of the Government of  
the Cayman Islands for the financial year ending  
30 June 2011**

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeeva Bush):** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House, the Strategic Policy Statement of the Government of the Cayman Islands for the financial year ending 30 June 2011.

**The Speaker:** So ordered.

Do you wish to speak to that Report, sir?

**The Premier (Hon. W. McKeeva Bush):** Not at this time, Madam Speaker. I reserve my comments until Government Motion No. 4.

**The Speaker:** Thank you.

#### **Annual Report 2008/2009 Financial Reporting Authority (CAYFIN)**

**The Speaker:** Honourable Second Official Member responsible for Legal Affairs.

**Hon. Samuel W. Bulgin:** Thank you, Madam Speaker.

With the leave of this House, I beg to lay on the Table the Annual Report 2008/2009 Financial Reporting Authority (CAYFIN).

Thank you.

**The Speaker:** So ordered.

Does the honourable Member wish to speak?

**Hon. Samuel W. Bulgin:** Madam Speaker, just to say briefly that I think, if my memory serves me right, that this is about the sixth such report that has been laid.

The purpose of the Financial Reporting Authority, as Members are aware, is to receive, analyse and disseminate disclosures of financial information concerning the proceeds of criminal conduct, money laundering and the financing of terrorism.

The Report itself highlights those activities for the last year and it makes very informative reading. I would commend it to honourable Members of this House as well as the generic public.

Thank you.

**The Speaker:** Thank you.

Honourable Premier.

#### **Stamp Duty Regulations, 2009**

**The Premier (Hon. W. McKeeva Bush):** Thank you, Madam Speaker.

In accordance with section 27 of the Stamp Duty Law (2007 Revision), I beg to lay on the Table of this honourable House the Stamp Duty Regulations, 2009.

**The Speaker:** So ordered.

Does the honourable Minister wish to speak on the subject?

**The Premier (Hon. W. McKeeva Bush):** Briefly, Madam Speaker, just to say that the Regulations 2009 were approved by Cabinet on 3 November 2009, and will increase the fees charged by the government for the stamping of various documents under the Stamp Duty Law (2007 Revision). These fee increases were agreed as part of the overall revenue enhancement package presented by the Government in the 2009/2010 Budget.

**The Speaker:** Thank you, honourable Minister.

### **STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET**

**The Speaker:** I recognise the honourable First Official Member.

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

On this significant occasion, and on behalf of the Cayman Islands Little League Association, I crave your indulgence to make a presentation to this Parliament.

**The Speaker:** You may proceed, sir.

#### **Special Presentation of the Cayman Islands Constitution Order 2009 – Bound Copy**

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

Madam Speaker, it is my distinct pleasure this morning to present to this honourable Parliament, an elegantly bound copy of the 2009 Constitution Order.

The year 2009 marks the 20<sup>th</sup> year of free softball and baseball programmes being offered to boys and girls of the community by this Association. The participation in any given year has normally ranged between 400 and 600 young people.

The Cayman Islands Little League Association was the brainchild of an individual who was not blessed with any natural children and whose presence here today I would wish to acknowledge. That is Mr. J. C. Calhoun. Not only has he fathered the Association, Madam Speaker, but he has genuinely parented it as well.

I would also like to acknowledge the current president, Mr. Jim Parham, who is sitting in the seats above us, and four young people, Amare Piercy, Shawn Lansdell, Brad Lansdell, and Mia Lansdell. Madam Speaker, Little League success has been possible through the generous support of the community, both from individuals and from corporations, and from the Government from time to time, particularly in specific areas such as the lighting of the fields. It is also fair to say that the Association would never be where it is without the kind confidence shown by the

then Canadian Imperial Bank of Commerce who afforded a loan of \$1.25 million some eight years ago to construct the facility that is referred to as the Field of Dreams.

This commitment to providing free programmes has always obviously required the Association to be very creative in its means of raising funds. This item that I wish to present today on their behalf is a classic example of that creativity.

In this regard, I must acknowledge also in our presence an ardent supporter of both Little League and the Swimming Association, and other associations related to young people, Ms. Sarah MacKay, who over the past 16 years has not found time to stop working in the community and helping young people to be able to take on any other full-time employment. Such is the nature of her commitment.

The idea that they came up with was to get a bound copy of this new Constitution, hopefully have it signed by His Excellency the Governor, the then Leader of Government Business and now Premier, and the Leader of the Opposition, and include it as an item in their recent auction.

I serve as the liaison, Madam Speaker, and on their behalf I graciously acknowledge the willingness of each of those three gentlemen, His Excellency, the Premier and the Leader of the Opposition, to be party to the idea. It was not going to happen without the help of the National Archive, and we are grateful to Ms. Kimlon Seymour, the Director, for her efforts to make the document the quality they wished for it to be.

The document was created by a firm called Book Arts, in Washington, DC. This is a firm that is received in virtually every presidential palace around the world, the Vatican, numerous royal families, including Queen Elizabeth II. The document that will be presented is bound in full grain calfskin leather in a chocolate brown. The gold decoration is crafted by hand and the frame around the book is hand tooled with a corner motive, both in 23 Karat gold. The spine of the book was created in a classic fashion using raised bands, which is a hallmark of fine binding. And the end leaves are genuine Japanese book cloth with hand marbled paper.

Madam Speaker, while the cost of producing the document ran close to four figures, it is fair to say that the value was truly generated by the signatures attached to it. The single copy which was offered to an individual buyer at the recent auction fetched a price of C\$17,000 for Little League. I am proud that that went to a local individual as well.

Madam Speaker, there were three copies in total produced. The other copy, similarly signed, is the property of the National Archive, where it goes into their historical collection and will be available for public viewing. And this copy, which will be presented to you today, Madam Speaker, is the third copy.

Madam Speaker, I wish to make it clear that Little League has not taken funds that have been do-

nated to it to purchase gifts to give to anyone, and that the cost of this document has, as is the case with all of Little Leagues it seems, been funded by a donor. The identity of the donor has been declared to you and is declarable to other Members, but will otherwise remain private.

In conclusion, Madam Speaker, let me just say that the leadership and the children of the Little League trust that this document will be accepted as a token of their appreciation to the community and to the Members of this honourable House as leaders of that community for the generous support and shared commitment to the development and wellbeing of our youth.

And finally, Madam Speaker, I know that Members from time to time can get a bit boisterous and seem to be overflowing with energy. I will just remind you that if you see fit you are welcome to send them down to the Field of Dreams where a team of kids will be happy to supply them with some gloves and bats and perhaps work them back down to size.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable [First Official] Member.

[pause]

**The Speaker:** Please be seated.

I will take a minute so that Members can see the beautiful copy.

[pause]

**The Speaker:** The Parliament of the Cayman Islands gratefully accepts this beautiful gift from the young people of our country. It is fitting, I believe . . . I think the last gift presented to this Parliament was presented by a bank. I think it is fitting at this time that it comes from the young people of the Cayman Islands.

The copy will be displayed in a specially prepared case, which I hope we will be able to afford.

Thank you.

We continue with Statements by Honourable Members and Ministers.

### **Inward Investment Programme and New Incentives**

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, thank you very much.

I wish now to make a statement on the important issue of national interest.

Several weeks ago this Government developed a special programme at increasing the much needed inward investment that this country needs to not only recover from the current economic crisis, but to ensure that we have a sustainable economy going forward over the medium to long term.

One aspect of this programme is a set of incentives targeted at encouraging financial services firms to relocate to the Cayman Islands. That is, Madam Speaker, for them to have a physical presence in these Islands.

Under the programme investors who invest in the country via the Cayman Islands Investment Bureau, which administers the programme, will be enabled to secure a number of important benefits to assist them in relocating their physical operations to this country. I want to briefly highlight these incentives, but the main focus of my remarks today is to explain the benefits of this programme to our economy and, in particular, the context in which this programme is to achieve its objectives.

Madam Speaker, the incentives: Let me briefly outline what they are:

- 1) Access to three- to five-year work permits for the professional staff of accredited investors in the financial services industries. Accredited investors professional staff can also apply for up to two consecutive permits.
- 2) Expedited turnaround for processing of all work permits. Cayman Islands Immigration has a dedicated team in place to process work permits for all clients under this programme.
- 3) Key employee designation for senior staff. The Government has made policy changes to enable key employee designation for CEO and managing director, as well as other senior staff in the categories recently specified under the new immigration directive relating to the financial services community for all accredited investors.
- 4) Issuance of a 25-year direct investment certificate. Currently the Government is preparing to amend current laws in order to offer a 25-year direct investment certificate for investors with a net worth of \$5 million or \$6 million and who have invested at least \$2 million in the Cayman Islands or in a local business. This certificate will entitle the holder to work within the business in which he has invested and will entitle their spouse and minor children to reside in the Cayman Islands with them.
- 5) Finally, we will ensure expedited turnaround for time sensitive applications to the Cayman Islands Monetary Authority which will make every effort to expedite any time sensitive applications in cases where all the relevant information to support the application has been made available to that institution.

Madam Speaker, I now move on to the main focus of my statement today, being the rationale for establishing this programme and its benefits to our Islands. Before doing so, please allow me to briefly set out the context of not only this particular programme but the various measures the Government

has been taking in recent months to address our economic situation.

When this Government came into office, we faced an economy in recession, deteriorating fiscal balances and high unemployment. We faced tremendous pressure from the FCO as a direct result of the breach of the principles of the Public Management and Finance Law by the previous administration. This pressure resulted in us having little flexibility to adjust our approach to address the challenging fiscal and economic situation.

Unlike many other countries, Madam Speaker, the Cayman Islands did not have access to financial resources to assist us in addressing the economic downturn. We see literally dozens of countries around the world either dipping into their reserves or borrowing significant amounts of money—some in the billions of dollars—in order to execute large stimulus programmes to boost economic activity and minimise unemployment in their respective countries.

But the Cayman Islands did not have that option. We had nothing available to us to use from our reserves. And, as everyone knows, due to the very strict financial management legislation in place and the agreements with the United Kingdom, we did not have as much leverage to borrow as most other countries do or have done.

My administration recognised that it would need to be innovative to address the situation without access to such significant financial resources. We therefore undertook to address the situation by making changes to the policy framework to encourage business and give a much needed boost to the local economy.

Madam Speaker, I am amazed that these policy adjustments are being twisted around in such a negative fashion by some people, some with political motives. We literally have only one tool to get this country out of this mess, and that tool is to adjust our policy framework to not only ensure that the economy recovers, but that we have sustainable growth over the short to medium term. We cannot do this on our own, as I have said many times over. While the Cayman Islands have much to offer the world, so do many other countries. We are no longer one of the few attractive places to do business. I saw one newspaper saying that I have just learned this. They must have been sleeping. Of course, Madam Speaker, some of them pay attention to whatever lies they can twist and other things that they can twist.

**The Speaker:** Keep the asides out please.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I have been saying this for a long time.

Our competitors are not just watching, they are approaching the same investors that are considering investing in the Cayman Islands. And, Madam Speaker, they are wooing these investors with, not a promise of red-carpet treatment, but with an open-



door policy and a range of incentives that, even with this programme that we have just established, we cannot match.

In other words, Madam Speaker, these policy changes—the ones that we are making—are a direct response to the current economic situation. As the Minister with responsibility for the country's economic sector, I cannot and will not stand still in a time of crisis. We must and will take action to encourage inward investment.

Now on to the benefits of the programme: Madam Speaker, this programme will encourage new types of financial services to set up fiscal presence operations in the Cayman Islands which will give a much needed boost to the local economy over the next couple of years and assist in our economic recovery.

It will promote employment for Caymanians both in new businesses as well as in other areas of business as a direct result of the increased economic activity. In addition to increasing businesses in areas such as retail, supermarkets and other local services, we hope that these policy changes and incentive programmes will result in increased business for smaller operations, Mom and Pop operations, offering various business support services here in our Islands.

International meetings: Madam Speaker, as you are aware, and as I intimated in a recent press statement—although I see one paper saying they did not know where I was . . . Again, Madam Speaker, I do not know whether they have been listening because I certainly said publicly what I was doing just so they would get it right and they still will tell untruth.

As you are aware, the Government is currently having international meetings in a number of countries promoting the new programme to encourage inward investment. We have already been to New York, London, San Francisco, Los Angeles, and Boston. The Team is now back in the Islands for a couple of days before resuming the second half of the agenda to Singapore and Hong Kong.

During this trip we hosted receptions or held meetings with key players in the financial services sector to promote the Cayman Islands as a competitive place to do business. We are particularly placing an emphasis on attracting firms to physically set up offices here in the Cayman Islands. We believe that it will make for a stronger country.

In some respects the trip has been very tough going, in terms of the extremely competitive situation where all countries are aggressively competing for foreign direct investment. In addition, some investors have made it clear that the Cayman Islands have to make adjustments to attract investment. We have, indeed, been making some adjustments as quick as possible, and are hopeful that our efforts will be fruitful.

Madam Speaker, while we have had some reservations, I must say that we also had some very positive meetings, and I have reason to be very hope-

ful of the situation going forward. Indeed, we have had some very positive feedback on the incentive programme that I just laid out. These investors welcome the fact that we are interested in their investment and are willing to do what is necessary to facilitate that investment.

So, it is not all doom and gloom, Madam Speaker. But if we do not move forward quickly with this programme we will be crippling our local economy at precisely the time when it is facing serious external challenges. We cannot operate an open economy with closed and outmoded protectionist policies. And we must do what is necessary to protect our Caymanians and their careers and their livelihood. We will ensure that happens by enforcing the business staffing plan regime, by addressing the progression of Caymanians through scholarships, and through partnerships with the business community.

Madam Speaker, I will not get into the details on some of those efforts at this time. But, suffice it to say, just by way of one example, that my Ministry and the Ministry of Education are already in the process of developing the Financial Services Institute which will provide training and education for Caymanians to advance their careers in the financial services sector. This is being done in tandem with this new programme and the incentives targeted at the financial services sector.

We are not only doing what is necessary to encourage inward investment, but we are also doing what is necessary to ensure that there is maximum participation by Caymanians in this country's economic success. We realise that we must strike a balance here. And we are encouraging any new business to also recognise that a balance has to be struck. And we are seeking their understanding in this.

We are also striking that balance by ensuring that sufficient emphasis is placed on getting this economy moving at a time when we are experiencing serious economic challenges. Madam Speaker, as the saying goes, we cannot cut off our nose to spite our face; this country must do what is necessary to get out of this mess. And it is a mess!

Madam Speaker, just one example of the unemployment situation, lest anyone believe that it is not a serious situation. The Government just established a programme to clean up the country to give some 300 people work. We had applications, I believe, from 900. We are not talking about outsiders, Madam Speaker; we are talking about Caymanians who want to do something and who need some money, especially with the upcoming Christmas holidays. We cannot cut off our nose to spite our face.

I said it before and I will say it again: the world does not need the Cayman Islands. The Cayman Islands needs the world, Madam Speaker. This country must do what is necessary and my Government is committed to doing that.

Thank you.

**The Speaker:** Thank you, Honourable Minister.

## **GOVERNMENT BUSINESS**

### **MOTIONS**

#### **Suspension of Standing Order 24(5)**

**The Speaker:** Honourable Minister.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I move the suspension of Standing Order 24(5) to enable Government Motions to be dealt with during the current Meeting, which will be circulated in a minute, Madam Speaker, on an addendum paper.

**The Speaker:** The question is that Standing Order 24(5) be suspended to enable three Government Motions to be dealt with during the current Meeting.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 24(5) suspended.**

**The Speaker:** I am going to suspend the House for 15 minutes.

**Proceedings suspended at 12.13 pm**

**Proceedings resumed at 1.50 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

## **GOVERNMENT BUSINESS**

### **MOTIONS**

#### **Government Motion No. 4/09-10—Approval of the Strategic Policy Statement for the 2010/11 Financial Year**

**The Speaker:** Honourable Minister.

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker.

I beg to move Government Motion No. 4/09-10, entitled, The Approval of the Strategic Policy Statement for the 2010/11 Financial Year, which reads as follows:

**WHEREAS section 23(1) of the Public Management and Finance Law (2005 Revision) states that a “strategic policy statement for the next financial year shall be presented to the Legislative Assembly by a member of the Governor in**

**Cabinet appointed by the Governor in Cabinet to do so on their behalf for approval within two months, and if the Legislative Assembly has not within that period resolved to approve, amend or reject the statement it shall be deemed to be approved”;**

**AND WHEREAS the Government has now prepared and presented a strategic policy statement for the 2010/11 financial year;**

**BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the 2010/11 Strategic Policy Statement as the indicative parameters on which the 2010/11 Budget is to be formulated.**

**The Speaker:** Regrettably, I do not have a copy of the Motion.

*[pause]*

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the 2010/11 Strategic Policy Statement as the indicative parameters on which the 2010/11 Budget is to be formulated.

The Motion is open for debate.

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker.

Madam Speaker, this Motion recommends the approval by this honourable Legislative Assembly of the Government's 2010/2011 Strategic Policy Statement which outlines the Government's strategic outcomes for the next three years, and establishes the broad parameters within which the 2010/2011 Budget will be prepared. The SPS has been prepared in full accordance with the Public Management and Finance Law, and represents this Government's first Strategic Policy Statement (SPS), and also my first SPS as the Islands' new Finance Minister.

The Strategic Policy Statement is a high-level document whose primary purpose is to inform the public of the broad budgetary policy which will guide the Government's preparation of the 2010/2011 Budget. The SPS also provides economic and financial forecasts for the coming three financial years. Expenditure and policy details for each Ministry and Portfolio are not set out in the SPS. That information will be included in the detailed 2010/2011 Budget, which will be presented to this honourable House not later than 30 April 2010, as is required.

The Policy Statement also projects employment figures, as required; but is otherwise not strong on social data. Madam Speaker, this is a shortcoming built into the Law, and one we intend to address.

The Economy: The Cayman Islands, like countries across the world, face serious economic challenges. The economies in North America and

Europe have been severely impacted and, as is well known, our economic performance is closely tied to theirs.

Where we agree with the leadership of those countries is that we accept it as a Government responsibility to take resolute action. We must do everything possible to mitigate the negative impacts of this current crisis; and at the same time we must re-build for a stronger, more diverse economy, an economy which will enable these Islands to better deal with any future crises.

My Government is committed to achieving these most important goals. This SPS continues what we started in the 2009/10 Budget. We continue our drive for clear strategies:

- to strengthen and diversify our income base;
- to strengthen and enhance our competitive edge in financial services and tourism; and
- to improve the quality of education and training, the health status of our population, and social and cultural programmes to genuinely enrich the lives of our citizens.

The Cayman Islands Government provides citizens and residents a wide variety of services. We have all benefited from these services, and some of the more vulnerable members of our community depend on Government support for their very survival. This is one reason why Government requires financial resources—to deliver such services to those in need.

What I have said before and will continue to say, is that crisis brings both danger and opportunities. There is an opportunity now, for both businesses and individuals to reassess their ability to contribute. At the same time, I shall be pushing, with my colleagues, for proper evaluation of the voluntary contributions that already play a key role in our infrastructural development. I would say that there is significant giving in this community, and this is not properly appreciated up to now.

By the same token, what the Government itself has contributed to the Island's growth and viability is apparently lacking in recognition within some sectors of the corporate sector. I have always called a spade a spade. I say to the corporate sector, we wish for a genuine partnership; for that to develop, you must acknowledge the extent to which your ability to grow, to succeed, has been supported over the decades by ease of access, openness of the legislative process, development and maintenance of electronic and physical infrastructure, and so on.

I trust that I am being heard clearly; but to remove all doubt, let me illustrate the kind of vigour this Government has put into promoting and securing business.

A recent economic impact study commissioned by a consortium of associations of the private sector has reported the following findings:

- 1) that the financial services sector of the Cayman Islands generated CI\$ 1.2 billion of our

GDP, which represents some 55 per cent of our total GDP;

- 2) that the financial services sector employs approximately 5,723 persons, of whom 60 per cent are Caymanian;
- 3) that this sector directly generated CI\$ 204 million, or 40 per cent of all Government revenues in 2007.

These findings have not been independently verified, but they make a credible and important point. The financial services sector has been, and continues to be, of great importance to our economy.

I have already made a statement on the Government's initiative to assist that sector recognising the important role it plays in these Islands. Also, Madam Speaker, I have invited the Chairman and senior management of the Cayman Islands Monetary Authority, to host a conference towards the latter part of January, or early February 2010. The primary purpose will be to hold extensive discussions with our financial services industry with a view of ascertaining the current landscape of our industry. That is, a strategic assessment of the industry. This exercise will also take into account where Cayman now stands relative to other jurisdictions. What will flow from this exercise is the crafting of a five-year, that is, rolling strategic plan.

The Chairman of the Cayman Islands Monetary Authority, Mr. George McCarthy, will be heading the group tasked with this initiative. This group will comprise of some 12 persons which will be drawn from the different sectors of the industry.

Let me turn now to the world economic position. Madam Speaker, as I said earlier, we are living in challenging economic times the world over; if we are to come through this, we must pull together. The current position of the world economy may be summarized as follows: The global economy has been depressed since the latter half of 2008 as a result of the financial crisis that originated from the mortgage sector in the United States. In 2008, global output expanded by 3.0 per cent—a significant decrease when compared to 5.2 per cent growth the year before. The so-called “more developed” economies grew at a mere 0.6 per cent.

The United States was at the epicenter of the global financial crisis, as its private sector suffered from a severe squeeze on credit, despite large cuts in interest rates. Consumer confidence plummeted with rising unemployment. GDP growth of the United States deteriorated in 2008 to 0.4 per cent, down from 2.1 per cent in 2007. Canada, Madam Speaker, also suffered from the knock-on effect of the crisis, as it too grew by only 0.4 per cent during 2008, compared to 2.5 per cent in 2007.

Meanwhile, economic growth in the Euro area slipped to 0.7 per cent in 2008. Specifically in the United Kingdom, economic growth slid to 0.7 per cent from 2.6 per cent the previous year. Next to the United

Stated, the United Kingdom was expected to suffer most heavily from credit constraints.

Despite low consumer confidence and lack of credit, which depressed consumption demand during the year, consumer prices across advanced economies rose by 3.4 per cent in 2008. Inflation in the United States reached 3.8 per cent in 2008 due to strong upward pressure in the first half of the year from high and volatile energy and food prices. However, this was tempered by a slowdown in private consumption.

The full impact of the financial crisis is expected to be felt in 2009, with recovery in sight in 2010. In 2009, world output is projected to decline by 1.1 per cent—its steepest decline since World War Two. This outlook is cast amidst massive fiscal and policy support from governments, particularly in the United States, the United Kingdom, and others, to arrest a prolonged global recession. Output in the United States is still expected to decline by 2.7, per cent while the United Kingdom and the Euro area economies are projected to contract by 4.4 per cent and 4.2 per cent respectively. Recovery for the advanced economies is not expected to occur until the second half of 2010.

The weakening of global output is expected to lead to lower inflation, although this will be tempered by a rebound in energy and commodity prices in the second half of 2009. Inflation in 2009 is expected to average 0.1 per cent among advanced economies, and 5.5 per cent among emerging and developing economies.

Let me now turn to the Cayman Islands Economy—out-turns for 2008, and January to September 2009. Madam Speaker and honourable Members, as a small open economy, largely dependent on the off-shore financial services sector and tourism receipts, the Cayman Islands' economic performance in 2008 began to be impacted by the global economic downturn, although signs were evident from 2007.

The impact will be more serious in this 2009 calendar year. Indicators in the first nine months suggest an unprecedented fall in GDP during the year.

The growth of our gross domestic product (GDP) slowed to 1.1 per cent in 2008 as compared to 4.4 per cent in 2007. The modest growth was supported on the demand side by growth in government consumption and capital spending and demand for stay-over tourism services.

In 2008, all performance indicators softened, and the financial services industry exhibited the effects of the global economic crisis, as mutual funds and insurance continued to grow, but at slower paces compared to 2007. Downturns were recorded in stock exchange listings (-9.7 per cent), new companies registration (-16.7 per cent) while banks and trusts registration continued to fall, this time by 1.1 per cent.

In the first nine months of 2009, mutual funds fell by 4.5 per cent as compared to a year before, while bank and trust company registrations continued

to fall. Stock exchange listings contracted by 20.6 per cent, and new company registrations declined by 21.6 per cent.

Air arrivals expanded by 3.9 per cent in 2008, down from the 9.0 per cent growth recorded in 2007. Cruise arrivals fell by 9.5 per cent. All together, total visitor arrivals declined by 7.5 per cent relative to the previous year.

In the first nine months of 2009, air arrivals fell by 13.1 per cent while cruise passengers arrivals was much more encouraging, these decreased at a slower rate of 1.9 per cent.

Construction indicators were robust in 2008. While the number of building permits was marginally lower, the total value reached \$502.3 million, an increase of 12.5 per cent over 2007.

For the period January to September 2009, building permits increased in number by 8.6 per cent, but total value dropped significantly, down to \$300.1 million.

After softening in 2007, real estate activity marginally improved in 2008. The number of transferred freehold properties rose to 2,289—an increase by 4.5 per cent valued at \$558.1 million.

In the first three quarters of 2009, the sector suffered a sharp reduction in the number of property transfers which went down by 18.0 per cent, and, correspondingly, the total value of property transferred fell by 40.0 per cent.

The average inflation rate in 2007 was 2.9 per cent, which went up to 4.1 per cent recorded in 2008 as higher prices for food, oil and petroleum products pushed up the index in the first three quarters of the year. In the fourth quarter, these pressures were eased by a significant drop in utility costs, led by electricity.

In the first six months of 2009, the consumer price index fell 0.2 per cent, a spill-over of the lower general price level in the United States, and a fall in oil prices.

Madam Speaker, the total labour force in the Cayman Islands as of fall 2008 was estimated at 38,998—4.2 per cent higher than in 2007.

As expected, the 2008 unemployment rate rose to 4.0 per cent compared to 3.8 per cent in fall 2007.

For the period January to September 2009, work permits fell by 9.4 per cent, largely due to declines in demand for foreign labour in construction, financial services and tourism related services.

Merchandise imports grew from \$860 million in 2007 to \$876.5 million. This was on account of the surge in the value of fuel imports by 27.2 per cent, because consumption goods, intermediate goods and capital goods actually contracted.

Preliminary data for the first nine months of 2009 indicate that merchandise imports fell by 18 per cent to \$534.4 million from the comparative period in 2008 mainly due to reductions in building materials,

transport and transport related items, tobacco and alcohol, and manufactured products.

Madam Speaker, it is clear from this data that the Cayman Islands economy is hurting, our people are hurting, and we must do everything possible to improve our economy.

Economic Forecasts for Financial years 2010/11 to 2012/13. Section 3 of the Policy Statement provides the economic forecasts for the Cayman Islands for the 2010/11 through 2012/13 financial years as prepared by the Economics and Statistics Office within the Ministry of Finance.

Economic growth in the Cayman Islands is expected to worsen in 2010/2011, measured by changes in the Gross Domestic Product (GDP). This is projected to rebound in the succeeding two years. GDP growth is projected at 1.6 per cent in 2010/11 followed by 4.0 growth in 2011/12 and 3.2 per cent in 2012/13.

Given this forecast in economic growth rates, the numbers of persons employed are expected to be 36,414 in 2010/2011; 37,428 in 2011/2012; and 38,058 in 2012/2013. The corresponding unemployment rates are forecasted at 3.8 per cent in 2010/11; 3.0 per cent in 2011/12; and 3.3 per cent in 2012/13. Madam Speaker, we are determined to act to improve performance in this critical area.

The local inflation rate, as measured by changes in the prices of goods and services is highly influenced by three factors—US price trends, local demand, and changes in local tax rates for 2010. Based on conservative inflation forecasts for the US, the Cayman Islands inflation rate is forecast to be 4.3 per cent in 2010/2011 and 3.2 per cent in 2011/2012, and 2.6 per cent in 2012/2013.

Madam Speaker, this outlook means that the clouds of crisis are beginning to clear away, while we are not quite out of the storm, we can see ourselves approaching the end of it. Now is the time to continue to work—to work hard, and harder than ever before—to prepare these islands to make the best of future economic improvement.

Fiscal Strategy: For this Policy Statement, the Government has continued to apply the fiscal strategy it established in preparing the 2009/2010 Budget. This strategy has centered on the primary goal of bringing Government's finances back into compliance with the statutory Principles of Responsible Financial Management.

For the coming three financial years our efforts will continue to focus on:

- Controlling and reducing core Government expenditure;
- Implementing new and sustainable revenue measures.
- Improving the financial performance of our statutory authorities and government companies, and securing optimum dividends; and

- Entering into partnerships with the private sector for appropriate large scale infrastructure development.

Madam Speaker, we cannot allow the Governments operating expenses to continue to grow at the rates of previous years. Over the past four financial years (that is, 2005/2006—2008/2009) Governments operating expenses grew from \$372.19 million to \$525.98 million. Madam Speaker and honourable Members, this is a 41 per cent increase in four years. This rate of increase is unacceptable to my Government and we are taking definitive steps to address this in a sensible manner.

In addition to the expenditure reductions announced in the 2009/10 Budget, the Cabinet has recently commissioned a review of public services to be conducted by a multidisciplinary team headed by the Deputy Governor, the Honourable Donovan Ebanks, which must report its findings back to the Cabinet in January 2010. This will ensure that there is sufficient time for the recommendations to be considered by Cabinet and incorporated into the 2010/11 Budget.

Our undertaking as a Government is to act as needed to either reduce expenses or increase revenues, 1) whether over-staffing exists in a particular area; 2) if management needs improving; 3) if further training is needed; and 4) if processes need to be streamlined, shortened, or otherwise simplified.

Madam Speaker, our primary goal in the area of revenue is to seek a wider and more stable income base for the country. At the Cabinet press briefing on November 4, 2009, I announced that the Government had agreed with the Foreign and Commonwealth Office to appoint an independent commission that will conduct a professional assessment of the options for, and potential impact of, new revenue sources. The Commission's report is to be submitted to Cabinet no later than 28 February next year.

Madam Speaker, the FCO had asked that this be completed by the end of the year, by the end of December, but that is impossible. And Mr. Roberts, director of the Foreign and Commonwealth Office for the Overseas Territories is here on Island and I have told him that that timeframe cannot be practical. And therefore, February is a more practical one.

Madam Speaker, this commission is chaired by Mr. James C. Miller III (former US Federal Trade Commission Chairman and Budget Director for US President the late Ronald Reagan). This small but expert team, includes, Mr. David Shaw (former UK Member of Parliament) and our Financial Secretary, Mr. Kenneth Jefferson, will facilitate them.

The Commission's terms of reference include the following stipulations:

- To conduct a comprehensive review of all present revenue-generation mechanisms.
- Indicate how these have been affected by competition; the global recession; and internal actions.

- Make recommendations for the improvement and expansion, and more efficient operation, of these mechanisms;
- Examine estimated government revenue sources and expenditures for the 2009-10 budget year, and recommend measures to balance current and/or estimated revenues against current and/or estimated expenditure;
- Examine government's current short- and long-term debt obligations; and recommending methods of alternative financing for short- and long-term debt, in order to achieve possible savings.
- Reviewing government's policies in order to recommend more cost-effective approaches to spending, as well as ways to reduce spending.
- Recommend new revenue sources, with particular regard to Cayman's location, size, population base, and cultural background, and determining whether these potential sources would provide a more sustainable revenue base.

In making this assessment, the Commission should consider the impact of any form of direct taxation on overall economic activity and examine, in particular, its potential impact on the attractiveness of the Cayman Islands as a financial centre.

Public Private Partnerships: Cabinet did approve the selection of DECCO Ltd. as the potential development partner to finance, design and build the cruise-berthing enhancement facilities.

Cabinet has also approved the Port Authority's development of a non-binding three way memorandum of understanding with DECCO Ltd. and the Florida-Caribbean Cruise Association (FCCA). This document will be presented to Cabinet for further consideration.

This is completely different from the MOU which the last Government entered into with the Atlantic Star Company—which proposed that the Port be moved to the property owned by Atlantic's site to the North of George Town, and that control of the Port would be in the hands of that property owner. Nothing went to Central Tenders—even with the giving up of control of our Port. Some sections of the media tried shamelessly to make much of this new MOU that the Government will sign soon. But facts, Madam Speaker, always destroy lies and innuendo, and poor and biased reporting. Facts!

Madam Speaker, the Auditor General was quick to jump on the bandwagon on the process which we have set out, but said nothing on the previous occasion when our Port was being signed away, without the Public or Central Tenders knowing.

*[inaudible interjection]*

**The Premier (Hon. W. McKeeva Bush):** I wish you would. Try it!

Madam Speaker, The financial forecasts and targets included in this SPS indicate . . . On top of that, Madam Speaker, since there is grumbling, I thought I would have a little bit easier time at this point, but since they are grumbling, the board itself . . . members of the board did not know anything about this until they heard about it in the public and saw it in the public.

*[inaudible interjections]*

**The Premier (Hon. W. McKeeva Bush):** You read it!

**The Speaker:** Please turn off the microphones and don't exchange words across the hall please.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, the financial forecasts and targets included in this SPS indicate that it will be possible for the Government to operate its finances within full compliance with the Principles of Responsible Financial Management, as set out in the Public Management and Finance Law.

We know that these targets are not going to be easy to achieve, and will require managers across the public service to exercise strict financial management. We as a Government will do our part to support and encourage the operation of the Government's finances within the financial targets set out in this SPS.

I maintain that in general we have a civil service of high quality. There is a saying that when the going gets tough, the tough get going. In other words, this is a chance for them to shine, to show the world their capabilities.

Core Government operating revenue is forecast to be approximately \$580 million in 2010/11, \$585 million in 2011/12, and \$590 million in 2012/13.

Core Government operating expenses are forecasted to be approximately \$531.3 million in 2010/11, \$522.3 million in both 2011/12 and 2012/13.

Operating surpluses—after financing expenses—are forecasted to be \$22.8 million in 2010/11, \$35.6 million in 2011/12 and \$41.15 million in 2012/13.

On the balance sheet, Government's net worth (which is the difference between its total assets and its total liabilities) is expected to increase steadily over the forecasted period.

Aggregate borrowing (which is the balance outstanding at the end of a financial year in respect of those borrowings) is forecast to peak at \$504.6 million in 2010/11 and then decrease to \$489.1 million in 2011/12 and decrease further to \$470.2 million in 2012/13. This reflects a deliberate effort on our part to keep the Government's borrowing levels within the limits prescribed by the Principles of Responsible Financial Management.

Net operating cash flows are targeted to remain strong in line with the forecast operating sur-

pluses. The Government has continued with its policy of maximizing the use of cash generated from operating surpluses to finance its planned capital programme over the next three fiscal years.

Net investing cash flows, or the amount of funding available for the Government's capital development programme, is forecast to be \$69.7 million in 2010/11, \$49.7 million in 2011/12 and \$49.7 million in 2012/13. The decrease in the 2010/11 and 2011/12 financial years reflects the expected completion of major projects such as the new high schools and the new Government Administration Building in the 2010/11 fiscal year.

The net financing cash flows reflect the Government's anticipated borrowings less its repayment of debt principal. Over the three-year period the Government is not forecast to undertake any new borrowings in the 2011/12 and 2012/13 financial years, resulting in a net payoff of the Government debt.

Madam Speaker, as a Government my aim and objective is to bring this debt down, way down some 2013. The country cannot help for now, but we must not embark on this again.

The targeted closing cash balance for all years is forecast to be just over the 90 day of operating expenses required by the Principles of Responsible Financial Management. Madam Speaker, this means our Budgets would be compliant. And that is what we are going to do—be compliant. Not break the law as has happened recently.

**Broad Outcome Goals:** The Government has identified a total of 19 Broad Outcome Goals which will guide the development and implementation of our policies. Our Broad outcome goals are:

1. Addressing the economic crisis in the Cayman Islands (enhancing the financial viability and sustainability of the economy of the Cayman Islands).
2. Restoring prudent fiscal management.
3. Setting the stage for success in the tourism Industry.
4. Addressing crime and policing.
5. Developing a world class education system to foster growth and to benefit from development.
6. Improving healthcare and the health of the population.
7. Paving a better way forward for Cayman Brac and Little Cayman.
8. Development of our Youth.
9. Strengthening of families.
10. Ensuring success and participation of Caymanians in the financial services industry.
11. Supporting Caymanian small businesses.
12. Preparation of our labor market for future opportunities.
13. Improvement of the lives of the elderly and disabled.
14. Reduction of substance abuse.
15. Empowerment of Women.
16. Addressing energy and environmental needs.

17. Strengthening of our infrastructure.
18. Preservation of our culture.
19. Enhancement of agriculture.

These Broad Outcome Goals should not be construed as being the only areas which the Government will be working on; instead they are a checklist to guide for our intended major policy actions.

Our 19 Broad Outcome goals apply to all three of the Cayman Islands and capture our intent in addressing major concerns which face this country. Our Broad Outcome goals can be classified into three main focus areas:

- Economic and financial improvement;
- Enhanced social and community welfare; and
- Elevating education standards and performance at all levels.

During my address on the Budget and Throne speech on the 2 October 2009, I outlined details of the many new and innovative policy actions that this Government would be taking in this financial year, many of these are well into their planning and implementation phases.

The focus of this Administration is not on personal accusations and the destruction of people's character, it is not even on the winning of the next election, as was so evident in the political operations of the last government. My Government's focus is on moving this country to a higher and safer ground and making sure our people advance.

We have applied this approach in planning this SPS, and at the appropriate time, when the 2010/2011 Budget is presented next year, God willing, we will roll out further details of our specific policy actions.

In concluding, Madam Speaker, this SPS signals the start of the 2010/2011 Budget process. There is much work to do across the public service, and indeed the country, to achieve the targets set out in this Strategic Policy Statement.

Overall, we believe that this Policy Statement establishes realistic and achievable targets for all Government agencies. We will all have to put on our thinking caps, explore all opportunities to reduce expenses and enhance revenues while always aiming to optimize the wellbeing of our Caymanian people and others living here, the people of the Cayman Islands in these Islands.

The challenges around us are many, and require creative, dynamic leadership to bring the Cayman Islands through. My Government will provide that leadership, and this Policy Statement sets out the path we intend to follow to move the country forward, with the help of Almighty God, who confirms to us in the book of Isaiah 64:25 that "before they call I will answer and while they are yet speaking I will hear."

I assure honourable Members that God is listening to us and will answer us if we humble ourselves and call on Him in spirit and in truth.

And with that, Madam Speaker, I recommend all honourable Members to give their full support to this important Motion.

Thank You, Madam Speaker.

**The Speaker:** Thank you, Honourable Minister. Does any other Member wish to speak?

[pause]

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I am not rising to speak, just to say that the practice has been that the speech in support of the Strategic Policy Statement is circulated to Members so that we at least have a glimpse of it before we have to rise on debate.

I see that we are getting it now, Madam Speaker.

Madam Speaker, can I ask you and the House for the indulgence of 15 minutes so that the Opposition may consider the written speech before we are called upon to respond?

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I cannot say that it has been circulated before. I thought the practice was that you pay attention and you make your notes to address the speech.

If they need 15 minutes, then I am in favour of 15 minutes, Madam Speaker.

**The Speaker:** Proceedings are suspended for 15 minutes.

**Proceedings suspended at 2.43 pm**

**Proceedings resumed at 3.15 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

When we took the break we were in the middle of a motion, the Strategic Policy Statement for 2010-2011 Financial Year.

Does any other Member wish to speak?  
Honourable Leader of the Opposition.

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

Madam Speaker, I listened very carefully to the Premier as he delivered his own statement on the Motion to accept the Strategic Policy Statement (SPS) for the 2010-11 Financial Year by the Legislative Assembly. As we know, the Strategic Policy Statement is the beginning of the budget process so it is without much of the specifics that will come with the Annual Plan and Estimates themselves. So, it is just what it says, a policy document, and it outlines the broad outcomes and policies and aspirations the Government hopes to achieve based on the projections that have been assimilated.

Madam Speaker, not to dwell on it very long, but before I get into the specifics regarding the Strategic Policy Statement, the Premier, in speaking about

the redevelopment of the Port facilities inclusive of the cargo and cruise facilities, mentioned specifically that the MOU (Memorandum of Understanding) for the previous Government was giving ownership and operational control to another entity outside of the Government. Madam Speaker, the MOU that came to Cabinet—and the Cabinet records will bear me out I'm sure—said no such thing.

I just wish to place on record that I distinctly remember us discussing that specific issue in Cabinet, and I dare say I was the one who raised it. I wanted to ensure, and my colleagues all agreed with me, including the Minister at the time, that in any discussions which the MOU were going to allow with Atlantic Star, it was to be made known to them very clearly that no matter what the end result was, the Government was not prepared to pursue any type of arrangement with anyone, including them, which took the control of those facilities from the Government. I don't have a copy of the MOU with me and, certainly, time did not allow me to get a copy, but I am certain that what I just said is what records will indicate.

And, Madam Speaker, that MOU was basically giving a timeframe in which negotiations would only be held with Atlantic Star. It was not an MOU which gave any commitment. It was to have discussions with Atlantic Star and the cruise lines to see what the end result would be with regards to a proposal. It in no way—not the document that we approved—gave any commitment on behalf of the Government to either one or both of those entities at the end of the day.

The purpose of that MOU, by and large, was to allow Atlantic Star and a team of appointed individuals on behalf of the Government to sit and discuss proposals with regard to design and other relevant matters with regard to the cruise facility. And, Madam Speaker, I need to reiterate that that document was not a document signed giving any specific commitment; it was only giving a certain timeframe in which the Government would not be discussing with anyone else this proposed new facility.

The other aspect that I remember distinctly with that MOU is that the Environmental Impact Assessment (EIA) was going to guide what else took place after that assessment had been produced. As things ended up it was not done and the process did not go forward any more. But I can tell you the Environmental Impact Assessment was going to be the trigger for whatever else took place next in the process.

So, two things are very important: There was no specific commitment given by the Government that I led to any entity with regard to the development of a cruise facility or a cargo facility; it was simply an agreement giving a window of time and under the terms of that MOU as to what could be discussed, and at the end of the day in conjunction with the results of the EIA then the matter would be taken forward beyond that.



Madam Speaker, we were with full knowledge of the fact that we had changed the law which included government-owned entities or government-owned companies or authorities for any contract over \$250,000 that had to be awarded to be going through the Central Tenders Committee. So, we didn't change the law and fall flat on our faces to create an MOU which would go counter to that law in short order. That is not the case.

Madam Speaker, looking at some of the projections in the Strategic Policy Statement, and specifically looking under Table 3 on page 23 of the document (the current document tabled this morning), we see where the operating revenue for 2009-10 and the operating expenses for 2009-10, \$562.2 million being the operating revenue and \$532 million (approximately) being the operating expenditures, the projected figures for year end June 30 of next year, are consistent with the Budget that has been approved. Immediately, as we turn the page after Table 3, we will see where the document says "Basis for the Targets." And with your permission, Madam Speaker, I am going to read what that says.

It says that "[The] targets in this 2010-11 SPS have been derived from a thorough forecasting exercise with the Ministries/Portfolios." That is on page 24 of the document, Madam Speaker. It goes on to say "This has allowed the Government forecasts to more accurately reflect the expected financial impact of Government's policy priorities. As part of the forecasting exercise, operating revenues and expenses as well as capital investment forecasts were updated. These forecasts were reviewed to ensure that they are sustainable over the medium term; particularly in relation to capital expenditure and financing, and also that they are consistent with the Principals of Responsible Financial Management."

**The Speaker:** Excuse me, honourable Member, what are you reading from?

**Hon. D. Kurt Tibbetts:** Madam Speaker, I am reading from the 2010-11 SPS.

**The Speaker:** This?

**Hon. D. Kurt Tibbetts:** Yes Ma'am.

**The Speaker:** Okay. Thank you.

**Hon. D. Kurt Tibbetts:** Page 24 at the top of the page.

**The Speaker:** Okay. Thank you very much.

**Hon. D. Kurt Tibbetts:** Madam Speaker, having read that I just want to draw a comparison.

When we did the 2008-09, 2009-10, and 2010-11 forecasts, as this document now has 2009-

10, 2010-11, 2011-12, and 2012-13 meaning it's simply a matter of one year taken off and a year added since we are a year hence, we too based on those projections at that time (that was Table 4 on page 17 of the SPS which was tabled in 2007 for the 2008-09 Budget, the budget just ended, 30 June) . . .

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts:** Yes, Madam Speaker, as I was saying, when we tabled it in late 2007 (which would be for the year beginning 1 July 2008 to 30 June 2009, the last fiscal year) that too projected for 2008-09 a \$50 million operational surplus before extraordinary items.

And right after that was tabled, it had a paragraph with the same heading, "Basis for the Targets" and that read, with your permission: saying: "**The targets in this 2009/10 SPS have been derived from a thorough forecasting exercise involving all Ministries and Portfolios. This has allowed the Government forecasts to more accurately reflect the expected financial impact of Government's policy priorities. As part of the forecasting exercise, operating revenues and expenses as well as capital investment forecasts were updated. These forecasts were reviewed to ensure that they are sustainable over the medium term; particularly in relation to capital expenditure and financing, and also that they are consistent with the Principles of Financial Management.**"

Now, Madam Speaker, in essence the only difference between those two statements from one year to the other is the actual year itself. We all know how we ended up as of 30 June 2009. I say that to draw the comparison, understanding full well that this Government has just been elected and this is their first Budget. This is their first SPS. It is the first SPS delivered by the first Premier of the country and the first Minister of Finance.

What we haven't heard at this point in time, understanding all of the difficulties pointed out in the SPS and in the delivery by Minister of Finance on the Motion, which we all understand the country faces at this point in time . . . certainly there must be some type of tracking that has been going on since 1 July to give us some type of indication as to the projections. We are nearly through the end of the fifth month—next month will be half of the fiscal year.

Even though we understand that a fairly large portion of the revenue measures will be realised as of 1 January, with regard to expenditure certainly there should be some fair indication as to how that is tracking with regard to the projections.

And, Madam Speaker, the Budget itself and all of these figures projected here in the SPS are based on eight months additional collection for the year of the various revenue measures, and that is two-thirds of the year. We are past four months. We are nearly into the fifth month. I haven't really kept a

very close check so I don't know as of now which of those revenue measures have been put in place and which are in effect. But I think fair comment is that certainly nowhere near all of them have been put into effect thus far.

I don't know from a dollar standpoint what type of effect that may have on the projections, but certainly, those with responsibility at this point in time should have some idea. And I'm certain, with the lessons learned, that tracking is being done in the manner which is able to tell things a bit earlier than previously. So, Madam Speaker, it would be good if we got some indication at this point in time as to where that's at.

In his delivery, the Minister of Finance mentioned revenue and whether that had to be increased or whether expenditure had to be cut. And we do know that those two are the common factors that bring about net surplus or net deficit more so than anything else. From an operational standpoint, operational expenditure and revenue are the two key factors—one or the other, or a combination of both. So, it would be good if there could be some indication at this point in time as to where we are, and if there are going to be any negative effects on revenue because of any lag in when the revenue measures are put into effect.

Madam Speaker, if I were to be totally neutral on the situation and not take on the role of Opposition looking to keep the Government on its toes, and [if I] were to simply look at what is being aspired . . . the aspirations are fine. And when I say fine, I mean if we track the things, the right thoughts have been put on paper. The right things are being said. But it is very similar to when we had the actual budget.

I understand to a certain extent, with regard to expenditure, that the results of certain exercises have to come and Cabinet will have to make decisions as to whatever recommendations they are going to implement in order to deal with expenditure. But we know that that has to be dealt with. It would be a bit unfair at this point in time to speak to that issue to say nothing is being done. We can't say that at this point in time.

But I say all of what I say, Madam Speaker, because the big question is . . . The Government has proposed a Budget which brings about an operational surplus and meets all of the conditions of the Public Management and Finance Law (PMFL) or five conditions within one year after the operational deficit which was realised as of 30 June.

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts:** Yes, my colleague reminds me when the country was supposed to be bankrupt at that time.

But, Madam Speaker, in asking that question, if the surplus projected is not realised, where do we go from there with regard to the borrowing limits and everything else?

And, Madam Speaker, that is a question that there should be an answer for. We are saying that we would like to know at this point in time what information is available to tell us how we are doing based on projections. Is there great confidence that the projections will be realised close enough to the point where there will be an operational surplus?

If the case is that at 30 June there is not the operational surplus that is projected, and bearing in mind there's not a huge one projected so there's not a lot of leeway. . . if memory serves me right it is somewhere around \$5 million operational surplus, somewhere in that region. So, of a \$562 million dollar budget, \$5 million is really not much to play with one way or another.

So, the question is: What will be the case should this not be realised?

Of course, the answer now could easily be, *Let's wait and see*. That is fair enough. But our role has to be to raise that question based on any information that has been forthcoming, or that may be forthcoming between 1 July and now, to give us some indication with regard to what is projected revenue and expenditure wise.

Madam Speaker, I simply chose to speak to the broader issues; I'm sure some of my colleagues may have specific issues with which they wish to deal.

One of the other questions that I want to raise, which is not for the 2009-10 year, but for the ensuing years after that . . . What is projected now for 2010-11 as operating revenue is \$580 million; for 2011-12 it is \$585 million; and 2012-13 it is \$590 million. But, Madam Speaker, on the expenditure side . . . I'm not questioning the operating revenue if the first one comes in fairly close, which we will know at this fiscal year end, 30 June. Then I believe the other projections are fair projections.

But with the operating expenditures we have approximately \$532 million for this year, and then we have \$531 million for 2010-11, and then we go down to \$522 million for 2011-12, and the same for 2012-13. I wonder what assumptions are made with all things we know as to what will bring about the decrease in operational expenditure, and what will be the cause to bring that operational expenditure down from what the projections are for this year and next year. Madam Speaker, those are things that those who have arrived at those figures should be able to answer.

So, we carry on. The Government has produced their 2009-10 Budget. They have now given us the Strategic Policy Statement, which is the beginning of the process and the lead-up to the 2010-11 Budget. And, of course, as would be the case with whoever the Government was, what happens with this first one will totally depend on any readjustments needed for the following one.

But, as I said, five months of the 12 months for the fiscal year are just about gone, and by now there must be some type of indication [as to] whether

or not the projections are on target, or if any adjustments are going to have to be made during the course of this fiscal year for that matter, Madam Speaker. And if any adjustments have to be made, what might they be, if there's any specific plan to deal with that in case that were to be the situation that we face.

Madam Speaker, there are some other issues which I believe my colleagues will be dealing with, but by and large I have raised the broader issues with the assumptions that have been made. And, Madam Speaker, we can say now—just like we did with the Budget—because we are unsure about the figures that are projected actually being realised that we will be abstaining from the vote to be consistent with the thought process expressed when we dealt with the Budget because one hinges on the other.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Leader of the Opposition.

Does any other Member wish to speak?  
Elected Member for East End.

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

Madam Speaker, I rise to make a short contribution to the Motion on the Strategic Policy Statement that was laid by the Premier, and spoken to by the Premier.

Before I do that I would like to record my disappointment as a Member of this Parliament in the proceedings today. I appreciate your intervention this morning in trying to lay a marker down for history about what today represents to the people of this country. It was very thorough and enlightening, and quite historical what you did today from your Chair, in that you laid out those markers so that somewhere in the future someone will know what today meant or what it should have meant.

I really believe that today each of us should have come here to speak on what the future holds for this country under a new Constitution, under a new Premier, under a new Deputy Premier and a new Deputy Governor, which is extremely important. And where we are going from here and what our goals and hopes are. I really thought that is what we should have done today. But it is not for me to decide that, Madam Speaker. It is for the Government to decide what the business of the House contains on a daily basis (albeit I sit on the Business Committee).

But I believe that that is where we should have been. Yes, the Strategic Policy Statement had to be done. But, certainly, I believe that history would have been kind to all of us if we had recorded our feelings into the *Hansards* of this honourable House today. And, Madam Speaker, I say no more on that.

Madam Speaker, the Strategic Policy Statement, as the Leader of the Opposition has said, is a real broad brush when it comes to what the Budget is going to reflect for the coming year and for the next three years (of course, it is two) which is not etched in

stone, but certainly it gives us an understanding of where we are and where we are coming from out of the previous year so that we can properly project.

I believe the Leader of the Opposition was kind when he read those two statements from two different periods of Strategic Policy Statements which was just over a year ago, when he did not go on to say (or I did not hear him say) if only the years of those two statements are interchanged in it and where we were then when we found ourselves at the end of last year based on that Statement and how we reached there, or the basis for the targets.

And we are using that same thing this year. How accurately can we project?

Is it accurate? I don't know, but I do know there are questions surrounding using the same statements when in 2007 we may say that there was not any onset of a recession at that time. Now we are in the middle of one and we are using the same statements over.

Are we accurate in our projections? That is left to be seen. And I hope that we are. I really hope that we are accurate in our projections in this instance because the Premier spoke of how our people are hurting. I believe he made it quite clear. And I quote from page . . . There are no pages here; they are not numbered.

Madam Speaker, it is clear from this data that the Cayman Islands economy is hurting and our people are hurting and we must do everything possible to improve our economy. I agree with the Premier that that is the case. All of us need to do whatever we can to assist our people, particularly now. But two pages prior to him saying that, Madam Speaker, he also said, and I quote: **"The average inflation rate in 2007 was 2.9 per cent which went up to 4.1 per cent recorded in 2008 as higher prices for food, oil and petroleum products pushed up the Index in the first three quarters of the year. In the fourth quarter, these pressures were eased by a significant drop in utility cost, led by electricity."**

Madam Speaker, when I took over as minister I found a heads of agreement between the previous Government and CUC. One of the objectives there was to reduce the cost of electricity. I thought that was a good basis for me to start negotiations with CUC also because that should have been the objective of any government in the interest of our people.

In the fourth quarter of 2008 we concluded those negotiations and electricity cost, not fuel, was reduced by some 30-odd per cent. Now since then I have been ridiculed by the Government about the lack of a proper agreement. So I wonder if the Premier is telling me today that those negotiators and I are vindicated.

**The Premier (Hon. W. McKeever Bush):** No, you wouldn't—

**Mr. V. Arden McLean:** Because, Madam Speaker, that's all that can mean. That's all right, I'll deal with him. I'll handle him.

**The Premier (Hon. W. McKeever Bush):** What? With—

**Mr. V. Arden McLean:** Madam Speaker, that's all that can mean and I am glad that they have recognised it and that ISO has recognised it.

**The Premier (Hon. W. McKeever Bush):** Are you kidding?

**The Speaker:** Order.

*[inaudible interjections and laughter]*

**The Speaker:** Order please.

**Mr. V. Arden McLean:** Madam Speaker, I do apologise. I said ISO; it is ESO, the Economic and Statistics Office.

**The Premier (Hon. W. McKeever Bush):** I never said the price wasn't high, you know.

**Mr. V. Arden McLean:** Madam Speaker.

*[inaudible interjection]*

**Mr. V. Arden McLean:** Madam Speaker, I read two pages more where the Premier said that we are hurting, but he had just said that in 2008 the electricity cost had gone down, so I believe the objective was achieved, which was theirs.

Now, if the people were hurting then, and he agrees that they are hurting now even more so, I wonder why the extra 20 cents that I took off has been put back on. If they are hurting then we need to do everything. Maybe the Government needs to take off that 20 cents—the 20 cents that the PPM Government took off of the duties on fuel!

And you have to remember, Madam Speaker, they called for me to take off 50 cents duties on fuel and we compromised and took 20 cents off of that. So, I don't know if this is speaking out of two sides of the mouth or if it is a double barrel being aimed at the people. But, certainly, we need to be consistent in our approach with these things and remember that people are listening and have memories.

Madam Speaker, I also would like to touch briefly on the situation that the Leader of . . . the Premier (I've got to get used to that, Madam Speaker).

Yeah, Madam Speaker, I hear the Fourth Elected Member for George Town saying I must get used to it. I doubt I will ever get used to it with him being there, because I don't think he will ever get there, so I won't have to call him Premier.

*[inaudible interjection]*

**Mr. V. Arden McLean:** But I don't have a problem with calling the First Elected Member for West Bay Premier.

Madam Speaker, the Premier also went on to say that the PPM Government was given ownership (the Leader of the Opposition touched on this) of the Port.

I want to read exactly what he said, and I quote: "**Madam Speaker, the Auditor General was quick to [try and smear] the process which we have set out, but said nothing on the previous occasion when our Port was being signed away, without the public or Central Tenders knowing.**"

I don't know who was going to do that, but I made it abundantly clear to all concerned that I was not going to support the Port—our only seaport of entry—to be controlled by any private entity. I made that very clear.

But I must tell you, Madam Speaker, the discussions surrounding the Port were never reached about ownership. It was a Memorandum of Understanding that the Government went into with Atlantic Star and the cruise liners. So, I think we need to be careful with our utterances because the MOU will bear me out in that I did not, and the Government did not, go into any agreement to sign away any port in this country. And I will tell you what, Madam Speaker, the PPM could do it, but it was not going to be with my signature on it! And I know not one Member of Cabinet when it was discussed even considered it. It was not considered. So, I believe—

**Mr. Cline A. Glidden, Jr.:** Your signature wasn't on Tom Jones either, but it is still there.

**Mr. V. Arden McLean:** So, Madam Speaker, it is unfortunate that the Premier has said that and I am sure he will have some reply, or those other Members of Cabinet will have some reply to that, because . . . I guess we are the only ones who don't have a copy of the MOU since we did not take any out of office because that will be the next investigation.

**The Premier (Hon. W. McKeever Bush):** *[Laughter]*

**Mr. V. Arden McLean:** But—

**The Premier (Hon. W. McKeever Bush):** But Chuckie is used to that, though.

*[laughter]*

**Mr. Cline A. Glidden, Jr.:** Chuckie can have one.

**The Speaker:** Order please.

**Mr. V. Arden McLean:** But, Madam Speaker, I certainly did not get one; it was left in office so I'm sure the Minister for Community Services would have found my copy there.

*[inaudible interjections]*

**Mr. V. Arden McLean:** But, Madam Speaker, I went and discussed that because the Premier discussed it, and it is . . .

*[inaudible interjection]*

**Mr. V. Arden McLean:** I don't want to start off . . .

My colleague is saying he misled the country. Well, it is something similar to that but I don't want to start off with the new Premier and the acrimony early in his tenure. But, certainly, I will reply to those things that I knew personally I did not do or I did not have any discussions surrounding it.

Now there may be some information he has that can deal with that. But, Madam Speaker, my fervent hope is that the SPS is realisable and sustainable and that we can get on with moving the country forward.

I know we had our own difficulties when we made our projections. And, Madam Speaker, when I say "we" . . . understand that ministers are not the persons who have the technical information to make these projections; it is the technocrats, certainly in discussions with ministers. But the information is theirs and they safeguard that information. They take care of that information and then give it on to the ministers. And the SPS is produced by the technocrats. I just hope that it is what it says.

Now, Madam Speaker, another thing I want to touch on is that ever since the elections the Member for North Side has been talking about the Public Management and Finance Law and its—

*[inaudible interjection]*

**Mr. V. Arden McLean:** He says, *long before that*, and that's probably true.

—inequities and difficulties with it. Now, Madam Speaker, as much as I hate to agree with him, I do.

And I heard the Leader of the Opposition asking if the Government could give any indication of how the Budget is currently going so that we would know what the projections are. Now I know when I was there, I don't know if it's the operation of the law, the lack of system in place, the lack of mechanism, but I know that it took forever to get that information. And I hope that the new Minister for Finance can get information on a more timely basis in order to make decisions.

Madam Speaker, I point no fingers but I know if you are going to make a decision in anything you need information that is accurate and timely or you are going to make errors. I hope this Government does not fall into that. I hope this does not happen to them. I hope the new Minister for Finance puts a system in place to ensure that at a moment's notice he can get the proper information to be able to make the

decisions necessary to run this country. I don't know who to blame. I don't think there's any one person in particular to blame. I just believe . . .

Madam Speaker, you know the Fourth Elected Member for George Town has just come in here and is talking about I should blame myself. He has a lot to learn you know, Madam Speaker. He's got a lot to learn! But along that journey in here he must also show some respect for people who have been here longer than he, which is what I had to do when I came here, Madam Speaker. I really had to! He must show some respect, not only for me but for the Chair.

And then there are senior Members of the UDP sitting there, such as the Deputy Speaker who is very knowledgeable in procedures here.

*[inaudible interjections]*

**Mr. V. Arden McLean:** Anyway, Madam Speaker, we will find our way one day. Yes, in the fullness of time.

Madam Speaker, in a few days' time I would have been here for nine years. Mine has been a wonderful journey, but I was taught a lot by people like the dearly departed Captain Mabry and many others in this honourable Chamber.

But I was prepared to listen. I was prepared to study. I was prepared to read. I was prepared to travel to be able to broaden my understanding of these procedures here at the conventions and elsewhere. The night after I was elected in 2000, Madam Speaker, I was offered a Minister's position and I turned it down because I knew I was not capable of holding it. I had not been here and didn't know what the procedures were. In 2005 I thought I was ready, and I know I was.

I hope history will be kind to me—I don't know. But those of us who come here need to listen to the old people who are here, like the Premier and the Second Elected Member for Bodden Town, the Leader of the Opposition, and now the Deputy Premier who was here before me; and the Deputy Governor, who has been here dinosaur years in this Parliament. These are people who understand the process here, Madam Speaker.

Many days I made a lot of mistakes in debating here. And Captain Mabry was quick to put me in my place. I notice you are getting like him too, looking over your glasses. Madam Speaker, that is what this is about. We have to learn. I'm not too old to learn.

Madam Speaker, I'm going to sit down and wait for the onslaught. But we must all understand that in this life time is very important and timing is more so important. Timing, not time! Timing!

I made so many mistakes in here and took so many licks from the Premier that some nights I had to drive through back roads to try and get home. I did not want people to see my face. Timing! Timing! My time will come.

Thank you, Madam Speaker.

**The Speaker:** Thank you Member for East End.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

I rise to make a small contribution to the statement made today by the Premier. And of course, Madam Speaker, I have to address some of the comments made by the Elected Member for the district of East End as well.

Madam Speaker, I say with the utmost sincerity, when I speak about the Member talking about having respect, and I think when he actually said it some persons took those to be some very sincere comments. And I have had a lot of backroom chatter with the Member, but I wish to make it clear that respect is something that goes both ways, even though there are a small few in this country who believe that respect is a one-way street. I think even the Good Word tells us that children should respect their elders. But it also says don't provoke those children to wrath.

So, Madam Speaker, there's a two-way street in terms of respect. And I would encourage the Member for East End to walk the talk because all of us are elected, none less than the other. He is elected in East End and I have been elected by the people of George Town to represent them. And if he can sit on the other side of the aisle and engage in chatter as to what he believes is or is not a contribution, I can assure you that any Member on this side of the Bench is entitled to do the same. And I, for one, will do that. So, I encourage him to take that insofar as respect is concerned.

Madam Speaker, I also heard both the Leader of the Opposition . . . and let me preface it considering the comments made prior to my getting up. I respectfully submit, after listening to the Leader of the Opposition and the Member for East End, that I am going to have to start to coin a new phrase. I am going to term some persons in this House, particularly on that side, as almost *domino politicians*. I say *domino politician* because Dominoes is a game where you can sit and watch someone just get a six love and as soon as they get up they seem to be able to tell everybody else how to play the game.

And, Madam Speaker, that is what I have to hear today. Persons who have just been on this side of the Bench and have played a game that has hurt the people of this country—the same Member for East End who went around this country bragging and boasting that his Government was engaging in the largest capital expenditure the country has ever seen. I never heard a whimper in terms of, *Here is what we are going to do to make sure a Caymanian has a roof over his head; here is what we are going to do to provide you with jobs*. Whether it was Tom Jones or the Port or the Schools, I never heard that.

The brag was simply, "This is the largest capital expenditure of any Government." That was the brag, Madam Speaker. And I can tell you, respectfully submitting, that the people of this country continue to suffer daily because of the actions of that Member, the leadership of the now Opposition who, as *domino politicians*, seem to know all of the answers. Now that they are on the other side they have all of the answers.

I heard him talking about PMFL and what the Member for North Side said. I'd like to say that I also made that contribution. And I heard the Member for East End on the talk show suggesting that he wanted to pick up on the comment about the 13 governments in one. But, of course, not even having perhaps what it takes to be able to say that that was also the Fourth Elected Member for the district of George Town of whom he was in agreement with. But that goes in line with what I talked about earlier on, Madam Speaker, about respect going both ways.

I am man enough to stand in the House and be able to say if someone has done something that is right and be able to condemn them if they have done something wrong. So, here is what they are doing (back on this politics of dominoes), because he is now calling on the First Elected Member for the district of West Bay, the now Premier, hoping that the Premier will fix it. Yet he stands on that side and brags about nine years of service.

Now, Madam Speaker, that is fine; but he had four years. What did the Member do to fix the problem? He said he was waiting for information and it was taking forever; that means he hasn't even received it yet. But yet, Madam Speaker, he stands on that side of the aisle and what is his plea today to the general public? after they have paid him and his Government millions of dollars, after they went out and squandered all sorts of money—in his words, "The largest capital expenditure the Government has ever seen."

What is he coming with today? No answers. No solutions. It is a request that our leader, the new Premier, the United Democratic Party, finds a solution to a problem of which his Government, his Leader of the Opposition created, and of which he, the Member for East End and his colleagues, did absolutely nothing about.

I highlight it because if I encourage the people of this country . . . and, again, I respectfully submit that if they look at it one line item at a time with the PPM—and I know I really don't have to tell them because the people are smart enough to know it and that is why they put them on that side of the aisle—they will see that there has been a lot of talk about . . .

Oh, and it is easy to get on the talk shows, Madam Speaker, and let me go down that road for a second. It's easy to get on the talk shows and say, *We care about Caymanians. What about Caymanians this; what about Caymanians that*. But actions speak louder than words. And when you can get up and say

this and that, when it actually came to the action the PPM was not there with any action. There were no solutions.

The solutions were just what we heard today, begging the UDP to fix something that they had four years, minimum, to do something about. And the monies being spent were going into concrete and steel and that is why people right now are running around in this country still looking for work.

And as I said, Madam Speaker, on the talk shows, respectfully, and I say in this Parliament respectfully, is that if that group over there when they were the Government . . . as the Good Word says, it takes a fool's advice, and to save those little nuts like a good squirrel so that when winter comes the people of this country would have had something to eat, we would not be in the position that we find ourselves in today. But they squandered everything and then they had the audacity to stand in this Parliament and say, *Here is what you are doing wrong, you are not doing this right.*

Madam Speaker, that is the audacity.

Down to the PMFL . . . nothing have they worked towards to find a solution, and now they stand like a little group of *domino politicians*, after having lost and squandered the people's money, and seem to be able to indicate to those who are now sitting at the table prepared to do what has to be done are not doing it right.

**The Speaker:** Honourable Member for George Town there is a motion before the House.

**Mr. Ellio A. Solomon:** And I appreciate your indulgence, Madam Speaker. But I know that the Member took much tolerance mentioning the Fourth Elected Member for George Town. And I appreciate you giving me an opportunity to do somewhat of a response in terms of ensuring that I could cover some of those issues.

I have to highlight, Madam Speaker, that in terms of the SPS . . . let me say that this Government, as I have mentioned numerous times before, found itself in very, very difficult circumstances. The Leader mentioned that today. Difficult!

And I think as any responsible government we are not going to try to stand here and go through all the lengthy details and perhaps engage in what somebody may choose to conveniently say is scaremongering. But I want to ensure the people of this country that this Government inherited a situation that is a very dire one.

By now, in large part a lot of the issues that we are dealing with in terms of the finances should be gone. We would love to find ourselves in the position now, as the previous Government did, where we could be engaging in the needed capital expenditure that this country has. But, Madam Speaker, where it may be robbed of not being the perfect analogy we find ourselves in the position of borrowing from Peter to

pay Paul, doing whatever has to be done, shifting on this Rubik's cube where we find ourselves to be able to ensure that we can find a way to provide those vital services that our people and this country need.

And, Madam Speaker, just on one very quick diversion, I beg your indulgence. Even just in the past week (and our Leader mentioned it before in terms of the allocation of funds with respect to this cleanup project), we know it is not perfect. I think the expenditure is approximately \$1 million. It is not perfect; it is not what we want to do. But as a party we believe it is the least we can do for the hundreds of persons that I alone in George Town would have seen putting applications looking for an opportunity for a little bit of a job, something to do.

They are not robbing, Madam Speaker. They are not stealing or doing anything wrong. They are just asking for an honest day's wage for an honest day's work. And this Government, as one example, in that one gesture, is able to at least put several hundred people in this country to work. And where it hurt me to the point of tears is that so many people cannot get work.

I comfort myself that despite the circumstances we found this country in that we can rest at night knowing that there are a few hundred families—few hundred—

#### Hour of interruption—4.30 pm

**The Speaker:** Sorry to interrupt you, Member for George Town, but we have reached the hour of 4.30 pm. We need to [suspend] Standing Orders if we are going to continue.

#### Suspension of Standing Order 10(2)

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker.

Madam Speaker, I move the suspension of Standing Order 10(2) in order for business to be conducted after 4.30 pm. And we intend to complete the business on the Order Paper this evening.

**The Speaker:** The question is that Standing Order 10(2) be suspended in order for the House to continue its business after the hour of 4.30.

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:** The business of the House will continue.

Fourth Elected Member for George Town continuing.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

Continuing that despite how difficult it is that we (I'm pretty sure of my colleagues) can find ourselves in a very emotional position knowing that there are so many persons who have not been provided an opportunity with employment, I believe that we can comfort ourselves knowing that there are hundreds of families—hundreds—not just the one individual who came out and was given an opportunity for a job, but the families.

That Family Support Unit—that small and most fundamental element of society, the family . . . Because I believe strongly, as I have said before, strong families build strong neighbourhoods. Strong neighbourhoods and communities build strong cities, and that builds a strong nation. So, those families, Madam Speaker, hundreds of them, are that much better off because, again despite the fact that we find ourselves borrowing from Peter to pay Paul, we were able to provide hundreds of families with a bit of a job knowing that in that 20 days of employment those individuals can put food on the table, can get a degree and sense of self worth, encourage them to hold on for the better day. And if they are lucky someone can be buying a gift to put on the table.

Madam Speaker, I am a father of three children. I know how important it is, and I've been in those circumstances to know how difficult it is, to say the least, when you know your children need something—not want something, but need something—and you are not necessarily in the financial position to provide it. So, I would like to say in terms of the contribution with this SPS that I am proud to be able to know that that is just one initiative that has been done; something very simple but very effective. And I want to thank my colleagues and the Leader for allowing that to happen.

Madam Speaker, I just want to touch again on the issue, clarification because as it raises itself in the SPS and hearing the Member for East End talk about the CUC issue. I'm not going to go down that road too far because I think everyone knows where the failings were. What I will say is that one of the things we did do which should be reflected (because I heard it banded about, perhaps on the talk shows and sought to address it there) . . . but, yes, as I talked about taking from Peter to pay Paul, there were some monies which would have been removed from CUC but some of those funds were utilised in a good way. And I dare say that I believe, personally, that if you can take some of those same millions of dollars that perhaps were going to be transferred to families in 50 dollar notes . . .

I will also stress that there is a constant bandying about Caymanians, and this one and that one, but this was to everyone in the country—not just Caymanians—getting \$25 off, putting those millions of dollars in an institution like the Cayman Islands Development Bank, as an example, and actually making the small family that was going to lose their house,

perhaps for something as miniscule as 5,000 or 10,000. That's what we were able to do. We were able to know that that simple 5,000 or 10,000 where a family would have lost shelter over their heads were able to retain that shelter simply because, again, of some good innovative thinking, not just a \$25 dollar note for someone.

And I personally believe, Madam Speaker, that the persons in this country that I know have no problem in saying, *Take my \$25, bring it all collectively and let us see what we can do to really be of benefit to the Caymanian people*; the Caymanian people who were able to benefit, as an example, through CIDB (Cayman Islands Development Bank).

Now, Madam Speaker, I'm not going to try and take all the time today to talk about the numerous initiatives that this Government wants to engage in. I simply seek to reiterate to the people of this country, to those in George Town who have elected me, that I understand there are circumstances. I see it every day. I meet with them in my office. Sometimes I am in the position where I can help. And too often I find myself in circumstances where we cannot, primarily right now, because we find ourselves in a situation where the resources are expended.

So if I raise and elevate my voice it is because I am passionate about it. I'm passionate when I know that we find ourselves in a circumstance in this country (it's not just one element, it is more than one) in large part because of what the previous government has done. And rather than take the time now to get up and join forces with the Government and let us find some great creative solutions, some common ground that we can help these people, we find ourselves in the back and forth direction.

I want to assure the general public, Madam Speaker, all persons in this country, outside of George Town included, that this Government is doing and is going to continue to do everything that we can to make life better for them; to make Caymanians kings of their own castles to improve the state and position that they find themselves in.

And I am proud, Madam Speaker, and will just mention about your comments this morning which I mentioned to you earlier on, but will state publicly as well. I thought the comments you made this morning, Madam Speaker, were instructive, elevating and enlightening. I think most of us would have definitely enjoyed it. I think we need to hear a bit more of our history. The more we hear about it, the more most of us are able to put down our roots. And that helps us to become a stronger nation so that when the tough times come, just like the tough times now, we can find ourselves properly rooted and we won't necessarily lose face. Because we can have that history and know if somebody made it through the tough times a hundred-plus years ago . . . if my forefathers did it a hundred-plus years ago then that reaches inside all of us as Caymanians that says we can do it today as well.



So, I thank you for that contribution, Madam Speaker.

And with that I am going to conclude and simply say I am proud to be here in this Parliament where I can hear the back and forth about what I should be doing and what I should not be doing. That same Member for East End . . . Madam Speaker, I am going to say it. He got on the talk show once and said, "Oh I think you would make a very good representative and I hope you get elected as long as my party does not have to suffer as a result of it."

Madam Speaker, I have made it here by the grace of God and those persons in George Town, and I intend to represent them, and will continue to represent them, as long as they give me the chance.

So, thank you very much, Madam Speaker. And with that I would like to say that in terms of the discussions with respect to the Premier, I'm proud to be able to work with the Premier. I mentioned that during the election and it is the same position right now today. He is working hard for the country; he's getting out there and doing things—unlike what the other side has done—and I'm proud to be here. And with that thank you very much, Madam Speaker.

**The Speaker:** Thank you, Fourth Elected Member for George Town.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If not, I call on the Honourable Minister for his reply.

**The Premier (Hon. W. McKeever Bush):** Well, Madam Speaker, I think my colleague on this side made a very good comeback. Really, the Opposition did not have much to say except to say that they are abstaining again.

Madam Speaker, the Leader of the Opposition made some questions, which in total were asking whether the Budget is realistic. He talked about the projections and that is basically what the Leader of the Opposition was saying.

What I want to say, not just to him, but to the country, is that it is most difficult at this point in time to project and say that you are definitively right simply because of the vagaries of the international crises, and simply because of the financial mess that he left.

Madam Speaker, if all was hunky-dory and we had a booming economy—as he found when he went in, in 2005—and if we had a \$106 million in the Budget as he had; or if we have an opportunity as he had, to do so much when he took over just after the hurricane, then perhaps it would be okay. But that is not the case.

And when it comes to projections I certainly believe that we have done the best that we could un-

der the circumstances. It is as simple as that. The media, the blogs and the PPM . . . The PPM's best position is where they are now, and that is to stir animosities, spread rumour—that has been their long suit—and to create this general feeling that everything now has gone wrong because they are not in the driver's seat.

What they fail to realise is that they just left the front seat—it is not years. I heard them this morning saying five months.

Five months, Madam Speaker? Five months have been spent trying to get a grip on what they have done. That's what the five months have been taken up with! We were dealing with so many things at one time, but just to deal with the schools alone, just to deal with that chaos! Madam Speaker, it would take Washington as long, much less this little two-by-four country with very few resources at hand.

So, when they come here with tongue in cheek about finances, I thought that they would have sat down and said, *Well, give them a chance and make them get this through and then when the Budget comes we will see how they perform, and will then criticise.* But to begin . . . not begin, because they carry on and just determined that they were going to be an Opposition of opposition.

The projections, Madam Speaker, will be reviewed frequently throughout the financial year. And if there are deviations from the Budget, adjustments will be made accordingly. And if they believe that that is a joke they are making a big mistake! And if anyone believes that it is otherwise, they are making a big mistake, because that is what is going to happen.

Basically between the Leader of the Opposition and the Member for East End, what they did was to say that the PPM was let down by civil servants in the 2008-09 SPS. That's basically what they are saying. But they did not have the guts to put that on the record, the usual thing with the Leader of the Opposition.

"Horse fat and cow dead," as the old people would say.

And the former Minister for Infrastructure only listened to the mouthpiece on the Front Bench and just parroted everything that he was telling him, not realising that he was taking him down a dark alley and the wrong road.

[inaudible interjection]

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, revenue estimates must first pass through Cabinet. And no matter who they want to point a finger at, I know how they dealt with the former Financial Secretary in this House, and what they said on the public platforms and on the radio, and what they said in regard to civil servants. I have my gripes too, but the truth has to be told.

Revenue estimates must first pass through Cabinet where all Ministers and Members can have

an opportunity to question the estimates. And that is what we did when we felt that it was not what we wanted. We questioned them and changed. And at the end of the day we have to take their advice because they are advisors to us.

But why did the same Opposition Members—then Ministers of Cabinet—not question the revenue estimates for the 2008-09 SPS? Madam Speaker, why did they not?

What they can't say is that this Minister of Finance (being the Leader of the Opposition then) did not question them. They can't say that. I questioned them—and it is in records! I complained, as Leader of the Opposition, about what they were saying.

But you know some of the language they used: "Not on the kindest of mornings would I listen to you."

I'm not saying you should not question me. But let me say what my friend Obama has said. What I get ticked off about is that those people who left the mess are complaining [asking] why I am not mopping as hard. And I want to tell you, the Member from . . . the General Secretary, or whatever he is now—but certainly he is the Third Member for George Town [Mr. Alden M. McLaughlin, Jr.] —*Grab a mop!*

[laughter]

**The Premier (Hon. W. McKeever Bush):** They had a chance then but they were saying it was all right. They said it was all right.

And he is saying that he hopes I have it right.

I am listening to the people in the Ministry who are responsible for giving me the answers, but I'm not going to run a mop over them.

Let me tell you what I am going to do: I am going to buttress; I am going to help them by getting somebody else to help them. That's what I am going to do, because the workload is heavy and the issues are complex and changing.

Everybody is human. I'm not expecting miracles, Madam Speaker. I'm not questioning them and saying that they should not question me. That's not what I'm saying; that's their right. All I am saying is, *You're coming so soon after you just left the mess?*

*Grab a mop! Grab a mop!*

I always use the analogy, Madam Speaker, that the people that burned down the fire station are the ones who stand on the sidewalk and say, *Why is the Government not doing something about that?* That's another analogy. I don't need Obama's. That is good enough for them.

They all want to blame civil servants and say that their poor performance in the previous year was caused by poor revenue and expenditure estimates. But I repeat again, Madam Speaker, when those poor estimates (as they would argue or suggest) went to Cabinet, why did the Opposition Members not question those estimates and refuse to approve those

2008-09 [estimates] before they were submitted to the Legislative Assembly?

The fact that the 2008-09 Strategic Policy Statement did come to the Legislative Assembly meant that the then Cabinet Ministers (who are now the Opposition Members) must have agreed with those estimates. They can't distance themselves from poor performance in 2008-09 and blame it on the civil servants. They can't! They have to take blame for something, man! Got to take blame for something!

You sat there for four years and spent the money!

[inaudible interjections]

**The Premier (Hon. W. McKeever Bush):** *Na ga none!* Talking that somebody else is to blame.

And it is the Third Elected Member for George Town, the biggest one, who likes to do that and tell somebody else to say it.

Madam Speaker, the Leader of the Opposition knows very well how the revenue measures work because he has been here long enough in this House! For him to now question about which ones are not in place . . . he knows! All he has to do is to take the Budget, look at it and then see what was produced here. That's easy. That's all.

But just for his edification, because most of the time they get up and walk out and don't listen so they don't know what happens. They don't care. So what happens? They abstain, or they walk out or they are not here.

So, the Customs Tariff (Amendment) Bill, the Companies (Amendment) Bill, the Money Transfer Fee legislation, Business Premises Fee legislation . . . Madam Speaker, these pieces of legislation will be dealt with when the House resumes, as I plan to do in December. It has to be done before the first of the year, and I have said that all along, Madam Speaker.

They know these things and it is easy . . . but, you see . . . to the person who is listening out there who does not know he will simply say, *You hear what Mr. Kurt said?* That is what they will say, like he did not know these things when it is right there in front of him.

If it didn't come here, it means it didn't come! My God.

Madam Speaker, I listened to the Leader of the Opposition trying to explain the Port project. He said . . . One of them was saying that I was misleading the country about who was going to control the Port. And the question I have for them is: Was control of the Port made a part of the agreement before it went to Cabinet? That's the question.

And the next question is: Who owned the land where it was moving to, to the north? Was it the Government? Was it the Port Authority? Or was it a private entity? The fact is it was a private entity.

Who owns it? The private entity!

And I want to say, if what the Leader of the Opposition said took place in Cabinet, was that conveyed to the public?

Was it?

Madam Speaker, I know they can't find it. If they have it, then publish it.

Publish it! I can't give you permission. I'm saying that I'm asking you to.

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I'm saying that if what was said by them—I'm not saying it was. What I'm saying is what was said publicly. And I know this—the Board did not know!

The Board didn't know.

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** No, the Board didn't know.

Madam Speaker—

**The Speaker:** Through the Chair, please.

**The Premier (Hon. W. McKeever Bush):** I know, Madam Speaker.

I'm listening over there. I'm listening to them.

**The Speaker:** I am talking to both sides.

**The Premier (Hon. W. McKeever Bush):** I know you are. You are a good Speaker, Madam Speaker. You treat us all alike.

**An hon. Member:** Yeah, he's buttering her up now.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, that is the question I have for them. Who owned the land?

And when the Board found out, was the Board not told who would have control?

And, if Cabinet said that, when did Cabinet say so and when did they publish it?

If the next stage, as the Leader of the Opposition has said, was to be triggered by the EIA (Environmental Impact Assessment), then how long was the Memorandum of Understanding for?

How long?

**An hon. Member:** Three months.

**The Premier (Hon. W. McKeever Bush):** Oh yeah?

And you were going to do an EIA in three months?

Mm-hmm.

Yes, he said three months. I posed the question and he said three months.

Yes.

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** That's how realistic they are, Madam Speaker. That is talking out of both corners of your mouth!

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** What they need to say to the public is that the Port is the Port of this country. It has been dug, it has been anchored, the reef has been dead and nothing is going on there, Madam Speaker.

But, no, they're not saying that. It is so good!

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** Yeah.

**The Speaker:** Please do not address each other across the hall. I'm not going to ask you again.

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** That is what I am saying. They said the process was to be triggered by the EIA, which was three months. But the MOU was for . . . ?

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** Yes.

*[laughter]*

**The Premier (Hon. W. McKeever Bush):** The other way around, Madam Speaker. But I know one does not add up to the next.

Ha, ha, ha, ha. Add it up!

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** Read the press briefing. I read and listened to too many press briefings—

**The Speaker:** Third Elected Member for George Town, address the Chair, please.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, they are asking me to have listened to the press briefing and the fact is that I listened and I listened and I heard too many things that were not true—and it is being proven that it is not true!

*[inaudible interjection]*

**The Premier (Hon. W. McKeever Bush):** Who?

Madam Speaker, look at the process. They can't say that their process has been any better.

There is a stark . . . and I listened to what the Leader of the Opposition said, you know. Because he is good at that—trying to dig a small hole where he thinks nobody can see through, and to point fingers and create doubt, because he is good at it! It's been their long suit for four years.

Madam Speaker, there is a stark difference between Atlantic Star's MOU under the previous Government and what has been done by us. They started with one entity! One! Atlantic Star, who owned the land and where the Port was going to be moved to. Whereas under our Government we started with 12 interested parties and this was comprehensively reviewed and agreed by the Board to be reviewed and reduced to one.

Which procedure, Madam Speaker, does this House believe would give a better result for this country? Which procedure is more likely to get value for money?

Their procedure? The one who owns the land? The one person? Uh-huh. Which?

Yes. Mm-hmm, you will see.

Madam Speaker, I know what the modus operandi of the People's Progressive Movement is, and many more like them. They do not want us to get anything done, so at the end of the day they can say it was not done; or, if they can throw dirty water on it and make it look bad, then they can say, *You see, I told you about them*. That's their modus operandi.

My job is to get it done, to get it done honestly, get it done by people who can get it done, and to ensure that Caymanians get something out of it when it is being done that the money has not gone somewhere, like what is happening up at the schools. Uh-huh.

So, Madam Speaker, that is our job; and at the end of the day, to do something to save the tourist cruise ship industry.

Madam Speaker, the PPM can say anything. And their bloggers that seem to have more time on their hands than anybody else, can go ahead and blog. And the people who support them in the press can go ahead. At the end of the day I have to give results. We have to put people to work. We have to help people save their homes by giving them work. We have to try to right the wrongs in the economy.

Madam Speaker, that cannot be done by talk, accusation, innuendo, poor reporting, and sometimes dishonest reporting. No, it can't! It can't, Madam Speaker.

What will trigger and rectify some of the wrongs in this crisis that we have ongoing with our economy is jobs—hard, hard projects. These are \$150 million projects for people to get work. Never mind who is doing it. Never mind who is doing it, as long as Caymanians are going to get something at the end of the day. And we are going to own that dock when it is done!

Madam Speaker, I had quite a bit more to say. But the truth is I don't need to say any more about the

dock because at the end of the day the proof of the pudding is in the eating. That's the truth. And I will not take the time of this honourable House to pander or play with the PPM—who has nothing to do and doing a lot of it!

One more point about the electricity. I don't know if I should even tackle my friend over there, Madam Speaker—

*[inaudible interjection]*

**The Premier (Hon. W. McKeever Bush):** —because at the time that we asked them to reduce they were projecting a surplus Budget of \$30 million. So we suggested giving the duty rebate back to CUC.

*[inaudible interjection]*

**The Premier (Hon. W. McKeever Bush):** Well, a duty rebate of \$6 million back to the public—to the public—

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** —and that would have reduced the surplus to \$24 million.

But it is different now when we have a deficit Budget, and we have to implement revenue measures.

So, Madam Speaker, if we have to take an additional \$6 million from the public to give CUC a \$6 million rebate, even the PPM should see that as being nonsensical. Only in their sort of accounting practices would that make sense. Only in their dream world. Only!

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** But the deal that they struck, Madam Speaker, is what is killing this country.

**Mr. V. Arden McLean:** Yeah, you wouldn't even have 18 *[inaudible]*

**The Speaker:** Member for East End.

**Mr. V. Arden McLean:** *[inaudible]*

**The Speaker:** Member for East End!

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, they should not test me because I will tell them there's a payback when you see who is going to get the jobs there!

*[inaudible interjections]*

**The Premier (Hon. W. McKeever Bush):** Well, I know this: They can always check and see what McKeever owns. I think they must have checked and rechecked

now, and they will always find that I have no shares in anything in this country except my own shares in my company.

What I do know is that I have stood up against them and I bore the licks for it. And you see who is going there and getting the jobs!

So, what did the bunch of you do?

What did they do, Madam Speaker?

*[inaudible interjections]*

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, let me not follow them because I won't get anything done and that is part of their modus operandi too.

But when you see the sweetheart deals being made, and you see who gets the jobs, then you know that it was a sweetheart deal.

Madam Speaker, we have put forward this Policy Statement and it is projections. And that is all we can do at this time. We will make the projections and we will be studious and attentive and keep to the Budget as best as possible in these rugged times we are facing.

And with that, Madam Speaker . . .

**Mr. Alden M. McLaughlin, Jr.:** *[inaudible]*

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I wish the Third Elected Member for George Town had debated. It would have been a little bit better than to listen to him grumble over there.

Madam Speaker, as I said, we believe that this Policy Statement establishes realistic and achievable targets for all government agencies. We will all have to put on our thinking caps, explore all opportunities to reduce expenses and enhance revenues while always aiming to optimise the wellbeing of the people of these Islands. With God's help he will make the way for us. As he said in Isaiah "Before they call I will answer, and while they are yet speaking I will hear."

**The Speaker:** Thank you, Honourable Minister.

The question is BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the 2010/11 Strategic Policy Statement as the indicative parameters on which the 2010/11 Budget is to be formulated.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, can I have a division, please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Divison No. 6/09-10**

**Ayes: 8**

Hon. W. McKeeva Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour

**Noes: 0**

**Abstentions: 4**

Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Anthony S. Eden  
Mr. V. Arden McLean

**The Speaker:** The results of the Division, 8 Ayes, 4 abstentions. Government Motion No. 4/09-10 is duly passed.

**Agreed by Majority: Government Motion No. 4 2009-10 passed.**

**Government Motion No. 5/2009-10—Parliamentary Pensions Law, 2004—Parliamentary Pensions (Defined Contribution Plan) Regulations 2009**

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks:** Madam Speaker, I beg to move Government Motion No. 5/2009-10.

**The Speaker:** The Motion is moved and open for debate.

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

Madam Speaker, the Motion is entitled the Parliamentary Pensions Law 2004—Parliamentary Pensions (Defined Contribution Plan) Regulations 2009. And for the record it reads:

**WHEREAS sections 27(4) and (5) of the Parliamentary Pensions Law (as amended) respectively state that:**

**"The defined contribution part of the Plan shall be administered by the Board in accordance with this Law and regulations made under this Law", and**

**"Regulations made under subsection (4) shall be subject to the affirmative resolution of the Legislative Assembly";**

**AND WHEREAS The Parliamentary Pensions (Defined Contribution Plan) Regulations, 2009, were laid on the Table during the sitting of the Legislative Assembly held on 18<sup>th</sup> November 2009;**

**BE IT NOW THEREFORE RESOLVED that the attached Parliamentary Pensions (Defined Contribution Plan) Regulations, 2009, be affirmed by the Legislative Assembly pursuant to section 27(5) of the Parliamentary Pensions Law, 2004.**

Madam Speaker, honourable Members will recall that on 15 October [2009], this House approved a short amendment to the Parliamentary Pensions Law, 2004. At the time that amendment was moved it was pointed out that while the Parliamentary Pensions Law, 2004 (which had been passed by this House back in July of 2004 and assented to on the 23 August 2004), had not made provision for the introduction of a Defined Contribution Plan, and while, in fact, some Members of this House had commenced making contributions to such a plan, no regulations had ever been enacted to provide for the disbursements of benefits under that Defined Contribution Plan. As such, regulations obviously were required.

Because contributions had already commenced by some Members, I think going back as far as 2006, those regulations would have to have some retroactivity. Hence, the amendment to the Law (which was passed on 15 October) provided for the regulations when enacted to have retroactive effect.

Madam Speaker, Members will notice that these regulations, which have been laid today, are deemed to have come into effect on 23 August 2004, which is the date that the Parliamentary Pensions Law, 2004, came into effect (the day it was gazetted), and that the regulations provide for the disbursements of benefits to persons who qualify for such benefits under the Defined Contribution Plan of the Parliamentary Pensions Plan.

Madam Speaker, I think that sets out the background as to why the regulations are here, why they have the retroactive component to them, and I would urge Members to lend their support.

Thank you.

**The Speaker:** Thank you, Honourable First Official Member.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If no other Member wishes to speak I call on the mover of the Motion to exercise his right of reply.

**Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

I just wish to thank Members for their support.  
Thank you.

**The Speaker:** The question is BE IT NOW THEREFORE RESOLVED that the attached Parliamentary Pensions (Defined Contribution Plan) Regulations,

2009 be affirmed by the Legislative Assembly pursuant to section 27(5) of the Parliamentary Pensions Law, 2004.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 5/2009-10 passed.**

**Government Motion No. 6/2009-10—Authorisation to Borrow under the Provision of the [Government Securities Law (2003 Revision)] by the Creation and Issue of Registered Securities in the Form of Notes**

**The Speaker:** Honourable Premier and Minister for Financial Services, Tourism and Development.

**The Premier (Hon. W. McKeeva Bush):** Thank you, Madam Speaker.

Madam Speaker, I beg to move Government Motion No. 6/2009-10, which is captioned: "Authorisation to Borrow under the Provision of the [Government Securities Law (2003 Revision)] by the Creation and Issue of Registered Securities in the form of Notes. And it reads:

**WHEREAS section 34(1) of the Public Management and Finance Law (as amended) provides that the Minister for Finance may, on behalf of the Governor in Cabinet borrow money;**

**The Speaker:** Order please.

**The Premier (Hon. W. McKeeva Bush): AND WHEREAS section 4(1) of the [Government Securities Law (2003 Revision)] provides that whenever by any Law or a resolution of the Legislative Assembly, authority is given to the Governor in Cabinet to raise any money by way of a loan for any purpose mentioned in that Law or resolution, or whenever it is necessary to raise any sum of money for the purpose of repaying any loan raised by the Government under this or any other Law or a resolution of the Legislative Assembly, the Governor in Cabinet may, from time to time, raise such sum or any part thereof under the provisions of this Law by the creation and issue of registered securities;**

**AND WHEREAS it is proposed that the Governor in Cabinet shall create and issue registered securities in the form of Notes in the original principal amount of US\$312,000,000 for the purpose of repaying the 2008/2009 and 2009/2010 bridge loan facilities which were arranged for the financing of capital projects and investments;**

**BE IT THEREFORE RESOLVED THAT this Honourable House, acting in accordance with section 4(1) of the [Government Securities Law (2003 Revision)], authorises the Governor in Cabinet to issue securities in the form of Notes on behalf of the Government of the Cayman Islands in the principal amount not exceeding US\$312,000,000 for the purpose of repaying the 2008/2009 and 2009/2010 bridge loan facilities which were arranged for the financing of capital projects and investments.**

**The Speaker:** The question is: BE IT THEREFORE RESOLVED THAT this Honourable House, acting in accordance with section 4(1) of the [Government Securities Law (2003 Revision)] authorises the Governor in Cabinet to issue securities in the form of Notes on behalf of the Government of the Cayman Islands in the principal amount not exceeding US\$312,000,000 for the purpose of repaying the 2008/2009 and 2009/2010 bridge loan facilities which were arranged for the financing of capital projects and investments.

The Motion is open for debate. Does the Honourable Minister wish to speak?

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker.

Madam Speaker, the Government intends to issue a debt instrument as provided for by section 4(1) of the [Government Securities Law (2003 Revision)] which allows the Government to make an issue of securities provided the Government obtains a resolution from this honourable House that authorises the issue of securities.

The Motion is therefore before this honourable House because the Government requires the approval in order to carry out its intention of issuing the securities in the amount of US\$312 million.

Madam Speaker, there are good reasons why the Government decided to launch its debt offerings in the US Public Capital Market. The proposals that Government received for financing encompass two distinct financing markets: The US Private Placement Capital Market and the US Public Capital Market. Government opted for a Public Market Note issue since there was little appetite for a traditional long-term bank loan, and, importantly, a lower interest rate is likely from a public offering as opposed to a private placement transaction. The Notes will be offered only to qualified institutional buyers.

Secondly, Madam Speaker, the Government was advised that the Note offering in the Public Market afforded the Government the opportunity to reach a broader spectrum of the financial market based on the current economic climate, and such competition would have a beneficial effect on the ultimate pricing of the interest rate for the Note issue.

Thirdly, the size of the borrowing is better suited for a Note Issue as opposed to a traditional commercial bank loan.

The size of the Note that Government plans to issue is US\$312 million. This is the amount sufficient to repay the Government's bridge facilities arranged in 2008/2009 under the previous administration with Scotiabank and Trust (Cayman) Limited, the Royal Bank of Canada, and HSBC Cayman Bank and consortium, and the 2009/2010 facility with HSBC Bank (USA) National Association.

These facilities are due to be repaid in full on 31 December 2009 and 23 April 2010, respectively. These are temporary loan facilities and it was always intended that these amounts would be repaid from the proceeds of a long-term financing vehicle.

Honourable Members will recall that the repayment of the 2008/2009 borrowing and the 2009-2010 borrowing is provided for in the 2009/2010 Budget (the Budget just passed), and the Annual Plan and Estimates for the year ending 30 June 2010 as follows:

- The 2008/2009 borrowing as Central Government Bank borrowing conversion of existing facility, which was in relation to monies borrowed under the previous administration to fund capital projects and investments.
- The 2009/2010 borrowings as Central Government Bank borrowings which relate to the ongoing capital projects that are essentially a carryover from the previous administration.

Madam Speaker, the Motion makes it clear how the proceeds of the Note will be used. The proceeds will be used to repay the 2008/2009 and 2009/2010 bridge loan facilities.

The Government, Madam Speaker, is legally not in a position to disclose further details of the proposed Note Issue until it is formally launched in the Public Market. These details are determined by market forces and the appetite of investors for this type of financing and will not be known until after the transaction is priced and the deal concluded. However, the Cayman Islands have a good credit rating and we certainly expect a competitively priced interest rate.

I do ask all Members of this honourable House for their support of this Motion which will allow the Government to issue securities in the form of Notes in accordance with section 4(1) of the Cayman Islands Government Securities Law (2002), in the principal amount not exceeding US\$312 million for the purpose of repaying the 2008/2009 and 2009/2010 bridge loan facilities which will arrange for the financing of capital projects.

Madam Speaker, I therefore commend Government Motion No. 6 of 2009-10 to all honourable Members of the House and ask that they support the Motion.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak?  
[pause]

If no other Member wishes to speak I call on the Honourable Minister to exercise his right of reply.

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker. I don't think I have anything to say. The Opposition went very quiet.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED THAT this honourable House, acting in accordance with section 4(1) of the [Government Securities Law (2003 Revision)] authorises the Governor in Cabinet to issue securities in the form of Notes on behalf of the Government of the Cayman Islands in the principal amount not exceeding US\$312,000,000 for the purpose of repaying the 2008/2009 and 2009/2010 bridge loan facilities which were arranged for the financing of capital projects and investments.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**The Premier (Hon. W. McKeever Bush):** Can I have a division, Madam Speaker?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Divison No. 7-09/10**

**Ayes: 11**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour  
Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Anthony S. Eden

**Noes:**

**The Speaker:** The result of the division is 11 Ayes and no Noes. Government Motion No. 6 2009-10 is duly passed.

**Agreed: Government Motion No. 6 passed.**

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, the next item, which is Government Business, Bills . . . although it is on the Order Paper, we are not ready to move forward with it and it will be carried over to another day's Sitting; that is, the Public Recorder (Amendment) Bill, 2009.

**The Speaker:** If we do not have to continue with that Bill, then I will call for a motion for [the Premier] to adjourn the House.

**Motion to defer the Public Recorder (Amendment) Bill, 2009**

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I think we had better move a motion to carry forward the Public Recorder Bill to another Sitting since it was on the Order Paper today, and I accordingly move that motion.

**The Speaker:** The motion is that the Public Recorder (Amendment) Bill, 2009, be carried forward to another Order Paper.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Public Recorder (Amendment) Bill, 2009, deferred until the next Sitting of the House.**

**The Speaker:** I call on the Premier for a motion to adjourn Parliament.

## STATEMENT ON THE ADJOURNMENT

### Vote of Thanks to Mr. G. Kenneth Jefferson, JP

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, before I move the adjournment I would like to place on record thanks on behalf of all Members to the Honourable Financial Secretary who is no longer a Member of this House.

Madam Speaker, as this session of the Legislative Assembly draws to a close I would take a moment to mark that important event for our Government. It is a historic passing of the torch, if you will. And I am speaking about the Constitutional changes that have resulted in the creation in the Ministry of Finance and the transition of leadership in this important area of our Government from the Financial Secretary to me, as the Minister.

The people of the Cayman Islands have benefited greatly from Mr. Kenneth Jefferson as Financial Secretary, particularly when you consider the myriad of challenges that he has faced since he assumed his duties on 1 November 2004. The aftermath of Hurricane Ivan, the global economic slowdown and the resulting domestic situation with the Cayman Islands Government finances, and the unprecedented scrutiny of global financial centres are just some of the events that Mr. Jefferson had to deal with in the public's interest, and he has done so with the utmost professionalism and integrity.



Long before he was appointed Financial Secretary his long career in the Civil Service (starting in the Budget Management and Audit Departments), as well as his earlier career in public accounting, has been clearly marked with his outstanding work ethic. Respect for his colleagues and a genuine quality in his interactions with others is the most sincere I have ever come across.

Madam Speaker, while my words may seem like a tribute to a departing colleague, the good news in all of this is that we are not saying goodbye to Mr. Jefferson as our Financial Secretary. He will continue to serve the people of the Islands through his role as advisor, senior official and subject-matter expert in all matters related to our finances as part of his new role within the Ministry of Finance. I am pleased to say that Mr. Jefferson will occupy a unique and important leadership position within our new structure.

Sir, I am looking forward to many more years of your involvement. I think the country needs you—we certainly do—and we will continue to pray for you and with you.

Indeed, Madam Speaker, the quality of professionals like Mr. Jefferson, along with the existing hardworking expert staff from the Portfolio of Finance and Economics who are now part of our Ministry, are just what our Cayman Islands Ministry of Finance needs to ensure we continue to not only successfully manage what is before us, but look ahead in securing our financial position in the future.

What I said earlier, Madam Speaker, is that I intend to give them some help, expert help also. The workload is big. People stay at work until one and two o'clock in the morning. Some people work all night. This is what the general public does not know. But that's a fact.

Madam Speaker, I have said before that a strong financial position for the Cayman Islands Government is the basis on which everything else must be built. And it is even truer as we face turbulent times domestically, and as the world tries to recover from the worst financial crisis we have seen since World War II.

Madam Speaker, I was privileged to have served here with my colleague, who was the Financial Secretary, and even as he rose sometimes I had to sit—even though I had seniority in years. But he was the Financial Secretary and Chairman of the Finance Committee. And, Madam Speaker, at all times I can honestly say I do not believe that he ever deviated from that position of a good civil servant taking no position, but to give the Government's position. And it is disturbing to see him criticised [as] just a civil servant who does what he is told to do. But that's politics.

I am indeed glad, Madam Speaker, that we have had a young man from West Bay—my constituency—who sat here in that high office.

*[inaudible interjection]*

**The Premier (Hon. W. McKeeva Bush):** Yes, he is now a part of the Bodden Town district. But he grew up in West Bay and trained there, and played football with us. So, Madam Speaker, you can't easily forget that sort of history and heritage, especially when we share a family tree.

So, with that, Madam Speaker, I want to ask all Members of the honourable House to join me in recognising the significance of this occasion, the hard work and dedication of Mr. Jefferson as Financial Secretary, and the many other Financial Secretaries who have served before him, and to collectively commit to work together for a common good as our newly formed Ministry of Finance assumes leadership of the financial affairs of the country and the policy direction for our financial services industry.

Madam Speaker, I do want to wish him well, him and his parents and, indeed, his good wife. I wish them well and look forward to working with him. I have proven over and over again, in particular just this last week when he was on these international meetings. I was proud that we had our own Caymanian, as I said a West Bayer, who I consider gave some of the best talks to any professional group you would find, small companies and nine hundred billion dollar companies. So, we are grateful and thankful that we have that kind of caliber, that kind of individual. May the good Lord bless him and his family!

## ADJOURNMENT

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, with that I would adjourn this honourable House until 10 am on Wednesday, 2 December, God willing.

**The Speaker:** The motion is that this honourable House do adjourn until Wednesday, 2 December, at 10 am. Does anyone else wish to speak? [pause]

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If not, this House is duly adjourned until 10 am Wednesday, 2 December 2009.

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

**Ayes.**

**The Speaker:** The Ayes have it. This honourable House is duly adjourned.

**At 5.41 pm the House stood adjourned until 10 am Wednesday, 2 December 2009.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**2 DECEMBER 2009**  
**10.55 AM**  
*Eleventh Sitting*

**The Speaker:** Good morning.

I will call on the Third Elected Member for Bodden Town to say Prayers.

**PRAYERS**

**Mr. Dwayne Seymour:** *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, honour 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:** Proceedings are resumed.  
Please be seated.

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

**Apology**

**The Speaker:** I have no announcements.

I have an apology from the Deputy Speaker for late arrival.

I have granted permission to the Premier to present a statement this morning.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**National Trust for the Cayman Islands Annual Report, 2009**

**Hon. J. Mark P. Scotland:** I rise to lay on the Table of this honourable House the National Trust Annual Report for the fiscal year 1 July 2008 to 30 June 2009.

**The Speaker:** So ordered.

Does the honourable Minister wish to speak on this Report?

**Hon. J. Mark P. Scotland:** No, Madam Speaker, only to invite honourable Members to familiarise themselves with the Report.

Thank you.

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

**The Speaker:** Honourable Premier.

**Report on the recent Road Show by the Ministry of Finance, Tourism and Development to the United Kingdom, United States and Asia carried out during the periods of November 8 to November 17 and November 21 to November 29 2009**

**The Premier (Hon. W. McKeeva Bush):** Thank you, Madam Speaker.

Madam Speaker, I wish to provide this honourable House with a report on the recent road show by the Ministry of Finance, Tourism and Development to the United Kingdom, United States and Asia which was carried out during the periods of November 8 to November 17 and November 21 to November 29 2009.

The background: The purpose of the road show was to promote the Cayman Islands as an attractive jurisdiction to investors within the financial services industry. This purpose can be broken down into three specific objectives.

The first of these objectives was to promote the Cayman Islands on a 'non-deal' road show so that when the Government was ready to formalise its bond offering investors would have relevant background information in addition to the information which was presented in the Offering Memorandum for the bond.

This objective relates to the first leg of the road show which was carried out between November 8 and November 17.

The second objective was to promote the Cayman Islands as a first-choice jurisdiction for financial services investors. This objective was promoted throughout the entire road show with the use of several special promotional receptions, as well as during the many meetings the delegation had with investors.

A third objective was to provide an overview of the role of the Cayman Islands Monetary Authority (CIMA) and an overview of the regulatory environment within the Cayman Islands. Information imparted included the reviews of the Cayman Islands Financial Industry by the IMF, the GAO and the CFATF (by providing a synopsis of their positive findings); and the membership of CIMA in such organisations as IOSCO, IAIS, and the others.

The Honourable Attorney General also took the opportunity to comment on the type of legal system to which the Cayman Islands subscribes including the country's most recent decision to establish a special section within the Grand Court to cater to the specific requirements of adjudication of matters relating to our financial services industry. As I said, Madam Speaker, this is within British Common Law.

The road show was organised by HSBC Cayman with the assistance of the various HSBC global offices and, in particular, their New York office.

In addition to myself and members of the HSBC team, the Cayman Islands delegation included: Financial Secretary, Mr. Kenneth Jefferson; Mr. George McCarthy, Chairman of CIMA; Honourable Mr. Samuel Bulgin, Attorney General; and Mr. Paul Byles, Consultant to the Ministry of Finance.

The Cayman Islands delegation travelled to London, San Francisco, Boston, Los Angeles, New York, Singapore and Hong Kong

Let me now comment on the Non-Deal (as we called it) Road Show. The non Deal Road Show was carried out between November 8 and November 17 in London, San Francisco, Boston, Los Angeles and New York. The delegation met with over 30 prospective investors in a series of one-on-one meetings. At these meetings the Cayman Islands delegation made presentations on the attractiveness of the Cayman Islands as a jurisdiction for investment.

Madam Speaker, the delegation met with some of the world's top financial services companies and this provided a unique opportunity for us to put forward a number of key messages to the international community. Indeed, at each meeting the delegation promoted the following messages:

1. That the Cayman Islands economy, while impacted by the global economic downturn, has held up very well and remains somewhat robust.

2. That the Cayman Islands subscribes to the highest international standards of regulation and transparency and is one of the most well regulated international financial services centres in the world.

3. That the Cayman Islands has in place a unique and effective system of fiscal management and governance which is enshrined in legislation, namely, the Public Management and Finance Law.

4. That the Cayman Islands has a diverse and welcoming society of over 100 different nationalities and is a safe and attractive place to work and live.

5. That the Cayman Islands has in place a robust strategy for economic recovery and long-term sustainability, with well over \$3.5 billion worth of inward investment expected over the next three to five years.

6. That the Cayman Islands has in place a new program aimed at encouraging inward investment in the financial services sector and which includes specific incentives.

Madam Speaker, as Members of this honourable House will appreciate, the opportunity to promote and discuss the above messages to some of the world's top financial services firms was a significant and highly valuable exercise.

Indeed, the delegation was able to hear and address the views and concerns about the Cayman Islands held by investment managers and other financial services professionals. The delegation was also able to better appreciate the significant competition that the Cayman Islands face as evidenced by a number of our competitors who have been making aggressive efforts to boost their market share within the international financial services sector.

Madam Speaker, as an example, while we were on the road show we learned of similar promotional efforts by the Bahamas, Jersey, the British Virgin Islands and other key competitors in the areas of financial services and inward investment. In fact, I learned how much even Africa was doing in that regard. Different countries in Africa, that is.

As was communicated by myself during an interview with the media a few weeks ago when I referred to the road show as being 'tough going', the delegation repeatedly encountered two main concerns of investors which were: 1) that the Foreign and Commonwealth Office was making an effort to encourage its Territories to introduce direct taxes; and 2) that the G20 efforts through the OECD Global Forum was placing increasing pressures on jurisdictions such as the Cayman Islands which in turn posed a risk to their financial services industry.

The delegation addressed these concerns, and we believe we did so very effectively, Madam Speaker. As a direct result of the delegation's presentations and our ability to address these concerns, this country achieved much success, as demonstrated in the recent Cayman Islands bond issue, which I will summarise shortly for this honourable House.

In summary, the key points that the Cayman Islands delegation has taken from the various meetings are as follows:

1. That there is fierce competition for foreign direct investment and many countries have already

introduced extremely competitive programs to attract a greater share of foreign direct investment.

2. Not only are existing financial services centres increasing their promotional efforts, but there are also a number of countries (some of them in this region) who are now entering the financial services sector by introducing services similar to those offered by the Cayman Islands.

3. Of particular importance, all of these countries—whether old competitors or new—are making aggressive efforts to provide the necessary incentives to attract business to their jurisdictions, and it is clear that this will be at the expense of the Cayman Islands if we do not have an effective and proactive response.

In fact, we do not need to cast our gaze beyond our own shores, Madam Speaker, since over the past few weeks and while we were on this road show my Ministry has learned of a small number of local financial services firms that are either in the process of relocating some of their operations and staff away from the Cayman Islands or have already made that decision.

While these firms will remain licensed in the Cayman Islands, and will continue to have operations here (and the number of firms is very small, Madam Speaker), nevertheless, it is and must be of great concern to the Government that the economic benefits of having the operations carried out from the Cayman Islands will be lost. Whether it is in the form of loss in revenues from work permits, loss of indirect revenues as a result of the expenditures of their staff in the local economy, or loss of customers for Caymanian businesses, we cannot afford to allow this trend to become significant, Madam Speaker, in the environment we now have to deal with.

So, Madam Speaker, not only do we need to roll out the green carpet for both foreign and local investors, as I have said many times in the past, we also need to quickly make efforts to ensure that existing firms continue to see this country as the first choice both as a place to be domiciled [and], more importantly, as a place to carry out their physical operations.

Madam Speaker, that is why we have put forward certain recommendations and changes in our innovation regime, for which I hear I have been taking a beating.

Madam Speaker, at another time I will speak more about what the Government is doing in response to these challenges and how it will need to make further adjustments to improve the attractiveness of the Cayman Islands as the first choice for investors. What I can say, though, is that all of us in this House, barring none, and every member outside in the general public had better realise that without these companies there will be no Caymanians employed, much less talking about some that have been laid off now. So we can all complain, we can all make statements about how nationalistic we are, but let me stress to one and all—which I know every Member here realises, re-

gardless of the politics that are played—that if we do not change the way we do business and the way we think, and if we continue thinking that we can be so insular as we have been in the past, we are going to suffer much more than we are today.

Continuing with the primary purpose of my statement today, Madam Speaker, which is to provide a report on the road show, I now turn to the recent Cayman Islands Bond Issue.

Madam Speaker, the Cayman Islands achieved much success with the recent bond issue, particularly given the state of global market conditions. As was approved by this honourable House, the Government went to the international financial markets to secure borrowing of US\$312 million.

*[pause]*

**The Premier (Hon. W. McKeever Bush):** Sorry, Madam Speaker, I just had to confer with the Financial Secretary.

As I said, Madam Speaker, the House approved the Government to secure borrowings, which we opted to do through the bond of US\$312 million. And we would all know that that was to pay off last year's bank loans by the last Government, and \$120 million or so to assist with going with the present operation including the loss of revenue that we found and the deficits that we found going forward. So this \$312 million, Madam Speaker, is not to do with any new capital projects and so on, as I understood was being said on some airwaves.

Before going into the specifics of the bond issue, I wish to briefly outline the history of how we got to this point.

Soon after coming into office my administration became aware of an existing effort to go to the international financial market for the issuance of a bond. Indeed, Cabinet had approved that. The Ministry was advised, I was advised that indications were that the Government would face an interest rate of approximately 6 per cent to 7 per cent for an amortising bond. We felt strongly that the approach at that time should be reconsidered given that: a) there was likely to be a need to increase our borrowings given the state of Government finances at the time and, therefore, it would be more prudent to consider a larger bond issue; b) the indicated interest rate of 7 per cent was high and the Government should reconsider its entire approach to this bond issue in an effort to reduce the interest cost to the Government, if at all possible; c) due to the financial crisis facing my incoming Government, it was important to revisit whether we could afford to make the payments on a bond which had an amortising structure, because the combined payments of principal and interest would likely not have been feasible during this fiscal year in order to comply with our debt service ratio.

As I said, Madam Speaker, that document had been signed. That's what we found when we went there.

As a result, our Government invited all of the local banks to participate in providing funding to the Government and we received various proposals. These proposals were in turn reviewed by the Central Tenders Committee (CTC) and the CTC eventually selected HSBC as the winning bidder to arrange the funding. HSBC arranged a rigorous agenda whereby the Cayman Islands delegation would meet with a large number of potential investors over a relatively short period as part of the strategy to obtain a better rate on the markets.

Madam Speaker, I wish to note that the entire delegation performed admirably during what can only be described as an intense, but very fruitful period of travel aimed at selling the positive attributes of this country.

Madam Speaker, I had to say many times to the Financial Secretary that I was glad—I was proud—to be associated with him in his performance to investors, and that of Mr. McCarthy's at most times. Because the truth is, Madam Speaker, they did an excellent job in defending and putting forward our position and to stating quite clearly where the Government was headed, which, of course, was my job in regard to what the Government was doing. But on all the financial matters, the Financial Secretary . . . as I said, Madam Speaker, I could not have gotten a better performance.

The bond achieved a yield of 5.95 per cent. I hear that some are saying that this is high. But, Madam Speaker, this is considered to be a very low yield particularly under the current market conditions. Indeed, Members of this honourable House will also be aware of current reports on the recent crisis facing Dubai which has resulted in higher risk rates on bonds due to perceived risks.

It should be noted that the Cayman Islands was fortunate to have formally settled its bond offering just four days before the events in Dubai began to unfold. Had we not secured the level of success from our road show, which enabled us to close our bond issue quickly, we most certainly would have been negatively impacted by the news coming out of Dubai, likely resulting in higher interest rates, Madam Speaker.

The bond issue was four times oversubscribed as there was an impressive \$1.2 billion order book due to a high level of interest from investors. This demonstrated significant confidence in the Cayman Islands and, in particular, its fiscal governance. And you would be surprised, Madam Speaker, as we spoke to one company, whether that was in New York or whether that was in London, or Boston, or Los Angeles, or San Francisco, how the much the word had gone out and how quickly word spreads. Not being on the Internet, just talking inside an office, you'd be surprised how well people were informed.

At 5.95 per cent, the bond issue achieved the lowest yield ever by a Caribbean issuer on a US dollar public bond offering. It should be noted that during the same week, the Bahamas went to the markets with a bond which achieved a rate of 7 per cent, and we have been informed by capital market experts that the Cayman Islands compared very favourably to this issue after taking into account the 20 year tenure of that deal and the ratings of the Bahamas.

Finally, as a testament to investors' confidence in this jurisdiction, and as a result of our road show efforts, the bond issue was broadly diversified and truly global with the North American investors representing 41 per cent of the deal, Europe representing 29 per cent, and the remaining 30 per cent from Asia, Latin America and the Middle East.

Madam Speaker, to anyone who has been on the radio here, or otherwise on the blogs talking about wasting Government's time, it may be worth mentioning that we compared the eventual price that the Government achieved as a result of the road show to the indicated price when the Government came into office. If we assumed, quite reasonably, a rate of 6.5 per cent, not going to the 7 per cent that was indicated, let's say 6.5 per cent under the previous approach, which is the average of the range (as I said, was indicated 6 per cent to 7 per cent that was indicated at that time), and assuming a bullet bond structure at that time, the total savings over the 10 year period as a direct result of the change in approach and our extensive road show efforts, Madam Speaker, is well over \$17 million that we saved the country. And that is being conservative. As I said, if it had gone to 7 per cent. . . well, look at how much more we would have saved.

So, when they talk their nonsense about wasting Government's time and wasting Government's money, they'd better do their homework before they put pen to paper. It would be good, Madam Speaker, to see sometimes whose names are going on these blogs that they put out. It would be good.

On the promotional receptions, Madam Speaker, I now wish to summarise the final component of the road show, which was the various promotional receptions which were held in key locations to promote the Cayman Islands as a first choice for financial services firms.

The Ministry hosted a total of four such receptions in London, New York, Singapore and Hong Kong. At each reception, I made remarks which promoted this jurisdiction as an attractive jurisdiction for investors. In particular the opportunity was taken at these receptions to promote the recent developed program promoting the establishment of more physical presence operations in the Cayman Islands by financial services firms.

At the reception, there was also a running presentation for the audience which included all of our key messages. We were also accompanied by a representative of Camana Bay at two of these events.

Camana Bay sponsored a promotional brochure as well as a website to assist us in promoting this program and we are grateful to them for partnering with us to promote the jurisdiction.

Madam Speaker, I can say that I did not stop to give Camana Bay any just advertisement, while they had paid; we took the time to mention other areas, such as Cricket Square for office relocation.

The Ministry also partnered with local firms who assisted us by securing the right audience and sending representatives to the events to help promote the Cayman Islands. Key in this were Maples and Calder, in Hong Kong, London and Singapore; and Walkers in the three places, and Ogier's as well, as well as Conyers Dill (I don't think they are called Conyers Dill here, Conyers something else . . . but anyway, Conyers.) They all assisted us, Madam Speaker, and I offer public thanks to those companies for assisting us at that time. They did a real good job.

I am particularly pleased with the way these events turned out. We had very good attendance at the events as we were successful in attracting key players from the financial services industry in the respective countries in which receptions were held. And, as I said, HSBC and those law firms did a really good job.

After the presentation at each reception, the Cayman Islands delegation spoke with representatives of top financial services firms to promote our program and better understand their needs.

The attendance at the events in Singapore and Hong Kong were remarkable, Madam Speaker. We had a significant turnout at these events with well over 100 persons at the Singapore reception and almost 200 at the Hong Kong reception. The feedback we received from all of the receptions indicated that the representatives of the financial services industry very much appreciated our official presence as well as the opportunity to hear directly from us about the Cayman Islands.

It is clear that we need to do this with more frequency Madam Speaker. In particular we lack the presence in Asia—and this is an issue that my Ministry will be addressing because Asia is recognised as an important source of business and our key competitors are already promoting themselves and have either established or are establishing a presence in Asia. Therefore my Ministry plans to re-establish a presence in Asia to address this issue. We can no longer afford to ignore that giant (Asia) as it is fast becoming one of the most important regions when it comes to financial services. The evidence of this can be seen from the increasing presence of the various law firms there, including some of Cayman's top firms.

While I do not wish to dwell on the past, Madam Speaker, I do wish to remind this honourable House and to make the point—because if all of us were not here, some of us were—that it was rather unfortunate that the previous Government decided to reverse my Government's earlier decision and to

knock down the presence we established in Hong Kong which was aimed at promoting the country's interests in Asia. We are now behind, falling far behind because Clifford and his Government took that decision. Indeed, if this [had not been] discontinued we would have been much, much further ahead today.

And I say this, Madam Speaker, because our key competitors are increasing their efforts in Asia and we have also heard directly from the financial services representatives in Asia that they would like to see and hear from us more frequently. In this regard the Ministry will be establishing some promotional efforts to keep potential and existing clients regularly informed and up to date on the Cayman Islands business environment.

Madam Speaker, I can say that we will not stop there. We intend to promote this country much more seriously than was ever done on the four continents—in Asia, in Europe, in the United States and in South and Central America—because business is there and that is what the Cayman Islands does. We do business! That is what our people depend on. That is what has given us this standard of living that we all have. And why some people do not understand that . . . I just cannot understand myself why they refuse. I know they must understand it, but they refuse to say so at necessary times. So, we will have to spend money to do the promotion, but it will yield money in various ways, Madam Speaker, in ways that we cannot give up.

At the time they closed the office in Hong Kong, I was told here in this honourable House while I was in Opposition that they were closing it because the local companies that were there could promote. Those local companies promote themselves; they do business for themselves. What about all the other small companies and smaller firms in the country? Those big companies are not going to send them business. They are there to get business for themselves. So we have to promote Cayman not just in the legal business but in all the various areas. That's what I said then, and that's what I say to this honourable House today. We cannot sit back on our laurels of the past. The past is the past. We have to look to the future; we have to plan for the future.

In this regard the Ministry of Finance will be establishing some more promotional efforts to keep potential and existing clients regularly informed and up to date on the Cayman Islands business environment.

Finally, I wish to summarise the value of these promotional receptions, given that with such significant travel as the delegation recently undertook, there were these questions about efficacy, especially in these challenging times.

As a direct result of these efforts, the Ministry has received tremendous feedback on the attractiveness of the Cayman Islands as compared to our key competitors. And I will say this, Madam Speaker,

while we are not the only girl on the block we are still a beautiful girl!

We have also seen some direct interest from firms looking to relocate to the Cayman Islands. Furthermore, we were able to promote our key messages to top decision makers in leading international financial services centres. Madam Speaker, these are huge companies. We are not talking about *feyah-feyah* companies. We are talking about companies well over \$900 billion in assets, but interested in this country.

More importantly, Madam Speaker, we were able to secure the best possible interest rate given current market conditions as clearly evidenced by the record lowest yield ever on a bond for a Caribbean issuer. There is no doubt that this alone is worth millions of dollars in interest savings.

Finally, and critically, we now have a high quality database of professional contacts, key markets across the globe that we will now use for marketing purposes and relationship building Madam Speaker.

Madam Speaker, it only leaves for me to thank all of the members of the Cayman Islands delegation on the road show as well as all of the civil servants which were involved here in assisting the various aspects of the road show—Mrs. Gloria Myles, Mrs. Debbie Welcome, from the Treasury. So, Madam Speaker, we certainly offer those two ladies, two civil servants, special thanks. They worked late into the morning sometimes. All of this came just after the May elections, and people wonder what you were doing. But all of this took time. We had to do it, or else.

I commend also the Financial Secretary and his team, Mr. George McCarthy, Chairman of CIMA, the Honourable Samuel Bulgin, the Ministry's consultant Mr. Paul Byles, and, as I said, the team of dedicated civil servants that assisted in this very important effort.

In summary I say that there remains much to be done, but much has also been achieved over the past couple of weeks. I am proud of the accomplishments thus far. We have only just begun.

**The Speaker:** Thank you, Honourable Premier.

I also have a statement from the Minister for Education, which he has asked to present at this time.

#### **Writ by Tom Jones International (TJI)**

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

On Monday, 30 November 2009, the Cayman Islands Government was served with a Writ by Tom Jones International (TJI) which was filed with the Grand Court for claims in connection with the John Gray and Clifton Hunter projects. The Writ relates to extraordinary payments that TJI had demanded as part of negotiations outside of the contractual obligations. The Government's position is that these de-

mands are not due or payable, and the Writ will be defended vigorously.

It is the Government's position that TJI wrongfully abandoned the projects in breach of the contracts. Notice of termination was given to TJI last week, and is effective as of 4 pm today. The termination of TJI was necessary, valid and absolutely justified. It remains the Government's position that all certified payments have been made.

Plans are being developed in consultation with experts to complete the school projects in as cost effective and timely a manner as possible. In so doing the Government will be seeking to mitigate any losses caused by the breach of contract by Tom Jones International. As soon as the Government is in a position to give details of these plans, the plans will be made public.

The main focus for the Government will continue to be on ensuring that the key educational goals for our students are met.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Minister.

## **GOVERNMENT BUSINESS**

### **BILLS**

#### **Suspension of Standing Orders 46 (1) and (2)**

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker. I move the suspension of Standing Orders 46(1) and (2) to enable the bills upon the Order Paper to be read a first time.

**The Speaker:** The question is that Standing Orders 46(1) and (2) be suspended.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Orders 46(1) and (2) suspended.**

## **FIRST READINGS**

#### **Public Recorder (Amendment) Bill, 2009**

**The Clerk:** The Public Recorder (Amendment) Bill, 2009.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for Second Reading.

**Monetary Authority (Amendment) Bill, 2009**

**The Clerk:** The Monetary Authority (Amendment) Bill, 2009.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for Second Reading.

**Companies (Amendment) (No. 2) Bill, 2009**

**The Clerk:** The Companies (Amendment) (No. 2) Bill, 2009.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for Second Reading.

**Customs Tariff (Amendment) Bill, 2009**

**The Clerk:** The Customs Tariff (Amendment) Bill, 2009.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for Second Reading.

**Money Services (Amendment) Bill, 2009**

**The Clerk:** The Money Services (Amendment) Bill, 2009.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for Second Reading.

**Suspension of Standing Order 46(4)**

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker.

I move the suspension of Standing Order 46(4) to enable all bills to be given a second reading.

**The Speaker:** The question is the suspension of Standing Order 46(4) to enable the bills to be given a second reading.

Those in favour please say Aye—

**Mr. D. Ezzard Miller:** Madam Speaker.

I wonder if the Government would consider including the suspension of Standing Order 52(2), which requires two days' notice of a motion of amendment in Committee stage.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, when we get to that point I certainly will consider it . . . at the Committee stage, when we hear what the amendment is, of course.

**The Speaker:** The question, again, is the suspension of Standing Order 46(4).

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(4) suspended.**

**SECOND READINGS****Public Recorder (Amendment) Bill, 2009**

**The Clerk:** The Public Recorder (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker.

I move the Second Reading of a Bill entitled, The Public Recorder (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved, does the mover wish to speak thereto?

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I present the Public Recorder [(Amendment) Bill, 2009], to increase the fees charged by the General Registry department for the recording, copying and certification of certain legal documents under the Public Recorder Law. These documents typically include wills, bills of sale, debentures and deed polls.

The specific changes being proposed in this legislation are the recording of documents. For documents containing one or more pages a set fee of \$100 is proposed. Currently documents are charged a flat fee of \$25 for the first page and \$10 for each additional page. During the 2008/09 financial year, 98 per cent of the 2,383 documents recorded under this legislation consisted of one page.

The copying of documents: introduction of a standardised charge of \$50 for each copy of documents registered under The Public Recorder Law, the certification, there is a \$50 introduction charge for each copy of a document certified by the Public Recorder.

The Ministry of Finance is forecasting that the changes proposed in this legislation will result in additional revenue for the Government in 2009/10 financial year.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Third Elected Member for George Town.



**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker, just to make an observation which would apply to all of the bills which are before the House this morning, in that the Opposition has said what we think about the prospects of these various measures realising the sum that the Government expects in relation to increased revenue, and to reiterate our concerns about overall viability of the Government's budget and projections, and to invite the Honourable Premier (or whoever is going to be charged with dealing with the remainder of the bills) to provide to the House some update or some indication as to how well the Government's budget projections are performing, or how closely they are performing in relation to what has been projected, what has been proposed because we believe that it is important that we have some understanding of how likely it is that the targets are going to be met.

So that is really the only thing that I wish to say, Madam Speaker, in relation to this Bill.

I will hear what the Premier has to say in relation to the other bills that are moved and reserve my right to debate them as and when they are put forward.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

If not, I will call on the mover of the Bill to give his reply.

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker.

Madam Speaker, the request by the Third Elected Member for George Town, one of the leaders of the Opposition, would be fair if he hadn't just left Government. But he just left Government, Madam Speaker. This Government . . . the ink is not dry on our signatures as Members yet!

Just to say to him, Madam Speaker, that the major payment of fees takes place between December and March in this country. So when you talk about the projections . . . as I said, I do not think that we can give those figures at this time; but at a proper time, God willing, early in the New Year, because we will track what is going on and I will get an update as Minister of Finance to keep track of where we are. I will certainly say so to the public of this country, that is, the projections and also on the performance.

Madam Speaker, we hope that our projections are fair and that they will meet what we have said. But that is all we can do. We can only do two things: we set a budget, we plan. The next thing we do is try to make sure that expenditure is maintained at the level we planned, or less. The third thing is that we go out and try to make business for the country to support the private sector, do what we can to help them be-

cause that is where we are making our money. That is where the money will come from.

So, do not come into this House and talk about where the money comes from or how well we are going to be on track. While you're out there beating up the Government, I am helping the private sector to bring money in because the private sector cannot do this unless they get staff.

So, when you are on the radio, when you are out there writing your blogs, or you have your supporters writing your blogs and sometimes withholding names, just remember all that you are going to come back and ask.

And because I have been in this House for 25 years I know—I know—who is who and what you all are doing. And you can't speak out of both corners of your mouth. You can't come here and talk about the need for it and then go out there and try to kill the Government for trying to do something about it. I often said, Madam Speaker, that the people who burn down the fire station are the ones who sit on the sidewalk cussing the fire officers and asking why the fire officer is not doing anything about the station being burnt down.

In due course, Madam Speaker, we will take our responsibility and inform the public of this country as to where we are with the budget.

What I would like to hear from the Opposition on each specific item is what would have been their position. What do they offer in place?

**The Speaker:** Thank you, Honourable Premier.

The question is that a Bill entitled The Public Recorder (Amendment) Bill, 2009, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Public Recorder (Amendment) Bill, 2009, given a second reading.**

#### **Monetary Authority (Amendment) Bill, 2009**

**The Clerk:** The Monetary Authority (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker.

I move the second reading of a Bill entitled, The Monetary Authority (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved, does the mover wish to speak thereto?

**The Premier (Hon. W. McKeeva Bush):** Thank you, Madam Speaker.

This Bill permits the Government to do the following:

1) grant the Governor in Cabinet the authority to vary the paid up capital of the Cayman Islands Monetary Authority (CIMA) and to transfer any excess capital to the general revenue of the Islands;

2) increase the fees charged for certain administrative services provided by CIMA; and

3) introduce new fees for certain administrative services provided.

Clause 2 of the Bill covers the amendment necessary to grant the Governor in Cabinet the authority to vary the paid up capital of CIMA and transfer any excess capital to the general revenue of the Islands, and this particular amendment is a crucial component of the budget as it will permit the Government to extract up to \$10 million in excess cash from CIMA to help fund the Government's planned 2009/10 activities. Members can see this if they refer to page 285 of the 2009/10 Annual Plan & Estimates document that was tabled on 2 October 2009.

Clause 3 of the Bill amends the second Schedule of the Monetary Authority Law (2008 Revision) to permit the increase of existing [fees] and the introduction of new fees for certain administrative services; that is, provision of certain copies of licence or certificates and various application fees for the processing of amendments or documents on file for various types of licensed entity. And the Ministry of Finance is forecasting that the changes proposed in Clause 3 of this Bill will result in additional \$1 million in revenue for the Government in 2009/10 financial year.

Thank you.

**The Speaker:** Thank you, Honourable Premier.

Does any other Member wish to speak?  
[pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

The Honourable Premier has said a number of things in relation to this particular Bill, but overall in relation to the position of the Opposition. I believe, Madam Speaker, that we need to make clear again what our position is in relation to these matters that involve increases in expenditure on the basis that this is going to result in a balanced budget.

Madam Speaker, the first point we made, and I reiterate here, is that we believe—we believed then and we still believe—that the efforts of the Government to balance the budget in the course of one year, or less than one year, actually, as far as these revenue measures are concerned, is overly ambitious and that it will not yield the revenue that is projected.

Secondly, we believe that the imposition of these—all of these increases all at once—will end up

having and will have a negative impact on business generally.

Madam Speaker, just to set the record straight, I do not write blogs. I have not ever gone out anywhere, including this House, and bashed the Government about these revenue measures. I have been in Government. As he said, we just left. I understand full well the challenges that the Government is dealing with. But it is time for the Premier to accept that he has put forward a budget. It is not the Opposition's budget; it is the Government's budget. And asking the Premier to indicate how well the revenue is performing as against the targets is a perfectly reasonable position for the Opposition to take. In fact, the Opposition has a duty to do so.

We too, Madam Speaker, stood in this House and sat in Finance Committee and operated on the basis of projections and on the basis of advice given to us. And the whole world knows what the result of all of that was. So pardon us, Madam Speaker, if we have some unease about what is being proposed. And the big concern that we have is this: What if the projections are way off? What is the fallback position?

What is Government's contingency plan when we get to April, May, and it is clear that the country is looking again at a significant deficit? Where does that place us in relation to the United Kingdom and all of the things that they want us to do and not do?

That is the concern, Madam Speaker, that not just the Opposition has, but people in the business community have because they talk to us about it. This is all well and good on paper. And it has avoided, for the time being, the pressures of the United Kingdom in relation to seeking to have us impose direct taxation.

We don't want that either! We wrote a letter, quite some time ago to the Premier saying that we stand in solidarity with him in opposition to the imposition of direct taxation. So we don't want that to happen either. But we want to have some confidence that the Government is looking at what it will do if the budget does not perform as we all hope it does.

And in case anyone is in any doubt, I want everyone to understand that the Opposition is praying and hoping that we do end up with a balanced budget. This is our country as well.

**The Premier (Hon. W. McKeeva Bush):** Oh, yeah. You reckon?

**Mr. Alden M. McLaughlin, Jr.:** And this is no time, Madam Speaker, for major division about issues like that.

But the Opposition would be failing in its duty if it did not set out its concern about this and to ask the Government—ask the Premier, in particular—to indicate how well overall the revenue is performing as against the projections which have been made.

Now, I take his point, Madam Speaker, very well, that in relation to, certainly company fees and so

forth, that January to March . . . well, actually from late December, is when those start to come in. So I take that point. And no one is asking for him to say categorically that everything is going to be well. What I think we are asking, and what I think we are entitled to ask, is how well overall is the budget performing.

We are now at December, almost at the end of a full six-month cycle. We would like to know, as I think everyone would like to know, are we doing reasonably well? Is it expected that any shortfall will be made up in the months of plenty (or at least historically the months of plenty) January to March? That is all that we are asking. And I think that it is a reasonable request and ought not to result in beating up the [Opposition].

The whole world knows what the situation was when we left office, at least what the Government says was the position was when we left office. So we are not in a position to say more than we have already said about that at this stage. It is time to move beyond that and to say how well the new Government's budget is doing.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Third Elected Member for George Town.

Does any other Member wish to speak?  
[pause]

Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, as outlined by the Honourable Premier, the ink—not only on the Government's budget but, indeed, on the instruments swearing in the new Government—is still very much wet. And, Madam Speaker, that is not an excuse; that is an absolute fact, for just last Friday (27 November) would mark six months since taking office.

As the Third Elected Member for George Town would very well know, due to the timing of the elections we had to put forward a position back in June that would pre-appropriate unto itself the ability to spend without having formulated any specific policies, in particular revenue measures. So for the Member to ask the Honourable Premier, the Minister of Finance, to provide an update on how this Government's Budget is doing . . . he quite rightly knows that the Honourable Premier cannot do that because we are here now debating pieces of legislation that will give effect to the very revenue measures that the Government has proposed and those proposals were only in October of 2009.

He also well knows that outside these particular pieces of legislation which will have effect from a calendar year perspective, that is, they are going to have effect from 1 January 2010, that the other large revenue earner is going to be the proposed increases to work permit fees.

He also knows that in addition to that the other revenue measure that will produce significant sums, anticipated significant sums for the Government, would be the Customs amendment. Those, too, need to have time to start to perform. And certainly, Madam Speaker, it is not a reasonable request on the second day of December 2009, when these Bills (the results of these Bills), have had no opportunity to perform. So the argument put forward today is politicking at best.

On the one hand the Opposition says, *Here's the olive branch that we stand in solidarity with you to fight against the forces that are asking us to change fundamentally the way in which Government collects and earns revenue.* But [with] the same hand he takes that olive branch and starts to beat us with it, talking about *Let's see where the projections are,* quite cutely.

Madam Speaker, the Opposition bench is rich with Members who know how to play the game and art of politics in this House. They well know that the position they just put forward is one that goes two steps forward, three steps back, and [they] expect the Government to play along with that cute game. They know that there has been no opportunity for the Government's Budget to perform thus far. We have to wait like everyone else until January, February, and March and start to see what is happening, to start to see how much development starts in the country, to start to see what this tourism season is going to look like.

Madam Speaker, we have to look at what amounts of monies have to be expended to clear up all of the accounts payables that we inherited. The thing is and—the fact is, no excuse, speaking from a factual position—when we look at the first 12 months of operation as a Government we are largely handcuffed by the situation we have inherited.

Now, there is a fair comment that, yes, the Government has to look very closely at the results of its revenue measures in the first quarter of 2010 and at that point make adjustments and decisions about the way forward based on that performance. But until we as Members of this House are mature enough to sit down together and talk about the date of the general elections, to change the date of the general elections to ensure that we don't have governments coming in with a pre-appropriation of some four months, one-third of the year—which is a continuation of the previous Government's policies and Budget—we are not going to have the type of situation for the analysis that the Member speaks to.

If we want that type of analysis we need to have a situation where an incoming government can, in a timely fashion, be able to put together its policies via its budget and have them implemented very shortly after the beginning of the financial year of the Cayman Islands Government.

I have a lot of respect for the business community. Indeed, we are working very closely with the business community. So the reference by the Third

Elected Member for George Town [Mr. Alden M. McLaughlin, Jr.] to the fact that the business community also speaks to them . . . I am happy to hear that because I certainly do not know where the dialogue broke down. They wound up . . . and the excuse they use is, *Oh well, before we knew it the Government's Budget was under performing and we tried in February 2009 to stop the bleeding because at that point we realised that we were going to incur a huge deficit.*

Madam Speaker, no one has a crystal ball or a magic wand. But the now Premier moved and I seconded a motion in February [2008] that asked the then Government to look at their priorities and reprioritise their planned expenditures because all indicators were that the world's economies, in particular the United States, were going into recession and that they ought to consider very closely their plans.

The same Third Elected Member for George Town was the one that ran hastily into the Tom Jones' contracts in May [2008] three months later.

Madam Speaker, what is difficult now is that the Opposition comes trying to play a very cute game of semantics to talk about performance of the Budget knowing full well that we do not have the information. The information isn't there. The Budget has not started to perform yet. Also, dovetailing and trying to bring in for credibility the business community and the fact that they too are wondering.

I say this clearly to the Opposition and to the members of the business community to whom they speak and who have spoken to them, that we need to give the Budget a few months before we can start seeing how it performs. I also say that I certainly hope that whoever it is in the business community that they are speaking to are not the same advisors that they had when they were the Government.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** I suggest strongly that they—

**The Speaker:** Order.

**Hon. Rolston M. Anglin:** —need to ensure that their source of information understands this local economy, understands precisely how it works and what can cause their economic activity and a booming economy. And it is not by granting singular large government contracts. We preached it and we preached and we preached it.

Why is the Honourable Premier on the road show? Every country in the world that has real leadership as it relates to economic policy understands that your economic engine has to be driven by private sector involvement. Government involvement can assist if it's done wisely—if Government in a wise way ensures that people in the community are able to earn a living, which is re-spent in the local economy.

Madam Speaker, a few days ago I was thinking . . . And I would be willing to place a bet that the current Christmas cleanup that this Government has undertaken is going to cause as much spending in the local economy as some of their capital works expenditures did in a full year. We tried to explain to them that large projects issued to single contractors who then employ a large number of people (many of whom are the subject of a term limit policy) are not going to cause the type of local spend that reaches the masses.

The fact of the matter is . . . will they buy from local suppliers? Yes. But they also have to by nature purchase large pieces of equipment overseas that are not manufactured here. And even the local businesses that they do support, a significant number of those businesses have to secure their product overseas. So when we start to look closely at that dollar as it is played out of the Cayman Islands Treasury, to whom it is paid, and you try to develop a particular understanding of the economic impact, one will quickly realise that large government projects are not the answer.

The answer is people having confidence in this local economy and spending their money here. The answer is developers understanding that Cayman is a friendly and efficient place to do business. The answer is this country becoming competitive again in the financial services industry. The answer is not having overly zealous nationalistic rhetoric that speaks to taking Cayman back when, in fact, the capital that drives this country, the capital that feeds our people, the capital that used to make Caymanians middle-class citizens is foreign direct investment.

Who owns the major hedge fund administrators? Who owns the banks? Who are the owners?

Madam Speaker, this has been a longstanding economic model, one that has been tremendously beneficial to this country. But when those businesses feel, through the rhetoric of political leadership, as though they are not welcome, that the Cayman Islands is not a place to do business any longer, and they start going to Halifax, they start going to Montreal, places that do have their arms open and are welcoming, places that have changed their immigration and business licensing regimes to be efficient, to be proactive, and we see the jobs start to disappear, we see the unemployment levels start to continue to rise, yet we have a Government that is listening to their advisors in the private sector who are going headlong into multiples of millions of dollars of government debt, and the economy crashes, Government revenues dry up, we wind up in this particular situation.

I suggest to the Opposition that they ought to give the Government's budget an opportunity to perform. I suggest that their supporters in the private sector give the Government budget an opportunity to perform so that we can really look at what this Government's budget looks like.

And, Madam Speaker, in regard to the olive branch that was extended and the fact that the Opposition now claims that they are really hoping and praying that the Government budget performs . . . I wonder why they did not use that same fervour to have supported the budget—instead they abstained.

**The Premier (Hon. W. McKeeva Bush):** Keep abstaining!

**The Speaker:** Order.

**Hon. Rolston M. Anglin:** They said they had no view. Madam Speaker. No view on the budget.

**The Premier (Hon. W. McKeeva Bush):** They abstained.

**Hon. Rolston M. Anglin:** So, Madam Speaker, we have listened carefully and we know that they cannot get up and publicly say that they hope for the Government's budget to fail because they know that their respective constituents would have no part of that. So we are not surprised that they say down here in public that they are hoping for every success of the Government's budget. But, Madam Speaker, we believe that is not the case and the true *modus operandi* of the Opposition.

Madam Speaker, I still do not believe that the Opposition has realised the effect of their actions and decisions. I still do not believe the Opposition has accepted the fact that they took this country's economy and the Government's financial position and left it in a very precarious position. Some would say in ruin. I do not believe that the Opposition truly understands how the economy works.

Madam Speaker, the Government is going to continue to be transparent as it relates to this Budget. The Government is going to continue to monitor very closely . . . but every government has to make adjustments as they move along. I can say, as a Minister of this Cabinet, to our Honourable Premier that the work that he is undertaking is the work that is necessary for a small island state that has tremendous competition out there and that work of going overseas standing up and saying *the Cayman Islands are represented at the table and we want to be a player* is of vital importance. It cannot be underestimated. It cannot be.

The heyday, the glory days of the 1990s are gone. And for those who want to live in those days they stay there. We are not going to live in those days. Business is not just streaming into the Cayman Islands as it once did without people blinking an eye and thinking. Businesses and companies and entities are looking globally and we are seeing now the real effect of that big "G" word "globalisation", and we are feeling the effects of it. So it is time, if we are going to be a part of this global village, that we get out there

and we ensure that the Cayman Islands are going to be a player.

The last piece of advice that I would offer as a member of this Cabinet to our Honourable Premier and our backbench is that we ought to be very careful about who we take advice from. We ought to be very careful because . . . Madam Speaker, this is not politics. This is how I honestly feel.

Anyone who has listened to me over the past four plus years when we were in the Opposition will know that this just is not a position that I am jumping out of the woods with now. This has been a consistent position of the United Democratic Party and that is that the current Opposition, the PPM, fundamentally lacks the understanding of how the economy works. Therefore, we are not surprised that today they would come asking for performance of a Budget that was only brought to the House in October. And I say that, Madam Speaker, with the greatest of respect.

Madam Speaker, these revenue measures are a start on the journey of economic recovery. Are we trying to say that we believe we are going to get everything right the first time? No. When we see an error we will be men and women enough to get up and say it and make the adjustments necessary. That is what governance and leadership requires. We cannot be so hung up in our own way, on our own agenda, on our own political position that we refuse to make adjustments and changes because we are too proud to do so, or we are so afraid of what the people will say.

At the end of the day the people elect us to make the difficult decisions. The people elect us to make the calls. That is what representative government is designed to do.

So, Madam Speaker, I can honestly and truly say that the Government has been as considerate as it can be in regard to the information that we have given. The Government can only truly monitor its activities over the next four or five months. But then we are going to start to see emerging what the results of these policy changes are.

We are encouraging as many people in the private sector as possible to take the lead to listen and follow closely what the Honourable Premier is saying and where the Government is heading. Because the more people sit on their dollars and say they are waiting, the worse the economy is going to be.

I believe that despite all of our many challenges that the Cayman Islands still have the capacity to rebuild the economy and Government finances. But, Madam Speaker, it requires the private sector to be on board with us. We are going to provide the framework and the platform for businesses to thrive. We are going to make unpopular decisions—even those that relate to immigration—because we have to do what we have to do.

Madam Speaker, with those few comments I will now rest my case and I look forward to smooth

passage for this and the rest of the bills before this honourable House.

**The Speaker:** Thank you honourable Minister.

We will now suspend the House until 2.15. Thank you.

#### Proceedings suspended at 12.25 pm

#### Proceedings resumed at 2.45 pm

**The Speaker:** Proceedings are resumed. Please be seated.

When we took the suspension the Minister for Education was just finishing his debate.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If not, I will call on the mover of the [Bill] to conclude his debate.

**The Premier (Hon. W. McKeeva Bush):** Thank you, Madam Speaker.

Madam Speaker, I consider that my colleague, the Minister of Education did an excellent job in rebutting the Third Elected Member for George Town who rose again to talk about the Government's budget process. And he did say (the Third Elected Member for George Town) that they believe the efforts to balance the budget in one year is ambitious and will not yield the benefits we expect.

Now, Madam Speaker, the PPM certainly has not thought through what they said, because when we took over Government and found the financial mess that the country was in, we certainly . . . and I also talked with the Foreign Office in the first days about how we would proceed with the budget and deficit. However, when we got down to talking [brass tacks] with the Foreign Office we recognised that they were playing their hard game of putting forward revenue measures that we believe was not going to work.

Nevertheless, we wanted to hear them out and we wanted the country to know what they were saying. Therefore, I took the opportunity to read the letter that I had gotten from the Foreign Office because we wanted the country to know that this was not coming from the Government; it was coming from the Foreign Office. In that discussion with them when I recognised that they were going that route, we very well could not stretch the deficit over a longer period.

And you would have thought, Madam Speaker, that the PPM would have better sense than to expect to do that since they say that they knew what we were facing with the Foreign Office. Had we stretched the deficit out over a longer period whether another year or two more years, then it meant that the Foreign Office would have had control. It meant that

we would have had to come to grips: we would have had to agree with them on how much we could borrow and what we could do with it,

And I really, really thought that the PPM—in particular, the front Bench of the PPM, the First and Third Elected Members for George Town—would not come into this House and make that kind of suggestion because they know full well . . . They have to know that. The two of them were the leading Members and two who have contributed to the over expenditure in the Government, the First Elected Member for George Town [Hon. D. Kurt Tibbetts] and The Third Elected Member for George Town [Mr. Alden M. McLaughlin, Jr.].

It just befuddles me that someone like the Third Member for George Town can get up and say so smoothly that he is praying and hoping for us, yet, would make that kind of suggestion. How? How, Madam Speaker?

So, tell me then, he wants for them to be down here handling the Finance Department of this country. Is that what the First Elected Member for George Town wants? The Leader of the Opposition? Because that is what it would be! The three Members who sit behind them should not be supporting them in this because they ought to know that is what would happen. And if they don't understand the seriousness of what I am saying and what the two Members are saying (they might not have recognised it or might not have realised it), that is the end result. It means that we would not be compliant. And, in fact, the Foreign Office was playing such a cute game that they were telling us that we could not even borrow the full amount we needed, which was to pay the bills left by the two Members.

So, what does that mean? It means that if we could not put a budget forward that projected a balanced budget the Foreign Office had the control that we would not have been able to go out to world markets and get that bond. We would not have been compliant according to the law, according to the FCO Minister. And I have said often that they were not all wrong. We have to find a more solid revenue stream and that is what we are doing with the review. But that was the game they were playing.

So, don't tell me that the First Elected Member for George Town who leads the Opposition and the PPM—and who has been in this House for four terms and claims to know that he knows something about accounts—does not understand that. And the Third Member for George Town who is a lawyer by training, that he does not know that. Madam Speaker, they know! And it is hypocritical (to say the least) for him to come here and make a proposition that we should have our budget stretched over a longer period of time.

Madam Speaker, in all of my life I have had to take chances. From the day that I could go to school I had to take chances walking to school, defending myself at school, much less growing up in the 1970s, late

60s and 1970s. I have had to take chances. But you have to make judgment calls, Madam Speaker. You cannot sit down and waffle as they would like the country to have done. Where would we be today? Where would we be this afternoon? Would we have been able to go out and get that money and pay off their bills, Madam Speaker? No! The \$312 million!

I listened to the Member for George Town because, as the Minister of Education said, he likes to do this kind of stuff and it is the PPMs long suit to say one thing up front and be something else behind the scenes. He said that it is time to move beyond that, which means that there is no time for major divisions. That is so true, but are they playing that game?

No, Madam Speaker, it is so hypocritical.

What they need to do is ask themselves if the budget could do any better. That is what they need to really say to themselves. And they are always on the radio now, something they didn't do before. When they left such a financial mess, ask themselves that question. How much did we spend? How much did we spend on three projects? And although I have some very good friends on that side, Madam Speaker, I leave none [of them out] at this time because the question must be posed to them, for them to get up here and deride our position on budget . . . and in particular since I am now [for] the first time being responsible at this point in time.

They spent on three projects well over \$240 million and did not have the money to do so! They started the project of the Government Administration building telling us that all the civil servants were going to be in that building! And how many is it going to hold?

Eighty-eight million dollars! What they did not even tell us (as I recollected in Cabinet yesterday) is that there was going to be another \$10 million on that \$88 million. They did not tell us that. They did not!

It is \$10 million in costs, various fees and expenses. Ninety-eight million dollars! Professional fees and expenses, \$10 million. They did not tell us that! Two major components! They did not even tell us that they were putting in a lesser window than what the hurricane standard might be! They didn't tell us that either! All of this cost money! All of this has impacted the budget position and what we had to come here to do.

Madam Speaker, never mind, we haven't gotten yet to the mess that the former Minister of Education left with the schools. I hear him fighting now with Tom Jones. Fighting with Tom Jones saying that he thinks the Government is right. Certainly we are right! It is he [who] has been wrong! He, who would not listen when I drilled him here in Finance Committee . . . I took nearly half of a day trying to get questions out of him and telling him, *Look, you are going in the wrong direction. This thing has to cost more money than what you are saying.*

And when he told me, *Look, this is going to cost \$58 million and there is no Caymanian that can*

*do this job*, I said, *Man you got to be mad; this thing is going to cost much more than this.* They would not listen.

And now, Madam Speaker, he has the audacity to come here and preach to me and, as the old people would say, *hiv flares*, at civil servants and said that we must not follow their projections.

Madam Speaker, had he listened to a little bit of what I said that day the country would not be in the mess it is now—with two schools that we could have very well gotten about five for in that sum of money—and we would not have been in the kind of problems we are today. We would not have been in the kind of problems this country faces because we are not done yet. We are now sued and have to go back to fight that. We have to finish the schools, and finish the schools we will! Because one thing the Member said that is right—we have to have schools.

What we were saying all along is that a building does not educate children. Neither does a nice block home building make a home. They wouldn't listen. And while he says that his projections . . . in other words, what he was saying was his government was misled. Madam Speaker, where was all their expertise if they were so misled? I don't believe that, Madam speaker. I have my differences with the administration because we are all human. I have my differences at times.

But, Madam Speaker, when they put their figures to us we could only sit down and say we hoped it was right. We looked at it through and through and got advice from the private sector. But you note that when Mr. Tibbetts, the Leader of the Opposition, debated the budget, he did not take anything and go through it and say this or that is wrong, and this could not be right. And if he had had that kind of vision and that kind of management capacity and capability then that is what he should have done. But he didn't because the administration could not do any better than what we brought here and they knew it. His job was to find a way out, and his way out was to broaden "the speak" without going into [whys] and wherefores of the whole situation. And they come here today to deride and decry (somewhat in a sweet manner sometimes), but, Madam Speaker, I've seen situations where crocodiles smile at ya.

He said it is not his budget. Let me tell you when we produce a budget here, yes, the Government brings it but it is the budget of this Legislative Assembly. It is our responsibility to say yes or no unless you are not in your seat. And it is time that the country understood the kind of games that the PPM has played in this country. And they come back after taking the country away for four years to play that same kind of old donkey brain game again?

No, Madam Speaker, that is not right for the country. That is not nation building. Talking about getting Constitution for nation building, when we come back to play these kinds of games so that you can do the same thing for four more years and fool the people

again! No-o-o, it is not right! It is not right what they are doing.

There's no real olive branch, Madam Speaker; it is a piece of two by four with the nails driven through it. Any time they hand it to you they jerk it back and destroy your hand. It's no olive branch. You're lucky you don't get licked in the head with it. That's all it is. That's all it is!

What if the projection fell short? And about the UK. . . How can they come now and talk about the UK? Don't they realise what I just told them?

Madam Speaker, we would have to worry about the UK if we hadn't put these projections forward in this budget. Don't they understand that?

Madam Speaker, if they want something to do, [they should] sit down and figure out how to get the country out of this mess and put their proposal forward. That's what they need to do. Stop playing these games. Stop trying these spin games that have been going on for the last six or seven years in this country. Stop it! It's not getting the country anywhere. All it does is make good for the blogs and one or two newspapers. That's all it does. And so they get a good hearing and go on the radio and blame somebody else again. This is not nation building; this is not helping the country.

Madam Speaker, as Minister of Finance, between January and March, if not before, [I] would have been able to make a sensible statement on our revenue measures, and if changes are needed then they will be made. I didn't promise the world that we were going to be perfect. I have not promised that to the country. When I put forward certain measures the industries came back and said *No we don't want a community enhancement fee; we would rather pay on these various things.*

And the truth is that there is some heavy impacting on the businesses. It does impact somewhat negatively the businesses. But these are suggestions that came from the industry.

What we have to do now is to work hard to ensure—because what I said then and what I said in 2001, I repeat now: that while we have to charge you, we are going to ensure that your business makes money. And that then covers the fallout, and that happened in 2001. Mind you, we are in a different environment, there has been the financial crisis of the world, but it is not going to stay that way, and there is light already at the end of the tunnel.

As I said, while the Cayman Islands has its troubles and while we are not the only girl on the block we are still a beautiful girl. All we have to do is make sure that we do the right things. And come hell or high water—no matter about boards, no matter about who wants to curse me in the public, they can throw me out next time if they want and if they want to put back the PPM they can put them . . . But I hope if they do that the PPM will beat them to pieces. But I will say this, I am not worried about it. God willing, I am going to do my job and that job is to get businesses up and

running. And if businesses are up and running and you support the private sector and allow them their immigration freedoms as much as we can while we protect our own people, money is going to come into this country. But some of the noise you are hearing, Madam Speaker, is because of just that!

If we sat down and kept the same immigration regime for instance, Madam Speaker, business would continue to run as it has been doing—it would continue to go to Montreal, it will continue to go to Nova Scotia, it will continue to go back to Europe and the Channel Islands, and the other Territories. It will continue to do that. But we are not fool-fool. I am not scared for people to say bad things about me. They have been saying that about me from the time I could walk. So I am not scared of it. We are going to make sure that business is up and running, and in doing that what we are doing is making better economy. In making better economy, people of the Cayman Islands—all and sundry—profit, even those who don't like us and hate us, for the "Lord rains on the just and the unjust."

Madam Speaker, while the PPM howl we are going to continue to work because that is what will bring us out of this mess. And as I said, come the first quarter of next year, God willing, we will know much better where we stand with our projections. If they are not right and haven't been fulfilled then we will make changes. We have a review underway that the UK asked us to do on revenues and when that comes, what is reasonable will be put in place. Hope for the best and work for the best.

**The Speaker:** Thank you, Honourable Premier.

The question is that the Bill shortly entitled The Monetary Authority (Amendment) Bill, 2009, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it. The Monetary (Amendment) Bill, 2009, has been given a second reading.

**The Premier (Hon. W. McKeever Bush):** Can we have a Division, Madam Speaker?

**The Speaker:** Madam Clerk.

#### Division No. 8/09-10

**Ayes: 10**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour

**Noes:**



Mr. D. Ezzard Miller  
Mr. Anthony S. Eden

**Abstention: 2**

Mr. Alden M. McLaughlin, Jr.  
Mr. V. Arden McLean

**The Speaker:** The result of the Division, 10 Ayes, 2 Abstentions.

The Monetary Authority (Amendment) Bill, 2009, has been given a second reading.

**Agreed: The Monetary Authority (Amendment) Bill, 2009, given a second reading.**

**Companies (Amendment) (No. 2) Bill 2009**

**The Clerk:** Second reading on The Companies (Amendment) (No. 2) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Thank you, Madam Speaker.

Madam Speaker, I beg to move the Second Reading of a Bill entitled, The Companies (Amendment) (No.2) Bill, 2009.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, this Bill seeks to amend the Law in order to permit the following fee adjustments:

- an increase in the initial and annual registration fees for all categories of companies registered under that law, that is, the non-resident exempt and foreign companies;
- introduction of a standardised fee for registered companies to file for an increase in capital;
- to increase the fee charge when a request is made to have a registered company struck from the register; and
- increase the fees charged by the General Registry Department for certain administrative services provided.

Madam Speaker, Clause 1 of the Bill provides the short title and makes provision for the legislation to commence on 1 January 2010.

Clauses 2, 3, 6 and 7 of the Bill contain the amendment to sections 26, 41, 169 and 184, respectively, necessary to allow for the increase in the initial and annual registration fees payable by companies registered by the General Registry under this Law. And the following are the proposed fee increases:

1. For companies with registered capital not exceeding \$42,000 in the current initial and annual registration the fee is \$150. It is proposed to increase this fee to \$300.

2. For companies with registered capital exceeding \$42,000 (which is the current and annual registration) the fee is \$350. It is proposed to increase this fee to \$500.
3. On non-resident companies, for companies with registered capital not exceeding \$42,000 the current initial and annual registration fee is \$400. It is proposed to increase this fee to \$575.
4. For companies with registered capital exceeding \$42,000 the current initial and annual registration fee is \$565. It is proposed to increase this fee to \$815.
5. On exempt companies, for companies with registered capital not exceeding \$42,000 the current initial and annual registration fee is \$470. It is proposed to increase this fee to \$600.
6. For companies with registered capital greater than \$42,000, but not exceeding \$820,000 in the current initial and annual registration, the fee is \$660. It is proposed to increase this fee to \$900.
7. For companies with registered capital greater than \$820,000, but not exceeding \$1,640,000, the current initial and annual registration fee is \$1,384. It is proposed to increase this fee by \$500 to \$1,884.
8. For companies with registered capital greater than \$1,640,000 the current initial and annual registration fee is \$1,968. It is proposed to increase this fee to \$2,468.
9. For all foreign companies the current initial and annual registration fee is \$850. It is proposed to increase this fee to \$1,350.

Madam Speaker, Clause 4 amends section 45 of the principal Law to increase the fee payable by a company on an increase of capital. This section provides the amendments necessary to introduce a standardised fee of \$500 payable by a registered company for an increase in capital.

Currently, under the existing law, companies have to pay a fee equal to one tenth of 1 percent of the amount of increased capital of the company capped at various maximums based on the type of company. This structure is complicated, and in the vast majority of cases, Madam Speaker, results in the fees payable being far below \$500. Rarely, I understand does it result in fees payable exceeding \$500. And the standardised fee is expected to result in collecting significantly more revenue.

Clause 5 of the Bill amends section 156 of the principal Law to increase the fee payable in respect of a request to strike a company off of the register. Currently the fee payable is \$25. It is proposed to increase this fee to \$50.

Clause 8 of the Bill amends section 199 of the principal Law to increase the fees for miscellaneous services provided by the Registrar of Companies and

to prescribe the fee for filing a plan of merger on, or consolidation.

Some examples, of the current miscellaneous fees charged by the General Registry and the proposed increases are:

1. Filing a resolution notice or any other document. The current fee is \$30. It is proposed to increase this fee to \$50.
2. General search fee. The current fee is \$25. It is proposed to increase this fee to \$30.
3. Providing a copy of any document or folio of 72 words. The current fee is \$82 and it is proposed to increase this fee to \$100.

Clause 9 amends section 200 of the principal Law to increase the fee payable for the purpose of expediting matters. Currently, the fee is \$25 and it is proposed to increase this to \$75.

Madam Speaker, Clause 10 contains transitional provisions.

We have developed these fees and in this amendment Bill following extensive consultation with the Revenue Enhancement Committee, the General Registry Department, and key players in the company management sector of the Financial Services industry. The Ministry of Finance is forecasting that as a result of these changes the Government will realise an additional \$21 million in revenues in 2009-10 financial year.

Madam Speaker, Clause 2 of the Bill amends section 26 of the Companies Law to increase the fee payable upon the filing of a Memorandum of Association (MOA).

Clause 3 of the Bill amends section 41 of the Companies Law to increase the fee payable by a company other than an exempted company upon submission to the Registrar of its annual list of members of the company.

Clause 6 amends section 169 of the principal Law to increase the annual fee that is payable by an exempted company.

And clause 7 amends section 184 of the principal Law to increase fees payable by a foreign company.

Madam Speaker, again, we recognise the kind of pressures that come on various companies but we can at this time do no better than to make these projections. And should the economy improve, which we believe it will, we will be able to make some reductions in some instances.

**The Speaker:** Thank you, Honourable Premier.

Does any other Member wish to speak?

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, as debate progresses on this raft of bills which will give effect to the Government's previously announced revenue measures I become more and more concerned.

Matters which were raised by me on behalf of the Opposition, which essentially simply asked the Government to tell us where the country stands in fiscal terms now, have been met with the most vitriolic debate I have heard in this House for some time.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, on a point of order.

Madam Speaker, the Member . . . and I have watched the Member—

#### Point of Order

**The Speaker:** The point of order?

**The Premier (Hon. W. McKeever Bush):** The point of order is that the Member must debate the Bill. And I will ask for your indulgence for me to say what I have to say to explain to you that the Member has, time after time on these Bills—after we sat down and answered him—come back to really offer a comeback to what we have been saying. That cannot happen. He has to debate the Bill, Madam Speaker, before him—the Bill before him. And I am calling your attention to that matter of relevance.

**The Speaker:** Thank you.

Continue please, Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, let me say this, I have been here long enough . . . and over the course of my life I have developed pretty tough skin and broad shoulders and a capacity to absorb abuse, so it doesn't really affect me that much. That's not what the issue is.

The issue is that the Government needs to respond to that request. It is not enough, Madam Speaker, to simply do as the Minister of Education has done.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, the Member must debate the Bill before the House.

**The Speaker:** Two Members cannot be on their feet the same time.

**The Premier (Hon. W. McKeever Bush):** I called your attention to the matter of relevance.

Madam Speaker, the Member must debate the Bill in front of him. He cannot keep going back to what we said in the last debate on the last Bill.

Bring new argument.

The Member must debate the Bill in front of him.

*[inaudible interjection]*

**The Speaker:** I am going to limit all of the debate to the issues before the House because obviously you are going to go back and forth across the hall, and you would be really wasting the time of the House.

Member for George Town, please continue. We are debating the Companies Law 2009, amendment thereto.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, the Companies (Amendment) (No. 2) Bill, 2009, deals with a range of fee increases which are part of the Government's revenue measure package.

With the greatest of respect to the Honourable Premier, I am entitled to refer in my respectful submission to the overall strategy of the Government and the issue which is at hand, which is what is the impact of these fee-proposed increases actually going to be.

And, Madam Speaker, for the Premier to suggest that he can stand up and say all manner of evil, not dealing with the issues specifically, and then to suggest that I should deal with the issue, is unfair.

**The Speaker:** Excuse me?

**The Premier (Hon. W. McKeever Bush):** Point of order, Madam Speaker.

**The Speaker:** Both of you please sit.

The Premier has presented the Bill. He has stuck so far to the principal proponents in the Bill. Please continue to debate on that note and then someone else in your party can respond if necessary.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, I believe the question remaining in the minds of everyone who listens and follows this issue is whether or not the fee increases proposed by the Government, in particular those in the Companies Law (2009 Revision), coupled with the other revenue measures that the Government has proposed and is effecting, will result in the balanced budget which the Government has proposed. For if that is not the result, what, then, must be the question?

Madam Speaker, the Premier has said in this House that he did what he had to do in putting the budget proposals together. There was the great fear, the great concern of the United Kingdom's Government FCO affecting the Government's ability to operate because they were denying the opportunity to borrow as something less than a balanced budget was what seemed to be the reality. Now, Madam Speaker, if that is the case I am even more concerned if what the Premier is saying means that he has simply done what he had to do—whether it is grounded in reality or not.

When these fees are increased is that going to deliver the result? Or is it not going to deliver the result?

Madam Speaker, it is not in my view sufficient to simply say, *Well the Government has just taken office six months ago and the budget was just approved in October, therefore we are not in a position to say how well the revenues are performing.* That is perhaps the case in relation to the revenue increases that are proposed in this Bill, the Companies (Amendment) (No.2) Bill, 2009, and the others that I hear which don't take effect until 1 January. But these are not the sole sources of Government's revenue.

We have had six months—July, August, September, October, November—five solid months of operations in this fiscal year. Whether that involves pre-appropriation expenditure or whether it involves expenditure pursuant to the budget approved in October is neither here nor there from the standpoint of the performance of the Cayman Islands Government. Either when we get to the end of June coming we will have a balanced budget or we won't, and then it will be a question of degree. But there will be no provision made for what was pre-appropriated and what was not.

Then, Madam Speaker, there is also the operational side. How well has the Government performed from an operation standpoint? Are we over budget or under budget? Or are we doing all right?

Despite the suggestion that this is a game and so forth—which I hesitate to even dignify with a response, Madam Speaker—the reality is that those of us who sit on this side know full well the consequence of not having a good grasp on tracking your expenditure. And even when you do, Madam Speaker . . .

In October of last year when we insisted that we reduce operational expenditure in the public service by 6 per cent the result was not only did we not reduce it, but expenditure actually significantly increased compounded by falling revenue. That is how we got to where we [are] with the deficit. It had nothing to do of any consequence of Government's expenditure on the capital side; two separate matters altogether.

It is not the capital expenditure that is creating this crisis for the country – except in the sense that it pushes us up above the debt service ratios, which created a problem there. But we are still only spending about \$20 million a year out of \$565 million budget to service our loans. That's hardly, in real terms, a financial crisis. The problem is on the operational side. And that is why the Government ought at this stage . . . They didn't do it when they produced the budget, we raised the question then. They didn't say what position the country was in and they haven't done it now and they are not doing it now.

One moment, Madam Speaker, if I might.

[pause]

**Mr. Alden M. McLaughlin, Jr.:** So, Madam Speaker—I'm sorry about that need for a break—we are faced with the situation where we have to ask these questions. Government's budget is not based on six months of projections; it is based on 12. All we are asking is how well have we done in these past 5.

I do not think that that is an unreasonable question to ask or an unreasonable [position], even the vilified Opposition that we are, to take.

[laughter]

**The Speaker:** Member for George Town you are being repetitious now.

**The Premier (Hon. W. McKeever Bush):** Yeah.

**The Speaker:** Order over there.  
Please proceed.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, they may get on about the schools and how I am responsible. I'm the *whipping boy*. That's fine. I am used to it. But that is not an answer to this question. It is a means of distracting attention from the point at hand.

And, Madam Speaker, we fear on this side that there is a real reason why the Government is so reluctant to actually square with the country as to what the true fiscal position of the country is now. And we believe with this raft of legislation that is going through, that now is an appropriate time to do it, that the responsible Government ought to do it at this point.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Member for George Town.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

If not, I call on the mover of the Motion to conclude his debate.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, one thing about debate is that when a Member rises and no matter how irrelevant he is the person who is supposed to close the debate can answer. And, the one point I made in the presentation of the Bill is that the fees being increased here have been developed following extensive consultation with the Revenue Enhancement Committee, the General Registry Department and key players in the company management sector of the industry.

And so, when he challenges us on how we have developed these fees he ought to know we just didn't do so. He has been talking to only hear himself

talk—that is all this has been. You don't see anyone of them over there venture to get up and say anything. Madam Speaker, I listened to him.

You see, Madam Speaker, when he says that it is not the capital expenditure that matters . . . that's why we are in a mess! Because that Member would not listen to anybody; charged full ahead, gave out a contract and didn't have the money for it. He says now that there was only \$20 million to pay. That's one of the reasons why their accounting was so wrong. It wasn't the projections by the civil servants on the budget, it was their accounting when he comes here saying that the capital expenditure doesn't matter and that they only have to spend \$20 million. Oh yeah?

Well if that was so why did I have to go out and raise \$312 million for the schools? The vast majority of it for the schools! That does not have an impact?

Madam Speaker, that has an impact because the buildings there are not finished. A lot of work done is not right and headaches and troubles after troubles. Money was spent and we still have to find money. And where does that money come from? Does it come from the capital expenditure of the budget? No! The money comes from the revenue side.

So, Madam Speaker, when you put all of what you have to pay out together, what happens? You don't have enough. That doesn't affect the budget? Oh no? Well if they run their private business like that then, Madam Speaker . . . well, I shouldn't say that because the truth is that's how some of it happened.

I can't understand how he could say, Madam Speaker, that the budget did not say the position of the country. That's nonsense! He's only talking to hear himself. We went through weeks of discussing this matter with the public before we presented it in the budget. So, they can't say that, Madam Speaker.

Madam Speaker, I don't know how he could come now and ask us how the budget is performing after these few months in office. How he wants that so early when the only time that we as the Opposition got a budget update was when they came for more expenditure or when they presented their SPS (Strategic Policy Statement), in this case being a year. That was the only time we found out what was wrong.

Don't talk about freedom of information; that's a joke when it comes to that administration. You couldn't find anything; couldn't get information out of nothing! They had it screwed down so tight! Couldn't get information out of nothing. We had to go and search all over trying to find out what was going on in the country; what was happening with the Government's expenditure. So much so that when we got in there I was really surprised how bad it was.

And he has the bare-faced audacity to come in here playing like he is some economist now and wants to find out how the budget is performing?

Madam Speaker, let me just say that if we came here and if we could say that the budget was in surplus (that is, revenue over expenditure) what would

he say? He would say you are lying. He would not believe us. If we had said the other way maybe he would have believed. We cannot just say that at this time. We just cannot say so. And as I said, he's only talking to hear himself talk, now that I have caught him in the Standing Orders, to repeat the nonsense that he has talked about again.

Madam Speaker, I repeat that when we can give the figures, whether that is in January, February or March, we will have some indication of how the budget has been going. Madam Speaker, I will come to this country and say what the position is. I am not going to wait until the next SPS or the next budget before we come here.

Madam Speaker, I don't think that he said anything else that warrants my reply. I can only say if they really meant what they said about hope and prayer for us they would have voted for the budget and they would now vote for the budgetary matters rather than either running out of the Chamber or abstaining.

**The Speaker:** Thank you Honourable Premier.

The question that a Bill shortly entitled The Companies (Amendment) (No.2) Bill, 2009, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The companies (Amendment) (No. 2) Bill, 2009, given a second reading.**

### **Customs Tariff (Amendment) Bill, 2009**

**The Clerk:** The Customs Tariff (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I beg to move the Second Reading of a Bill entitled The Customs Tariff (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, the Bill is being presented to increase import duties for goods imported to the Islands, increased package taxes, and introduce an environmental tax on the importation of certain used motor vehicles. This is what we said we would do in the budget. These will take effect in the New Year.

The proposed increases in import duties will affect all imports which are currently levied an import duty. All duty-free imports will remain duty-free thus

far. For those imports which are levied import duties based on their CIF (Cost Insurance and Freight) values, it is proposed to increase these rates by two points . . .

Some specific examples of how the increased duty rates will affect imports charged on their cost insurance and freight values are the imports of beef. Fresh chilled or frozen are currently charged import duty of 15 per cent on the CIF value, and this will increase to 17 per cent of CIF value.

Imports of veneers, plywood, compound or constituted wood, are currently charged import duty of 20 per cent on the CIF value and this will increase to 22 per cent of value.

Imports of motor cars with a CIF value of up to \$20,000 are currently charged an import duty of 27.5 per cent; this will increase to 29.5 per cent.

For those imports that are levied import duties based on the quantity of the item imported, those duties were increased on average by 10 per cent with the exception of duty on gasoline and diesel which were left at their current rates.

Some specific examples of how the increased rates will affect import duties charged based on the quantity imported, are imports of ale, beer and other malt liquors. These are currently charged import duty of \$1.50 per litre. This will increase to \$1.65 per litre.

Imports of spirits, unsweetened, containing less than 50 per cent by volume of alcohol, are currently charged import duty of \$10.50 per litre. This will increase to \$11.55 per litre.

Import of manufactured tobacco, which is cigarettes, is currently charged import duty of \$52.50 per 1,000. This will increase to \$105 per 1,000.

### PACKAGED TAXES

Madam Speaker, the Bill also proposes increases to packaged taxes, ranging from \$1 to \$4 per package. The increases are as follows:

- Packages imported as airfreight are currently charged \$1 for each 100 pounds or part thereof and this will increase to \$5.
- Packages accompanying a passenger arriving at an airport are currently charged \$1 per package. This will increase to \$2 per package.
- Packages imported through the Post Office, commonly referred to as Parcel Post, are currently charged \$1 per package, and this will increase to \$2 per package.

### ENVIRONMENTAL TAX ON USED VEHICLES

The Bill also introduces a new environmental tax to be levied on the importation of used motor vehicles valued less than \$12,000. This tax will help to provide funds to deal with the proper waste handling and disposal of these vehicles which typically have a

relatively short useful life and create an undue burden on our landfill.

In conclusion, Madam Speaker, the enactment of this Bill is a critical component of the budgetary process to bring the financial affairs of these Islands back into full compliance with the Public Management and Finance Law. And certainly, we want to urge all Members of this honourable Legislative Assembly to lend their support to the Customs Tariff (Amendment) Bill, 2009.

**The Speaker:** Thank you, Honourable Premier. Does any other Member wish to speak? Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Madam Speaker, I rise to support the Bill for a law to be cited as the Customs Tariff (Amendment) Law, 2009. And in supporting this legislation I have some committee stage amendments that I wish to make, which I will try to deal with in my contribution to the debate.

My first concern with the Bill is the media reports that these tariffs are going to come into effect in January 2010. I believe, Madam Speaker, that the normal process for customs tariffs, in particular, is that they need to be brought into effect immediately. Because with the Christmas Season coming up and a lot of these merchants in town having huge supplies in bonded warehouses, particularly for liquor and that sort of stuff, if they are going to be allowed to deplete their warehouses under the old tariffs, there is not going to be much left in the warehouse on which to charge tariffs early January.

My concern is that I believe the Bill needs to be brought into effect immediately so that the Government can get the benefit of the increased revenue measures during this Christmas Season coming up when the consumption of these are likely to increase. So, I would recommend to the Government that they consider bringing these into effect immediately.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, if the Member would permit. When I mentioned . . .

**The Speaker:** And I do say what can and can't be done in the House.

I would ask you to wait until you make your reply all the same.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, under the Standing Orders I can ask the Member to give way, and I think because he knows the Orders—and I do too—he did sit down and say that he would give way. And if that is so and you will allow, Madam Speaker, it's just briefly to say . . .

**The Speaker:** [addressing the Member for North Side] Have you given way? Is that what you are doing?

**Mr. D. Ezzard Miller:** Yes, Madam Speaker.

**The Speaker:** All right.

**The Premier (Hon. W. McKeever Bush):** Just to explain to him, because I heard where he was going on saying that the fees will take effect January . . . that is, some fees. In fact, this particular Bill itself will go into effect immediately. The Customs Bill always goes into effect immediately. The Companies Bill and so on will go into effect in the New Year.

Sorry about that, Madam Speaker.

**The Speaker:** Thank you.

You may proceed, Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker, because the Media has also been reporting that the Customs Tariff would come into effect in January.

Madam Speaker, as you and the Government Bench will recall, in my contribution to the debate on the 2009/10 Budget I indicated that I would like to have seen certain things done and reflected in the revenue measures that the Government brought in. And some of those fall within the Customs Bill. I have circulated a number of amendments that I hope to make at the committee stage of the Bill. And most of those amendments are concerned with simple changes to the tariffs charged for particular items.

During my debate I talked about the Government doing things to enhance the opportunities for people with landscape companies, people who grow and propagate their own plants and stuff, to be in a better position to compete against the importation of plants which normally bring in a lot of insects and other stuff that we don't want in the Cayman Islands unless they are . . . Although we say that they have been quarantined and certified by various external regulatory authorities, I believe that some still manage to sneak in

So, one of the amendments I am proposing is to raise the duty on 06.02 and 06.11, which is on live ornamental plants for landscaping or decoration whether bearing flowers or not, from 22 per cent to 40 per cent and on cut flowers and foliage from 12 per cent to 40 per cent. I believe that that will give our local small businesses a greater chance to compete with importation of this stuff.

And just as an aside, Madam Speaker, also included in the first schedule 05.01 is a tariff (although it says free) for tortoise shell and turtle shell unmanufactured. I believe it is safe to say that we can delete that from the tariffs because trading in turtle shell is illegal and is covered under CITIES Convention I believe.

Also in keeping with the help for the farmers I intend to move in the committee stage an amendment to 08.01 and 08.21, which deal with fruits and fruit juices and stuff, to increase the tariff from 17 per cent

to 25 per cent; again, to give the local farmers an opportunity to sell their avocados and mangoes and in competing with those grown in Central America or elsewhere.

Another matter that I think we have an opportunity to address, since we are dealing with the tariffs, Madam Speaker, is to try and get the tariffs to reflect our healthcare and wellness policy. A good example of that is under 15.01. Lard, is currently duty free. And I believe most of us would admit that . . . I don't know how many people actually use lard any more but some of us older folks remember what it is and was. It is not the most healthy form of cooking oil and it is duty free while the more healthy oils and polyunsaturated oils are currently in 15.31 at 22 per cent. I am recommending that we put 22 per cent on lard to discourage its use because of the health problems it creates, and to reduce the tariff on the healthy stuff from 22 per cent to 10 per cent.

Another matter that I have some concern with is that I have had complaints from constituent members who have tried to bring in a case of rum for their own consumption, and they are being told by the customs officers at the airport . . . rather than charge duty—which the person is willing to pay—they are confiscating their case of rum and are being told that they can only import a case if they have a liquor licence.

Now I haven't been able to find any authority in the current law to do that unless there are some regulations which are not in this Parliament. But I would ask the Minister to look into that action being taken by the customs officers and simply allow the Caymanians to pay the duty on the case of liquor and carry it home, because I don't think we need to protect the liquor distribution houses that much that Caymanians coming back home cannot bring a case of liquor and pay the duty on it.

Another matter, Madam Speaker, which I see . . . And while I haven't offered an amendment on this particular item, the cigar industry in Cayman is largely an import/export. We pass through. I would hazard a guess that close to 90 per cent or 95 per cent of all the cigars imported into the Cayman Islands are re-exported through the tourism industry. And although the tariff here calls for an increase from 100 per cent to 102 per cent, I believe the Government might be better served if they reduced that to 25 per cent and did not allow in bond storage of the cigars. The 25 per cent would not price them beyond still being attractive to the tourists but the Government would get something on every single cigar that comes through the Islands. And this is not a small industry; it is quite substantial I believe.

But right now I would hazard a guess that the Government is getting nothing or very little because very little of the cigars are consumed in the local market. All of these import/export companies to the tourism are consuming Government resources because the Government has to take the time to grant them the

in bond warehouse, authorise it through Cabinet, customs officers have to manage it, they have to release the goods, deliver it to the ship . . . It is quite a consumption of Government's resources and no revenue is coming into the Government for it.

The main amendment I want to make, Madam Speaker, is to make medicinal pharmaceutical goods duty free. And I am suggesting to the Government that I believe that these other areas can increase duties without causing a real serious problem in the economy, can make up for any revenue that's lost on medicines. But it would be, I believe, a substantial relief to fixed-income elderly people if we can somehow get the cost of medications down, and I believe removing the duty would be a step in the right direction.

Madam Speaker, another area I believe that we can increase which is currently free is goods manufactured wholly or mainly of genuine leather, excluding footwear and furniture. Again, these are items that are sold mainly in that import/export industry. The Government is getting nothing out of it. I think we can slap them with a 22 per cent increase there to make up for any loss on medicinal imports.

The same goes for 44.21, wooden hand carvings. This is an industry that we could develop locally, but we allow stuff to come in from overseas free. Again I believe that we can weigh our 22 per cent increase on that to offset medicines.

Similar in the case of Irish linen imported directly from Ireland. I don't understand why you can't get the break if it does not come direct but, anyway. . . Pure silk articles manufactured wholly of pure silk other than clothing. All of those are at 12 per cent. I am recommending to the Government that we increase it to 22 per cent. Same for woollen clothing, lace, gloves, and embroidery. Instead of being free, 22 per cent. Clothing and accessories of silk, clothing and accessories of Irish linen, instead of being 12 per cent, 22 per cent, because I believe that the people who will benefit from the reduction in duties on medicines are not likely to be buying these kinds of clothes and stuff so . . .

And I support the increase on tariffs on motor cars because I believe that we are spending quite a handsome amount of money building roads and making it easier for people. But I would also recommend an amendment to the Government that in 87.02 we do not stop at \$30,000. But if we have \$30,000 to \$50,000 CI value we charge 42 per cent. And any car costing more than \$50,000 should be 55 per cent import duty CIF. Again, I believe that the people and the kinds of people in society who buy these expensive cars can help to contribute by paying a little higher duty.

Madam Speaker, the other substantive amendment that I am asking the Government to consider is an amendment to the Customs principal Law, second schedule, section 5 item 1(c) which currently says, "**if such passenger is a resident returning**

from an overseas visit, dutiable personal and household goods at the discretion of the Collector, up to a value of three hundred and fifty dollars [is allowed].”

I am proposing to amend that to say, *If such passenger is a Caymanian as defined in Immigration Law, returning from an overseas visit, dutiable personal and household goods at the discretion of the Collector, up to a value of five hundred dollars.* So, we are basically making two changes; we are increasing the amount from \$350 to \$500 and are confining it to Caymanians as opposed to the broader “residents.”

Madam Speaker, I do not want to assume that I am going to be the only speaker on this Bill. But at the end of the debate, before it goes to committee, I did request the Government earlier to consider suspending Standing Order 52(2) in order to allow my amendments to be considered by the committee. That Standing Order requires that I give two days’ notice and since we are doing all stages of the Bill today, I am hoping that the Government would be generous enough to move the amendment to the Standing Order. If not, I will move it and hope to get it seconded and we can put it forward.

With those few comments, Madam Speaker, I support the Bill.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

If not, I call on the mover of the Bill to conclude his debate.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I recognise that the Member just sitting down, the Elected Member for North Side, has done much work on these proposals. The Government will need to make sure of the impact of all that has been proposed and would want time to check into all of these various increases. The one that we know we can agree to immediately is the increase of the \$350 to \$500 and, Madam Speaker, that is what we are going to propose to do.

What I am going to ask, Madam Speaker, is that we take five minutes so that I can have a discussion with the Member for North Side and my colleagues on this matter.

**The Speaker:** I call for five minutes suspension.

[inaudible interjection]

**The Speaker:** Ten minutes.

[laughter]

**The Premier (Hon. W. McKeeva Bush):** You were not supposed to get that Madam Speaker.

[laughter]

**The Speaker:** Turn your microphone off then.

Ten minute suspension, and it will be the afternoon break as well.

**Proceedings suspended at 4.14 pm**

**Proceedings resumed at 5.09 pm**

**The Speaker:** Proceedings are resumed.

Please be seated.

Honourable Premier, we have passed the hour of 4.30.

**Moment of interruption—4.30 pm**

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I move the adjournment . . . sorry.

[laughter]

**Suspension of Standing Order 10(2)**

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, you know where my mind was.

I move the suspension of Standing Order 10(2) to allow the House to go beyond the hour of 4.30 pm.

**The Speaker:** The question is that Standing Order 10(2) be suspended to allow the House to proceed beyond 4.30. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** Standing Order 10(2) is accordingly suspended.

**Agreed: Standing Order 10(2) suspended.**

**The Speaker:** When we took the break the Member for North Side had finished and—

**Mr. D. Ezzard Miller:** No Ma’am, I’m coming back.

**The Speaker:** Have you not finished, Member for North Side?

**The Premier (Hon. W. McKeeva Bush):** Yes Ma’am I think the Member for North Side had finished. I was on the Floor and had asked that we take a five minute break for 10 minutes (we stretched it) to deal with the request from the Member for North Side.

**The Speaker:** Mm-hmm.



**The Premier (Hon. W. McKeever Bush):** Madam Speaker, the Government met and had a discussion with the Member for North Side in regard to the proposals he has put forward. And as I said in speaking, Madam Speaker, we recognise the work the Member has done, but we cannot at this time go into these increases and decreases without consulting further on these matters.

While [the proposal would] help some, there would be some [that would be affected] more than others. We built the budget on consultation and we would therefore want time to consider the various matters that he has brought to our attention. We will do that and consider it for the New Year.

So, we are not proposing to suspend or give any time for the introduction of the amendments. As I said, we recognise that the Member has done some work but we want time to consult with the various people we know this will affect in one way or the other.

Having said that, Madam Speaker, I think that would conclude my comments on the Bill.

**The Speaker:** Thank you, Honourable Premier.

The question is that the Bill shortly entitled the Customs Tariff (Amendment) Bill, 2009, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Customs Tariff (Amendment) Bill, 2009, given a second reading.**

### **Money Services (Amendment) Bill, 2009**

**The Clerk:** The Money Services (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier, Minister for Tourism and Finance.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I think we are nearing the end of the agenda. This is the last bill for us to deal with.

[Pause] I'm just trying to find my various notes.

Madam Speaker, I move the Second Reading of a Bill entitled The Money Services (Amendment) Bill, 2009.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, this Bill also allows for increases to the fees charged to money services business licensed by the Cayman Islands Monetary Authority.

Clause 2 of the Bill allows for the introduction of a new annual fee to be applied to each subsidiary, branch, agency or representative office operated by a licensed money services business. This new annual fee will be \$1,000 per location and is set out in the Money Services Businesses (Amendment) Regulations which have been circulated to Members for their information.

I wish to draw Members' attention to the fact that the annual licence fee for a money services business is being increased from \$3,500 to \$10,000.

Clause 3 of the Bill allows for the introduction of a new transaction fee of 2 per cent of the gross amount transferred overseas by a licensed money services business up to a maximum of \$10 per transaction. This amendment means that each time a customer transfers money overseas using a licensed money services business the Government will levy a transaction fee equivalent to \$2 for every \$100 transferred, capped at a maximum transaction fee of \$10.

For example, a transfer of \$200 will result in a transaction fee of \$4. A transfer of \$500 will result in a transaction fee of \$10. And a transfer of \$1,000 will result in a transaction fee of \$10. These fees, Madam Speaker, are to be paid by the money services business directly to the Cayman Islands Monetary Authority on a quarterly basis in the form and on the dates specified by the Authority.

Madam Speaker, I ask Members to support the Bill.

**The Speaker:** Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

Does any other Member wish to speak? [pause]

If not, I will put the question. Sorry, I beg your pardon. Would the mover like to exercise his right of reply?

[pause]

[inaudible interjections]

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I just want to thank Members for their support. I'm sorry I just had to confer with the Financial Secretary on this matter. We had some concerns but those have been addressed also. So, I thank Members for their tacit support.

**The Speaker:** The question is that a Bill shortly entitled The Money Services (Amendment) Bill, 2009, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Money Services (Amendment) Bill, 2009, given a second reading.**

**The Speaker:** The House will now go into Committee to consider the Bills.

#### House in Committee

### COMMITTEE ON BILLS

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House . . .

Order please.

With leave of the House may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses?

#### Public Recorder (Amendment) Bill, 2009

**The Clerk:** The Public Recorder (Amendment) Bill, 2009.

Clause 1	Short title
Clause 2	Amendment of section 4 of the Public Recorder Law (2007 Revision)— documents for recording
Clause 3	Amendment of section 5 – copies of documents

**The Chairman:** The question is that clauses 1 through 3 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a Law to Amend the Public Recorder Law (2007 Revision) so as to increase certain fees; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### Monetary Authority (Amendment) Bill, 2009

**The Clerk:** The Monetary Authority (Amendment) Bill, 2009.

Clause 1	Short title
Clause 2	Amendment of section 7 of the Monetary Authority Law (2008 Revision)— authorised capital
Clause 3	Repeal and substitution of Second Schedule—Fees

**The Chairman:** The question is that clauses 1 through 3 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a Law to amend the Monetary Authority Law (2008 Revision) to make provision for the Governor in Cabinet to vary the paid-up portion of the authorised capital of the Authority; to provide that, where such variation results in reduction of the paid-up capital, any excess capital shall be transferred into the general revenue of the Islands; to create new administrative fees as well as to increase the existing fees; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title Passed.**

#### The Companies (Amendment) (No.2) Bill, 2009

**The Clerk:** The Companies (Amendment)(No. 2) Bill, 2009.

Clause 1	Short title and commencement
Clause 2	Amendment of section 26 of the Companies Law (2009 Revision)— registration
Clause 3	Amendment of section 41 – annual list of members in return of capital shares, calls, etc
Clause 4	Amendment of section 45 – notice of increase of capital and of members to be given to Registrar
Clause 5	Amendment of section 156 – company not operating may be struck off register
Clause 6	Amendment of section 169 – annual fee

- Clause 7 Amendment of section 184 - documents, etc., to be delivered to Registrar by foreign companies
- Clause 8 Amendment of section 199 - fees in lieu of other provisions
- Clause 9 Amendment of section 200 express fees
- Clause 10 Transitional provisions

**The Chairman:** The question is that clauses 1 through 10 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 10 passed.**

**The Clerk:** A Bill for a Law to amend the Companies Law (2009 Revision) to vary miscellaneous fees; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### **Customs Tariff (Amendment) Bill, 2009**

**The Clerk:** The Customs Tariff (Amendment) Bill, 2009.

- Clause 1 Short title
- Clause 2 Amendment of section 3 of the Customs Tariff Law (2002 Revision) – duties of customs charged
- Clause 3 Repeal and substitution of first schedule – duties of customs on imports
- Clause 4 Amendment of Third schedule – rates of package tax
- Clause 5 Insertion of Fifth Schedule – imported goods in respect of which Environmental Tax is chargeable
- Clause 6 Transitional provisions

**The Chairman:** The question is that clauses 1, 2, 3, 4, 5—

**Mr. D. Ezzard Miller:** Madam—

**The Chairman:** Pardon me, Member for North Side.

**Mr. D. Ezzard Miller:** Madam [Chairman], during the debate the Premier indicated that he wanted this Law

to come into effect immediately. I believe that in its current form it will not come for a couple of weeks, because I think we have to wait for the velum copy to be produced, the Governor to sign it, and for it to be gazetted. The Government may want to consider whether they want to put in the Bill itself that it becomes effective today or tomorrow as opposed to leaving it to go through the regular process, because with the holidays coming up I really believe that the Government is going to lose substantial revenue if this Law does not come into effect sooner rather than later.

**The Chairman:** Are you proposing an amendment sir?

**Mr. D. Ezzard Miller:** No Ma'am.

I'm inviting them to amend their law themselves to achieve what they want to achieve.

I don't think in its present format that the regular process of bringing a law into effect is going to get this into effect prior to Christmas sales. Or certainly not before the people who operate in bond warehouses can clean them out this weekend.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I am always guided by the interest of the Member for North Side; let's say, many instances [laughter]. And I am appreciative of his concern. We have things in play to take up an immediate procedure for the *Gazette*, which means that the Assembly has to do certain things administratively. And so without moving any motions we are certain that the Member's concern will be addressed. I do thank him for his advice here.

**The Chairman:** The question is that clauses 1 through 6 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 6 passed.**

**The Clerk:** A Bill for a Law to Increase various duties under the Customs Tariff Law (2002 Revision) to increase the rate of package tax; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**Money Services (Amendment) Bill, 2009**

**The Clerk:** The Monetary Services (Amendment) Bill, 2009.

Clause 1	Short Title
Clause 2	Amendment of section 5 of the Money Services Law (2003 Revision) – application for, and grant of, licence.
Clause 3	Insertion of new section 30A to the Money Services Law (2003 Revision)

**The Chairman:** The question is that clauses 1, 2 and 3 do stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a Law to Amend the Money Services Law (2003 Revision) to make provision for a fee in relation to every subsidy, branch, agency, or representative office of a money service business to provide for a transaction fee; and for the incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question is that the Bills be reported to the House. All those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills reported to the House.**

**House Resumed at (?)**

**The Speaker:** Proceedings are resumed. Please be seated.

**REPORTS ON BILLS****Public Recorder (Amendment) Bill, 2009**

**The Clerk:** The Public Recorder (Amendment) Bill, 2009

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I have to report that a Bill entitled The Public Recorder (Amendment) Bill, 2009, was considered by a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Monetary Authority (Amendment) Bill, 2009**

**The Clerk:** The Monetary Authority (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I have to report that a Bill entitled The Monetary Authority (Amendment) bill, 2009, was considered by a Committee of the whole House without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Companies (Amendment) (No. 2) Bill, 2009**

**The Clerk:** The Companies (Amendment) (No. 2) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I have to report that a Bill entitled The Companies (Amendment) (No. 2) Bill, 2009, was considered by a Committee of the whole House without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Customs Tariff (Amendment) Bill, 2009**

**The Clerk:** The Customs Tariff (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I have to report that a Bill entitled The Customs Tariff (Amendment) Bill, 2009, was considered by a Committee of the whole House without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Money Services (Amendment) Bill, 2009**

**The Clerk:** The Money Services (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I have to report that a Bill entitled The Money Services (Amendment) Bill, 2009, was considered by a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Suspension of Standing Order 47**

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I move for the suspension of Standing Order 47 to enable the Bills on the Order Paper to be read a third time.

**The Speaker:** The question is that Standing Order 47 be suspended to enable the Bills on the Order Paper to be read a third time. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended.**

**THIRD READINGS****Public Recorder (Amendment) Bill, 2009**

**The Clerk:** The Public Recorder (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I beg to move that the Bill entitled The Public Recorder (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled The Public Recorder (Amendment) Bill, 2009, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Public Recorder (Amendment) Bill, 2009, given a third reading and passed.**

**Monetary Authority (Amendment) Bill, 2009**

**The Clerk:** The Monetary Authority (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I beg to move that the Bill entitled The Monetary Authority (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled The Monetary Authority (Amendment) Bill, 2009, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Monetary Authority (Amendment) Bill, 2009, given a third reading and passed.**

**Companies (Amendment) (No. 2) Bill, 2009**

**The Clerk:** The Companies (Amendment) (No. 2) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I beg to move that the Bill entitled The Companies (Amendment) (No. 2) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled The Companies (Amendment) (No. 2) Bill, 2009, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Companies (Amendment) (No. 2) Bill, 2009, given a third reading and passed.**

**Customs Tariff (Amendment) Bill, 2009**

**The Clerk:** The Customs Tariff (amendment) Bill, 2009

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I beg to move that the Bill entitled The Customs Tariff (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled The Customs Tariff (Amendment) Bill, 2009, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Customs Tariff (Amendment) Bill, 2009, given a third reading and passed.**

### **Money Services (Amendment) Bill, 2009**

**The Clerk:** The Money Services (Amendment) Bill, 2009.

**The Speaker:** Honourable Premier.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I beg to move that the Bill entitled The Money Services (Amendment) Bill, 2009, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled The Money Services (Amendment) Bill, 2009, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Money Services (Amendment) Bill, 2009, given a third reading and passed.**

**The Speaker:** There is no further business on the Order Paper. Would the Honourable Premier please move the adjournment motion?

## **STATEMENT ON THE ADJOURNMENT**

### **PRIDE Cleanup Project**

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, as I indicated to you, before I move the adjournment I would like to alert the House of the following:

Madam Speaker, I have mentioned on several occasions the difficult circumstances that we, as a Government, have inherited. We find ourselves in the challenge of dealing with, amongst other things, one of the highest unemployment rates these Islands have ever seen, and with an economy that faces serious challenges to say the least. But my Government and I have taken up those challenges and are prepared to take the bull by the horns. It is for this reason that we have engaged in the Island-wide cleanup known as the PRIDE (Personal Responsibility in Delivering Excellence) cleanup project.

We did so primarily for two reasons: To get our country clean; not just because we are a tourist destination, but because we are a country that values cleanliness. We were raised to believe that *cleanliness is next to godliness*. The cleanup would, amongst other things, get persons involved in cleaning, beautifying and enhancing their communities thus creating a greater sense of pride in their communities and their country.

In addition to that, Madam Speaker, it was a way of employing many of our people who are unemployed, putting a little money into their hands and helping in the process to stimulate the economy.

Madam Speaker, let me mention briefly that throughout these Islands between 500 to 600 people were employed as a result of the cleanup project, with a direct injection of \$1 million into the hands of those who need it most. But, Madam Speaker, success does not come without hard work, and this cleanup project is no different and would not have been a success without the many labourers, team leaders and project managers who played a key role.

I cannot say all of that without mentioning one of our Backbench Members who took the leadership role in the whole process. Of course, Madam Speaker, all of them did have a hand in this, but I wish today to publicly commend the Fourth Elected Member for George Town, Mr. Solomon, for taking this tremendous task on and for making the project a success.

Madam Speaker, I understood the full challenges that we as a Government faced. And it is for this reason that I sought to ensure that we had all hands on deck. I took the bold steps to utilise our Backbenchers because we strongly believe that everyone has a contribution to make and must be given a chance to make that contribution. The efforts of the Fourth Member for George Town validate what I have always believed, and that is that everyone in this Government has a contribution to make, not just the Ministers. And I thank him for his hard work.

Of course, Madam Speaker, I must add that District Committees and Ministers of Government were very much involved in this and so were other Backbenchers, the Fourth [Elected] Member for West Bay and the Third [Elected] Member for Bodden Town, and the Third Elected Member for West Bay. They were all very much involved in this.

This started and got underway when I was off Island. And so the Ministers in Government took this forward with the Backbench.

Despite those efforts and the tremendous help to so many, it is unfortunate, Madam Speaker, that still so many others need the assistance—not wanting a handout, but just an opportunity to work and earn a living. As Leader of this country I see it as an obligation to continue our efforts in this regard. But there is still much work to be done in the cleaning and beautification of these Islands, and there are too many of

our families that have no work and other people who are hurting.

We read as elected officials daily about the rising crime. And where we have limited power and influence over the police, we can do our part. And that small piece, insofar as this project is concerned, is to find a few more dollars to create working opportunities for our people, and that is what I am going to do as Premier, Madam Speaker.

I have been given permission by my Cabinet colleagues for all of us to find another \$1 million to put towards these efforts which would allow for an additional two weeks in 2009, and an additional two weeks of work in January 2010, God willing, after Christmas when people really need assistance.

Madam Speaker, this cleanup project has received tremendous support in the community and has demonstrated many things, too many to mention at this time. But, what I can say is that it is concrete evidence that if and when we provide work for our people and a decent wage, that they are more than willing to work. And it is evidence that this Government is going to do what it takes to get our people back to work and to help get this economy back on track.

Thank you for allowing that statement, Madam Speaker.

**The Speaker:** I think you got a little bit ahead of yourself; you didn't move the Motion, which allows other people to speak as well.

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, that's why I read the statement before I went to the Motion. They can ask a question now but they can't speak. Anyway, Madam Speaker . . . [laughter].

**The Speaker:** You will do it the proper way sir.

## ADJOURNMENT

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, I therefore move the adjournment of this honourable House sine die. And I do that out of an abundance of caution. We don't propose to do any more business between now and the New Year. The House does not propose to come back. But, Madam Speaker, in the climate and environment that the Government has to work in, we never know, so as I said, I move the adjournment of this honourable House sine die.

### Seasons Greetings from all Members

**The Premier (Hon. W. McKeever Bush):** Madam Speaker, having done that, and seeing that this is the last sitting then before the Christmas Holidays, it is appropriate for us, I believe, to offer Seasons Greetings to each other and to staff here.

Madam Speaker, this has been a very tough year. Firstly, we had changes in Government. The

Island is going through tremendous pressure from the world financial crisis. Never before have we been challenged as we are, I would say, except when we were so severely damaged by Hurricane Ivan. Even with world wars this is the first time that our people are under so much pressure. This year has been a tough year, Madam Speaker. We have seen good friends and family members pass away suddenly.

As I look back, Madam Speaker, I want to thank God first, for His mercies in this past year. God is a good God and those of us who profess Him recognise that we can't do anything without His mercies because He knows every sand grain on the beach and He knows every hair on our heads. And who [are] we, [as] mere mortals, to ever question an all powerful, merciful Father?

We want to thank Him for all His goodness to us in spite of the pressures we have. And we want to ask Him for His continued mercies, not just throughout this season when we celebrate the birth of His Son, but in the year ahead when the challenges will be no doubt as strong. If we put our trust in Him and pray and work, I think we can succeed.

Never mind the differences between us in this House, Madam Speaker. We all have to live here, we are all Caymanians together. Therefore, Madam Speaker, I believe that at the end of the day we all have that genuine concern about where we are headed and what happens to the country even if our management styles are different.

Madam Speaker, we had a constitutional change accepted in May and inaugurated on 6 [November] in which I, as head of the United Democratic Party (UDP), was chosen to lead and be the first Premier of this country. I don't underestimate that challenge. I don't underestimate the high honour that has been given to me by my colleagues. All I ask them to do is continue to work with me, and I with them, and we can make this place a better place for all of us.

Having said that, Madam Speaker, upon us is the season of all seasons! "For God so loved the world that he gave his only begotten Son [for us!] that whosoever believeth in him shall [not perish, but] have everlasting life." Have everlasting joy. And that is what Christmas is about. Not so much the lights; not so much about the parties. For he did come to bring joy and that is joy and gives joy to all of us.

As we strive throughout this Christmas Season, all of us, let us be determined to give more. And let us recognise that there are so many in these Islands who are so much worse off than us, and that we have been blessed as Members of this House. Every one of us has been blessed. God has blessed us with good families, good parents, some of them gone on to glory. He has blessed us with good children and good friends and supporters to help uphold us. Can we ask for more? Madam Speaker, it is up to us to make this Christmas what it is.

In our Senior Citizens' Party every year we have chosen a theme. And this year's theme for us is

Love—love our families, love our friends, and more love for our neighbour; more tolerance for those who live and work and move among us. And so, Madam Speaker, that is my wish for every Member here and [his and her] family. And for every person moving to and fro in these Islands, that we all love each other better; that we understand each other better; that we try to serve each other better.

Madam Speaker, having said that, I want to thank all Members for their service to this Assembly. I want to thank each member of staff. We cannot . . . And we have had some changes here: Madam Speaker, you are a new Speaker but you have taken this with grace and as strong as I thought you would be, and for that I'm proud because we have not had any battles here. We have lived in one accord. And I see that in the staff even when there is a misunderstanding. I see the difference in the make-up of the staff and how they operate with one another even when they are pressured. And so we have a lot to be grateful for – that such a small staff does so much! The work is not just Ms. Zena as she sits as Clerk; [it is] what goes on behind the scenes.

And so we want to especially thank Ms. Sharon and Ms. Nana who sometimes sit in the Chamber. We have to thank all those staff members behind the scenes who work: Ms. Beverly—I don't even know all of their names, but to thank them. And Ms. Anita for her service to us, to keep us together to make sure that we are cared for properly. All of us as Members have a lot to be thankful for. And, Madam Speaker, we cannot forget our venerable Clerk of Hansard, if that is her title—that's what I call her—the editor. But Ms. Tania is a wonderful Christian lady, past teacher, Madam Speaker, who we look up to and respect. She is well mannered and knowledgeable about what she is doing, and has interest in us as Members to make sure that what we say is properly put on paper.

We can't thank them enough, Madam Speaker!

I mentioned you as the new Speaker and I mentioned your graces, and I mentioned your firmness as our new Speaker. I do want to just say how much, Madam Speaker, I'm proud that you are in the Chair. This is probably a learning curve for you as well. But I look at what we have accomplished and thank you again for your firmness here. We are much better behaved because of it. Not that this House was ever in shambles because we are one of the best Parliaments. I've said this from the first time I came here and even with our fights we are one of the best Parliaments in the world when you look and see what goes on in other Parliaments.

*[inaudible interjection]*

**The Premier (Hon. W. McKeever Bush):** Well, Madam Speaker, in mentioning the staff I would not want to miss the Serjeant, also Sabrina and Mr. Gould

and the Royal Cayman Islands Police Service rotating as security guards. Madam Speaker, we owe all of them many thanks and we wish for them and their families all the very best in this Christmas Season.

Madam Speaker, I would not sit down without thanking the people we serve and wishing them all the very best in this Holiday Season. We ask each one and I make a fervent plea to all those who are disrupting our Islands, who are hell bent to commit crimes to cause us to hang our heads and to be scared, we ask them to consider what they are doing to this country. We ask if they have parents that their parents seek them out, if they know, and sit them down and talk to them as never before. This is our country. We have to live here and this is where I want my bones to rest.

In Singapore, Madam Speaker, there's a programme called "Total Defence" which I already have all of the information for. That is not just defense as you know defense, as the police would defend us, but that is a responsibility of every citizen, every person who walks in these Islands, to totally defend the country in every shape and form. And can you imagine, Madam Speaker, if we had that kind of discipline, that when we see someone do wrong, that we would say it is wrong, that we ourselves would stop and consider *Am I doing the right thing? Am I saying the right thing? Am I going to the right places?*

"Total Defence." *Does what I do make the country better?* This is a tremendous challenge on us and that is what I ask our people to recognise throughout this Season and take that as their New Year guide. "Total Defence."

I want to wish again, especially the people in my constituency (recognising as Leader of the Islands, all the Islands are my constituents, but the people who directly elected me), to thank them for their friendship, their well wishes and their support.

Perhaps, Madam Speaker, I have said enough and perhaps other Members will still wish to offer their own thanks.

I do want to thank before I sit down, my staff. Madam Speaker. When I started I went without a secretary for four months. Mrs. Judy Powery was all things in that Ministry, doing her work, assisting me and everything else that she had to do in a very rough and tumble time in the first part of our administration, and I do want to thank her for her work.

Pat Ulett in the Investment Bureau has done a tremendous job and, of course, there are others but I mentioned their names because of the tremendous job that they have done in this time. All of my office—I have a new secretary who has taken on that challenge and is doing a tremendous job, and I want to thank each one of them for the hard work, and to say that the New Year is going to be that much harder.

I want to thank my official colleagues and wish them all the best. The new Financial Secretary; new but still the same person, different post altogether but still the same person, to thank him for all of his assis-



tance and guidance in these first couple of months of a very, as I said, rough and tumble period.

I want to thank indeed all good civil servants, all loyal civil servants who have not let politics blemish them.

Madam Speaker, I have said enough. I thank you for your indulgence.

**The Speaker:** Thank you, Honourable Premier.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Member for East End.

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

Madam Speaker, I rise to express my greetings for this Season to Members and, in particular, the people of the country and my constituents.

Madam Speaker, it is reasonable to expect that the Christmas time is a joyful time and I trust that that is what this one will be for the people of this country.

I think it is right and fitting for me to also thank the people for their support during the last nine years. I think 8 November was nine years of service to my country. I've always said that I will forever be indebted to the people of East End for having given me the opportunity and will forever stay indebted to them.

The real estate was here long before I came here in the name of the people of East End. It just so happens that I now occupy that real estate, and that real estate will be here long after I'm gone, but I must express how pleased I am, especially during Christmas, to have been chosen to come here.

This is the time of giving and I know the Premier said that we should try our best to give, especially during this time. And that is true. There are many people in this country who are hurting and if we each turn our attention to our own constituencies then they will be much better off. We may not have much to give, but whatever we have we should give. I get a much better tingling out of giving than I get out of receiving. Madam Speaker, during this period of our history there are tough times but whatever we have we should endeavour to share.

Madam Speaker, I too would like to thank the staff here for their attention to us and wish them and their families a joyous and a safe Season.

Madam Speaker, I too would go further and single your good self out and thank you for your leadership of these Chambers. I know it was a steep learning curve for you in the very beginning of this legislative session but I believe you have mastered a lot of it. After nine years I'm still learning, so don't feel bad, Madam Speaker. I'm sure the Premier will tell you after some 28 years he is still learning. But I believe in the last six months you have—five months? Six months?—done yourself proud. And you have done this country proud. And I wish for you and your

family the very best for this Season. And I hope come January or February, whenever we start back, we will all be here with a much bigger smile on our faces.

Madam Speaker, I would like to single out the leadership of the PPM and wish them too a joyous Season. I believe that it is important that we maintain our connection with our parties and ensure that they are with us in wishing good wishes for the rest of the country. The membership of the PPM has been extremely faithful to this cause, and I am grateful to them also. And to them and their families I wish for them a very joyous occasion.

Last, but not least, to my family, I would like to thank them for all the support that they have given me over these many years. If I have no other supporters I know I have my family. And they have always supported me and I would like to thank them for their commitment and wish for them a joyous Christmas and Happy New Year also.

Madam Speaker, I again wish for every Member of this honourable House and their families, a very joyous Christmas and a very happy and prosperous New Year.

Thank you.

**The Speaker:** Thank you, Member for East End.

[Second] Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker.

My voice has been failing me for the last few days, but after listening to the Premier and the Member for East End, I do not need to go over a lot of stuff I just want to say how wonderful it has been working here with this group. And not just with my two Bodden Town colleagues, but as the senior Elected Member for Bodden Town, I would like to on their behalf until they speak, wish all of our constituents a very blessed Christmas and a healthy New Year.

To you and all of the staff here at the Legislative Assembly, Madam Speaker, and all of my colleagues, we have come a long way and still a long way to go, but if we keep focused on what we are doing and put the people first, the rest of what is happening will be academic. With God's help we can accomplish much.

It's been a rough year for me personally. I've lost a brother, nephew and had other different situations but God has still blessed us and these Islands.

I just want to implore the parents of these Islands at this crucial time of the year when many of our younger children can get into mischief that we monitor those children and know where they are, who they are keeping company with and to be especially careful on the roads. Especially the younger ones, Madam Speaker, [because] we have seen what can happen, but if we be our brothers keeper and assist in helping wherever possible we can make a difference.

I want to take this opportunity on behalf of all of my colleagues to wish my constituents in Bodden

Town the best of every thing and may God bless us all.

Thank you.

**The Speaker:** Thank you very much.

Does any other Member wish to speak? Does any other Member wish to speak?

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Madam Speaker, I will definitely try my best to be brief.

I want to say definitely on behalf of myself and my colleague, and I am very confident he is going to say a few words himself, but I would love to wish all of the persons here in the Parliament, be it Opposition or the Government, a very merry Christmas, to them and their families.

And, Madam Speaker, I also take the opportunity to thank the staff as well; those persons working behind the scenes, and of course, yourself, Madam Speaker. I think it would be remiss of me if I didn't mention that like all of the elected Members here we receive calls on a daily basis, we continue to see the sufferings of our people, and I know that there is going to be a mixture of emotions and trials and challenges for everyone in this country this Christmas.

As the Premier mentioned earlier, as a result of just the PRIDE cleanup project alone there were 500 to 600 plus persons that I believe I can say confidently on behalf of the Government, that we feel proud and humble to know that those persons who were unemployed at least were able to be given the opportunity to receive a bit of funds in their pocket to make sure that they could put food on the table and to hopefully be able to provide some gifts for Christmas as well.

Madam Speaker, I ask that as we leave this honourable House that we won't forget those persons. I believe ultimately that is who we are here to serve. And as I've said before and will say it again, they say that poverty is not what is in the pocket, but at the end of the day, the fact that you have hope. And I believe that one of the good things about the Cayman Islands and the Caymanian people is that we still have that hope. I want to encourage everyone out there to be able to come together and be able to share with those persons in our community who do not necessarily have as much as they do. I believe that is something that has always made us strong and would like to encourage everyone to do that this Christmas. Find someone, a group or a family that we can be kind to and show that kindness that I believe God would have us do to our neighbours. At the end of the day I think that is being a good neighbour and that will ensure that everyone has a Merry Christmas.

So, with that, Madam Speaker, again I take the opportunity to thank all of the persons throughout this Island, wishing all of them a very Merry Christmas. Thanks for their confidence in the Government. I wish to ensure them that we are going to do every-

thing that we can to continue to provide and manage this country in a way that they, their children and grand children can be proud about. I wish all of them, particularly those constituents here in the district of George Town, a very Merry Christmas.

Thank you very much, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? Does any other Member wish to speak?

Third Elected Member for Bodden Town.

**Mr. Dwayne S. Seymour:** Thank you, Madam Speaker.

I rise to add my comments in terms of working with you also, Madam Speaker. I think we pretty much started at the same time and it has been a pleasure. I wish you and your family a very Merry Christmas.

And all the staff of the Legislative Assembly, it has been a pleasure working with them also.

And to all of our residents who are working tirelessly on the streets as they get this opportunity in the cleanup PRIDE campaign, it will be a better Christmas for most of these people and their families, children especially. And I want to say that I'm very proud of the UDP team in moving forward with this suggestion, and it definitely has made a difference in a lot of people's lives. And definitely you can see the smiles beaming from the faces of these women and gentlemen working on the streets in helping to keep their districts clean.

I definitely would like to say a very Merry Christmas to all of our constituents in Bodden Town and I wish them and their families all the best; and to my colleague, Mr. Mark Scotland, and all of the other Members of this House. Also to the Second Elected Member for Bodden Town.

In my short comments I would like to say a Merry Christmas to everyone.

Thank you.

**The Speaker:** Thank you, Third Elected Member for Bodden Town.

Does any other Member wish to speak?  
Deputy Premier.

**The Deputy Premier (Hon. Juliana Y. O'Connor-Conolly):** Thank you, Madam Speaker.

Madam Speaker, first of all I would like to wish your good self a very Merry Christmas and a prosperous and healthy New Year. And to thank you for your tenure to date, for your guidance, wisdom and openness, and the way in which you have steered this honourable House thus far. I pray that God's blessing will continually be yours as you have a very enjoyable Christmas with your family members, whether here or overseas.

I wish also to extend on behalf of myself and the First Elected Member for Cayman Brac sincerest greetings to our constituents in the Sister Islands and to thank them for the confidence that they have placed

in ourselves to guide them for another four years irrespective of the fact that we ended up on two separate sides of the House. Paloma was one of those occurrences in our lives that politics were put aside and we have worked exceptionally well during the past 12 to 13 months to ensure that there is a complete recovery within the Sister Islands. And we wish to thank them for their patience and for the resilience that they showed which was exemplary and encouraging to both of us having gone through it ourselves.

I wish to thank my colleagues under the able and capable leadership of the Honourable Premier for the assistance that they have given us and rendered us through this time, and for the legitimate expectations for our future assistance in that regard and in other aspects that would help to bring us to full recovery.

I wish to extend sincere greetings to all honourable colleagues in the House: the Honourable Leader of the Opposition, the independent Member and other party Members; to the staff who have been serving me in many different capacities, from Opposition Back Member to Minister a number of times and as Honourable Speaker. I have found them to be very professional, very helpful. We are now under new leadership by way of our Clerk and I wish to extend to her our sincere congratulations in the post and the job that she has done quite excellent to date, and that she will have an enjoyable Christmas with her family, immediate and extended.

Madam Speaker, I wish to just also take a brief moment to thank my staff, both in the Ministry and in the many, many departments here on Grand Cayman, and in particular District Administration. I'm sure my colleague as well would wish to extend particular greetings to the staff at District Administration and through the various Government departments in the Sister Islands because it is they who make our jobs much easier at the end of the day as we seek to carry out and indeed implement the various policies in the different departments.

Madam Speaker, I would ask that all and sundry remember that the real reason for the season is still Jesus Christ's birth, and that we would take cognisance of that. I believe in so doing, Madam Speaker, that the fear of the Lord would indeed return back to our jurisdiction so that persons would once again have boundaries which would have the effect of reducing the heinous crimes that we now see within the Islands, particularly on Grand Cayman. We pray that God's mercy will still be extended to them that all will have a very safe Christmas season.

Madam Speaker, for those of us that have to journey back to our different places of abode during the Christmas, I pray for safe journey and that we would come back here as united Caymanian people, seeing the areas of commonality and being committed to rise to the challenge to leave a better Cayman Islands because the challenges are great and diverse, and in fact, the enemies are not within this hall despite

what many on the outside may think; they are far, far from these halls, but together we can overcome them. With that confidence, I am looking forward to a wonderful Christmas.

For those who have families, students coming from abroad, we pray a safe journey for them and that God will continue to bless these Cayman Islands as we seek to put him first in our lives.

Thank you, Ma'am.

**The Speaker:** Thank you, Deputy Premier.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Minister for Health, Environment, Youth, Sports and culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I rise to briefly offer greetings as well, first, to your good self on the strong stewardship of this honourable House.

We entered this House at the same time and I have said to you before how it was an honour for me as well to do that.

I want to offer Christmas greetings to all of our constituents in the district of Bodden Town, and indeed to all persons throughout the Cayman Islands.

I want to offer greetings to all of my colleagues in the House, both on the Backbench as well as to my Cabinet colleagues and the Backbench MLAs in the UDP.

Special greetings to the Clerk and all staff of the House, including the Serjeant-at-arms and others.

To my Ministry staff, staff in departments and agencies, the entire civil service, thank you for your tireless efforts throughout the year. And, as the Premier said, we look forward to much harder work ahead of us in the coming New Year.

To my family, my wife and children in particular, I wish them a special Christmas. To my mother who has taken up a lot of the slack of playing the father as I am not there that often now, I want to say a special thanks to her as well and wish all of them a safe and blessed Christmas.

As the Member for East End said, this is the time for giving and I just want to encourage all members of the community, corporate and otherwise, to think of those in need at this time of the year. And for those persons who may be able to get an extra gift or contribution to make to someone in need, to think of that at this time of the year. As other Members have said, there are members of the community who are going through difficult times and more so in this time than in others, and we should take some time this year to make extra contributions to those in need.

Think of the children, elderly persons, especially those who may not be enjoying the same joy this time of the year that some of our families or others may, and take time out to give to them, spend time with them. Parents and fathers especially, spend time

with your children at this time of the year and help them to have a safe and blessed Christmas.

Madam Speaker, with those brief words, thank you very much.

**The Speaker:** Thank you, Honourable Minister.

Does any other Member wish to speak?

Minister for Community Affairs and Housing.

**Hon. Michael T. Adam:** Thank you, Madam Speaker.

I rise to echo many of the sentiments of my fellow colleagues.

Especially, Madam Speaker, I would like to wish you and the staff in this honourable House a very blessed Christmas and a most prosperous New Year.

All of my colleagues in the House and their families, and all the people of these fair Cayman Islands, especially my George Town constituents, I would like to thank you for the confidence you have instilled in me, and I promise I will continue to give of my best.

I would like to thank and wish my family, my wife and children, mother and brothers especially, and their families, a wonderful holiday season; my staff and their families in the Ministry; the Department of Children and Family Service, the Cays (Children and Youth Services) Foundation, National Housing Development Trust and the Department of Counseling Services, their staff and families.

And I would like to encourage the people of these fair Islands to again think about your brothers and sisters. Offer service above self; lend a hand and get to know your neighbours again, and their children. Get connected, reconnect in the community, offer yourselves.

And again, I would just like to wish the sentiments of a very happy and joyous Christmas and a prosperous New Year to all in this land.

Thank you very much.

**The Speaker:** Thank you, Honourable Minister.

Does any other Member wish to speak?

First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker.

Madam Speaker, I rise also to offer my season's greetings. My colleagues have done a very able job in offering greetings and thanking the Members that help the staff in this honourable House.

You, Madam Speaker, you have been a delight for me to get to know because I didn't know you before you became the Speaker of this House, and I look forward go getting to know you even better as time progresses. You've done a very good job. I've had the pleasure of meeting some of your family which I have enjoyed, and I certainly wish you and yours a very enjoyable Christmas and the best for the New Year.

Madam Speaker, I want to take the short time that I intend to spend on the greetings and, as my colleague did, talk a bit about Cayman Brac and Little Cayman.

I believe again that greetings have been sent to everybody in the country by my colleagues. But for us this year in Cayman Brac and Little Cayman, it has to be one of the most special Christmases ever! It will take us back in time to what the Christmas must have been like after the 1932 storm. It will take us back to what the Christmas must have been like after Hurricane Ivan in Grand Cayman. And as my colleague mentioned, yes, we are on two sides in this House. But never for a day after Hurricane Paloma hit were we anything but working to try to make Cayman Brac and Little Cayman better, and to help it heal, because that is what we needed at that time.

The Christmas and the Season is about the birth of Jesus Christ, and this year we must clearly look and see the blessings that we have received for the year in Cayman Brac and Little Cayman. And the reason I say it will be such a special Christmas—you know we are very able and starting to get ready for our Christmas beef and the baking of sweets and all the things that come along with it. But as we take time and we are together with each other, as we do very well, we will have so many thoughts and memories.

I believe that we will also be able to see the tremendous successes that we have had as a group of people working together as one to rebuild our Island and to make it a better place.

Madam Speaker, it is a tremendous honour for me—and I am sure that I am echoing my colleagues' sentiments—to have been placed in a position that we were able to help and had to work hard and the people had confidence that we would move forward; and that we have done and will continue to do that. And I believe that as we are together this Christmas the people will have a very special time and will look around and be very, very thankful in what we have been blessed with.

Madam Speaker, I take this opportunity to wish everybody, especially the constituents in Cayman Brac and Little Cayman, a very merry and blessed Christmas and a prosperous New Year.

**The Speaker:** Thank you first elected Member for Cayman Brac.

Does any other Member wish to speak?  
[pause]

Does any other Member wish to speak?  
[pause]

Honourable Minister for Education.

**Hon. Rolston M. Anglin:** Madam Speaker, firstly, I would like to thank you and echo the sentiments of many Members before, wishing you and your family many happy returns when that time comes, and a healthy and prosperous 2010.

Madam Speaker, I would also like to extend the best wishes for the Season to the staff in the Ministry and all the departments that fall to the responsibility of the Ministry.

Madam Speaker, I would like to particularly single out all of our hardworking teachers and education professionals, and wish for them and their families God's richest blessings because it is to their charge we leave all of our young people for more hours a day than anyone else spends with them, even their parents I dare say, Madam Speaker.

I would like to thank the people of the Cayman Islands for reposing to trust the stewardship of this country to the United Democratic Party in the May, General Election. And I would like to personally congratulate our first Premier. These are historic times through which we are living. Not many generations get this opportunity in their lifetime. And this has been a significant and a historic step forward for the people of this country.

I would like to thank all my colleagues in Cabinet and indeed all of the Backbench supporters of the Government, for without their hard work and assistance nothing that we do could be possible. Indeed, Madam Speaker, to all Members of the House and their families, I extend my wishes for a merry Christmas and a healthy and happy New Year.

Madam Speaker, it would be remiss of me if I didn't on a personal note thank my wife for all that she does to manage our home, because when you enter this business the people come and they come all the time at all hours, irrespective of whether it is Christmas day or New Year's day. And someone has to open that door when we are not there. Someone has to greet them when we are not there. So I thank her because certainly she is by default a part of the process even in that fashion.

I would like to also thank all of my family for all their love and support throughout the years to our hardworking committee. And the people of the district of West Bay, I wish for them and their families God's richest blessings. Indeed during this Christmas Season this will be a time that we will get to see more people because we do get to relax a little bit more, we do have more Christmas functions. I look forward to our Senior Citizens' Party, that in and of itself is always a rich treat.

Madam Speaker, I would also like to take this opportunity to extend Season's Greetings and a heartfelt thanks to the Young United Democratic Party (YUDP), its officers and members. They have really come alive and taken up the mantle of serving their communities for, Madam Speaker, in this era if we leave nothing else we want to leave a legacy of servant leadership, that is, by being good servants to our communities and our people. We will be entrusted to be their leaders.

Madam Speaker, I would just like to end off by reminding us all that Jesus is indeed the reason for the Christmas season; His birth and marking His birth

in the way we do. It is not the gifts and all the food; it is a special gift from God that he is, for he is our Saviour and Redeemer. And I would like to remind us all to reflect upon that throughout the coming weeks.

Madam Speaker, one last plea to all of our young people; indeed all citizens, but in particular our young people who will be on the roads and will no doubt be enjoying themselves, do so responsibly and carefully. Don't drink and drive. If you are going to go out hire a taxi, designate a designated driver, hire a bus. There will be many. If I recall, it is one of the service clubs which provides that service throughout the Holidays, particularly, New Year's Eve. Use the services available. Be safe so that you can enjoy many Christmases to come, Lord willing.

With those few words, Madam Speaker, I thank you.

**The Speaker:** Thank you, Honourable Minister.

Does any other Member wish to speak?  
Deputy Speaker of the House.

**Mr. Cline A. Glidden, Jr.:** Madam Speaker, I too would like to take this opportunity to express wishes on behalf of myself and my family, firstly, to you and your family. We know that even though you've had the difficult job of keeping order in the House, you yourself have had some challenges within the family and we hope for continued blessings on you and your family, and happiness and health throughout the upcoming season.

We would also like to use this opportunity to wish the same to all of the elected colleagues here in this Legislative Assembly, both sides, the Government and the Opposition.

And, Madam Speaker, also to all of the staff in the Legislative Assembly.

And to all the hardworking people of the Cayman Islands, specifically to my constituents in the district of West Bay who have placed trust in electing me to be their representative again in May. We look forward to spending time together and seeing as many of those persons whom we have not been able to see during this very time consuming and difficult last six months. And we look forward to good times ahead for the Cayman Islands.

We must remember to thank God for our blessings. When I heard the Members from Cayman Brac mentioning their recovery in recalling Hurricane Paloma reminded me to make sure not to take for granted the fact that we have just been through a very nice quiet hurricane season. Hopefully we have many more of those. And we want to express our blessings to God for continuing his watchfulness and his protection of our Islands.

Madam Speaker, these times are difficult and challenging, but they are also times of opportunity, and as representatives it is important for us to try to do our best to spread as much cheer and happiness as possible.

So, Madam Speaker, with that I just want to again wish all of the Members and their families a happy, joyous and healthy [Christmas] and a blessed New Year.

I would also like to specifically mention my family, starting with my parents who have been there supporting me all along the way. And to all of my family, but specifically to my wife, who has, like my colleague said, been there; who has stepped in and answered the phone and provided that very necessary support for the family. As young families, we get so caught up and consumed with all of our responsibilities that we tend to neglect some of the responsibilities that we have.

So, Madam Speaker, during this time hopefully we will all get an opportunity to spend more time with our families, and with our constituents. I look forward to a prosperous and blessed 2010, and working together with you, all the good Members of the Legislative Assembly, and all of our good staff.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak?

Fourth Elected Member for West Bay.

**Capt. A. Eugene Ebanks:** Thank you, Madam Speaker.

Madam Speaker, I too would like to take this opportunity to wish for all the staff and especially you of the Legislative Assembly, a very happy, healthy and joyous holiday season, and to thank you for all of your indulgencies with us during your time here.

I also want to thank all of the people of the Islands, especially all of our loyal supporters of the district of West Bay. I wish for them the very best for the holiday season.

And I could not do it without the support of my family. I appreciate them putting up with me when I can't be with them.

I want to say thanks to God for blessing us this year with a very quiet holiday season and we look forward to next year, God's willing. I ask everyone listening to have a very safe, happy and joyous holiday season.

Madam Speaker, I thank you.

**The Speaker:** Thank you.

Does any other Member wish to speak?

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, I wish to join voice with the Members of the House who have spoken before me in extending the warmest of Christmas and New Year's greetings to you and your family.

I also do so to all of my colleagues on both sides of this honourable House. I wish them and their families all the very best over the course of this up-

coming holiday season and all the very best for the New Year.

I would, Madam Speaker, like to give Almighty God thanks for seeing us through another year. It has been a year filled with challenges. It has been a most eventful year. All sorts of things good and bad have occurred, but that is the way it is.

There is much to be done over the course of the next year and with God's strength and guidance I know as a people, as a country, as a Government, as a House, we will get through it. The resilience and other qualities for which we as Caymanians are known [to be] indeed famous, will see us through as long as we ensure that we walk hand in hand with the God who has protected and guided this country since its inception.

Madam Speaker, I want to give special thanks again to the people of George Town, particularly those who returned me to this House for the third consecutive time in the last election. As I say, every opportunity that I have I shall be forever grateful and feel forever privileged for having this wonderful opportunity to represent them.

I say to our constituents in George Town (because the Leader of the Opposition has had to leave) that they will be seeing us (those who haven't) over the course of the next few weeks as we do our usual rounds, which is customary at this time of the year. We look forward to fellowship and having a great time with them over the course of the Christmas season. I wish for them and their families all the very best.

We know fully well that things are very difficult this year in many families; there is virtually no one who is not feeling the pinch in one way or the other. But we on our end will do our best to ensure that those for whom we are responsible, are able to enjoy a good Christmas. And that it is occasions and times like this that we come to understand that material things are not everything, and that the joy and fellowship that the Christmas season presents is also one of those great gifts that we need to do our best to enjoy, particularly at times like this.

And so, Madam Speaker, with those few words, again, I wish you, all Members of this House, and all within the sound of my voice, in particular the people of George Town, a warm, wonderful Christmas and a happy and blessed New Year.

**The Speaker:** Thank you, Third Elected Member for George Town.

I think everyone has spoken. I would just like to add a few words to what has been said. First, I need to convey the apologies of the Second Official Member who was absent from the Chamber this morning. I was neglectful in not doing that this morning, and the apologies of the First Official Member who is absent this afternoon. And we have been talking about the history-making events that have happened this year. He is Cayman's first Deputy Governor and this afternoon he took up the position of the

Acting Governor of the Cayman Islands for the next several weeks until the new Governor arrives.

I also want to thank every Member of this House for giving me the opportunity to serve as your Speaker. I have been told by the public that I deserve this. And I'm not quite sure what that means. I'm not sure if that means I deserve you or you deserve me, but in any case I must say that it is a privilege and honour, and one that I accept with deep humility. I trust that in the time passed that we have taken measure of each other and when the New Year begins we will know exactly where we stand with each other.

I can promise you this, whatever I can do to make this country a better place in my role as Speaker, I will do. And whatever I can do to make this Parliament a better place for you to serve the people in, I shall also do. And whatever I can do to make the proceedings in this House maintain dignity, I shall also do.

I wish on behalf of my staff to thank each one of you for the respect you have given to all of us; myself as Speaker, and to each member of our staff here. It is probably the smallest, not exactly department, but I guess that is what you call us in civil service terms in the entire Government, and it operates one entire arm of the Cayman Islands Government. And I think we owe them a deep debt of gratitude. The staff here is very hard working. They put in very long hours long into the night.

I also want to wish for each Member of this House and their families God's blessings this Christmas. Each one of us has so much to be grateful for, so much to be thankful for; the very fact that we are here at the end of this year when there has been so much sorrow in our community should lead us to be very thankful that we are alive and that our families are well.

I want to wish for all the constituencies represented here by you, the Members of this honourable Parliament, God's richest blessings this holiday.

May God bless you all and may you enjoy peace and goodwill among yourselves.

I shall now call on the [Premier] to conclude.

**The Premier (Hon. W. McKeeva Bush):** Madam Speaker, I don't think that I need to say much more, but I do think that I missed one person of my staff who is a new person on my staff. Madam Speaker, that is my driver, Mr. Myles. I would just like to say how pleased I am, because this job, as much as people would think, you move up and down so much and to be able to have someone to help you out like that, to give personal security and help get you to meetings to and fro. Over the time that I have been leading the Government he has been appointed as my personal driver and assistant to that extent.

And another person, Paul Leons, who has assisted as well.

But my driver has been Mr. Myles and I want to thank him publicly. He is a good officer, Madam Speaker, and he himself has gone through some trials this year in the loss of his mother and we want to wish him and his family the very best for the New Year.

Madam Speaker, I think I don't need to move the adjournment again. I think I have done that.

**The Speaker:** I would like to add one more thing.

In Bodden Town (and this is an advertisement) we have a heritage display that spans the history of the Cayman Islands. It is set up in the Civic Centre. It is open to the public, and you and your families. Take time this holiday—it is going to run through the holiday season—to come to Bodden Town. Bring your families so that they can see where they came from.

The heritage display, as I said, spans over 200 years of history in the artifacts and all the things we have on display. We would appreciate your presence there. It is open Friday nights, Saturday from about 4 pm, and Sunday until about 9 o'clock at night. It will also be open during the week and you can bring special groups. And if you call me I shall make sure your families have a personal viewing if you can't come any other time.

Thank you.

The question before the House is that this honourable House do adjourn sine die. All in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**At 6.54 pm the House stood adjourned sine die.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**24 FEBRUARY 2010**  
**10.20 AM**  
*First Sitting*

**The Speaker:** I will ask the Honourable Premier to say prayers.

**PRAYERS**

**The Premier, Hon. W. McKeever Bush:** *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, honour 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 this 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 now 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.*

*Lord, you have taught us these words and we ask that you imprint them in our hearts for your mercies, for the things you have given us, for the things that we wanted and you did not give us, for those things that we trespassed upon that we should not, we ask your forgiveness. And we ask, Lord, that you would lead us not into temptation.*

*And for each one of us, Lord, we ask that you would deliver us and our individual families everywhere, and our children everywhere in these Islands, from evil, as you said in your word, for Thine is the Kingdom, the power and the glory. And so, Lord we ask now that you would bless us and keep us, to make your face shine upon us and be gracious unto us to lift up the light of your countenance upon us and give us peace, now and always. Amen.*

**The Speaker:** Proceedings are resumed.  
Please be seated.

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

**House Guests**

**The Speaker:** Good morning everyone.

I want to say a very special welcome this morning to His Excellency the Governor, who is my guest in the VIP section. It is his first visit to Parliament. I hope he will enjoy it and learn a lot from the way we do things here.

I want to say a very special welcome to the school children in the Gallery this morning. We have 52 children from the Savannah Primary School, accompanied by 4 teachers and 11 parents.

We have 28 students and 3 teachers from the East End Primary School. One of the things I had hoped, as Speaker, to encourage here is for schools to come and bring the students so they can see their government in action and so that they can learn who their representatives are and meet them in person. So this morning I consider it a great privilege that so many students are here.

I want to say a special welcome to the parents. I hope we will see more of you because it is your influence on their young lives that will turn them into good citizens.

Thank you all very much for gracing us with your presence this morning.

**Vote of thanks from Vice President of Kenya**

**The Speaker:** I also want to report to the House that we had a letter from the Vice President of Kenya [Dr. the Hon. Stephen Kalonzo Musyoka] who visited us recently, thanking the Parliament and the parliamentarians, the Government and the Governor for hosting him in our country. I will circulate the letter to Members later on.

Honourable Premier.

**Condolences**

**Passing of Mrs. Adora Bodden-Groome**

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I rise on behalf of the House to thank you for being in the Chair this morning. It is a difficult time for you in that your sister has passed away, and you still find the fortitude to be in the Chair. As a Government, certainly from our side, we appreciate that. If we had



to move our deputy in we would be less one on this side. I know that the Opposition will agree with us this morning on that matter. We thank you most kindly for being here.

Also, Madam Speaker, we want to extend condolences to your family, particularly the Rev. Harry Bodden, your brother, and other members of your family in the passing of one of Cayman's good teachers, your sister, Mrs. Adora Bodden-Groome.

#### **Tribute to the late Capt. Charles L. Kirkconnell**

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, also, we want to acknowledge this morning in regret the passing of one former Member of this honourable House and member of the Executive, the late Capt. Charles Kirkconnell, whom I had the pleasure of serving with for several years as my colleague.

Capt. Charles was a formidable opponent, but I always found that he never held a grudge. He always performed the way he felt he had to in the best interest of the country. But in heated time he could certainly tell you off, come around afterwards, put his arm around your shoulder and say, "Young man, I did not mean that that way. You have a lesson to learn."

I will never forget those days, as I am sure the Member for North Side will never forget those days with the late Capt. Charles Kirkconnell. He did much for these Islands, Madam Speaker. I am sure you, being a historian yourself, will remember the work that Capt. Charles did not just for the constituency that he was elected from (Cayman Brac). While he was a proud Cayman Bracker and he did a tremendous amount of good for that community.

I recall that one of my first official duties was to go with him to Cayman Brac to open the new airport. I remember him speaking on that joyous occasion of the accomplishments there.

But, as I look back on the amount of good that was done, in particular road works and on the present dock that he built after the late Berkley Bush left office and he had to complete that work. That served this country in a tremendous amount of development.

So this morning we want to thank his family and pay tribute to him for his work. I remember when he told me he was not going to contest the seat, he and the late Sir Vassel Johnson, and they left at the end of 1988. At that time the country had over \$36 million in surplus. To have \$36 million in surplus in 1988 was a tremendous effort on the part of that Executive Council, and I certainly remember with gratitude their work.

Politics, Madam Speaker, is a hard taskmaster. We are here today, and today we could be gone. That is the Almighty's choice. And in four years' time the people judge us. What a privilege it is if we can leave here holding no grudge with the Christian spirit I knew Capt. Charles had in his later days.

The songwriter said a few mornings ago, "A Charge to Keep I Have." When we can do that with

our conscience and heart clear, then that is what is expected of us by our people. I am sure Almighty God will say, "Well done, good and faithful servant."

May the Good Lord bless his memory as we pass on condolences to his entire family and the people of Cayman Brac and Little Cayman.

I thank you for that opportunity this morning, Madam Speaker.

**The Speaker:** Thank you all for the support you have given me in the past week. My family and I fully appreciate it.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I believe the Honourable Leader of the Opposition might want to say something. I am not sure.

**The Speaker:** Yes, Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** I am sorry, Madam Speaker, I perhaps did not rise swiftly enough.

**The Speaker:** I am sorry.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, on behalf of the Opposition I too wish to welcome His Excellency the Governor to these hallowed halls this morning. Certainly that is a good sign, he being fairly new on the job. We look forward to working along with His Excellency as Her Majesty's loyal Opposition.

Madam Speaker, as the Honourable Premier said, it is fitting this morning to offer condolences to you and to your sister's entire family. Many of us knew her very well. I remember years ago before she was teaching she used to work at Hampstead, many, many years ago. She was always that same person, steadfast and forthright in everything that she said and did. Certainly, she was a role model to many.

Also on behalf of my immediate family, I wish to extend condolences to all of Adora's family and I am sure that the Good Lord will give you all the strength to see these trying times through.

Madam Speaker, on behalf of the Opposition I also wish to welcome, as you have done, the children, teachers and parents from both the Savannah Primary School and the East End Primary School. It is always a pleasure to see them here and to get to interact with them at certain points in time during their visit.

Madam Speaker, several of our old stalwarts have passed. We certainly see the gaps that are created as they pass because they had such a great affect on so many of us simply by their existence. I always tell the story that many people that you get to know, love and respect . . . the mere fact that you remember them stops the temptation for you to sway, just because you would not wish for them to know. That in itself is how life has been over the generations

since we have known ourselves as the Cayman Islands.

I wish that we all would bear that in mind because when the Good Lord allows us to live a certain period of time it then becomes our turn to take up the mantle as they have continued to do.

Indeed, Capt. Charles was a very strong character, proud, as has been said. When I visited on the night of his death the first thing his daughter said to me, and she was actually able to muster a smile even though you could see the sadness, she said to me, "My dad was great right to the end." And that tells the story, Madam Speaker.

So, on behalf of the Opposition, we would like to offer condolences to his family.

I thank you, once again, for allowing me the opportunity to express the sentiments of the Opposition. Thank you, Madam Speaker.

**The Speaker:** I think it is fitting at this time for the House to rise for a moment of silence in memory of the late Capt. Charles Kirkconnell.

*[The House rose for a moment of silence in honour of the late Capt. Charles L. Kirkconnell]*

**The Speaker:** Thank you.  
Please be seated.

## PRESENTATION OF PAPERS AND OF REPORTS

**The Speaker:** Honourable Minister of Education, Training and Employment.

### Cayman Islands National Pensions Board Annual Report 1 July 2006 – 30 June 2007

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to lay on the Table of this honourable House the Cayman Islands National Pensions Board Annual Report 1 July 2006 – 30 June 2007.

**The Speaker:** So ordered.  
Would the Honourable Minister wish to speak thereto?

**Hon. Rolston M. Anglin:** No, Madam Speaker, I have to also lay a second report and I will speak to both of them at the same time.

**The Speaker:** Thank you.  
Honourable Minister of Education, Training and Employment.

### Cayman Islands National Pensions Board Annual Report 1 July 2007 – 30 June 2008

**Hon. Rolston M. Anglin:** I beg to lay on the Table of this honourable House the Cayman Islands National

Pensions Board Annual Report 1 July 2007 – 30 June 2008.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

These two annual reports have been around for a while. I thought it fit to lay them on the Table of this honourable House.

Madam Speaker, I would like to simply draw Members' attention to some of the highlights in the reports.

First, I note that the Board is established under section 78 of the National Pensions Law. The Board's duties and responsibilities are covered by section 80, which states (and I quote): "**The Board shall (a) administer this Law and the regulations; (b) promote the establishment, extension and improvement of pension plans throughout the Islands; (c) advise the Minister in respect of the business of the [Pensions] Board; and (d) make recommendations to the Minister in respect of pension plans.**"

Problematic pension plans 2006/2007: The Board continued to raise concerns regarding pension plans that were non-compliant under the National Pensions Law. Some progress was made to address the problems and to bring them into compliance. Both the National Pensions Office (NPO) and the National Pensions Board (NPB) were awaiting advice from the Legal Department, which was not provided, to ensure that plans were compliant with the National Pensions Law.

2007/2008: The revised pension plan documentation was received and submitted to the Legal Department for their review. A partial decision was received on one plan's documentation which identified a violation under the National Pensions Law. Discussions were held with the plan's attorney and needed changes were identified. Both pension plans confirmed their intention to continue operating locally to make any necessary amendments to become fully compliant.

The Board decided that both pension plans must submit their final documentation by December 1, 2008, or post a bond for the value of the pension funds. The plan submitted their documentation and after minor changes both plans were accepted for registration subject to subsequent changes.

Law Changes: In 2006 the Board continued to work on proposed changes to the Law and the NPO continued to spearhead the Mercer Report, which was completed in 2007. The Board's recommendations have included the introduction of a benefits tribunal that should be able to advance the backlog of pension non-compliance cases without having to revert to the court system and inter-departmental cooperation

which would enable all relevant departments to collaborate in order to address non-compliance.

For example, the Immigration boards could decide not to grant work permits or trade and business licences to employers that are non-compliant with the National Pensions Law. The Board pointed out that any legislative changes will not replace the need for critical enforcement support.

Enforcement 2006/2007: Six hundred and seventy-two open cases at the start of the year. There were 276 new cases identified; 338 cases were resolved, leaving 210 open cases at the end of the year.

Three companies were charged with violations under the National Pensions Law totalling 23 separate charges. Two companies had charges stayed, one due to pending payment of the full amount of arrears; one pending the return of the management of the company. One company entered guilty pleas and fines were levied on the employer.-

The Board expressed extreme disappointment on the progress of prosecutions which were reported to the Ministry. The Board also expressed concern about the judiciary authorising payment of legal defence costs and other personal expenses from funds the NPO previously secured to cover the pension arrears of this employer.

The Board estimated that the arrears from just the top cases are likely to be in excess of \$2 million. The Board predicted public outrage would come and loss of confidence in the pension system would follow once the information becomes widely known.

2008: Six hundred and ten open cases at the start of the year; 79 new cases identified. Two hundred and eight cases were resolved leaving 481 open cases at the end of the year.

The NPO stopped processing its delinquency reports during this period and these reports represent the bulk of the cases opened by the office annually. Please note that the failure to process these reports was a violation of the National Pensions Law.

The National Pensions Office spent this time revising its procedures which, at least initially, improved its ability to gain the compliance of employers. Nine companies were recommended for charges, three of those companies had charges laid, six were left to be assessed by the year end.

The limited success was derailed which resulted in an exchange of correspondence between the then Minister and the Attorney General. The Board and the NPO's frustration regarding advancing the compliance of the National Pensions Law and obtaining the resources needed by the National Pensions Office was indeed communicated.

Madam Speaker, at a later date I will be updating the House, via a statement, on the proposed reform agenda as it relates to pensions and the Department of Employment Relations. But, needless to say, just from looking from afar . . . and all of us live in this small community. We have known that this problem has existed for many years. While the framework

and the principles behind pensions are of crucial importance to retirees in the future, we have to ensure that we put in place a regime that is going to work for this jurisdiction. It is with that in mind that the Ministry is embarking upon wholesale reform of the structure which exists. Legislative reform will underpin those changes, but, more importantly, legislative reform that is crucially and vitally important so that we can deal with cases much more efficiently and, as has been recommended for many years, to avoid these cases getting bogged down and at the mercy of the court system.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Minister.  
Honourable Premier.

#### **Report of the Standing Business Committee— Second Meeting of the 2009/2010 Session of the Legislative Assembly**

**The Premier, Hon. W. McKeever Bush:** I beg to lay on the Table of this honourable House the Report of the Standing Business Committee—Second Meeting of the 2009/2010 Session of the Legislative Assembly.

**The Speaker:** So ordered.

Does the Honourable Premier wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** No need to, Madam Speaker, thank you.

#### **POINT OF ORDER**

**Mr. D. Ezzard Miller:** Madam Speaker, on a point of order. If I could be permitted to draw your attention to Standing Order 14 (1)(f), Standing Orders 20, 21, 22, 23 and 26, which concern questions to Members. And, Madam Speaker, if you will grant me permission I will elucidate the point of order.

**The Speaker:** May I have a copy of what you are referring to?

*[pause]*

**The Speaker:** Member for North Side, would you repeat, please, the Standing Orders you are referring to?

**Mr. D. Ezzard Miller:** Yes, Madam Speaker. Standing Order 14 (1)(f), Standing Orders 20, 21, 22, 23(6).

**The Speaker:** [Standing Order] 20, 21. . .

**Mr. D. Ezzard Miller:** Twenty two and 23(6).

**The Speaker:** Yes, Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, Standing Order 14 very clearly dictates the order of business for all sittings of this honourable House. I wish to query why the Order Paper for today's sitting does not include three of the questions that I have submitted in full compliance with Standing Orders 20, 21, 22, and 23(6).

Madam Speaker, I have been informed that the Business Committee of this honourable House decided not to place my three questions in accordance with Standing Order 23(6) because the Ministers do not have their answers prepared.

Madam Speaker, I object to this decision by the Business Committee as they have no authority to suspend or depart from the requirements of Standing Orders. I therefore submit for your ruling that questions duly asked and properly submitted by Members in accordance with Standing Orders 21, 22 and 23(6) shall be placed on each Order Paper for every sitting of this honourable House. And if the relevant Minister does not have the answer prepared, he must, in accordance with Standing Order 23(5) seek the leave of this House to defer the question.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, as Chairman of the Business Committee . . . we have been following actually what has been the norm in this honourable legislature. That is, a Member puts in a question, it goes to the Ministry, on to the department or wherever it has to be answered, and when that answer is prepared, when the government—civil servants—have done their work and all the relevant information is given, then the Clerk is told that the answer is ready. And that is when it is answered.

In my many years here in this House that has always been the procedure. Questions get put on Order Papers at times and, yes, a Minister can defer or perhaps the Member asking may ask the Minister to defer answering the question because they might not be ready. But the way we are conducting the affairs of the Business Committee is no different now [from what] it has been.

I would have to take the time out with the Business Committee—which includes two Members from the Opposition, Madam Speaker—to research, have a look at what the Member for North Side has brought here this morning.

Madam Speaker, what I can say is that when we met we did go over the same procedure, that is, when we (the Business Committee) met a few days ago. We went over the same procedure, that is, that when the questions are ready the House would be informed and then that particular question would be placed on the Order Paper.

[When] the Opposition was there that is how they operated. They never made any fuss about it

and, certainly, as I said, that is the way it has always been. It has not been any different.

First of all, I do not want Mr. Miller [the Elected Member for North Side] to think we are just leaving him out in the cold. I am sure, being a member of Executive Council before, that he understands the affairs of state. And that is really how it was. I am sure that he . . . I am sure that Mr. Miller, the Member for North Side, recalls that at times I asked him questions that were not answered until he was ready to answer them, and they were not put on the Order Paper. I am sure that if he goes into the records he will find that, because that has been the procedure.

Maybe we have operated all these many years wrong and now Mr. Miller has come to tell us that we are wrong. But that is the way we have been operating.

As I said, Madam Speaker, the only thing we can do is at the next meeting (which I hope is sometime this afternoon) we can call the Business Committee together to look at what Mr. Miller has brought to our attention and bring it back to his attention.

Madam Speaker, the truth is that even though that might be so, as I said, it takes a lot of time for the Civil Service to do research to get proper information. And sometimes those of us on the other side (when we are there) will feel that it is just being held up. But the fact is that the executive is waiting on the administrative arm to get the work done so that they can give a proper answer in the House. That is the way it is today, no different.

**The Speaker:** Thank you, Honourable Premier.

Now that the question has been aired, I hope that both sides will get together and work it out so that I do not have to make a ruling on it from this Chair.

Thank you.

*[inaudible interjections]*

**The Speaker:** Please do not talk across the Chamber.

*[inaudible interjections]*

**The Speaker:** Order, please.

## QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

### Suspension of Standing Order 23 (7) and (8)

**The Speaker:** We have reached the hour of 11 am (or close to it). Is there a motion to suspend Standing Order 23 (7) and (8) for questions to be asked?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the suspension of that individual and

particular Standing Order to allow questions to be asked after the hour of 11 o'clock.

**The Speaker:** The question is that Standing Order 23 (7) and (8) be suspended for questions to be asked after 11 o'clock. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 23 (7) and (8) suspended.**

**The Speaker:** Please proceed.  
Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker.  
In light of the previous discussion I would like to thank the Deputy Premier for her prompt answer to my questions.

#### QUESTION NO. 5

**No. 5: Mr. Anthony S. Eden** asked the Deputy Premier, the Honourable Minister responsible for District Administration, Works and Gender Affairs what are the plans for the use of the ground floor of the James Manoah Bodden Civic Centre in Bodden Town.

**The Speaker:** Deputy Premier.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker, and thanks to the honourable Member for Bodden Town.

The ground floor of this building is presently vacant and only partially fitted out. In the immediate short term it is partly being used for limited storage purposes by the Cadet Corps. In the longer term the Department of Lands and Survey is engaged in identifying suitable potential occupants.

**The Speaker:** Are there any supplementaries?  
Member for East End.

#### Supplementaries

**Mr. V. Arden McLean:** Thank you, Madam Speaker.  
In light of the Minister's response, can the Minister then tell us if the plans put in place by the previous PPM administration to put a licensing department there, vehicle licensing and the RPCU . . . what are the future plans for those plans to situate a vehicle licensing section in that area?

**The Speaker:** Honourable Deputy Premier.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

They say great minds think alike. I am not sure whether that is the case, but in anticipating my first supplementary, that was the first one I anticipated. So the answer is as follows:

It was originally intended to be occupied by both the Vehicle and Driver's Licensing Department and the Recreation Parks and Cemeteries Unit (RPCU). The fit-out from shell had commenced, but it is currently only 10 per cent completed for the Licensing Department and 30 per cent completed for the RPCU.

Under prudent reassessment of these plans, and in light of the current economic condition we now find ourselves in, it was determined that neither of these departments should take up occupation there and further fit-out of the ground floor was suspended in June 2009.

In the specific case of Vehicle Licensing, it was decided that it would be imprudent to go ahead with this project at this time in light of the new facility under construction in Crewe Road. And due to the lack of necessary funds for the Bodden Town project we felt that we needed to prioritise for the completion of the Crewe Road project which we are happy to say is going to be opening anon.

In the case of the Recreation Parks and Cemeteries Unit, it was determined that the staff who would be based there presently live in close proximity to the existing George Town office, and many of these staff do not have the luxury of access to a vehicle to get to their place of work. In fact, when the staff was consulted, and they were consulted, they were overwhelmingly not in favour of the proposed move. And there is insufficient operational reasons why the staff should be forced to relocate to that particular location, Madam Speaker.

**The Speaker:** Thank you.  
Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, I agree with the Minister that the staff did not want to move, but we were trying to move stuff out of George Town as well, and to serve the eastern districts.

Madam Speaker, the original purpose of relocating that Vehicle Licensing office—it was specific for the eastern district—was because of all the heavy equipment that is used primarily, the quarries and the likes, on the eastern end of the island, and all of those would be inspected there.

Can the Minister now say if it is anticipated that the new facilities down next to the Baptist Church will be able to accommodate all of those as well?

**The Speaker:** Deputy Premier.

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, I am happy to say that as a result of negotiating a very necessary, important access into the facility, it will be able to accommodate them in a short

term for two reasons: until we can get the finances of this country back to a very favourable position, which will take some time; and, secondly, as it was left by the last administration and the particular Member (the proponent of the questioning) it was difficult to even get access for regular vehicles much less the more heavy duty vehicles, Madam Speaker. And because we are a Government that took time to look at prudent fiscal policies, including how to get to and from buildings—which are very expensive buildings—we had to prioritise in that regard.

Now that we have successfully negotiated access to that building (and I am sure the Member is cognisant of where that access would be coming from) we are in a better position to put forward necessary estimates for the 2010/2011 budget to continue—and I must stress *continue*—the Go East Initiative that did not get too far east, Madam Speaker.

**The Speaker:** Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, can the Minister confirm or deny whether or not the negotiations with Mr. Coe had started, and, as a matter of fact were completed prior to my demitting office, for access through his property at that site, and the only thing left to be done was to sign the agreement through the Attorney General's office which would allow us to build the additional access road and then, in turn, for him to use that access road?

**The Speaker:** I am going to allow the question, but we are off the question of what the use of the civic centre would be in Bodden Town.

Honourable Deputy Premier.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker, for recognising that the question had taken a roundabout. Pardon the pun.

But, Madam Speaker, I am reliably informed by my staff that negotiations with Mr. Coe had, in fact, commenced; but they came to an unexpected standstill because of the lack of negotiating skills and the unreasonable approach by the Member. That is the information my staff gave me and they have never led me wrong to date, Madam Speaker.

[laughter]

**The Speaker:** Order.

Thank you. Can we move on to the next question please?

#### QUESTION NO. 6

**No. 6: Mr. Anthony S. Eden** asked the Deputy Premier, the Honourable Minister responsible for District Administration, Works and Gender Affairs to give an update on the proposed remedial works to alleviate the flooding in Cumber Avenue.

**The Speaker:** Honourable Minister.

**Hon. Juliana Y. O'Connor-Connolly:** Thanks to you, Madam Speaker and to the Honourable Member for Bodden Town.

The NRA undertook to demark the low-lying piece of Crown property in the area south of Daffodil which helped considerably to alleviate the flooding thus far. However, the Government is now considering more extensive measures as outlined in a report prepared by Orth Rogers and Associates through the NRA.

For the record, both Members for Bodden Town have been inquiring, are avidly interested and have also met with the residents. So I am looking forward to three Members working together with us to find a positive solution for this very important problem.

**The Speaker:** Thank you.

Second Elected Member for Bodden Town.

#### Supplementaries

**Mr. Anthony S. Eden:** Thank you, Madam Speaker. She is correct in the three of us working for the people of Bodden Town as most of us have known the great difficulty experienced in that area, especially also you, Madam Speaker.

I wonder, in the event that this time-lapse goes longer than four months . . . there was a certain proposal to widen the width and the depth of the deep wells in the event the overall master plan is not implemented. Other areas using this type of draining process have been very successful.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you for your indulgence, Madam Speaker.

I am reliably informed that a colossal deep well had been dug in the area, but because of the rock formation it has not been successful in its operation.

In fact, when one looks at the proposal to date, it is recommended that a number of parcels of property be acquired which will allow for connectivity of the holding pond into other areas in Belford Estates for retention as well as the housing is proposed to go and the pond that is to go there to link it up.

The other proposal we are looking at is to look at the roads with resurfacing. But we have not commenced that, Madam Speaker, because it will take an engineering study to ensure that it will not make the situation worse with those homes that are already built with foundations that are perhaps lower than this would necessitate, Madam Speaker.

**The Speaker:** Thank you.

Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you.

Just to question if there is a brief synopsis of the study done by Orth Rogers or if at some time you could share that with us.

**The Speaker:** Deputy Premier.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you.

Madam Speaker, certainly matters like this are national matters and information is power. In the balance of probabilities there is a better chance at solving these several solutions when all hands are on deck. So I will ask my staff who are within hearing of your request to ensure that that Member and any other Member with an interest has a copy of that report.

**The Speaker:** Thank you, Deputy Premier.  
Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you.

Madam Speaker, I wonder if the Deputy Premier could indicate some of the key recommendations of that report.

**The Speaker:** Deputy Premier.

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, some of the recommendations, as I have been informed by the relevant staff members, are as follows—but I would like to express for the record the caveat that it is not all-inclusive. I would invite the honourable Member to peruse it himself so that he can have a fuller understanding of what the proposals are. I would also invite him, Madam Speaker, to perhaps assist the Government with the funding of those proposals because, again, all hands on deck would lead to a better positive solution.

Madam Speaker, as far as the proposal for the Belford [Estates], step one, it was recommended, I am told, to acquire (and I will not say the block and parcel numbers for obvious reasons) a particular block and parcel number in the vicinity which would be essential for the road network plus a remaining large undeveloped area of land located on the eastern end of a particular sub-division so that all roads within the Belford Estates sub-division could be “acquired” by Government.

The NRA also noted that there was a particular parcel of property which ownership needed to be confirmed and contact made so that we could also try to acquire that particular . . . in fact, there would be like three pieces of property necessary to make the connection that is proposed under this step.

Step two would be to acquire a small section of a private right-of-way that forms the lead-in road to Belford Estates proper.

Step three, acquire the three vacant inland parcels which, in fact, are house lots, plus one of the larger undeveloped plots of land to the east end of the subdivision. It is proposed that these lots will be exca-

vated and used for storm water retention. Connect all retention ponds via hydraulically designed pipes and culverts.

Step five, connect all Belford retention ponds to the proposed retention ponds in the new government low-cost housing project to the east of the subdivision. And it was also assessed on a preliminary basis from the NRA that the storm water management project would be in the region of \$870,000. Although there is another slightly less expensive alternative, which would be to re-grade all of the existing roads within the Belford Estates subdivision so that they could be sloped eastwards towards Pease Bay Pond. However, as initially mentioned, Madam Speaker, this would require further engineering studies to determine whether it is possible to alter the road grade without causing adverse flooding conditions for existing homes which may have pre-existing floor levels at or near current road levels.

Thank you.

**The Speaker:** Thank you.  
Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, this is obviously a major undertaking, a major capital project with the attendant significant outlay of funds.

In light of that, which I think we all understand, can the Deputy Premier indicate when it is likely that this work or any of this work will be undertaken? And I ask that for an obvious reason.

**The Speaker:** Deputy Premier.

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, under the current budget arrangements—all Members would be cognisant of it, it was passed in October of last year—it is not possible under this budget because we also recognise (our Members on this side as well as the representation from the Second Elected Member for Bodden Town in having met with the residents there) that it is of utmost importance. We are proposing to put forward . . . in fact, figures (I believe I am correct in saying) have been put forward for the estimates for 2010/2011.

Obviously that will be dependant on what happens with the divesting of assets, the performance of our revenue projections, the outcome of the United Kingdom's expectations of the diversifying of our revenue base, the will and the practicality of looking at our current expenditure in Government and making some very difficult decisions. That, balanced against the background of the urgent need in Bodden Town, will be taken into consideration. It is hoped that before the flood season is upon us that we would have the engineering studies completed and some funds available to address it.

Obviously the Member and the House will surely realise that this has to take an immediate and a

medium-term approach because of the financial arena that we find ourselves in, Madam Speaker.

**The Speaker:** Thank you.

Can we move on to the next question?

Member for East End.

#### QUESTION NO. 7

**No 7: Mr. V. Arden McLean** asked the Deputy Premier, the Honourable Minister responsible for District Administration, Works and Gender Affairs, if the Government is considering merging the National Roads Authority and the Public Works Department.

**The Speaker:** Deputy Premier.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

The Government is reviewing all options whereby the Authority and the Department can achieve greater efficiency. A committee was formed to review the agencies and to find common areas that could lend to sharing of resources.

For example, it was seen that while the NRA was renting its current accommodations they were also leasing an area of the Public Works Department compound to park their respective equipment. Thus it was deemed prudent to have them relocate their administrative offices to PWD's compound. This would eliminate the need to lease accommodations.

#### Supplementaries

**The Speaker:** Member for East End.

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

I appreciate the answer, but I wonder . . . maybe I did not . . . by "merging" I meant was there any plan by the Government to repeal the National Roads Authority Law in order that we put them back under one heading, one department.

**The Speaker:** That is not the question.

Does the Deputy Premier wish to answer?

**Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, I concur that we have again entered another ideological roundabout, but in the interest of Freedom of Information I have no hesitation to answer.

I would say, Madam Speaker, that because Government found itself in a fiscal straightjacket, from an economic perspective, we were not from the start going to eliminate any option. All options have been placed on the table for review by a committee as follows: Mr. Tristan Hydes, from the Ministry; Ms. Nadisha Walters, from the CFO and Ministry; Ms. Velinda and Ms. Julie Campbell, also from HR; Mr. Paul Parchment, from NRA; Mr. Jonathan Jackson, from the RPCU; Mr. Sean Evans, from PWD. They were all

chosen because of their fresh young minds and wealth of experience within their respective agencies.

But I can say, Madam Speaker, that the *modus operandi* and the activities of this particular committee have been suspended temporarily to await the outcome of the review of the Civil Service being coordinated and directed by the honourable Deputy Governor, at which time we will look at the recommendations and see where we take it from there.

Madam Speaker, in this type of fiscal atmosphere, one has to look at all options. Hard decisions have to be taken, not necessarily campaign promises being fulfilled or highfalutin empires being established. We have to look to see whether what we currently found upon taking office is what is best suited. In fact, if it is, the Member knows me quite well, it will continue. I am not into changing colours and changing names for the sake of achievement. Surely we want to see where we get the best value for money. If it is found that merging is the best way, then I have no hesitation in doing that. If it is found that we have to leave it, that is what is going to be done.

In light of the fact that there is a comprehensive review to achieve savings through all of the Civil Service, we are awaiting the recommendations from this particular committee. At that time I will be more than happy to make a statement as to the outcome.

**The Speaker:** If there are no further supplementaries, this brings us to the end of the questions on the Order Paper.

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

**The Speaker:** I have no information on Statements by Honourable Ministers and Members of the Cabinet.

### GOVERNMENT BUSINESS

#### BILLS

#### FIRST READINGS

##### Criminal Justice (International Co-operation) (Amendment) Bill, 2010

**The Clerk:** The Criminal Justice (International Co-operation) (Amendment) Bill, 2010.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for a second reading.

##### Suspension of Standing Order 46(1) and (2)

**The Speaker:** Honourable Premier.



**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move the suspension of Standing Order 46(1) and (2) to enable the following Bills upon the Order Paper to be read a first time: University College (Amendment) Bill, 2010; Education (Amendment) Bill, 2010; National Archive and Public Records (Amendment) Bill, 2010; Health Services Authority (Amendment) Bill, 2010; National Drug Council (Amendment) Bill, 2010; National Trust (Amendment) Bill, 2010.

Thank you, Madam Speaker.

**The Speaker:** The question is that Standing Order 46(1) and (2) be suspended to enable the Bills upon the Order Paper to be read a first time: University College (Amendment) Bill, 2010; Education (Amendment) Bill, 2010; National Archive and Public Records (Amendment) Bill, 2010; Health Services Authority (Amendment) Bill, 2010; National Drug Council (Amendment) Bill, 2010; National Trust (Amendment) Bill, 2010.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(1) and (2) suspended.**

## FIRST READINGS

**University College (Amendment) Bill, 2010**

**Education (Amendment) Bill, 2010**

**National Archive and Public Records (Amendment) Bill, 2010**

**Health Services Authority (Amendment) Bill, 2010**

**National Drug Council (Amendment) Bill, 2010**

**National Trust (Amendment) Bill, 2010**

**The Clerk:** University College (Amendment) Bill, 2010; Education (Amendment) Bill, 2010; National Archive and Public Records (Amendment) Bill, 2010; Health Services Authority (Amendment) Bill, 2010; National Drug Council (Amendment) Bill, 2010; National Trust (Amendment) Bill, 2010.

**The Speaker:** The Bills as read are deemed to have been read a first time and set down for Second Reading.

## SECOND READING

### **Criminal Justice (International Co-operation) (Amendment) Bill, 2010**

**The Clerk:** Criminal Justice (International Co-operation) (Amendment) Bill, 2010.

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Thank you, Madam Speaker.

I seek leave of this House to move the second reading of a Bill entitled, A Bill for a Law to amend the Criminal Justice (International Co-operation) Law (2004 Revision) respecting the transfer of witnesses; and for incidental and connected purposes.

**The Speaker:** The Bill has been duly moved, does the Member wish to speak thereto?

**Hon. Samuel W. Bulgin:** Yes, Madam Speaker, thank you.

May I just say that the Bill was published on 22 October 2009, and even though we are in 2010, it is carrying a 2009 date. So, at the appropriate Committee stage I will ask that it be amended to read 2010. Thank you.

Madam Speaker, the reason for this Bill is that the third Mutual Evaluation Report of the Cayman Islands was adopted on 23 November 2007 by the Caribbean Financial Action Task Force (CFATF), of which the Cayman Islands is, of course, a member. While the Islands received an overall excellent rating for our compliance with the 40-plus recommendations, there were a number of recommendations made which were agreed to be implemented by the Mutual Evaluation Team. One of these relates to recommendation 36 of the Financial Action Task Force, which deals with the issue of Mutual Legal Assistance.

Although the Cayman Islands received a rating of largely compliant in this area, one weakness was identified in the legislation which the CFATF review team recommended should be addressed. As a result, the recommendation put forward was that the Criminal Justice (International Co-operation) Law should be amended to include facilitating the voluntary appearance of persons not in lawful custody for the purpose of providing information or testimony to the requesting country as a listed purpose for mutual legal assistance.

Simply put, Madam Speaker, under the United States Mutual Legal Assistance Treaty Law, if a request is sent from the requesting country (the United States) for someone in the Cayman Islands, a service provider, to provide evidence or documents or so, they can volunteer to do that without being compelled by the central authority, the Cayman Islands.

However, in order to do so they would require from the central authority an authorisation which would then cover that person in terms of they are not breaching the Confidential Relationship (Preservation)

Law. That provision is in the United States' Mutual Legal Assistance Treaty Law, but there is no similar provision in the Criminal Justice (International Co-operation) Law, where such a person who volunteers—

**The Speaker:** Can we just pause for a minute? Is the school leaving at this time?

Can we just wait for a minute until they exit the building?

[pause]

**The Speaker:** Sorry for the interruption. Would you please continue?

**Hon. Samuel W. Bulgin:** Thank you, Madam Speaker.

As I was saying, there is no similar provision under the Criminal Justice (International Co-operation) Law, which would allow a potential witness to volunteer to testify under those circumstances, where the request is sent from abroad, without having breached the Confidential Relationships (Preservation) Law.

So, Madam Speaker, what the Bill before this House is seeking to do is to amend section 3 of the Criminal Justice (International Co-operation) Law by adding this item to the provision which is basically facilitating voluntary transfer of witnesses to provide that evidence abroad. Once that is done, the central authority here would be able to give that witness a letter which would then absolve them from any sort of transgression under the Confidential Relationship (Preservation) Law.

It is a one line amendment and I would seek the support of honourable Members for this. The expectation is that the next time the Cayman Islands is reviewed by a team from the Caribbean Financial Action Task Force our ratings would move from largely compliant to that of compliant.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause]

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker. Just to indicate that the Opposition does not have any objection to that amendment. But I would like to ask the honourable Attorney General if in his winding up he can brief the House about what progress has been made to achieve the greater goal, which is the repeal of the Confidential Relationships (Preservation) Law and its replacement with appropriate legislation to avoid us having these sorts of perception issues which remain.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the honourable mover to wind up the debate.

**Hon. Samuel W. Bulgin:** Thank you, Madam Speaker.

I thank the honourable Member and Members of the House for their support.

The larger question, what is being done as it relates to the Confidential Relationships (Preservation) Law . . . Madam Speaker, some time ago, the then Cabinet gave permission for a task force to be established to look at a repeal and/or review, for that matter, of the Confidential Relationships (Preservation) Law as there was a feeling that it might have outlived its usefulness.

That piece of legislation has been the bane of our existence, I think since the 1970s. All that is happening is that it was considered necessary to review it with a view to either amending it or repealing it in its totality.

The task force looked at the [Law] and came up with certain recommendations. Among them was a recommendation that the criminal provision—the penal provision in the Law—should be repealed and an interim arrangement be put in place pending the development of a comprehensive data protection law. A draft bill was done to amend the Confidential Relationships (Preservation) Law. That was examined by the Financial Services Council and certain recommendations were made then as to how to move that forward.

Madam Speaker, one of the observations coming out of that was that, instead of putting in place an interim reform amended Confidential Relationships (Preservation) Law, efforts should be made to expedite the drafting and enactment of the data protection law.

Following that, Madam Speaker, another task force was set up to look at what would be the more suitable data protection legislation for the Cayman Islands. That task force has met, chaired by Mr. David Archbold from the ICTA, and comprises representatives from the AG's Chambers, the Freedom of Information Office and persons from other disciplines within government, and the private sector as well, I should add.

They have put together a very comprehensive report outlining the more suitable model of data protection legislation to be adopted by the Cayman Islands. The report itself was submitted to me and also to the Cabinet Secretary on 8 February 2010. It is going before Cabinet in two weeks to get Cabinet's permission to move ahead with the actual drafting instructions and so on.

The expectation is that rather than now having to repeal or amend the Confidential Relationships (Preservation) Law, we would expedite the coming into being of the data protection law sometime this year. So that is where we are, the report itself is due to go to Cabinet in another two weeks.

**The Speaker:** The question is that a Bill shortly entitled the Criminal Justice (International Co-operation) (Amendment) Bill, 2010 be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Criminal Justice International (Co-operation) (Amendment) Bill, 2010, given a second reading.**

### **Suspension of Standing Order 46(4)**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move the suspension of Standing Order 46(4) to enable the Bills upon the Order Paper to be given a second reading.

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the Bills upon the Order Paper to be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(4) suspended.**

## **SECOND READINGS**

### **University College (Amendment) Bill, 2010**

**The Clerk:** University College (Amendment) Bill, 2010, Second Reading.

**The Speaker:** Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

I wish to move a Bill shortly entitled, The Education (Amendment) Bill, 2010.

**The Premier, Hon. W. McKeever Bush:** The University—

**Hon. Rolston M. Anglin:** Sorry, Madam Speaker, the University College (Amendment) Bill, 2010.

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

**Hon. Rolston M. Anglin:** Madam Speaker, this Bill is as a consequence of the creation of the constitutional office of an elected Minister being charged with the responsibility for finance and to make other necessary changes to give effect.

Madam Speaker, the Bill is quite straightforward and one that I would not imagine would solicit any real level of debate. All Members would know that prior to this, and . . . in fact, the next few Bills on the Order Paper are in this regard. But prior to this we have been bringing various pieces of legislation to this honourable House for passage so as to ensure that those pieces of legislation either conform with or reflect the changes in the 2009 Constitution Order.

Madam Speaker, for the record, this Bill introduces the term “Minister of Finance” and defines it. Clause 3 amends section 3 of the principal Law to enable a representative of the Minister of Finance to be a member of the Board of Governors of the University College, and replacing the “Financial Secretary.”

Clause 4 amends miscellaneous provisions of the principal Law to transfer various functions from the Financial Secretary to the Minister of Finance. Functions transferred relate to the following matters: Termination of the methods of repayment of setting up loans under section 6 of the principal Law; the guarantee of the repayment of certain authorised borrowings of the College under section 10(2) of the principal Law; directions relating to the College’s accounts and bookkeeping as it relates to section 11(1) and (2) of the principal Law; and directions relating to inventory of certain property to be vested in the College as it relates to section 18(1) of the principal Law.

Madam Speaker, as I said, this Bill is simply a tidying up exercise as a consequence of the coming into force of the 2009 Constitution Order and I commend it to all honourable Members of this House.

**The Speaker:** Does any other Member wish to speak? [pause]

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

While we are well aware that this is just a Bill consequential to the new Constitution that has been enacted, I just have one question and would like for it to be answered when the Honourable Minister is winding up.

Understanding him and accepting the change that is there, whereby the Financial Secretary is being replaced by a Minister of Finance, in [Clause] 3 of the Bill where it says, “The principal Law is amended in section 3(3) by repealing paragraph (a) and substituting the following paragraph— (a), ‘a representative of the Minister of Finance;’” I just want to know whether a representative of the Minister of Finance excludes the Financial Secretary or could the Financial Secre-

tary still be a representative on the board as a representative of the Minister of Finance?

That is what I want to make sure of.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the Minister of Education to wind up the debate.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

I thank all Members for their support of this very benign and non-controversial Bill.

In response to the point raised by the Honourable Leader of the Opposition, the answer would be, yes, the Honourable Minister of Finance could designate the Honourable Financial Secretary to be his representative on this or any other board where these similar types of provisions would apply. In fact, in practice, the Honourable Minister of Finance would be able to allow for any duties that he so desires to be carried out.

So the Financial Secretary would not be barred from sitting on boards. I have consulted very quickly with the Honourable Second Official Member and he has affirmed that there would be no provisions under the Law or the Constitution that would bar the Honourable Financial Secretary from being appointed to the Board of Governors of the University College.

**The Speaker:** Thank you.

The question is that a Bill shortly entitled, The University College (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The University College (Amendment) Bill, 2010, given a second reading.**

#### **Education (Amendment) Bill, 2010**

**The Clerk:** The Education (Amendment) Bill, 2010, Second Reading.

**The Speaker:** Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move a Bill entitled, The Education (Amendment) Bill, 2010.

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

**Hon. Rolston M. Anglin:** Madam Speaker, again, this Bill is simply a change due to the coming into force of the 2009 Constitution Order.

It replaces the "Financial Secretary" with the Honourable Member of Cabinet charged with finance as it relates to paragraph 4 of the third Schedule to the Bill and it deletes the words "Financial Secretary" and substitutes "Member of Cabinet charged with responsibility for Finance."

Madam Speaker, this is in relation to the abatement of schools fees.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If no other Member wishes to speak, I call on the Honourable Minister of Education to conclude the debate.

**Hon. Rolston M. Anglin:** I thank Members, Madam Speaker, and yourself for the support of this Bill.

**The Speaker:** Thank you.

[pause]

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move the National Archive and Public Records (Amendment) Bill, 2010.

**The Speaker:** I am sorry; I neglected to call for the vote.

The question is that a Bill entitled, The Education (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Education (Amendment) Bill, 2010, given a second reading.**

#### **National Archive and Public Records (Amendment) Bill, 2010**

**The Clerk:** The National Archive and Public Records (Amendment) Bill, 2010, Second Reading.

**The Speaker:** Honourable Minister of Education.

**Hon. Rolston M. Anglin:** I beg to move the Second Reading of a Bill entitled, The National Archive and Public Records (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved, does the mover wish to speak thereto?

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Again, this Bill seeks to dovetail with the 2009 Constitution Order. It amends section 5 of the principal Law and enables a nominee of the Minister of Finance to be a member of the Records Advisory Committee instead of the nominee coming from the Financial Secretary. Again, Madam Speaker, a short and very much non-controversial Bill to give effect.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not I will call on the mover to conclude the debate.

**Hon. Rolston M. Anglin:** Just to thank Members for their tacit support.

**The Speaker:** The question is that a Bill shortly entitled, The National Archive and Public Records (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The National Archive and Public Records (Amendment) Bill, 2010, given a second reading.**

#### **Health Services Authority (Amendment) Bill, 2010**

**The Clerk:** The Health Services Authority (Amendment) Bill, 2010, Second Reading.

**The Speaker:** Honourable Minister of Health.

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker.

I seek the leave of this honourable House to move the Second Reading of a Bill entitled, The Health Services Authority (Amendment) Bill, 2010.

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

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker, very briefly.

Similar to the previous Bills, this Bill is basically in reference to the coming into effect of the 2009 Constitution Order and the consequential changes thereby needed. The Bill, in the definitions, deletes the words "Financial Secretary" and substitutes the words "Minister of Finance." It also creates a definition of the Minister of Finance, and also substitutes for the words

"Financial Secretary" [the words] "Minister of Finance" wherever it is throughout the Bill.

With that, Madam Speaker, I commend this Bill to this honourable House.

**The Speaker:** Thank you.

Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the Honourable Minister to exercise his right of reply.

I am having difficulty hearing people. I am not sure if there is something wrong with the speaker system. Speak directly into your microphones please, thank you.

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker. Just to thank honourable Members for their support.

**The Speaker:** The question is that the Health Services Authority (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Health Services Authority (Amendment) Bill, 2010, given a second reading.**

#### **National Drug Council (Amendment) Bill, 2010**

**The Clerk:** The National Drug Council (Amendment) Bill, 2010, Second Reading.

**The Speaker:** Honourable Minister for Health.

**Hon. J. Mark P. Scotland:** Madam Speaker, I rise to move the Second Reading of a Bill entitled, The National Drug Council (Amendment) Bill, 2010.

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

**Hon. J. Mark P. Scotland:** Madam Speaker, again, only to say that this Bill brings into effect consequential changes as a result of coming into effect of the 2009 Constitution Order.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the mover to exercise his right of reply.

**Hon. J. Mark P. Scotland:** Madam Speaker, just to thank Members for their support and to say that in the Bill wherever the words “Financial Secretary” appear they will be substituted by “Member of the Cabinet charged with responsibility for Finance.” I thank honourable Members for their support.

**The Speaker:** The question is that a Bill entitled, The National Drug Council (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The National Drug Council (Amendment) Bill, 2010, given a second reading.**

#### **National Trust (Amendment) Bill, 2010**

**The Clerk:** The National Trust (Amendment) Bill, 2010. Second Reading.

**The Speaker:** Honourable Minister of Health.

**Hon. J. Mark P. Scotland:** Madam Speaker, I rise to seek the leave of this honourable House for the second reading of a Bill to amend the National Trust Law as a consequence of creating the constitutional office of Minister of Finance.

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

**Hon. J. Mark P. Scotland:** Again, Madam Speaker, this Bill comes into being simply from the coming into effect of the 2009 Constitution Order. It repeals [Section 22] subsection (2) and substitutes the following subsection, “if events occur concerning the Trust which, if it were a limited company formed and registered under the Companies Law (2009 Revision) would enable the Grand Court to wind it up, under section 92 of the Law, the member of the Cabinet charged with responsibility for Finance may apply to the Grand Court to wind up the Trust.”; and in subsection (3), by deleting the words “Financial Secretary” wherever they appear, and substituting the words “member of the Cabinet charged with responsibility for finance.”

**The Speaker:** Thank you.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I call on the mover to exercise his right of reply.

**Hon. J. Mark P. Scotland:** Madam Speaker, just to thank honourable Members again and commend this Bill to this honourable House.

Thank you.

**The Speaker:** The question is that the National Trust (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The National Trust (Amendment) Bill, 2010, given a second reading.**

**The Speaker:** At this point I will call for a suspension of the House for the lunch break.

**Proceedings suspended at noon**

**Proceedings resumed at 2.04 pm**

**The Speaker:** Please be seated.

We will now go into Committee on the Bills.

**House in Committee at 2.05 pm**

### **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and such the like in these Bills?

Would the Clerk please state the Bill and read the clauses?

#### **Criminal Justice (International Co-operation) (Amendment) Bill, 2010**

**The Clerk:** The Criminal Justice (International Co-operation) (Amendment) Bill, 2010.  
Clause 1. Short title

**Hon. Samuel W. Bulgin:** Madam Chair.

With your leave, I would like to make an amendment to Clause 1. Pursuant to Standing Order 52(2); no two-day notice was given for this amendment.

**The Chairman:** Um.

**Hon. Samuel W. Bulgin:** With the leave of the Chair I can ask that the amendment be made.

**The Chairman:** I am sorry; I did not understand what you said.

**Hon. Samuel W. Bulgin:** Madam Chair, Standing Order 52(2) requires that two days' notice be given of any Committee stage amendment. No notice was given in this case. But it is a minor amendment, which is to change 2009 to 2010. So I am simply seeking leave of the Chair, which is allowed under 52(2), to make that amendment without having to give two days' notice.

**The Chairman:** So ordered.

**Hon. Samuel W. Bulgin:** Thank you very much.

Madam Chair, pursuant to Standing Order 52(2), I seek leave of this House to amend Clause 1 of the Bill to read: "2010" instead of "2009" where it appears in Clause 1. So the Bill would say, "This Law may be cited as The Criminal Justice (International Co-operation) (Amendment) Bill, 2010."

**The Chairman:** The question is that Clause 1 be amended to read, at the end of the Clause, "2010" as opposed to "2009."

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1 amended.**

**The Chairman:** The question is that Clause 1 as amended stand part of the Bill, if no member wishes to speak.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1, as amended, passed.**

**The Clerk:** Clause 2. Amendment of section 3 of the Criminal Justice (International Co-operation) Law (2004 Revision)—purpose of mutual legal assistance.

**The Chairman:** The question is that Clause 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 2 passed.**

**The Chairman:** A Bill for a Law to amend the Criminal Justice (International Co-operation) (2004 Revision)

respecting the transfer of witnesses; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

Those in favour please say Aye.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Chair?

**The Chairman:** Yes.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Forgive me.

Madam Chair, I just heard the Clerk mention 2009 again. Is that something that needs changing?

**The Chairman:** It has been changed . . . in that particular . . . yes, that needs to be changed too.

**The Clerk:** The Title of the Bill is read as The Criminal Justice (International Co-operation) (Amendment) Bill, 2010.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **University College (Amendment) Bill, 2010**

**The Clerk:** The University College (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment of section 2 of the University College Law (2005 Revision)—definitions
Clause 3	Amendment of section 3—establishment of college
Clause 4	Amendment of miscellaneous provisions of the principal Law—transfer of powers from the Financial Secretary to the Minister of Finance

**The Chairman:** The question is that Clauses 1 through 4 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 4 passed.**

**The Clerk:** The University College (Amendment) Bill, 2010.

[A Bill for a Law to amend the University College Law (2005 Revision) as a consequence of the creation of the constitutional office of Minister charged with the responsibility for Finance; and to make provision for incidental and connected matters.]

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **Education (Amendment) Bill, 2010**

**The Clerk:** The Education (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment of third Schedule to the Education Law (1999 Revision)—school fees

**The Chairman:** The question is that clauses 1 and 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** The Education (Amendment) Bill, 2010.

A Bill for a Law to amend the Education Law (1999 Revision) as a consequence of the creation of the constitutional office of Minister charged with responsibility for Finance; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **National Archive and Public Records (Amendment) Bill, 2010**

**The Clerk:** The National Archive and Public Records (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment of section 5 of the National Archive and Public Records Law (2007)—The Records Advisory Committee

**The Chairman:** The question is that Clauses 1 and 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** The National Archive and Public Records (Amendment) Bill, 2010.

A Bill for a Law to amend the National Archive and Public Records Law (2007) as a consequence of the creation of the constitutional office of Minister charged with responsibility for Finance; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **Health Services Authority (Amendment) Bill, 2010**

**The Clerk:** The Health Services Authority (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment of section 2 of the Health Services Authority Law (2005 Revision)—definitions
Clause 3	Amendment of miscellaneous provisions of the principal Law—transfer of powers from the Financial Secretary to the Minister of Finance

**The Chairman:** The question is that Clauses 1 through 3 stand part of the Bill.

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



**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 3 passed.**

**The Clerk:** The Health Services Authority (Amendment) Bill, 2010.

A Bill for a Law to amend the Health Services Authority Law (2005 Revision) as a consequence of the creation of the constitutional office of Minister charged with responsibility for Finance; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **National Drug Council (Amendment) Bill, 2010**

**The Clerk:** The National Drug Council (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment of sections 6 and 26 of the National Drug Council Law (2003 Revision)—constitution of council; vesting of premises

**The Chairman:** The question is that Clauses 1 and 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** The National Drug Council (Amendment) Bill, 2010.

A Bill for a Law to amend The National Drug Council Law (2003 Revision) as a consequence of the creation of the constitutional office of Minister charged with responsibility for Finance; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **National Trust (Amendment) Bill, 2010**

**The Clerk:** The National Trust (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment of section 22 of the National Trust Law (1997 Revision)—failure of the Trust

**The Chairman:** The question is that Clauses 1 and 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** The National Trust (Amendment) Bill, 2010

A Bill for a Law to amend The National Trust Law (1997 Revision) as a consequence of the creation of the constitutional office of Minister charged with responsibility for Finance and to make provisions for incidental and connected matters.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question is that all Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

The Committee is concluded, the House will resume.

#### **House resumed**

**The Speaker:** Please be seated.

The House has resumed.

## REPORTS ON BILLS

### **Criminal Justice (International Co-operation) (Amendment) Bill, 2010**

**The Speaker:** Honourable [Second Official Member.]

**Hon. Samuel W. Bulgin:** Thank you, Madam Speaker.

I beg to report that a Bill entitled, The Criminal Justice (International Co-operation) (Amendment) Bill, 2010, was considered by a Committee of the whole House and passed with one amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **University College (Amendment) Bill, 2010**

[**The Speaker:** Honourable Minister of Education.]

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to report that a Bill entitled, The University College (Amendment) Bill, 2010, was considered by a Committee of the whole House and approved.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Education (Amendment) Bill, 2010**

[**The Speaker:** Honourable Minister of Education.]

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to report that a Bill entitled, The Education (Amendment) Bill, 2010, was considered by a Committee of the whole House and approved.

**The Speaker:** The Bill [has been duly reported and] is set down for a third reading.

### **National Archive and Public Records (Amendment) Bill, 2010**

[**The Speaker:** Honourable Minister of Education.]

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to report that a Bill entitled, The National Archive and Public Records (Amendment) Bill, 2010, was considered by a Committee of the whole House and approved.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Health Services Authority (Amendment) Bill, 2010**

[**The Speaker:** Honourable Minister of Health.]

**Hon. J. Mark P. Scotland:** Madam Speaker, I beg to report that a Bill entitled, Health Services Authority (Amendment) Bill, 2010, was considered by a Committee of the whole House and approved.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **National Drug Council (Amendment) Bill, 2010**

[**The Speaker:** Honourable Minister of Health.]

**Hon. J. Mark P. Scotland:** Madam Speaker, I beg to report that The National Drug Council (Amendment) Bill, 2010, was considered by a Committee of the whole House and approved.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **National Trust (Amendment) Bill, 2010**

[**The Speaker:** Honourable Minister of Health.]

**Hon. J. Mark P. Scotland:** Madam Speaker, I beg to report that The National Trust (Amendment) Bill, 2010, was considered by a Committee of the whole House and approved.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Suspension of Standing Order 47**

**The Speaker:** Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

I beg for the suspension of Standing Order 47 to enable the Bills on the Order Paper to be read a third time.

**The Speaker:** The question is that Standing Order 47 be suspended to enable the Bills on the Order Paper to be read a third time.

Does any other Member wish to speak?

[pause]

If not I will put the question. The question is that Standing Order 47 be suspended to enable the Bills on the Order Paper to be read a third time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended.**

### THIRD READINGS

#### **Criminal Justice (International Co-operation) (Amendment) Bill, 2010**

**The Clerk:** The Criminal Justice (International Co-operation) (Amendment) Bill, 2010.

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Thank you, Madam Speaker.

I beg to move that The Criminal Justice (International Co-operation) (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The Criminal Justice (International Co-operation) (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The Criminal Justice (International Co-operation) (Amendment) Bill, 2010, read a third time and passed.

**Agreed: The Criminal Justice (International Co-operation) (Amendment) Bill, 2010, read a third time and passed.**

#### **University College (Amendment) Bill, 2010**

**The Clerk:** The University College (Amendment) Bill, 2010.

**The Speaker:** Minister of Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

I beg to move that a Bill entitled, The University College (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The University College (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The Education (Amendment) Bill, 2010, read a third time and passed.

[pause]

**The Speaker:** I am sorry; did I read that title wrong?

**Hon. Rolston M. Anglin:** No, Madam Speaker.

#### **University College (Amendment) Bill, 2010**

**The Clerk:** The University College (Amendment) Bill, 2010.

**The Speaker:** Minister of Education.

**Hon. Rolston M. Anglin:** I beg to move that a Bill entitled, The University College (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The University College (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The University College (Amendment) Bill, 2010, read a third time and passed.

**Agreed: The University College (Amendment) Bill, 2010, read a third time and passed.**

#### **National Archive and Public Records (Amendment) Bill, 2010**

**The Clerk:** The National Archive and Public Records (Amendment) Bill, 2010.

**The Speaker:** Minister of Education.

**Hon. Rolston M. Anglin:** I beg to move that a Bill entitled, The National Archive and Public Records (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The National Archive and Public Records (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The National Archive and Public Records (Amendment) Bill, 2010, read a third time and passed.

**Agreed: The National Archive and Public Records (Amendment) Bill, 2010, read a third time and passed.**

**Health Services Authority (Amendment) Bill, 2010**

**The Clerk:** The Health Services Authority (Amendment) Bill, 2010.

**The Speaker:** Minister of Health.

**Hon. J. Mark P. Scotland:** Madam Speaker, I beg to move that The Health Services Authority (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled, The Health Services Authority (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The Health Services Authority (Amendment) Bill, 2010, read a third time and is passed.

**Agreed: The Health Services Authority (Amendment) Bill, 2010, read a third time and passed.**

**National Drug Council (Amendment) Bill, 2010**

**The Clerk:** The National Drug Council (Amendment) Bill, 2010.

**The Speaker:** Minister of Health.

**Hon. J. Mark P. Scotland:** I beg to move that a Bill entitled, The National Drug Council (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The National Drug Council (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The National Drug Council (Amendment) Bill, 2010, read a third time and is passed.

**Agreed: The National Drug Council (Amendment) Bill, 2010, read a third time and passed.**

**National Trust (Amendment) Bill, 2010**

**The Clerk:** The National Trust (Amendment) Bill, 2010

**The Speaker:** Minister of Health.

**Hon. J. Mark P. Scotland:** I beg to move that a Bill entitled, The National Trust (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The National Trust (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it. The National Trust (Amendment) Bill, 2010, read a third time and is passed.

**Agreed: The National Trust (Amendment) Bill, 2010, read a third time and passed.**

**MOTIONS****GOVERNMENT MOTIONS****Government Motion No. 7/09-10—Amendment to the Development Plan 1997—Proposed Rezoning Prospect, Block 23C Parcel 10**

**The Speaker:** Honourable Premier, the Honourable Minister of Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I rise to move Government Motion No. 7/09-10—Amendment to the Development Plan 1997—Proposed Rezoning Prospect, Block 23C Parcel 10.

**WHEREAS in 2008, the Central Planning Authority received an application for the rezoning of Registration Section Prospect, Block 23C Parcel 10 from Low Density Residential to Neighbourhood Commercial;**

**AND WHEREAS the CPA originally considered the application on October 22, 2008 (CPA/34/08 Item 4.3) and resolved that the rezone application be put out for public comment;**

**AND WHEREAS the proposed amendments were advertised in the *Caymanian Compass* on November 11, 12, 18 and 21, in accordance with Section 11(2) of the Development and Planning Law (2008 Revision), and the application was placed on display in the Planning Department. During the comment period no letters of objections were received.**

**AND WHEREAS on February 4, 2009, the CPA again considered the application in light of the public review process (CPA/05/09, Item 4.1) and it was resolved to forward the proposed amendments to the Ministry with the recommendation that the proposed amendments be forwarded to the Legislative Assembly for approval.**

**AND WHEREAS on April 7, 2009, Cabinet approved the rezoning application and, further, that the matter be referred on to the Legislative Assembly;**

**BE IT NOW THEREFORE RESOLVED that in accordance with section 10(2)(b) of the Development and Planning Law (2008 Revision), the Central Planning Authority hereby recommends and submits to the Legislative Assembly the following proposal for alteration to the Development Plan (1997) a summary and map are attached hereto;**

**AND BE IT FURTHER RESOLVED that, Registration Section Prospect, Block 23C Parcel 10, be rezoned from Low Density Residential to Neighbourhood Commercial.**

**The Speaker:** The Motion [has been duly moved and] is open for debate. Does the Honourable Minister wish to speak thereto?

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, this is a normal rezoning proposal which has gone through all its stages. I think the Motion itself, as I read out, has clarified the necessary points.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, would the honourable mover exercise his right of reply?

**The Premier, Hon. W. McKeeva Bush:** Just to thank everyone, Madam Speaker for their support.

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED that in accordance with section 10(2)(b) of the Development and Planning Law (2008 Revision), the Central Planning Authority hereby recommends and submits to the Legislative Assembly the following proposal for alteration to the Development Plan (1997) a summary and map are attached hereto;

**AND BE IT FURTHER RESOLVED that, Registration Section, Prospect, Block 23C Parcel 10, be rezoned from Low Density Residential to Neighbourhood Commercial.**

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 7/09-10, Amendment to the Development Plan 1997—Proposed Rezoning Prospect, Block 23C Parcel, 10 passed.**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**Government Motion No. 8/09-10—The Public Management and Finance Law (2005 Revision)—Issuance of a Deed of Indemnity to the Board of Directors of Cayman Airways Limited (the “Company”)**

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I rise to move Government Motion No. 8/09-10—The Public Management and Finance Law (2005 Revision) Issuance of a Deed of Indemnity to the Board of Directors of Cayman Airways Limited.

**WHEREAS in 2005 the Governor in Cabinet and the Finance Committee approved the issuance, to the Board of Directors of Cayman Airways Limited, of a Deed of Indemnity guarding against the potential liability of members of the Board and allowing the Company to continue to trade despite the Company’s difficult financial position;**

**AND WHEREAS the same factors and concerns apply to the existing Board of Directors of Cayman Airways Limited and the Government of the Cayman Islands (“the Government”) is therefore desirous of issuing a similar Deed of Indemnity to members of the existing Board (as per the attached Deed of Indemnity) [which, Madam Speaker, I will speak to later on];**

**AND WHEREAS Section 8 of the Public Management and Finance Law (2005 Revision) provided that, as a general rule, no guarantee may be given by or on behalf of the Government unless it has been authorised by a resolution of the Legislative Assembly;**

**BE IT NOW THEREFORE RESOLVED THAT the Legislative Assembly hereby authorises the issuance, to members of the Board of Directors of Cayman Airways Limited, of a Deed of Indemnity guarding against the potential liability of members of the Board of Directors of Cayman Airways Limited.**

**The Speaker:** [The Motion has been duly moved and is open for debate.] Does the mover wish to speak thereto?

Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, the Articles of Association of Cayman Airways Limited allow for its Board of Directors to be indemnified. As in years past, this is achieved by the issuance of a deed of indemnity to the Board of Directors in consideration of the fact that there is a possibility of some personal financial risk against the directors primarily emanating from the dif-

difficult financial conditions under which the company operates.

The last deed of indemnity was duly authorised by Government Motion No. 4/2005, which was unanimously approved by the Legislative Assembly on 14 September 2005. The deed of indemnity issued in 2005 cannot be applied to the current Board of Directors because the current Board is different from the Board of Directors that existed in 2005.

Section 8 of the Public Management and Finance Law (2005 Revision) states that except as provided in section 13, no guarantee may be given by or on behalf of the government unless it has been authorised by resolution of the Legislative Assembly.

An indemnity such as the one being proposed in this Motion is a form of guarantee. Accordingly it requires the approval of this Assembly in order for it to be issued. The proposed deed of indemnity between the Governor, acting for and on behalf of the Government of the Cayman Islands, and the Board of Directors of Cayman Airways Limited, the Government of the Cayman Islands, Madam Speaker, is the sole shareholder of the company, as we all know.

The deed provides that the Government will indemnify the directors individually and collectively from and against all actions, proceedings, costs, charges, losses, damages, and expenses which the directors may incur or sustain by reason of any act done in the execution of his or her duty as a director of the company, except any actions, proceedings, costs, charges, losses, damages, and expenses which a director may incur or sustain by or through his or her own willful neglect or default or gross negligence. The deed of indemnity is effective from the date of the director's appointment and remains in effect until the director's removal or resignation.

Madam Speaker, this Motion is of critical importance to permit the new Board of Directors to function with the same level of protection that past Boards of Directors have received. Typically, such matters would be covered by the airline itself obtaining director's liability insurance for its Board of Directors. But, given the Company's historical financial constraints, such an approach is difficult. A deed of indemnity from Government continues to be the preferred and most practical means to provide directors some level of protection.

Madam Speaker, Cayman Airways continues to play a critical and crucial role in the economy of the Cayman Islands as it facilitates the movement of people and goods both domestically and internationally. The proper management of the airline by the Board of Directors is essential and, in turn, the Board of Directors must have some level of protection from personal financial risk that may arise from the decisions taken in the management of the airline.

The deed of indemnity that is provided, Madam Speaker, gives that level of protection. I want the Chairman of the Board of Directors, Mr. Jude Scott, and all other directors to know that the entire

Government appreciated their sterling efforts. I know that information-based decisions that are now possible and are being done at Cayman Airways have been significantly enhanced by the present board. I want them to know that their hard work is deeply appreciated.

Accordingly, Madam Speaker, I commend this Motion to all honourable Members of this House and ask that they give it their support.

**The Speaker:** Does any other Member wish to speak? [pause]

Member for North Side.

**Mr. D. Ezzard Miller:** Yes, Madam Speaker, I wish to make a few comments on Government Motion No. 8/09-10, fully acknowledging that what the Government is doing today is no different from what any government has done in the past. But, Madam Speaker, I believe it is time for the Government to consider whether it needs to continue to offer this 100 per cent indemnity to board members.

The deed that is attached to this Motion does in fact require that the Company make reasonable endeavours to obtain and maintain, at its expense, on behalf of the indemnified persons appropriate directors' liability insurance. And I would think that the Government's guarantee should be limited to any difference in injury between what the insurance which was purchased would cover and what the injury was to the director.

Madam Speaker, let me make it clear that what I am saying here is no reflection on any of the current honourable people who have basically volunteered to take on this mammoth task of managing Cayman Airways. But my concern is that this is not only the case for the board of Cayman Airways, but this is the case across all boards in Government.

I believe the Government needs to seriously look at this because I do not know if anyone has taken the time to try to quantify the possible potential liability that the Government is accepting when it is giving 100 per cent indemnity to all boards such as Cayman Airways, CINICO, HSA, and the likes. UCCI is a good example of recent memory, when certainly there are people in the community who believe that certain decisions made by the board's chairman, in the case of the Syed fiasco, were bordering, at least in some people's view and also in my view, on malfeasance and misfeasance of office. But it makes no sense to go after those people to recover anything for Government because Government has given them 100 per cent indemnity and Government would have to turn around and pay for it.

I believe that in the private sector people accept these directorships and it carries with it a certain fiduciary responsibility and the private companies buy indemnity insurance which is conditional.

One of my concerns about this indemnity here today is that it is largely unconditional and unlimited.

This deed even goes so far as to say that the Government must pay within seven days of a claim being presented. Madam Speaker, in today's economic environment that could create quite a challenge to the Government's cash flow position.

I believe that in this day and age the kind of people that are stepping up to take on these directorships are quite capable of sailing as close to the wind as they need to sail to get the work done without crossing that boundary to where they need to be indemnified. I believe that if the Government insists that part of its annual subsidy to Cayman Airways must be spent to provide adequate and sufficient indemnity for these directors . . . and if we wanted to go the extra mile and guarantee any difference that might happen in a settlement, I would also support that. But I have some concerns that we are appointing good people to these boards and . . . in the case of Cayman Airways I believe they get a reasonable compensation package. I understand they can fly free, or, not free, for \$25 to any destination of Cayman Airways, after the fact . . . I do not have any proof of that, but that is what one former board member has suggested to me. It may be true; it may not be true, so I am not making a reliance on that.

But I say that to say that the Government itself should be more willing to pay board members adequately and properly for their service and then provide them with professional indemnity, instead of asking people to serve for \$25 a meeting or \$100 a meeting when their time is worth thousands of dollars monthly. Pay them properly. Provide them with professional indemnity and let them be encouraged to make hard, good decisions to the benefit of the company or any board that they sit on.

Madam Speaker, I understand fully that the Government is doing nothing different from what has been done in the past, but I believe we have a responsibility to try and improve in government what we are doing. I believe that the idea of providing these people with professional indemnity insurance, which would carry with it the kind of conditions that one would expect from the calibre of people appointed to these boards, and the Government would still have to provide the caveat to the audited accounts which relate to the company's dreadful financial position to allow it to trade. I believe that the directors should be able to have some comfort in that from the financial aspect of it and, therefore, they are quite capable of ensuring that their decisions are properly made and the necessity for 100 per cent indemnity should be reduced.

I am just recommending to the Government that I believe it is time for the Government to look at a different way, not only in the way the board members of Cayman Airways are indemnified, but the way all board members across government boards are indemnified.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the honourable mover to exercise his right of reply.

Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Certainly, I appreciate the points made by the Member for North Side. They would be a sensible direction. But the reality of the situation is that the airline will find it very difficult to acquire that kind of liability insurance simply because it is so very expensive and they would not have the funds in any event. So, the Government guarantee remains the most practical way to give directors some peace of mind.

Madam Speaker, the way government conducts its business, much of its business, is through various boards. To pay these people to the extent where you would expect that they could buy insurance . . . I doubt that government could afford it. Simply, we could not afford that if you look at all the various board members that government has all over the place. I do not think that we could. That is an ideal situation. But I do not know, particularly in these times it certainly is not a practical situation to be able to take that route.

He made a point of the time frame of seven days. But if a claim could not be settled in seven days, certainly, legally they would have the means to be able to plot a way forward where both sides would be satisfied. There would have to be negotiations, and that sort of thing is done based on negotiations. That is the world of business. So I do believe, Madam Speaker, that the time frame settled here, which is not just settled by my Ministry; it is settled by legal people who conduct this . . . have an overview of these kind of situations. So I believe that the seven days sufficiently gives the time frame that is satisfactory to the world of business.

Madam Speaker, as I said, the outline given by the Member for North Side is not bad if we were operating in an ideal situation, but that is not the way we are.

In conclusion, Madam Speaker, Government is content to provide this guarantee. We are confident that Cayman Airways will acquire the insurance policy when it can, but as of now it cannot. Therefore, we have to continue this area of providing the full indemnity.

The Member says that we should not pay the insurance; we should pay board members. Madam Speaker, even in the private sector there are certain guarantees given to board members, even if you could pay them a little bit more in this instance we would still have to offer an indemnity simply because of the nature of the business.

I do not think I can add any more to it, Madam Speaker.

**The Speaker:** Thank you, Honourable Premier.

The question is: BE IT NOW THEREFORE RESOLVED THAT the Legislative Assembly hereby authorises the issuance, to members of the Board of Directors of Cayman Airways Limited, of a Deed of Indemnity guarding against the potential liability of members of the Board of Directors of Cayman Airways Limited.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 8/09-10, The Public Management and Finance Law (2005 Revision) - Issuance of a Deed of Indemnity to the Board of Directors of Cayman Airways Limited, passed.**

**The Speaker:** There is no further business on the [Order Paper] today, so I will call for a motion for adjournment.

Honourable Premier.

#### **Condolences to the Late Michael Bradley's Family**

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Before I move the adjournment, this morning we extended condolences to two families and I omitted to offer condolences to another previous Official Member of this honourable House, the late Mr. Michael Bradley, who also passed away, I think sometime this week.

Mr. Bradley was a former Attorney General here and a Governor in other territories and carried out various other duties for the Foreign and Commonwealth Offices in the Territories.

I served with Mr. Bradley all of his time that he was here as Attorney General and got along with him quite well—did not agree all the time.

But we certainly want to offer Mrs. Patricia Bradley, who herself has done quite a bit of work on her own, not for government, in the Sister Islands in nature tourism. I know for a fact that Mr. Bradley gave her tremendous support in what she was doing in Cayman Brac.

But on the part of Government, both sides of the House, that is, we want to offer our sincerest condolences to Mrs. Patricia Bradley and family in the passing of Mr. Bradley.

Madam Speaker, tomorrow being Thursday—

**The Speaker:** Does any other Member wish to say anything in that regard?

No?

All right, thank you.

Honourable Premier.

## **ADJOURNMENT**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, tomorrow (being Thursday) we will take a number of Private Members' Motions, that is, Private Member's Motion No. 6—Controlling population of introduced iguana species; and Private Member's Motion No. 5—Returning turtle meat to affordable prices; and Private Member's Motion No. 4—Proposed amendment to the Firearm's Law to provide for a committee to issue gun licences.

Madam Speaker, we will also have a number of questions on the Order Paper and a number of reports to be laid.

Madam Speaker, if time permits and I have to say this to the Business Committee, but maybe Private Member's Motion No. 2 could be added, which is Clarification on parking spots (if I can get the relevant information from the relevant department).

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

**The Speaker:** The adjournment Motion is open for debate.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I just wonder if the Premier could indicate when it is likely that the other Private Members' Motions will be, or might be, heard. There are some very important motions, including one about a National Crime Prevention Strategy and one calling on the Government to reconsider its decision to divest itself of certain key government assets. We, on this side, would like to know or have an indication as to when those might be heard.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, would the mover of the Motion like to respond?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I do not have anything to respond to except for the last question by the Third Elected Member for George Town, who is a member of the Business Committee. When he asked me just a while ago about those motions I said that when the Government was ready to answer them they would be answered. That was only not even a half hour ago, so that position has not changed.

Thank you, Madam Speaker.

*[inaudible interjections]*

**The Speaker:** The question is that the House be adjourned until 10 o'clock tomorrow morning.



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

**Ayes.**

**The Speaker:** The Ayes have it.

**At 3.05 pm the House stood adjourned until 10 am,  
Thursday, 25 February 2010.**

**OFFICIAL HANSARD REPORT**  
**THURSDAY**  
**25 FEBRUARY 2010**  
**10.53 AM**  
*Second Sitting*

**The Speaker:** I will call on the Third Elected Member for George Town to say Prayers.

**PRAYERS**

**Mr. Alden M. McLaughlin, Jr.:** Let us pray.

*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, honour 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:** Proceedings are resumed.  
Please be seated.

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

**The Speaker:** There are no messages.

I do have one announcement, and I do not know if this is proper in parliament, but I understand my Deputy Speaker is celebrating a birthday today. So Members might take an opportunity to wish him a happy birthday.  
*[applause]*

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**Water Authority of the Cayman Islands Annual Report for the first half of 2003 Financial Year**

**Water Authority of the Cayman Islands Annual Report for the 2003/04 Financial Year**

**Water Authority of the Cayman Islands Annual Report for the 2004/05 Financial Year**

**Water Authority of the Cayman Islands Annual Report for the 2005/06 Financial Year**

**Water Authority of the Cayman Islands Annual Report for the 2006/07 Financial Year**

**Water Authority of the Cayman Islands Annual Report for the 2007/08 Financial Year**

**The Speaker:** Honourable Deputy Premier, Minister responsible for District Administration, Works and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House the Water Authority's Annual Report for the years 2003/04 half year, 2004/05, 2005/06, 2006/07 and finally 2007/08.

**The Speaker:** So ordered.

Does the Minister wish to speak to these Reports?

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Yes, thank you, Madam Speaker.

Madam Speaker, all years were indeed successful for the Water Authority as it further expanded its services and continued to address the water and sanitation needs of the Cayman Islands.

Madam Speaker, on behalf of the Water Authority, I recognise that there has been significant delay in tabling the Annual Reports for 2003-half year, 2003/04, 2004/05, 2005/06 and 2006/07. This delay was due to a number of unavoidable reasons, including available resources having to be utilised for critical issues and various important projects as well as the 2004 hurricane. With these Reports completed, Madam Speaker, I am pleased to report that the Authority is in full compliance with the Public Management and Finance Law.

During the years 2003 through the end of the fiscal period in 2007/08, Madam Speaker, the Authority continued to grow and meet the challenges of the rapid development of these Islands with regard to water and wastewater infrastructure and services. I am pleased to say, Madam Speaker, that the water and wastewater services provided to the people of these Islands are equal to that found in the industrialised world. And Madam Speaker, of that we can all be justly proud.

Access for all to a wholesome supply of water and proper treatment and disposal of wastewater is an essential investment in our public health as well as our environment. The Authority continues to provide good and affordable service to its customers and generate capital for expansion of services in the outer districts. And it is planned to expand the Water Authority in Cayman Brac during this term. Madam Speaker, I will now give a brief overview of the accomplishments and activities for each year.

The year 2003-half year, was another successful year for the Authority. This Report covers the first six months of the year as the Authority prepared to change its fiscal period from the calendar year to 1<sup>st</sup> July as required by the Public Management and Finance Law. During this period the Authority extended the piped water supply into the district of East End and continued construction on the new wastewater treatment works. Throughout the six-month fiscal period, the Authority had a positive net surplus and maintained its fiscal independence contributing \$75,000 to the Government and investing over \$3.6 million in capital infrastructure.

The year 2003/04, was again a good year for the Authority as it completed various pipeline extensions in East End and commenced the North Side pipeline extension project. Work continued on the new wastewater treatment works with the project nearing completion at the end of the fiscal year 2003/04. In terms of 2003/04 financial performance, Madam Speaker, I am pleased to report that the Authority maintained a positive financial position throughout the fiscal period. Throughout the fiscal period the Authority maintained its fiscal independence, contributing \$75,000 to the Government and investing over \$9.8 million in capital infrastructure.

The year 2004/05, was another successful year for the Authority even though it was significantly impacted by Hurricane Ivan in September 2004. It should be recognised that the Water Authority was able to meet all costs to repair damage caused by the hurricane from insurance payouts and self funding where uninsured loss was sustained.

Madam Speaker, in terms of 2004/05 financial performance, I am pleased to report that the Authority maintained a positive financial position throughout that fiscal period. Despite the setback that the hurricane generated, the Authority reported increase of revenue by 3.4 per cent over 2003/04. From the 2004/05 Annual Report it is quite apparent that the Authority suc-

cessfully met the challenge to provide the vital water and wastewater infrastructure essential to support the growth and development in the Cayman Islands.

The Authority is to be commended for its role in the rapid restoration of services in Grand Cayman after hurricane Ivan.

Madam Speaker, other activities of the Authority in 2004/05 included the continued expansion of the water supply system into side roads in the district of East End as well as extensions up to the Botanic Park in North Side. Also the Authority finalised the purchase of property just off the Botanic Road to be used to locate a water production, storage and pumping facility.

Madam Speaker, with regard to wastewater infrastructure, the original wastewater treatment facility commissioned in 1988 was decommissioned in 2004 and replaced by a CI\$14.2 million state-of-the-art sequencing batch reactor (SBR) wastewater treatment works able to treat 2.5 million gallons per day. This facility is constructed to allow for phased expansion of up to 10 million gallons per day wastewater treatment capacity. This project, the Grand Cayman Wastewater Treatment Works, is the Authority's largest project to date. Hurricane Ivan substantially damaged the electrical components, however the repairs were carried out and the facility was officially opened in 2005.

I am pleased to report, Madam Speaker, that in 2004/05 the Water Authority continued to carry out its statutory function with regard to groundwater protection with specific emphasis on managing environmental conditions at hurricane debris sites.

In year 2005/06, Madam Speaker, the Authority experienced a strong growth rate in total revenue of 17 per cent over 2004/05 and maintained a sound financial position during the year.

Madam Speaker, in terms of the installation of the water infrastructure, the Authority made good progress with the North Side Water Supply Extension Project with almost three miles of pipeline installed in the main road, and completed other extension projects in George Town and Bodden Town. The Authority contracted for the supply and erection of two 2 million US gallon water storage tanks, one each for the Red Gate Water Works and the North Side Water Works.

Madam Speaker, to ensure the Authority was able to meet the growing demand for piped water, the production capacity of the Lower Valley Reverse Osmosis Plant, operated by Ocean Conversion (Cayman) Ltd, was increased by 33 per cent to 1.1 million US gallons per day.

On the wastewater side, Madam Speaker, the Authority installed new pumps and carried out rehabilitation work on several pump stations servicing the West Bay Beach Sewerage System.

In 2006/07 the Authority experienced a growth of 7 per cent over that of 2005/06 and continued to benefit from the economic growth on the Island. The

Authority was able to secure funding of US\$16.1 million locally for capital works, without a Government guarantee, after approval from Cabinet. The Authority maintained a strong financial position primarily as a result of conservative estimates and prudent fiscal management, which translated to the Authority's ability to complete many projects without the injection of outside credit facilities. The Authority had originally planned to obtain outside debt of \$9.0 million but ended the year using only 43 per cent of this planned borrowing (\$3.9 million).

Madam Speaker, in recognition of the Authority's commitment to the expansion of the capital infrastructure, the inevitable rising costs of doing business in the Cayman Islands, and the fact that the last rate adjustment was in 1995, the Authority requested from Cabinet (and subsequently received) a rate increase of 6 per cent for consumption in excess of 12 cubic meters per month, which affected only high volume users (approximately 50 per cent of customers) and took effect 01 July 2007.

Madam Speaker, other activities of the Authority in 2006/07 included the continued expansion of the water supply system throughout the North Side district to Grape Tree Point and on the Queen's Highway. The Authority continued the development of the North Side Water Works site with the completion of the erection of a two million US gallon storage tank, awarding the contract to construct the required buildings, and preparation of the tender documents for a 2.4 million gallons per day Reverse Osmosis Plant.

Upgrades to pipeline services as well as minor extensions were carried out in various areas of the piped distribution system in Grand Cayman.

In order to address the need for more staffing space, the Authority contracted to expand the Administrative office by an additional 10,000 square feet.

Madam Speaker, with regard to wastewater infrastructure, in 2006/07 the Water Authority had wastewater and effluent transmission pipes installed in a section of the Esterley Tibbetts highway. Additionally, the Authority engaged specialised services to remove the sediment accumulated over 20 years in the old waste stabilisation ponds. These ponds are an integral part of the new wastewater treatment plant and the removal of the sediment was necessary.

In Cayman Brac, the Government identified property on the Bluff to be vested in the Authority for the establishment of a new water production, storage and pumping facility. Madam Speaker, this facility will be part of the further development of water supply infrastructure and will support the expansion of the piped water services in the Brac.

Madam Speaker, in 2007/08 the Authority continued to demonstrate a strong financial position and experienced a growth rate of 10 per cent above that of 2006/07. Although the Authority had planned to borrow \$10.7 million during the fiscal period, the combination of strong fiscal management and the delay of several projects allowed the Authority to go through

the entire year without any external borrowings. The Authority undertook to conduct a comprehensive review of the water and sewerage rates through a contracted consultant. Madam Speaker, this project commenced and was expected to be completed in 2008/09, however it has been postponed.

Madam Speaker, in terms of the installation of water infrastructure, the Authority successfully closed the loop between the Queen's Highway pipeline and the North Side Water Supply Extension Project. With regard to the water production plant required at the North Side Water Works, the Authority awarded the finance, construct and operate contract for the 2.4 million gallons per day reverse osmosis plant to Ocean Conversion (Cayman) Ltd after a competitive tendering process. The Authority expects to take water from the plant within the next two weeks to coincide with the commissioning of the pumping station facility.

Madam Speaker during 2007/08, the Authority continued with much needed upgrades to pipeline services and installed minor extensions in various areas of the piped water distribution system in Grand Cayman.

With regard to wastewater infrastructure, the pond sediment removal project was completed. In 2009/10 the next stage of relining the ponds will be undertaken. Various other improvements to wastewater collection system were undertaken and completed during the 2007/08 fiscal period.

Madam Speaker, the Authority commenced the fixed boundary survey process in Cayman Brac for the subdivision of 12.58 acres of property next to the Aston Rutty Civic Centre based on Government's verbal agreement. The process of vesting the property was ongoing at the end of the 2007/08 fiscal period.

The Authority's staff moved into the completed administration offices during the 2007/08 period.

The Authority, Madam Speaker, continued throughout the fiscal periods being reported on to carry out its statutory functions with regard to protection of groundwater resources through monitoring of quarry operations, groundwater abstraction, groundwater pollution incidents, development control and effluent disposal.

I am pleased to report, Madam Speaker, that the Authority continued during the fiscal periods of the Annual Reports being presented to invest significantly in training and development of personnel and it continued to support various sports and activities related to young people as well as other charitable organisations within the local community.

Madam Speaker and honourable Members of the Legislative Assembly, I look forward to the continued success of the Water Authority. It is important to recognise, Ma'am, that a public utility, and, in fact, any organisation which serves the people, must never become complacent and should endeavor to meet the

challenges of the future with planning and due preparation.

The Reports before the House, although delayed in coming, Madam Speaker, demonstrate the considerable achievements of the Water Authority to date as it keeps pace with the various complex and diverse needs of our Islands.

Thank you, Madam Speaker.

**The Speaker:** If there are no questions we can proceed with the next presentation.

### **Special Report of the Auditor General on the Royal Watler Cruise Terminal Capital Project**

~and~

#### **Public Accounts Committee Report on the Report of the Auditor General on the Royal Watler Cruise Terminal Capital Project**

**The Speaker:** Elected Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to lay on the Table of this honourable House the Special Report of the Auditor General on the Royal Watler Cruise Terminal Capital Project and the Public Accounts Committee Report on the Report of the Auditor General on the Royal Watler Cruise Terminal Capital Project.

**The Speaker:** So ordered.

Does the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Only to draw Members' attention to the recommendations of the Public Accounts Committee and comments on the Report, Madam Speaker.

This is one of those reports that transitioned the two Public Accounts Committees (PAC). A lot of the work on this Report was done by a previous Public Accounts Committee, therefore the Public Accounts Committee had to rely very heavily on the verbatim Minutes recorded at the hearings, and we have taken the unusual step to Table along with the Reports an actual copy of the verbatim Minutes. And these are the PAC comments, Madam Speaker:

The Auditor General's overall audit conclusion was, ". . . **the project is financially viable but we are of the opinion that it was poorly planned and managed. The procurement activities did not secure the best value for money and there is strong evidence of overcharges. I believe the project could have been completed for at least \$4.2 million less than the final project amount which is estimated to be \$18.5 million when completed.**"

A review of the verbatim Minutes of the previous Public Accounts Committee hearings from controlling officers and witnesses indicates that the Audi-

tor General's claim that there was overcharging of \$4.2 million was not substantiated, but was mitigated by the witnesses evidence that the project was expanded in scope on the land side by doubling the size of the buildings and the reclaiming of an additional acre of land.

The verbatim Minutes of the witnesses' evidence also mitigated some of the claims of the Auditor General that the project was poorly planned and managed. The Committee is of the opinion that such unsubstantiated comments by the Auditor General's office, identified in paragraphs 9.01 and 9.02, are [disconcerting], to say the least, and that such unsubstantiated comments may cause damage to the reputation of individuals or businesses, and that in drafting of such reports the utmost due care and attention must be given.

The Public Accounts Committee, however, does recommend that the Government review the policy and procedures for tendering and managing capital projects by government authorities.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Member for North Side. If there are no questions we will move on.

### **Special Report of the Auditor General on the Cayman Islands Government's Property Insurance Settlement – Post Ivan**

~and~

#### **Public Accounts Committee Report on the Report of the Auditor General on the Cayman Islands Government's Property Insurance Settlement – Post Ivan**

**The Speaker:** Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to lay on the Table of this honourable House the Special Report of the Auditor General on the Cayman Islands Government's Property Insurance Settlement–Post Ivan and the Public Accounts Committee Report on the Report of the Auditor General on the Cayman Islands Government's Property Insurance Settlement–Post Ivan.

**The Speaker:** So ordered.

Does the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes, Madam Speaker, again only to draw Members' attention to the PAC comments on the Report.

The Committee agrees that on a strict financial analysis that this may not appear to have been a good deal but the Committee does agree and the witnesses confirm that given the circumstances at the

time it was a reasonable deal for Government to agree to.

Thank you, Madam Speaker.

**The Speaker:** If there are no questions we will proceed.

**Special Report of the Auditor General on the Review of the Debt Financing Arrangements for Boatswain's Beach**

~and~

**Public Accounts Committee Report on the Report of the Auditor General on Review of the Debt Financing Arrangements for Boatswain's Beach**

**The Speaker:** Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the Special Report of the Auditor General on the Review of the Debt Financing Arrangements for Boatswain's Beach and the Public Accounts Committee Report on the Report of the Auditor General on Review of the Debt Financing Arrangements for Boatswain's Beach.

**The Speaker:** So ordered.

Does the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes, Madam Speaker, again, only to bring Members' attention to the PAC comments.

The Committee endorses the conclusion of the Auditor General that the Cayman Islands Government received a good deal when arranging financing for the Boatswain's Beach project.

**The Speaker:** Thank you.

If there are no further questions on the Report can we move on please.

**Special Report of the Auditor General on the Purchase of a Helicopter by the Royal Cayman Islands Police**

~and~

**Public Accounts Committee Report on the Report of the Auditor General on the Purchase of a Helicopter by the Royal Cayman Islands Police**

**The Speaker:** Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to lay on the Table of this honourable House the Special Report of the Auditor General on the Purchase of a Helicopter by the Royal Cayman Islands Police and the Public

Accounts Committee Report on the Report of the Auditor General on the Purchase of a Helicopter by the Royal Cayman Islands Police.

**The Speaker:** So ordered.

Would the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Once again, only to bring the attention of Members to the PAC comments and the Committee endorses the recommendations of the Auditor General in the Report.

Thank you, Madam Speaker.

**The Speaker:** Thank you Member for North Side.

As Speaker, I want to thank the Member for North Side who has chaired the Public Accounts Committee, and the Public Accounts Committee for their diligence in bringing these Reports to the House.

## **QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET**

### **QUESTION NO. 8**

**The Speaker:** Third Elected Member for George Town.

**No. 8: Mr. Alden M. McLaughlin, Jr.** asked the Honourable Minister responsible for Financial Services, Tourism, and Development, to provide the revenue and operational expenditure figures for core Government from 1 July 2009 to 31 December 2009.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, in the last Meeting of the House I gave an undertaking that I would make a statement on Government's financial position at the next Meeting (which is this Meeting). We had prepared a statement, but when the question came in, rather than have a fight and say we would not answer the question and make a statement, I prefer to do it in the form of an answer to this question.

Before answering the question straight away, Madam Speaker, it is important to provide some contextual background in respect of the year that ended on 30 June 2009. Some salient financial results and position emanating from the year to 30 June 2009 were:

- Total operating revenue for the year was \$487.4 million.
- Total operating expenses for the year were \$526 million.
- The resulting deficit from operating activities was \$38.6 million.

- Financing expenses were \$14.2 million.
- Gain on foreign exchange transactions was \$0.2 million.
- Losses under disposal or revaluation of non-current assets were \$0.8 million.
- Extraordinary expenses were \$16.3 million.

Hence the overall deficit of central government for the year to 30 June 2009 was \$69.7 million. The surpluses and deficits of statutory authorities and government companies, when combined, resulted in overall deficit of \$11.4 million. Therefore the overall deficit of the entire public sector (that is central government, statutory authorities and government companies) for the year to 30 June 2009 was \$81.1 million.

At 30 June 2009 the balance in Government's current account was \$7.6 million whilst the restricted and reserved funds had combined bank account balances totalling \$82.8 million. The overall bank account balances then totalled \$90.4 million.

In respect of the current year for the 1 July 2009 to 31 December 2009 core government's total operating revenues was \$179.7 million. Core government's total operating expenses was \$233.7 million. The resulting deficit from operating activities for the six month period ended 31 December 2009 was \$54 million.

Financing expenses were \$11.8 million. Loss on foreign exchange transactions was \$0.2 million. Extraordinary expenses were \$3.7 million.

Hence the overall deficit of central government for the six month period to 31 December [2009] was \$69.7 million. However, the surpluses and deficits of statutory authorities in Government companies when combined resulted in an overall deficit of \$3.4 million for the six month period that ended on 31 December 2009. Therefore the overall deficit of the entire public sector (that is central government, statutory authorities and government companies) for the six month period to 31 December 2009 (that is from July 2009 to December 2009) was \$73.1 million.

The overall net deficit of the entire public sector for the period of the 1 July 2009 to 31 January 2010 was \$20 million, which is a significant improvement to the \$73.1 million deficit for the six month period to December 2009.

Based on a forecast that was completed on Tuesday (this Tuesday gone, 21 February) ministries and portfolios within central government are forecasting that central government will incur a deficit for the year to 30 June 2010 of \$49.8 million.

Operating expenditures in the current year's (2009-2010) Budget are approximately \$525 million. The forecast indicates that Government expects to spend less than the budgeted level of expenditure. The forecast operating expenditure for the year 30 June 2010 is \$516 million, an under-expenditure of \$9 million. That is what is forecasted for the year.

But, Madam Speaker, I am not content with that. So Government will examine all costs again,

salaries and other expenditure, between now and 30 June 2010 with a view to reducing them even further. That is March, April and May, and then June. And we must wipe out these deficits. That might sound good, Madam Speaker, but there is still worse news yet.

The forecast deficit to 30 June 2010 is therefore caused by a fall-off of revenues from their budgeted levels. Not by a loss of control—our expenditures as was demonstrated in the previous paragraph.

Revenues are included in the current 2009/2010 Budget at approximately \$562 million, and the forecast indicates for the year, 30 June 2010 revenues will be \$490 million, a falloff of \$72 million from the 2009-10 Budget.

Statutory authorities and government companies are forecasting that their combined results will be an overall deficit of \$6.3 million for the year to 30 June 2010. Therefore, the overall deficit of the entire public sector (that is, central government, its statutory authorities and government companies) is forecast to be \$56.1 million for the year ending 30 June 2010.

The forecast that was prepared on 23 February also indicated that the forecast level of total bank balances from all sources is expected to be \$151 million.

Madam Speaker, it is absolutely critical that I state that in arriving at this level of bank balances at 30 June 2010, the divestment of certain public assets—such as the new Government Administration building under construction and the sewerage system—must occur in order to achieve a bank balance of \$151 million at 30 June [2010].

If this divestment and lease back does not occur—and, in particular, if I cannot realise it in the way I have said, where Government owns it at a certain period in a number of years—the Government bank balances at 30 June will decrease significantly to \$39 million. This level of cash would cause us to breach the principles of responsible financial management that requires Government to have sufficient bank balances to cover a minimum of 90 days of expenditure at 30 June.

What it means, Madam Speaker, is that the budget of this country would fail.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, I would ask the Honourable Minister—

### Suspension of Standing Order 23(7)

**The Premier, Hon. W. McKeever Bush:** Before the Member completes, Madam Speaker, may I move the suspension of Standing Orders in order to allow questions after the hour of 11 o'clock?

**The Speaker:** I am sorry, I overlooked that.

The question is that Standing Order [23 (7)] be suspended to allow questions to be asked after 11 o'clock. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 23(7) suspended.**

**The Speaker:** Third Elected Member for George Town.

### Supplementaries

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, perhaps it would help if I prefaced what I am going to say (rather than asking the Minister four or five questions to get to this particular one, which is the question I want answered) . . . so if you will indulge me, Madam Speaker.

The answer provided indicates that the Government will not achieve a balanced budget, or is not projected to at the end of this fiscal year, and that it will therefore continue to be in breach of a number of the principles of responsible financial management as set out in the Public Management and Finance Law (PMFL), specifically that the Government will not have an operational surplus at the end of the fiscal year. That is one of the things stated in the answer.

I would ask the Minister, Madam Speaker, against that background, why it is that he considers, or the Government considers, compliance with another of the principles, which is the cash balances having to be at 90 days available to cover a minimum of 90 days, as being of such critical importance, and so critical that the divestment of key government assets is preferable to continuing being in breach of this particular principle, bearing in mind that we are already in breach of what is probably the most fundamental one which is that we are continuing to run an operational deficit or are projected to do so?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I can answer straight away but I prefer to confer with the Financial Secretary for a minute.

[pause]

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker. I apologise for having to confer that long but it is very delicate here.

Madam Speaker, first of all, we consider compliance of the rules as being appropriate. That is what is in our law. That is what is in the Constitution. And according to our accounting principles that is what is appropriate. To do otherwise will have other fallout.

The more ratios we breach, the worst off we are in terms of getting the United Kingdom's approval to borrow, which we would need to do in the first instance. If we do not divest, we would use what money is available to pay operating bills.

After that, then what? Rely on borrowing? Because we do not know what the world condition is. We are working hard to build revenues, but roadblocks are being put in the things that we need to build revenues. I am not talking about divestment because that is not what my policy is to build revenues.

My policy to build revenues is to bring foreign investment into this country, not divestment. The divestment is if you fail to get the foreign investment. The divestment is then so that we will not have to lay off hundreds and hundreds of civil servants.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, in his address to the public on Tuesday night the Honourable Premier and the Minister responsible for Finance said that the sale of the government assets is not . . . to use his words, "a revenue measure but rather it is to enable the Government to have the required reserves in the bank to meet our legal requirements."

From that, Madam Speaker, I understand now, as I did not based on the presentation made back in October, that the proceeds of the sale of the Government assets will not be used and cannot be used to help offset the deficit.

So, Madam Speaker, against that background I do not . . . and would ask the Minister if he could explain his last response—that the sale, the divestment of this building and other government assets, will assist or will prevent the need to lay off a significant number of civil servants.

[pause]

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you very much, Madam Speaker.

I think the question was, How will divestment help? Well, Madam Speaker, I did not think the Member needed to ask that because I am sure he understands what divestment is. Of course, it is a popular thing for them to oppose it. But what divestment will do is make available cash to Government to pay the \$244 million of 3,800 civil servants. If not . . .

He is saying no, Madam Speaker, but if not then we will not have the money.

Madam Speaker, we have taken a hard line in regard to future borrowing because the country cannot wind up like we were in July or October 2009—cash strapped and uncertain as to how to make ends meet. And if the other side does not realise this—and I know



they realise it, Madam Speaker, because they would have found themselves in the same position. They recognise it, but it is a popular thing to beat the Government over the head about this so-called divestment.

I say again, if we cannot divest with a financial structure that gives us cash—for instance, allows us to pay off the \$100 million that we are going to need . . . because I talked about these figures, but we did not talk about the schools. We are going to need about \$100 million to complete those two schools.

And that is not figuring in, Madam Speaker, when that building up there is finished we are going to need a road to Smith Road, we are going to need a road to Shedden Road and we are going to need to widen Elgin Avenue. And that is anywhere from \$15 to \$20 million because you have to buy peoples' homes and you have to buy peoples' land. Not figuring out those things.

Where in the world do they think the money is coming from?

Madam Speaker, out of the British Overseas Territories, the Cayman Islands has the highest debt-to-GDP ratio. It is about 19 or 20, or over that, per cent. And we have a Loan Bill already close to \$500 or \$600 million. We do know what it means when you get yourself over your head in debt. And the United Kingdom has told this country “No”, although I see what they are saying. I have a letter that says, *Either you cut or you put in taxation*. I am willing, and I am going there myself with the Governor and the Financial Secretary and we are going to talk with them, but they have already told us.

We have a commission of where to find and what to do about our revenue. We have not gotten that yet. It has not been finalised. We should get that this week. That is what we are going to London to discuss.

The country is in a precarious situation. And the more the Opposition beats up on us, while they say they want to help us and want to make this non-political, they are making it nothing but political by what they are saying and what they are doing.

The Government has the ability to do nothing else. But if we cannot divest . . . And I say this: You call it divest—and I say *utilise*—the assets we have. If we do not do that—and I say this again, I repeat it—I am not going to do so, so they can come with a plan, because I am not going to do so unless I have a financial structure that affords Caymanians to invest in it, the Civil Servant Pension Board to invest in it, and at the end of 20 years (the same thing that would happen in a bank), we get back the money, we get back our building.

Now you can grin, you can laugh, you can get back out there and march. You can do all of that. Those are the facts.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I am not going to get in an argument. I heard what the Minister said, but I want to ask another question.

Madam Speaker, acknowledging that the budget will not deliver as promised, as far as the UK is concerned, in terms of an operational surplus, and giving that the Minister has said that he will be going to the FCO (Foreign and Commonwealth Office) in March, presumably to talk about these issues, may I ask him if he has considered or is considering talking to the UK about at least a temporary relaxation of some of the rather stringent ratio requirements, which are part of the Public Management and Finance Law—such as the debt service ratio, a 10 per cent of revenue, maximum?

That debt service ratio which is imposed on virtually all of the Overseas Territories is among the lowest in the world. And it is the non-compliance with these various ratios that has created and is creating the tremendous pressure on Government to be able to operate. And if even for the short term the UK can be persuaded to allow us to relax some of those, there is no question in our mind on this side that the ability for Government to operate in these difficult times would be that much easier.

**The Speaker:** Is this a question or a statement?

**Mr. Alden M. McLaughlin, Jr.:** This is a question. I am asking him if he is considering, in light of all I have said, talking to the UK about relaxation of these rather stringent ratios, at least in the short term.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, maybe the Opposition is not listening.

First of all, they put this whole ratio in the Constitution—well you have a situation in the Constitution that binds us. We are dependent on the United Kingdom to say yes or no.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Mm-hmm.

Well, he says it is not in the Constitution, the word “10 per cent” but you can believe this, they wanted to, and what is there still binds us to get the UK's agreement, and now he is asking me when I go there for the meeting if there will be a relaxation of the stringent debt service. Madam Speaker, that is what we have said. But we do not have any evidence that the United Kingdom is going to agree.

What they do not want the people of this country to recognise is that that 10 per cent sounds low but the fact is, the country has over \$500 million in loans and you only have under \$500 million of revenue coming in. And the United Kingdom is most con-

cerned about the contingent liability. That is the problem.

And your answer is to borrow. And I told you in 2005, I told you in 2006, and I told you in 2007 and 2008 and 2009—but you would not listen. Not on the kindest of mornings would you listen!

Perhaps we need to go back home and plant cassava to see if you can get enough out of that.

**The Speaker:** Honourable Premier, just answer the question. Thank you.

**The Premier, Hon. W. McKeeva Bush:** I'm doing that, Madam Speaker, in my own good way.

Madam Speaker, we have laid it out in honest, open, clear terms. The ratios are there, the United Kingdom has told us what they want. We are willing to talk to them, but I say to this country that, by law also, we are duty bound to have a budget by 1 May. Now that meeting will take place on the 11<sup>th</sup> and 12<sup>th</sup>.

You cannot expect me to present a budget to the country in a few weeks. And what if we go up there, bearing in mind that a general election is due upon them and already they made the people believe up there that they were funding us for their own political reasons? That's what they were doing. And what do you think they are going to do again? I hold out no hope.

I pray to God, as I did last night and this morning, that we find the way open to get out of this because there are only two answers—massive layoffs or serious taxation. And, Madam Speaker, that is not where I want to go. But I can say this, that is what it seems like we'll end up because it will be disaster for this country, as much as we are watched, as much as we are talked about, as much as the blogs in this country don't care what they say, so it is spread all over the world and our people are just . . . And it is not a load of people. But it is enough making the world believe that it is a load of people who are using their yabbers to say all sorts of things. What do they think the national world is going to say about us if we fail, if we turn belly up?

Section 113 of the Constitution says that the debt service ratio shall not exceed a percentage specified in law. That law is the PMFL (Public Management and Finance Law), and that says 10 per cent. And we should not exceed that, and if want to exceed that we have to go to the UK. And that is what we said we will do and we are prepared to discuss as we did before, beg, plead and move figures around, do all sorts of things.

Madam Speaker, that is how the building and the sewerage got put in, because outside of that we would not be here arguing about it, we would not have had a budget. We would not have been paid. But I warn this country—and I warn all Members of this House—the first salary that is going to be cut is this House. And I do not have long to decide upon that as Minister of Finance.

His Excellency, the Governor told me, *You don't have responsibility for Civil Servants, but you have responsibility for expenditure; salary is one.* And those who are marching might march for little and nothing.

**The Speaker:** I think if there are no further questions . . . Leader of the Opposition, one more question.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, I just would wish for some clarification.

In the Minister's substantive answer, the very last three paragraphs speak to the forecast that was prepared on 23 February, indicated the forecast level of total bank balances as at 30 June, rather, to be \$151 million. And it goes on to speak of how critical it is regarding the divestment and if the divestment does not occur then it would bring the cash balances down to \$39 million. I am thinking that leaves a difference of \$111 million.

I am wondering if the Minister could give us the breakdown of the \$111 million which will add to the cash balances with a divestment of any government assets, as to how that will be broken up among the government assets.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I will give him that in a minute, if you will allow [me to] confer with the Financial Secretary.

**The Speaker:** Do you want to take a break?

**The Premier, Hon. W. McKeeva Bush:** We're not going to be that long.

**The Speaker:** Okay.

[pause]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, the divestment consists of proceeds from the Government building, \$92 million. Now we would ask, and want, more than that; in fact, about US\$160 [million].

Sewerage is some \$20 [million] and it would, of course, value more than that, so it is \$112 [million]. And out of the 151, 112 from 151 is 39. Now your various bank accounts, if we have \$85 million, if that does not happen that would leave something like 46 and you would have an overdraft of 46 leaving \$39 million to work with to try to get and you only have an overdraft of \$15 million.

[inaudible interjection]

**The Premier, Hon. W. McKeeva Bush:** Mm-hmm.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** I know. You got me. Tell him!

*[laughter]*

**The Speaker:** Can we move on to the next question please? I think that one has been sufficiently aired for the present.

*[inaudible interjection]*

**The Speaker:** Elected Member for North Side.

### QUESTION NO. 9

**No. 9: Mr. D. Ezzard Miller** asked the Honourable Minister responsible for Financial Services, Tourism, and Development, how much it cost the Cayman Islands Government to purchase, train and implement the Public Management and Finance Law.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, based on information received from Government ministries and portfolios, a total amount of [\$17.4] million was spent from March 1999 to 31 May 2009 on the establishment, implementation and training of staff in respect of the operation of the Public Management and Finance Law (2005 Revision). The cost is broken down as follows:

AGENCY	COST CI\$
Cayman Islands Audit Office	114,622
Office of the Complaints Commissioner	790
Ministry of Education, Training & Employment	[\$2,133,005]
Portfolio of the Civil Service & Cabinet	386,391
Portfolio of Legal Affairs	350,000
Judicial	350,000
Portfolio of Internal & External Affairs	475,006
Ministry of Tourism, Environment, Investment & Commerce	1,370,009
Portfolio of Finance & Economics	6,480,731
Ministry of District Administration, Works & Gender Affairs	3,289,181
Ministry of Health, Environment, Youth, Sports & Culture	967,060
Ministry of Community, Affairs & Housing	1,500,000
<b>TOTAL</b>	<b>[\$17,416,795]</b>

A total of [\$17,416,795] Madam Speaker, and that is besides the Public Service Management Law also that has an expense to it.

**The Speaker:** Member for North Side.

**Mr. D. Ezzard Miller:** Yes, Madam Speaker, only to ask the Minister to confirm that this does not include any personal emoluments for people, which I know is another substantive question.

*[inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Thank you.

Madam Speaker, these figures do entail some salary costs because it all was for the implementation of the law. So it does but when we get to that other question that could be enlightened more.

**The Speaker:** Are there any other supplementaries on this subject? If there are no further supplementaries we can move on.

*[inaudible interjection]*

**The Speaker:** Yes.

## STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

### National Heroes and Awards

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I am proud to say that I am on record having brought a number of measures to this honourable House. I have put in place certain instruments and brought about certain practices that are now being woven into the fabric of our national life.

I was proud of this honourable House at the time for giving its support to measures such as the creation of an order of National Heroes, and to give legal status to the acknowledgement of a range of national symbols. And with regard to the latter I draw special attention to the National Tree, the Silver Thatch Palm.

Madam Speaker, I trust that you will allow me, and this honourable House will indulge me, especially my valued colleague in Cabinet, the Honourable Minister of Culture. I would just like to mention the new exhibition formally opening at the National Gallery of the Cayman Islands tomorrow evening with a preview for Members today. Here a new effort is being made to highlight and expand the arts and crafts usage of the National Tree, the products of which put food on the table for many a Caymanian family in lesser times.

The Honourable Minister of Culture has rightly already shown more vigorous support for the National Gallery and the Cayman National Cultural Foundation, which is partnering in this exhibition, than past administrations. He understands, and the Government understands, that nurturing cultural development, supporting authentic growth in the arts, is both a force for good in itself, and a necessary part of real nation building. As a Government we believe in this and will act on that belief.

Of course, Madam Speaker, we are certainly not blind to the prospects for new revenue enhancement, both through cultural tourism and what is sometimes called the civilizing effect of the arts in this sometimes rough, competitive world of commerce. In this regard I commend those commercial houses and civic institutions that have used art to enhance their facilities, have created venues for displays or performance of work, and have also supported a further use of artistic work to raise funds for, or to promote, social causes.

The Bill that I am laying on the Table of this honourable House as a discussion draft seeks to continue the work of creating a means by which to encourage and to give due recognition to selfless and sometimes self-sacrificing efforts by persons in our midst. Such efforts, Madam Speaker, which add to the quality of life of the community, therefore adding texture, color and depth to our common vision for the common good, deserve formal public recognition.

It is the view of this Government that existing means available do not provide ample scope for this as we look forward to the continued growth of a vibrant thriving community. The royal honours scheme is limited in scope in terms of number and, of course, limited also in terms of final determination. In other words, we really have no control over those dispensations.

The existing Cayman Islands Certificate and Badge of Honour is also limited, both because it is a simple order without grades to acknowledge and build on various levels of merit; and because, in turn, these awards tend only to be conferred in quite limited cases with a persistent unsatisfying sense that deserving persons are being left out.

Madam Speaker, this Bill seeks to address these shortcomings by creating orders relating to different fields of endeavour and service; the civic and artistic, the ecclesiastical and the uniformed services. There will certainly be those who question the connection, Madam Speaker, with the office of the Premier, and I trust they will be reassured that a committee of fair-minded and sober persons will receive and screen nominations and it will be done in accordance with publicly available criteria.

It is also proposed, Madam Speaker, to consult with the Leader of the Opposition on the appointments of the committee.

It may help to also remain mindful that this aspect is not about me, not about McKeeva Bush,

except in that as a country's first Premier I appreciate the need to establish proper ceremonial functions for that office. This proposed role for the office of the Premier in regard to administering and conferring of these awards is in keeping with that.

In the same vein it may be noted that decisions were also made for the office of the Premier to sponsor perpetual awards for the National Spelling B winner and the winner of the top prize in the annual Catboat Regatta.

Again, one of the functions of the office of the Premier must surely be to enhance recognition of institution-building in civil society. In these cases, Madam Speaker, to encourage national focus on excellence and education, especially language arts, and to highlight ongoing and active conservation of an icon of our national heritage, in this instance the Catboat that I have been talking about.

Madam Speaker, these few remarks are meant to concentrate the public's mind on the spirit of this Bill. If we get that right the mechanics will follow. We are open to, and, in fact, we encourage, vigorous public critique of the Bill. If indeed the machinery seeks to create or the very definition or structure of the proposed orders themselves can be improved, improve them we shall. So, we are saying to the public, let us have your views. Let us have that well informed input that is out there in our civil, cultural and church organisations regarding the appropriate criteria for these awards.

Madam Speaker, I want to mention also another valuable consideration. In the long run this is part of a society's possible antidote to the social poisons that feed so-called gun cultures. It is in the absence of adequate tools for socialisation, for strengthening affect between man and society; it is in the vacuum created by the lack of positive social approbation that gangs develop and strengthen. We must and surely will act robustly to prevent crime and apprehend criminals.

But we must also look to the future positively. We must create means to prevent alienation from social norms and encourage collective attention to, and debate on, positive achievement amongst us. If we do not learn the positive ways, as the young people sometimes say, to *big up each other*, Madam Speaker, we will in effect be investing with other neglect in the tools of social degradation.

Madam Speaker, I turn one minute to the Memorandum of Objects and Reasons (MOR).

The Bill provides for the granting of awards by the Premier to persons who have rendered distinguished and meritorious service to the Islands: Clause 1 provides the short title and commencement.

Clause 2 contains the definition.

Clause 3 makes provision for the establishment of the Order of the Cayman Islands as a society of honour comprising living holders of awards and with the Premier as the Chancellor.

Clause 4 makes provision for the establishment of the National Honours and Awards Committee as an advisory committee comprising five persons of integrity and high national standing appointed by the Premier after consultation with the Leader of the Opposition.

Clause 5 sets out the duties of the committee which include the consideration of nominations, the compilation of separate lists in respect of each grade of award, and the submission of those lists to the Premier, and advising the Premier with regard to matters concerning the Order that are referred by the Premier to the committee for consideration.

Clause 6 provides for nominations of residents where awards should be submitted to the committee for its consideration.

Clause 7 makes provision for the grant of awards by the Premier, having regard to the recommendations of the committee to appropriate to persons who have rendered distinguished and meritorious service to the Islands, or who are otherwise deemed worthy of such awards. Provision is also made in clause 7 for an award to be granted posthumously.

Clause 8 provides for the placing of prescribed letters after the name of the person receiving the award in recognition of the award, and for the use of certificates and the wearing of medals or insignia supplied in relation to an award.

Clause 8 also creates an offence where a certificate is used or a medal or insignia is worn without lawful authority.

Clause 9 preserves the right of Her Majesty, the Governor in Cabinet, or the Governor, to grant honours and awards, and specifies that an award granted by the Premier shall not supersede any award granted by Her Majesty.

Clause 10 contains the general powers of the Governor in Cabinet to make regulations.

Madam Speaker, the Order of the Cayman Islands is (a) the Medal of Honour, which may be granted to any person who has rendered eminent service of national importance to the Islands, or who has performed an outstanding brave or humane act to a national of the Islands or other country in the following classes: Commander, Officer and Member.

Then there is the Medal of Merit which may be granted in classes of gold or silver to any person who has performed long and meritorious service in the arts, sciences, literature or other fields to the Cayman Islands.

Then there is the National Service Medal which may be awarded to members of the Police Force, the Fire Service, the Prison Service, and Commission Officers of the Cadet Corps for outstanding and meritorious service.

There is the Long Service Award, which may be granted to any person who has served diligently and has been of exemplary conduct for a period of 20 years in the public service.

Madam Speaker, I commend this Bill for a law to provide for the granting of awards by the Premier to the attention of the public of these Islands, and I do invite their considered views.

I do, Madam Speaker, want to thank the Honourable Attorney General who did the work on this, and that gentle lady, Mrs. Myrtle, from the Legal Department, who puts together these things, for the work they have done.

Thank you.

**The Speaker:** We will move on to the next statement. Minister for Education, Training and Employment.

#### **Department of Employment Relations—Mr. Lonnie Tibbetts, Director**

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

The Ministry of Education, Training and Employment officials have conducted an initial review of staff allegations brought against the Department of Employment Relations Director, Mr. Lonnie Tibbetts.

Mr. Tibbetts has had an opportunity while on annual leave to respond to these allegations. Based on initial findings a more thorough investigation is required before the matter can be resolved. To ensure that the investigation proceeds objectively and efficiently, Mr. Tibbetts has been placed on one month required leave effective Thursday, 18 February [2010]. This is a standard step in any process such as this one.

As the investigation is ongoing and in the interest of all affected persons it would be inappropriate to comment further at this point.

This is a human resources matter and due process in accordance with the Public Service and Management Law must be followed. The investigation's goal is to achieve a fair and speedy resolution.

The Ministry will continue to provide full support to all Department of Employment Relation employees, including Mr. Tibbetts, affected by the investigation.

Mrs. Jennifer Smith, Assistant Director, will continue as Acting Director during this period.

**The Speaker:** If there are no questions from Members I think this is a convenient time to call for the suspension of the House for the lunch break. It is 12.20 and I would appreciate if Members are back here by 1.30.

**Proceedings suspended at 12.21 pm**

**Proceedings resumed at 1.40 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

## **OTHER BUSINESS**

## MOTIONS

### PRIVATE MEMBERS' MOTIONS

**The Speaker:** Member for North side.

**Private Member's Motion No. 3/09-10—  
Establishment of a Fair Trade Commission**

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to move Private Member's Motion No. 3/09-10—Establishment of a Fair Trading Commission.

**WHEREAS there is much concern by Caymanian owned business that they are being over-run by large conglomerates that have access to large amounts of capital;**

**AND WHEREAS some Caymanians see this as unfair competition and often overprovision of services that leads to long established businesses closing at great hardship to established Caymanian families;**

**AND WHEREAS there is a need to introduce some regulatory authority that can offer some security to Caymanian businesses beyond that being offered by the present business licensing system, through the introduction of some form of certificate of need and fair trading criteria.**

**BE IT THEREFORE RESOLVED THAT the Government consider the establishing of a Fair Trade Commission with the proper supporting legislation.**

**The Speaker:** Does the Motion have a seconder?  
Elected Member for East End.

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

I wish to second Private Member's Motion 3/09-10 as presented on today's Order Paper.

**The Speaker:** Thank you.

The Motion is open for debate. Does the Member wish to speak thereto?

Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Madam Speaker, I am a little surprised that this Motion is on the Order Paper today. It has taken me by surprise because I was informed yesterday afternoon that we were going to deal with two separate motions. But as a good Boy Scout I am always prepared and I shall soldier on.

Madam Speaker, I have had representation from many Caymanians across the social and economic strata of our society expressing their concern about the lack of protection and support for local businesses. They are concerned for the ability of new businesses to be created either by Caymanians who have access to capital, either through partnerships with very rich non-Caymanians who largely, from the Caymanian point of view, were willing to enter into

what we used to call in this country "fronting" to create new businesses in many areas that are already well serviced.

A few come readily to mind, such as the North Sound boat trips, and stuff like that, where we have Caymanians who spent decades establishing Stingray City, establishing the business of taking people on tours out there . . . today a lot of them are losing their businesses because, in some cases, Caymanians connected to foreign capital and enterprise, and often in cases where we allow the foreign conglomerate to come in and set up . . . of course, they have the ability to hire good negotiators and go and negotiate deals and are basically taking over the business.

Madam Speaker, the current regulatory regime that exists for the establishment of businesses in Cayman, the Business Licensing Law, is in my view wholly inadequate because it does not require any kind of demonstration either through market surveys or other statistical analysis that there is a need for the business that you are creating.

Many Caymanians also complain that they spent years developing a business and when it gets to the point of some kind of success there are 15 other such businesses competing for the same market. I believe that it is time that the country (and the Government in particular) looks to create some kind of regulatory authority that can deal with some of the problems that these people are facing.

I am not proposing that we necessarily want to lessen competition, because I believe competition in the true sense of competition where people are competing on a level playing field and Caymanians have equal opportunity to succeed, is a good thing.

However, competition when the playing field is not level—and there are huge depths to some of these people who are venturing into areas of business that have been traditionally left alone for Caymanians—you get into situations where some of these people's pockets are deep enough to lose money for years, if necessary, in order to drive the Caymanian out of business. Then they can come back in a non-competitive environment with a vengeance and recover any losses they may have had to endure over the period of time it took to wipe out the Caymanian businesses.

I believe that there are other aspects of a fair trade commission that would also serve the consuming community in Cayman well. I think it could address things like monopolies, the existence of people who have a dominant position in the market, how they are allowed to handle and utilise that dominant position. Areas such as price fixing and stuff like that could be addressed through a proper method of filing complaints for people who think that they have not been treated fairly.

Also, it could help in offering some comfort to Caymanians in the whole business protection environment which, up to this point, has been left to the wonderful, altruistic, Chamber of Commerce. All of us

know how many times they have had a *come to Jesus* moment to help us Caymanians.

So, Madam Speaker, I believe that a fair trade commission would be a step in the right direction and I believe very strongly that the existing framework . . . and we know what happened after Hurricane Ivan, for instance, in the construction industry. The answer to that has been the introduction of a Builders Bill, which I believe needs to be repealed most rapidly because I believe that punishes Caymanians more than helps them.

I believe also that an all-encompassing fair trade commission would offer some support to the people that we have sworn to represent in this parliament.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Member for North Side.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, the Motion before the House is one that has attracted much public discourse. I did not have time to check the records of the House, but I would be surprised if this, or something similar to it, has not been moved on some previous occasion in this House. For a long time we have talked about fair trade commissions, consumer protection enhancements in legislation and other bodies that serve similar functions.

Madam Speaker, the Government clearly understands that there is a necessity at all times for countries, especially rapidly developing countries like ours, to try to interject some semblance of order in the marketplace without artificially getting in the way of free enterprise, certainly not doing so in a way that would be harmful overall to the economy.

I do believe that at this stage in our development we do need to look very closely at exactly where certain industries have gotten to, as the mover has said, and deciding what the future ought to start to look like. Now, that is not to say, Madam Speaker, that Government would be having an overly [encumbering], interventionist policy in the economy. I think we all recognise that we do need to ensure that creativity, hard work, ingenuity, is rewarded. If you do not have that, then you start to limit the potential for our own Caymanians. I know none of us in this House would want to do that.

However, the framework in which business operates and the framework in which the public can intercourse with the private sector, is very, very important. Certainly, we believe there is a necessity for us to act and to move in certain areas. What I would say, though, Madam Speaker, is that as we look in this vein, we also would need to look at the overall area of how consumer protection can be enhanced because

that is, as I see it, certainly a logical next step in this exercise because we do have those complaints out there as well. People saying that they believe they have been treated unfairly, but not having they believe a robust mechanism.

I notice there is an entity that exists under the umbrella of the private sector and from what I have been made to understand it is not robust in the way that we would like to think and believe and how it exists in other countries.

With that short contribution, Madam Speaker, I look forward to hearing other debate.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you. Madam Speaker, I rise to speak on behalf of Government on this matter.

The Government places great importance on fair competition in the country. It is essential to the operation of a market-driven economy such as we have in these Islands. In an environment of fair competition businesses are free to make sound operational decisions provided that they abide by rules and standards that are designed to help the economy grow.

Competition between businesses and with consumers is necessary to both encourage efficiency within businesses and to also allow consumers to benefit from a greater choice of products and services and low prices. That is what should happen.

While the current business climate in Cayman does not provide a level playing field for local small businesses—the majority of which are owned by Caymanians, Madam Speaker—we must be careful not to introduce protectionist policies that promote inefficiency and excessive pricing. At the same time, though, it must be recognised that larger businesses have the bargaining power, as I believe the Member for North Side was pointing out, to effectively and unfairly shut out small businesses from various commercial agreements. Such restrictive business practices must be addressed and it is common for jurisdictions to do so through various forms of legislation.

Issues such as price fixing, price gouging, misleading advertising and monopolistic practices can be addressed through properly drafted legislation. While we can look to examples from around the world, a quick review of our Caribbean neighbours shows that various countries have some form of fair competition or fair trading legislation. A commission is then typically established to 1) inform and educate businesses and consumers of the purposes of the law and the benefits of fair competition; and 2) identify and evaluate anti-competitive conduct that affects the operation of the market and, therefore, negatively affects consumer welfare.

It is to be stressed, though, that such a system to ensure fair competition should be considered carefully. For instance, businesses must maintain ac-

curate records of their operations as such records are essential in support of complaints to a commission or in mounting a defence against such a complaint. And further charges of anti-competitive behaviour are not to be taken lightly. A commission for the purposes of discharging its functions may require access to the Courts for the determination of a contravention of the law.

It is also important to consider a fair competition law within an international context and organisations such as the OECD and the World Trade Organization provide recommendations with respect to the application of competition law and the development of such laws in Cayman must consider the implications of such recommendations as we are caught in between as a small Territory.

From a more practical perspective, Madam Speaker, the recent transfer of responsibility for trade and business licensing to the Department of Commerce and Investment has been the first step towards a focus of improving competitive practice in Cayman. We have a very good board, Madam Speaker, in young Mr. Arch, who is chairman. He is a very educated, knowledgeable young man. I do not think you could find anyone more Caymanian than he is.

Already the process of reviewing and reforming the Trade and Business Licensing Law is underway, for which I have much to thank the new acting CEO, Dr. Dax Basdeo, who has done a tremendous amount of work since we took over to come a distance in the formation of the Department of Commerce and Investment.

As I said, reviewing and reforming the Trade and Business Licensing Law is already underway, with a view of not only strengthening and improving the current licensing structure, but to also incorporate better support for local small businesses.

For example, it is unfair to expect a business with less than 5 employees to pay the same license fee as a business with over 25 employees. And the existence of restrictive business practices is known within the Department of Commerce and Investment given their involvement in providing technical assistance to small business. As such, fair competition is an issue that is being explored and appropriate policy recommendations will be made as part of the Department's role. So, the consideration for the establishment of a fair trading law and a fair trade commission is, therefore, a worthwhile endeavour and can be explored through the Department of Commerce and Investment.

So, work has been underway for the past six months to reform two key licences affecting the businesses in the Cayman Islands. First the Trade and Business Licensing Law is undergoing review to determine how this Law can support local small businesses; second, the Local Companies (Control) Law is undergoing review to determine how to protect Caymanian business from excessive foreign competition.

Research has been done to suggest that certain types of businesses will be prohibited in Cayman. For example, private companies engaging in national defence and security activities or engaging in activities involving radioactive or hazardous waste will be prohibited in these Islands. We are giving instructions to the Board to that extent.

Further, we will be providing or we have told but are now providing directors to the Trade and Business Licensing Board that certain types of businesses must be reserved for Caymanian ownership only. We can say that those businesses include water sports, taxi and tour operators, as well as limousine businesses, handicraft businesses, artisans and thatching, for instance; beauty salons and barber shops, gardening and landscaping businesses; auto repair businesses, painting contractors businesses, convenience stores, mobile carwash businesses; commercial fishing, private security, entertainment companies and promoters, radio stations, bar tendering services; real estate businesses, electrical and plumbing, and trucking are among them. These are, must be, have to be, now being reserved for Caymanian ownership only.

As I said Madam Speaker, you cannot do a whole heap in nine months; but you can believe that the Government has tackled a number of sore points, areas that need to be addressed. The Member for North Side has brought one such area to our attention so the consideration for the establishment of a fair trading law and a fair trade commission is, as I said, worthwhile.

We are working in other areas, as I just announced, that impact that, and we will now explore much more fully through the Department of Commerce and Investment the establishment of those two entities.

The Government can, therefore, support the resolution before the House.

**The Speaker:** Does any other Member wish to speak? [pause]

Elected Member for East End.

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

I believe it is only fair that since I seconded the Motion brought by the Member for North Side, that I at least have something to say on it. And since I am speaking in the wake of the Government accepting the Motion, I certainly will make my contribution quite short.

I believe the Minister of Education said in his short contribution that we have talked about this for quite some time. Many years ago, I believe the former Member, Mr. Roy Bodden and the Honourable Leader of the Opposition brought something similar. And since I have been here, the Minister of Education and some of his colleagues over there also brought something to the effect of protection of Caymanian businesses or carving out certain businesses for protection.



But, Madam Speaker, I know how this word “protection” is taboo in the Cayman Islands. Every time you mention it we get everybody up in arms. But certainly, Madam Speaker, the word “protection” is sometimes necessary for the future development of a people. I have always believed that extinction is forever. If you do not preserve a people they will be extinct in the not-too-distant future.

Madam Speaker, one of the problems with . . . I don't know if it is a problem. It is more of a concern that is now raising its head because things, such as what is being proposed, were not done many years ago. We somehow forgot that this country was going to go on in perpetuity and we did not make provisions for that.

I recall when I came out of high school it was some 180 of us or thereabout for that year. Now we are talking about 300 or 400 coming out of high school—out of the high schools I should say. Now, that says to me . . . and more and more we are getting Caymanians with tertiary education capable of running businesses. And the middle class in any country is dependent upon small businesses.

Our middle class in this country is a robust middle class but it is a people working for someone else. They are not working for themselves. Any country is extremely dependent upon a middle class that comprises a people that is ingenious and run their own commerce, their own businesses. That middle class will ensure a country succeeds.

Madam Speaker, because we did not do anything years ago, and I am not pointing my fingers at anyone. But I applaud the Premier for saying that . . . and I believe he mentioned a couple of things like water sports, and taxis and . . . he talked so fast that I could not get them all down— real estate, trucking, commercial fishing and the likes. There are many more that need to be carved out (let me not use the protectionism word again) for Caymanians as well.

After the Member for North Side asked me to second his Motion and I came here and looked at them and decided to assist, I did some research, albeit I did not do that much. But one of the things I am is an avid fisherman. I use the Windguru website to check on the weather. It just so happened that while I was there one day I saw . . . and this is a website that not a lot of people use. I saw one of those little pop up advertisement things. It said “Cayman business for sale.” So my interest was aroused. I opened it. I just happened to print it off as well. Suffice it to say I was pleasantly . . . not pleasantly. I was shocked when I read some of the things that were being advertised—the advertisement to sell this Cayman business.

Madam Speaker, I am not going to call the name of it. Those who would like to go on to the Website that is fine. They can go. But these pop up advertisements appear to come in like a week, then they are off for two weeks then they come back so they can get more. But I have seen it there since.

I am not going to call the name, Madam Speaker, but I am going to read some of the things in it, such as, “No one else is doing anything like this in the Cayman Islands. And even if someone tried they would never approach our level of popularity or technology.” That's one.

Under legality . . . this is still in there, Madam Speaker and I would appreciate if you do not ask me to table it.

“Legality [as a subheading] comes with a free honest Caymanian partner. All companies in the Cayman Islands must have a Cayman partner. Our partner is a dear friend and one of the nicest and most trusted people on the Island. His primary business is . . . so he has no active interest in this company other than including a few pages of advertising for his own interests. By compensating the partner with advertising, you are effectively receiving free partnership. The partner has no interest or inclination to tell you how to run your business or to provide any accounting or other information. A partner like this [in black, bold] is extremely difficult to come by and adds a great deal of value to the company for anyone without Cayman citizenship.”

Then it goes on, Madam Speaker, under “Summary” and says, that “the buyer is paying for full ownership and exclusive rights to [that business] do whatever [that business] does; a Caymanian partner; full copyright ownership; no compete agreement, and then the amount of clients that they have.”

Madam Speaker, therein lies the concerns that we have all had and we have all expressed. And I am not reading them all for you, Madam Speaker. No company can be formed in this country by virtue of a foreigner, or expat, coming in here to form a company without a Cayman partnership. And I understand that. But because Caymanians do not have the capital . . . and I said all that to get to this, Madam Speaker.

Because many Caymanians do not have the capital to start these businesses, they turn to this thing called “fronting.” Thus the reason why a lot of Caymanians have expressed anger at the fact that they see this person run the business and it is not a Caymanian.

Of course, some of those have merit; some do not necessarily have merit. But certainly I would encourage the Government, if they are now looking at this to look very comprehensively at it in that somehow if we are going to protect those types of businesses for Caymanians that it needs to be extremely difficult; not a 60/40 requirement as is now. There needs to be something extremely difficult to prevent anyone from doing it.

But then when we turn the page on that, Madam Speaker, our own people are going to say *You're stopping me from carving out a living for my family*. Just like we do with our lands: Most of us would love to see the ownership of properties in this country be retained by Caymanians. But then there is a catch 22, because if they retain the land, it will stay

there with trees and nothing else is going to happen. All they can do is farm it.

That is what my and your parents and grandparents did, Madam Speaker; they carved out a little piece of food to feed their family. But we have passed that now. Certainly there has to be some means of ensuring that it is extremely difficult for anyone to get into those businesses.

And when I said that I applaud the Premier . . . in a lot of instances the horses are already out of the gate. We are now trying to close the gates and it is virtually impossible.

**The Premier, Hon. W. McKeeva Bush:** . . . give us credit for doing it.

**Mr. V. Arden McLean:** You know I . . .

*[inaudible interjection]*

**Mr. V. Arden McLean:** I already tell you, you gotta learn to keep control in here, you know.

**The Speaker:** Member for East End, just keep on with your debate please.

**Mr. V. Arden McLean:** *It na ga be long for you, you know. You understand that?*

**The Speaker:** Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, I'm getting . . . Thank you Ma'am. I'll get back there. But I must tell you, Madam Speaker, I'm getting right up to here! Right up to here!

**The Premier, Hon. W. McKeeva Bush:** [laughter]

**Mr. V. Arden McLean:** Okay. All right. This laugh, laugh! All right. *Fun ga bring bun in ya yet one day.*

**The Speaker:** Not while I'm in the Chair.

*[laughter]*

**Mr. V. Arden McLean:** Don't have to be in here, Madam Speaker.

**The Premier, Hon. W. McKeeva Bush:** Ah-ha.

**Mr. V. Arden McLean:** The premises is big.

**The Speaker:** Please proceed with your debate.

*[inaudible interjection]*

**The Speaker:** And the other side, please be quiet while he is speaking.

**Mr. V. Arden McLean:** Madam Speaker, some of the people in this Chamber have no respect for others, you know. That's obvious, but anyway . . .

Madam Speaker, I believe that, as I've said, long has been the time when we need to ensure that some of these little small businesses are retained in the hands of Caymanians to ensure that middle class is robust.

I know that much of the water sports is almost already gone and it has been by and large financed by outside capital. There is much still in Caymanian hands. I totally agree with that, Madam Speaker. I know there are young Caymanians who operate on their own, they and their wives. I can think of at least two who do water sports, and that is good. And they had no capital to start. They did not have any injection from anyone to start up. And that is admirable.

But then on the other side of that you have Caymanian firms or some of the biggest in this country that are into the water sports too. But somewhere in between there we have a lot of those that are already established, and what will happen is that you will see it staying out of Caymanian hands in perpetuity because of something like what I just read from, being advertised from that perspective.

So, Madam Speaker, it is commendable that the Member for North Side would bring this. And, as I said, I don't want to stay here very long since the Government has agreed to it, but certainly a number of things can be done within whatever the Government proposes to do after accepting this Motion to ensure that the young Caymanians who are coming up will have an opportunity, and the right and privilege, to carve out their own little piece of this country.

And it is also about the fact of consumer protection as well. Many times in this country there is no protection for consumers. You go to the store and buy something and they refuse to make you bring it back if there is some factory fault on it; you have to bear the brunt of that expense to have it repaired or go and buy something else. That is another aspect that needs to be addressed and looked at.

And I don't think we need to try and kill the businesses that are established through protectionism of the consumer, but, certainly, we can ensure that it is a little more reasonable on the part of the consumer, that they get a fair shake at the good money they spent.

Madam Speaker, I could go on. But, with that, I will ask the rest of the honourable Members in this House to support the Motion brought by the Member for North Side.

Thank you.

**The Speaker:** Thank you, Member for East End.

I will not ask you to lay your document on the Table of the House, but I would like to see a copy of it for my own verification.

**Mr. V. Arden McLean:** Certainly.

**The Speaker:** Does anyone else wish to speak? [pause] Does anyone else wish to speak? [pause] Does anyone else wish to speak? [pause]

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

Madam Speaker, having had an opportunity to review the Motion, seconded by the Member for East End, and having had an opportunity to just hear his contribution to the debate, I believe it is important that we put this issue as well other issues that I'm sure are going to arise in this honourable House, into context. And in terms of context, the Member for East End talked about the fact that this issue and one of the sub-issues, particularly consumer protection agency and the like, has been bandied about in this honourable House for many, many years. And I believe that that is one of the things of significant concern to our Caymanian people, because our elected officials have known about these issues for many years. They have spoken to them, sent them letters, and as the Member for East End has stated, it seems as if we could go back and forth in parliament. The question is when is something actually going to be done about it.

In that same vein, Madam Speaker, I recall the PPM's manifesto in 2005. They said they were going to look at putting together a consumer protection agency. So, when the Member for East End makes reference, for example, about it being bandied back and forth, arguably implying (if not stating it expressly) how the *horse is already out of the gate*, it's just another example, Madam Speaker. For too long persons have put it in their manifestos, have campaigned on those issues, and the public in that particular example, from a manifesto by the PPM in 2005, four years later, is still waiting for a consumer protection agency. They are still waiting for that, Madam Speaker.

And, Madam Speaker, I have heard over the last two and a half years, particularly in my last vocation, some of the same complaints. I've made my arguments as well that I believe promises made in the manifesto about consumer protection . . . there are numerous examples where our Caymanian people, residents alike, find themselves, unfortunately, with not-so-scrupulous business or, arguably, finding themselves in a position where they need assistance, and that assistance is almost not made available to the individual consumer because either there is a high cost, or, in another scenario, just simply not getting the sort of support from Government that they should be getting.

One example, I can give, Madam Speaker, is that there are arguments in terms of individuals paying loans and/or mortgages where an individual may find themselves a penny short and a day late, and they are getting a \$32 charge every month for being a penny short and a day late, and that bill racks up. And there are persons who believe that that is not fair, that there

should be rules put in place to make sure that that person can be informed that you are a penny short, bring the penny in and not necessarily capitalising and making \$32 every time a person misses a penny. Just one simple example, Madam Speaker, that there are numerous things that can and should be done to ensure that we can actually provide some protection for the consumers.

On the issue of businesses, Madam Speaker, I know that there are businesses that are concerned about the present state of affairs. As the Member mentioned, it has been going on for numerous years. I've heard about it. On the campaign side I've stated before that I would do everything I could to ensure that by every word and action I would, and this Government would, do everything we can to ensure that we can benefit the Caymanian people.

And in that same vein, Madam Speaker, it is because of that . . . and I believe that the position gets exacerbated somewhat by the economic position we find ourselves in. Because things are extremely difficult at this point in time, many Caymanian Businesses all the more start to say, *Well everybody* (in terms of the mobility of funds) *is trying to look for somewhere to make an investment*. All the more as things start to shrink in the market, as finding a job becomes even more difficult, those exclamations that have been going on for years become louder and louder. And today we are in the position where they say, we need help. We need help because in this shrinking market the last thing we need is more persons coming in and eating up piece of a shrinking pie.

So I know that there are those complaints there, Madam Speaker. The Government recognises that. We recognised that before, during and after the campaign. It is part of the reasons why, initially, as soon as we were elected to office in terms of stimulation to this economy and as part of this whole issue of trying to make sure that we were going to give Caymanians a chance . . . because I believe the Member also makes a good point.

It is about funding, which is one of those issues that Caymanians find difficulties with. And it is one of the reasons I believe he stated why persons run off and get another individual or another institution and they end up fronting because of the lack of funds.

This Government, Madam Speaker, unlike all the [bandying] that has been taking place back and forth for many years, has done something about it. We've put millions of dollars, I believe in the tune of three million plus, in the Cayman Islands Development Bank, primarily to be able to ensure that we could go ahead and work particularly at this point in time. And I know we hope to put more funds in there to ensure that we can do what we can to be able to help those small businesses.

The Government has talked about the numerous projects that we hope to engage in. And that same Member for East End . . . I know he mentioned about possibly throwing himself down in front of a

bulldozer, Madam Speaker. But those same projects that some persons would hope to stop . . . we believe at the end of the day that the present state of the economy calls and demands for projects that are going to help push funds into this economy, create activity. And all the more the Government wants to ensure that we are going to be providing opportunities for Caymanians.

It is primarily for those reasons I mentioned that the Leader went through a long list of some of the businesses, whether it be auto repair businesses, painting contractors, private security, real estate businesses, electrical and plumbing, trucking, to make sure that not only are we going out of our way despite the impediments—whether it is in front of a bulldozer or not—that when those projects can get started that unlike what has taken place in this country for so many years (if I could throw out, a decade at least) . . . because I know our Caymanian people are going to be concerned. And one of the reasons they will be concerned Madam Speaker, has to be that for so many years they have sat here and have seen these projects take place but Caymanians were not necessarily benefiting from those projects.

The difference here is that even in the list that the Premier mentioned, the actions we have taken through the institution of the Cayman Islands Development Bank is, in itself, not verbiage, not promises, not a few words in a manifesto, but concrete evidence that this Government means it; that by every word and action we are going to do whatever we can do, whatever is within our power to ensure that Caymanians are going to benefit, that Caymanians are going to get those opportunities.

So when there is construction and millions of metric tons of marl is being excavated, right here a Caymanian company—a Caymanian—has to be the owner of the trucking. So we don't have to worry who is going to be doing the trucking, who is going to have an opportunity to make hundreds and thousands of dollars for their family. It will be a Caymanian who must have that trucking company.

Think of the opportunities that are going to exist when we talk about a hospital project alone in terms of construction and the electrical and plumbing for Caymanians. That's opportunity. That is making sure that the projects which are going to be done in this country are going to benefit Caymanians. I have to state it, Madam Speaker, because it has to be put in context.

And when the Member talks about [bandying] back and forth . . . and I know that the Opposition today takes the position and argues about divestment of assets and the list goes on. Look at what happened during the previous administration. The millions of dollars that they found themselves with! And we don't even have to go any further than the schools.

Where were the drawings done for the schools? Were local architects used? Did we say, let's get some local architects in here; let's get some Cay-

manian architects and let's make some drawings? No! The previous administration sent that off, it went to Chicago.

It got so bad, as I understand it, that even the photocopying took place in a foreign country. That's why it surprises me, Madam Speaker, to say the least, when I hear the Opposition stand here having . . . I don't know. Growing a brain on the other side of the aisle that all of a sudden—

**The Speaker:** Refrain from those comments please.

**Mr. Ellio A. Solomon:** —that there is a position that now they are able to see that something has to be done.

Sorry, Madam Speaker.

That something has to be done to ensure that Caymanians are going to benefit. So, again, putting it in context, there's an appreciation now that something has to be done.

I wish to ensure the Caymanian people that when we talk about whatever it is, whether it is those [inaudible] of assets or it is going to be the projects, the difference is that we are ensuring that the opportunities for employment and opportunities for ownership and the commerce that takes place, as best as we can do it as a Government, Madam Speaker, is going to maximise the opportunities for Caymanians. Because when our Caymanian people are listening at home and weighing it out, remember that even though under the previous administration when there were millions of dollars being spent, where were their arguments about how Caymanians are benefiting.

Photocopying—again I mention, Madam Speaker—being done overseas. Architectural drawing being done overseas. I didn't hear them saying anything then about selling birthrights or making sure to be concerned about Caymanians losing jobs or businesses, but now they are concerned. Now they are concerned.

So, Madam Speaker, the Cayman Islands Development Bank is just an example in terms of putting millions of dollars in there, because it is one thing to say, *Here we are now making sure that you can own the company.* We come and complement that with action by making sure that the Cayman Islands Development Bank is going to be able to have the funding to ensure that the Caymanians can have an opportunity to be able to say I know where I can get that \$75,000 to own my own truck so that I can benefit from some of the trucking.

As I mentioned, Madam Speaker, I—

**Mr. D. Ezzard Miller:** Madam Speaker, on a point of order. I wish to draw your attention to Standing Order 41 and if you wish to name the Member, I so move.

**The Speaker:** Standing Order 41?

**Mr. D. Ezzard Miller:** Madam Speaker, 41(1)

Madam Speaker, I would also suggest that (41)(4) has some bearing on what is happening here right now too.

**The Speaker:** Thank you, Member for North Side.

Member for George Town, are you ready to conclude your debate?

**Mr. Ellio A. Solomon:** Yes, Madam Speaker, thank you very much.

So, Madam Speaker—

**The Speaker:** Please stay on the subject before the House.

**Mr. Ellio A. Solomon:** Absolutely, Madam Speaker.

**The Speaker:** Without further denigration of anyone in this Parliament.

**Mr. Ellio A. Solomon:** But, Madam Speaker, I've only been speaking to the issues.

**The Speaker:** Thank you. Please do not argue with the Chair.

**Mr. Ellio A. Solomon:** All right.

Madam Speaker, wrapping up the discussion, I believe that it is evident that the Government has taken steps to ensure that the Caymanian people, by way of funding and by way of ensuring that certain companies will actually be given an opportunity for ownership, just those two things alone I believe are complementary. They show that this Government, not by words alone, [but] by actions, is doing what is necessary to look out for the Caymanian people.

I think it can always be raised in terms of questions, Madam Speaker, as to whether a fair trading commission and how much it is going to cost, and so on . . . and, I am sure it could be nit-picked. But I appreciate the fact that the Member bringing the Motion, the Member for North Side, in that last section, mentions **“BE IT THEREFORE RESOLVED THAT the Government consider the establishing of a Fair Trade Commission with the proper supporting legislation.”**

I believe that is good, Madam Speaker, because it allows the Government to be able to say (1) it is going in the same vein as the Premier has mentioned, something we have been working towards for at least the past six months. And I think that allows us the ability to be able to consider this very carefully and to see what and if, where, when and how, it can be done to be able to complement the initiatives that have already taken place by the Government, and that we intend to be able to take in the future.

And with all of that, Madam Speaker, I believe that contextually, hopefully there is a position and greater degree of clarity as to perhaps (1) what has taken place over the previous years and what the

Government has been doing in terms of our many initiatives over at least the past six months as the Premier has mentioned. I believe, therefore, it is good general support from the Government side with respect to the Motion.

**The Speaker:** Thank you.

Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the mover of the Motion to exercise his right of reply.

Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

It never ceases to amaze one how things done in this Parliament, with the best intention in the world, certain people cannot resist an opportunity to denigrate what is being done. But, Madam Speaker, we all rise to our level of incompetence or competence as we move through these hallowed [halls].

Madam Speaker, to say that I have suddenly “grown a brain” is rather uncomplimentary. But it also clearly demonstrates what has happened in the political arena of this country and, unfortunately, it may not always have been for the best. We hope and pray that some day we will all manage to find the respect and love for our fellow Caymanians and, in particular, our colleagues who have been privileged to serve for however short a period in these hallowed chambers.

Madam Speaker, to suggest that the best rationale for supporting the Motion is because I used the word “consider” tells me how much more I need to study the Standing Orders of this House of honour and privilege. And, Madam Speaker, I believe that I am one of the most knowledgeable people in these hallowed chambers to what's included in those Standing Orders, and the boundaries that those Standing Orders establish. And I learn every day and thank our forefathers because they understood and put into those Standing Orders the necessary boundaries for exactly such an occasion as this.

Madam Speaker, the day that I rose in this Parliament to congratulate you for your appointment I pledged to you that I was going to be on my best behaviour and that I was going to abide by the Standing Orders and the boundaries included in those Standing Orders. And, Madam Speaker, if there ever was an exercise in personal restraint, you are witnessing it here today. But, Madam Speaker, like the Member for East End, my vessel can only contain so much and it is becoming full.

That is neither a warning nor a threat, Madam Speaker; that is simply an admission of the position that I find myself in.

**The Speaker:** Are you concluding your debate now, sir?

**Mr. D. Ezzard Miller:** Not likely, Madam Speaker. Not very likely, Madam Speaker.

**The Speaker:** Please proceed.

**Mr. D. Ezzard Miller:** Madam Speaker, whenever I get up in this Parliament to bring any question, to bring any motion, it is on behalf of the people of North Side who privileged me to come here. And in most instances, I am doing their bidding. And it is because of my great love and respect for those people today that I will restrain myself, cost it what it will, for today!

Madam Speaker, I thank the Government for accepting the Motion. I'm not sure that that includes all of the Government. I'm glad that the Government has found it and sent certain directives to the Business Licensing Board reserving certain businesses, jobs, for Caymanians.

But, Madam Speaker, the reason I am suggesting that we need a Fair Trade Commission is because I know that the legislation under which that Board is being asked to carry out those directives makes it absolutely impossible for them to do so. Because once a Caymanian . . . We talked about the different types of Caymanians in moving the Motion, as did the Member for East End. He gave a wonderful example of what he found on the internet. And in the case of the fronting, or in the case of the 60/40 relationship, or in the case of the Local Companies Control Licence, the Board, in my view, under the current legislation is powerless to refuse a business licence to a Caymanian.

So, Madam Speaker, I am pleased that Government is reviewing that legislation and I hope that the review will be completed in time for them to bring it in March, because one of the things that I am not known for is to starting processes like this and backing off half way. And there are provisions in the Standing Orders—which I will continue to learn and study—that offer options for me to present the legislation to this Parliament failing the Government bringing the legislation. In reasonable time, Madam Speaker, those alternatives shall be explored.

I have some concerns about just simply . . . and I don't believe we will achieve the objective to simply reserve the businesses for Caymanians because some of the newer Caymanians have deep, deep pockets.

I believe that one of the reasons our stay-over tourism is in the doldrums today is because we, at one time, allowed a monopoly of hotel rooms on Seven mile Beach, and thereby the standard of service and relationships that Caymanians had built up with repeat tourists for many, many years was destroyed, and is still being destroyed today by the foreign managers who are allowed to be imported to manage those institutions.

They do not understand the cultural component that Caymanians bring to the table in building relationships in those businesses. And the fact that a

little North Side lady who is cleaning the rooms may actually stop to talk to the tourists who are staying in the room to give them some accurate information about what is going on in the country, and, in fact, tell them, "*You want fried fish, Johnny going fishing tonight, tomorrow I will bring you some fish and fritters*" and will carry the fish and fritters to the room for the person. That kind of personal touch is never forgotten.

But what do we do? For the last couple of years every time we got a new manager of a hotel on Seven Mile Beach we changed our whole tourism market and structure to suit him. And we are still doing it.

And, Madam Speaker, I understand that one of these new Caymanian conglomerates that has been created is quite speedily setting himself up in a monopolistic way. They are buying up a lot of the tourism related stores. They have won the bid on the Port and will no doubt be in a position, through whatever kinds of business practices necessary to ensure . . . but eventually all the stores will be occupied by them and their subsidiary of companies. I understand that they have ventured into the liquor distribution business and currently own, the vast majority by far, if not all of them. And these are the things that a Fair Trade Commission can fairly and accurately address that the protectionism of simply issuing a directive to a Board—that has no teeth to enforce that law—will bring with it.

Madam Speaker, I volunteer to help the Government in any way that I can to assist the new Department of Commerce in developing a fair trade commission, because I believe that . . . we may want to call it something else, whether it a fair trade commission or a trading act. The point is, without that kind of encompassing regulatory regulation, which is not simply going to offer protectionism for Caymanians and allow them to also be monopolistic and take advantage of the consumer, but it can support Caymanians in their entrepreneurial spirit.

And, Madam Speaker, if there is anything lacking in the economy of Cayman today, I believe that it is the difficulty . . . the difficulty is not lacking. The difficulty is there more than we would like it to be for Caymanian entrepreneurs who want to start out in a new business.

And I applaud all the efforts that the previous government and the government before did to the inward investment in providing courses, et cetera, for Caymanians already in business or wanting to get in business, and what little, as much as it is, I think we could describe it as the proverbial "Widow's mite" that the Development Bank is offering in terms of allowing some of these Caymanians access to capital.

You know, Madam Speaker, when I left Government in 1979 and decided to go out and hang out my own professional shingle and open my own drug store it was easy to get into business. It was easy to raise the capital because the capital thresholds at that time were substantially less than what they are today.

I think I started my first pharmacy business with \$30,000. But I don't think you could start a pharmacy today with anything less than, at a minimum, quarter to half a million dollars and break into the market as I was required to do in those days when we had had a monopoly for 15 years, and there was only one in town.

So, Madam Speaker, I believe that it is incumbent upon the Government to provide the environment which encourages and supports Caymanian entrepreneurship and businesses, and gives Caymanian businesses the necessary protection from other Caymanians who may cut deals with other people to infringe on their market and destroy their business while they are building up a thing.

So, Madam Speaker, I thank the Government for supporting the Motion. I would warn the Government that this is not a case, as has happened in the past, where the Member for North Side is going to be content with a feel good "yes, we are doing something about it". I shall be watching and using whatever the Standing Orders allow me to do to encourage, follow, and see what the Government is doing about the Motion.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Member for North Side.

The question is: BE IT THEREFORE RESOLVED THAT the Government consider the establishing of a Fair Trade Commission with the proper supporting legislation.

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

#### Ayes and Noes

**The Speaker:** The Ayes have it.

**Mr. D. Ezzard Miller:** Madam Speaker, could I have a division please?

**The Speaker:** Madam Clerk.

#### Division No. 9

##### Ayes:

Hon. Juliana Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon

##### Noes:

**Mr. V. Arden McLean:** Madam Speaker, on a point of order.

The Fourth Elected Member for George Town cannot vote. The vote was called whilst he was absent.

*[inaudible interjection]*

**Mr. V. Arden McLean:** Madam Speaker, he cannot vote. He was not in place when the vote was called.

**The Speaker:** That is correct.

Please proceed.

Madam Clerk, please proceed.

#### Division No. 9 —(continuing)

##### Ayes:10

Mr. Dwayne Seymour  
Mr. D. Ezzard Miller  
Hon. D. Kurt Tibbetts  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden  
Mr. V. Arden McLean

##### Noes: 0

**The Speaker:** The Division is 10 Ayes and 0 Noes.

**Agreed by majority: Private Member's Motion No. 3/09-10 passed.**

**The Speaker:** I am calling a suspension of this House for 15 minutes, and I want to see the Fourth Elected Member for George Town in my chambers.  
Thank you.

**Proceedings suspended at 3.04 pm**

**Proceedings resumed at 3.47 pm**

**The Speaker:** Proceedings are resumed.  
Please be seated.

#### Private Member's Motion No. 4/09-10—Proposed Amendment to the Firearms Law to Provide for a Committee to Issue Gun Licences

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I wish to move Private Member's Motion No. 4/09-10—Proposed Amendment to the Firearms Law to Provide for a Committee to Issue Gun Licences, and it reads:

**WHEREAS there is some concern amongst Caymanians that are being denied gun licences and in particular licences for shotguns used by farmers and other citizens to hunt rabbits and ducks;**

**AND WHEREAS this has been a long established tradition in the Cayman Islands;**

**BE IT NOW THEREFORE RESOLVED THAT Government consider amending the Firearms Law to establish a committee of two Justices of the Peace and the Police Commissioner to issue gun licences.**

**The Speaker:** Is there a seconder to this Motion?  
Member for East End.

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

I wish to second Private Member's Motion 04/09-10 as presented on the Order Paper.

**The Speaker:** Thank you.

The Motion is now open for debate. Does the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

This Motion seeks a very simple amendment to the Firearms Law (2008 Revision) which would define who makes up the appropriate authority for the licensing of firearms.

Madam Speaker, I have received representation from farmers and other people in my community who are experiencing some difficulty in getting gun licences for their children for guns that have been in the family for many years in order to use it to protect the produce that they are trying to grow in their subsistence farming from what we call a rabbit and is known as the "agouti" which can quite easily destroy ground provisions, in particular, at an alarming rate. It also happens to be a delicate dish, and not wanting to trespass into anticipating motions—but [in North Side, a good agouti rabbit stew is almost as traditional as turtle meat.]

What particularly led me to suggest an amendment to this was an event that happened in my constituency when a former Commissioner of Police was questioned about the delays and the refusals of such licences. He defended his position in doing so and suggested that there was no need to have a licence for a 12 gauge shotgun because they could kill their cows with an iron bolt or a knife, and they could poison the rabbits.

Madam Speaker, I can promise you that any respect that that Commissioner of Police had hoped to get from that community was entirely destroyed by that statement when one old gentleman whispered to me, "But how can he be Chief of Police in Cayman, and he doesn't know that I can't eat rabbit after I poison it?"

So, Madam Speaker, what I am suggesting and asking the Government to do is to amend section 30 of the Law which currently reads: "(1) The appropriate authority for the grant, amendment or revocation of any Gunsmith's Licence shall be the Governor. (2) The appropriate authority for the grant, amendment or revocation of approval in a matter relating to a bullet-proof vest shall be the Commissioner. (3) The appropriate authority in Grand Cayman for the grant, amendment or revocation of any Firearm Import Permit, Firearm Export Permit, Firearm Disposal Permit, Firearm User's (Restricted) Licence or Firearm User's (Special) Permit shall be the Commissioner and the appropriate authority in Cayman Brac and Little Cayman shall be the District Commissioner."

Madam Speaker, I am not proposing any change to [section] 31 because I have no problem with the Governor when it comes to gunsmith licence

and people altering these guns and stuff like that being at that level. But I believe that if the Government was minded to amend section 3 in particular, and what I am proposing for the Government to do is to, in fact, amend that section by the addition—not to eliminate the Commissioner of Police or in any way denigrate his authority, because I think he is one of the appropriate people that should be involved in this process. But in order to bring to bear that traditional and cultural element in Cayman to ask the Government to add two justices of the peace in Cayman.

I believe that even when people are denied, if they know that two Caymanian justices are involved in the decision-making process, I believe there would be a certain amount of comfort to them that they got a fair consideration in the matter.

So, Madam Speaker, I ask the Government and honourable Members to support this amendment to the Firearms Law.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

As this Motion has actually been seconded by one of my colleagues on this side of the House, I believe it can be presumed that this Motion has the support of the Opposition. But I would just like to say a few things, first, to commend the Elected Member for North Side for bringing this Motion.

I think many of us in the community and, certainly, many of us in this House who have been in Government have been concerned for quite some time about this particular authority, that is, the authority to issue firearms licences vesting solely in one office—indeed, in one individual—whoever happens to hold the office of Commissioner of Police at the time.

Madam Speaker, I am certainly not an advocate for creating an environment where everyone has the right to bear arms. By no means. But I believe that over the years we have grown increasingly . . . I know over the years we have grown increasingly restrictive in whom we believe ought to have this very important and serious privilege. And I mean no disrespect to any nation when I say this, but there is a certain attitude which is part of the British culture, certainly the culture of those who come here as Governors and Commissioners of Police, in my experience, is that we should seriously restrict the number of firearms licences and licensed firearms and those who have the ability to own them.

Now, Madam Speaker, I believe that we need to adopt a different attitude to that. I hate to say this, Madam Speaker, but this is the environment in which we live. Now, the Elected Member for North Side spoke principally to broadening the authority, or, I



should say, the number of people and the kind of individuals who should be responsible for issuing these licences. But I also believe that we need to think again about who it is, and for what purposes we are prepared to issue firearms licences. Because these days . . . not these days, but for quite some time now actually, it has been for those who are members of the gun club and that is firearms used for sporting reasons and those who use it to control vermin, those persons who have plantations, or “grounds” as we call them. And the very, very occasional issue or grant for personal protection. And that is very rare.

But, Madam Speaker, increasingly in the environment in which we live I see absolutely no reason, in fact I see every reason, why an upstanding householder who wishes to have a firearm for his or her personal protection for use only on their property should have to go through all sorts of hoops and be subjected to . . . not what they're subjected to, in most cases be refused permission to own a firearm.

I hope, because the policy in relation to who we are prepared to grant firearms licences to is not written in the Law but is something that is developed, I guess by the police, because no one else has been privy to this over the years. I do hope that by including on this authority, as proposed by the Elected Member for North Side, local justices of the peace who not only have real knowledge of cultural norms and issues, but also perhaps better judgment in relation to the people who are actually applying that we will get a situation where the right people, upstanding people, who do have concerns, or who wish to have this protection in their homes are allowed to actually possess, legally possess, firearms.

The situation we have now, Madam Speaker, is increasingly that those who do not bother to apply for licences, those who have motives that are less than upright and honest, are the ones who wield firearms at will because they have no concern about whether or not the gun is licensed. In fact, they probably want to make sure that it is not licensed so that it cannot be traced to any particular owner.

Madam Speaker, for those reasons and for those advanced by my colleague, the Elected Member for North Side, I give this Motion my full support and I hope that the Government can see fit to accept it as well.

Thank you.

**The Speaker:** Thank you, Third Elected Member for George Town.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

First Official Member.

**Hon. Donovan W. F. Ebanks, Deputy Governor:** Thank you, Madam Speaker.

My father always said that the key to his marriage to my mother lasting over 60 years was just saying “yes”!

Madam Speaker, I rise to respond to Private Member's Motion No. 4/09-10. I listened to the comments of the mover and his reasons for having brought the Motion.

Madam Speaker, he is correct, obviously, that the Law vests the authority for the granting of firearms licences on Grand Cayman solely in the Commissioner of Police and in the case of the Sister Islands, solely in the District Commissioner. And the Law also provides an appellate mechanism in respect of the decisions of either of those appropriate authorities, exercise of their authority as such.

According to the statistics that I have been provided by the Commissioner, over the period April 2008 to January 2010 (which is about I guess 20 months or so) 97 per cent of the applications for gun licences were successful. In addition, during that period I am told that 55 licences were issued to farmers. It would appear to me, Madam Speaker, that based on those statistics if 3 per cent of applicants are not succeeding it may not—at least in my view and the Government's view—suggest that we need to amend the regime to address those unsuccessful applicants.

Now . . .

*[inaudible comments]*

**Hon. Donovan W. F. Ebanks, Deputy Governor:** . . . That's a no!

*[Inaudible comments]*

**The Speaker:** Please . . .

**Hon. Donovan W. F. Ebanks, Deputy Governor:**

Madam Speaker, there are obviously emerging and growing views on the purposes for which licences should be issued, as the second Member who spoke, the Third Elected Member for George Town . . . and he is correct as well that that is not something that is prescribed in the Law.

However, again in looking at whether we should broaden that remit for which persons are eligible for licences, the Government would not be able to subscribe to the view that we should simply broaden the group of people who make that consideration as the mode of considering that issue of broadening the eligibility.

And so, no, Madam Speaker, the Government's position is that it is not able to accept the Motion.

I referred earlier to the appellate mechanism that exists, and that is to the Governor, meaning the Governor in Cabinet. Of course, in that body there are in fact at least five JPs (and perhaps a couple more), but certainly five who are from the various districts of the Island. Not necessarily one from each, but cer-

tainly an even broader representation than you can afford with two.

It has been my experience that certainly Cabinet as an appellate body has been considerate to appeals put to it, particularly by individuals who are genuinely involved in farming or involved in the traditional hunting the Member referred to.

So the Government feels confident that with the existing levels of approvals that the process yields and with the mechanisms that exist for those who are aggrieved to make their appeal, and with the appellate body comprised as it is of persons who are also justices of the peace, that the current administrative structures and systems are adequate and that they should not be amended in that regard at this time.

So, Madam Speaker, with those few comments, unfortunately we are unable to accept the Motion.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause]

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

I really had no intention of getting into this little fray this evening on this Motion, but having listened to the mover and being pretty confident as to what the seconder is going to say, and also listening to my other colleague, the Third Elected Member for George Town, I thought I would add just two cents to what is being put forward, even though we have heard generally what the Government's response is.

I would be very curious to know what the statistics are on appeals, whether anyone has ever had to appeal, and whether the Governor in Cabinet has ever overturned any decision made by the Commissioner or his designate, and the statistics which spoke to 97 per cent of applications being granted and 55 applications being granted to farmers.

**Mr. Alden M. McLaughlin, Jr.:** Fifty-five per cent.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Fifty-five per cent. Fifty-Five?

**Mr. V. Arden McLean:** Fifty-five licences.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Right, 55 licences.

I, first of all, am assuming that those are new licences and not renewals.

[laughter]

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** That is the first thing.

Because if a statistic is being used in that manner today, and it has to do with renewals, my

view, Madam Speaker, is that that statistic is totally irrelevant.

**Mr. Alden M. McLaughlin, Jr.:** Misleading.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** I do not know. I do not know which it is.

I would have thought that if it were renewals, it would have said "renewals" but I do not really know. And I bring the point to say that my understanding of the intent, the spirit of the Motion, is not about opening windows or doors or anything else with regard to these applications, but simply allowing a process which local people feel more content with regardless of the decision.

When the Honourable First Official Member mentioned that there were five or six justices within Cabinet, that I accept and that I respect. But I do not think they have ever had to deal with any application. And there is a tremendous difference between an application and an appeal.

Again, with the greatest of respect, the Government will have its way. But for me personally, I do not see the arguments that have been put forward being justifiable arguments.

I can also understand why the Commissioner—not the person, the post—would wish to retain that control.

**Mr. Alden M. McLaughlin, Jr.:** Total control.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** My colleague reminds me, that total control.

But the fact of the matter is . . . Madam Speaker, you get instances. And I can tell you factually, because there is a chain of command here with these applications even before it gets to these people. They have to be ratified during certain procedures to ensure that they are deemed to be farmers. And I know of a specific incident, father and son.

The father is now 80 years old—can't jump on a mule anymore. So the son is who deals with the farm land. And there are two parcels. One is in excess of 60 acres and another parcel is very close to 40 acres. Now, when the son is being told that the land over which he is in charge is not big enough to be considered farm land, Madam Speaker, that really does not sound so good. I mean this has happened.

I only bring that little example to say that I believe that it is in all of our interests not to question the methodology of these licences being granted so much, as to make sure that those involved in the decision-making process are not only familiar with the terrain but also in many instances would be, or a quite easily able to become familiar with the applicants so that you know what people's intentions are.

I have to say that I do not know as it is now what kind of background checks are made, or whether any credence is paid to the validity of the person's application by anyone checking out realistically what it

is the individual requests the application for. Sure they will find reasons why applications should be denied. That is only obvious once applications are received. Not all of them will be approved.

So, all I am really saying is, and I am sure the mover, or his seconder, or both, will bear me out on this that statistics do not change the intent of the Motion having a valid rationale behind it. And I would love to know what those statistics really mean and how they relate to exactly whether or not these applications are being dealt with.

The other thing I want to say before I sit down, Madam Speaker, is those statistics quoted from 2008 to January of this year, I think . . . I will bet you there are dozens of individuals who have been refused before who do not bother to go back and apply again because they are content that they are going to be told “no”, when, in fact, they do believe that under a different circumstance and people knowing more of the reasoning behind their applications the applications may be successful.

So, Madam Speaker, I hope that while the Government has given a position that in this instance there is some means for it to at least reconsider the Motion which really takes nothing away from what obtains presently. It simply gives it the cushion and the armrest which would make people feel more content that their applications are being dealt with more fairly, if I may use that word, and not being looked at in perhaps in instances in an insular fashion.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause]

Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker.

I too rise to support the Motion brought by the Elected Member for North Side. And in his first “Whereas” he certainly narrows this down, generally speaking, particularly licences for shot guns by farmers and other citizens.

I can see, Madam Speaker, his true vision that proper screening would be done of the applicants. But as the old legislator in this Parliament I can tell you 52 years ago I was granted a licence (not many of these others here would know) by Mr. Logan Bodden, a Justice of the Peace in Bodden Town. And since then, at the tender age of 12, *Betsy* has been staying with me and her children.

[laughter]

**Mr. Anthony S. Eden:** So, I see no reason, Madam Speaker, why we can't look at this in the proper perspective once the proper screening is done. And I have sat in a number of Cabinets and there have always been concerns about this. And I can see in the area of handguns, but when it comes to the farmers needing help to get rid of the rabbits and some other

friends that we will deal with later on in another motion, Madam Speaker, I give my full support to this Motion. Thank you.

**The Speaker:** Thank you.

Does any other Member wish to speak? [pa] use Does any other Member with to speak? [pause]

Elected Member for East End.

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

Madam Speaker, I shall not keep you long, or the House.

Madam Speaker, I rise, of course, to support this Motion. I listened to the First Official Member, the Deputy Governor, giving reasons why the Government cannot support the Motion as is. Now I, like the Leader of the Opposition, really have some concerns about the statistics given because it certainly didn't say how many licences were issued in total. But I guess we will get that from some of the Members of the Government.

Madam Speaker, it appears that we have forgotten somewhere along the way the reason for this Firearms Law which was enacted in 1964. I recall, like many other Members of this honourable Chamber, when I could pass most homes in East End and look out on the range, a line in the yards, and see nothing but agouti heads hanging on it. And that was because the Government of the day had a bounty on agouti, which we are soon going to get with those green things too I hope.

I recall my father having firearms at the time. And the reason the Government put a bounty on agouties was because in those days the only means of . . . well, not the only means, but one of the mainstays in this country was for people to do their plantation, or “ground” as we call it, to feed their families. And the agouties were the real pests and they took much food out of my mouth as a child. Therefore the Government started giving gun licences to assist farmers to protect their crops.

I recall going to the old Government House (close to where Radio Cayman is now) and turning in agouti heads with my father. And he, in turn, collected shells, 12 gauge shells, so that he could go back and protect his farm. I believe today that there is still a need for it because there is an increase in farmers nowadays, thankfully, and I'm sure the Minister can attest to that wherein they need to protect their crops.

As a matter of fact, my lunch today was agouti, Madam Speaker.

[laughter]

**Mr. V. Arden McLean:** Which was hunted down by my cousin.

[inaudible interjections]

**Mr. V. Arden McLean:** Oh yeah. We got a gun licence. But there are many instances, Madam Speaker, especially from my constituency, where we have a lot of farmers. It is encouraging to see new young farmers coming up, in their 20s and early 30s, and they have a need for a firearm to protect their crops. Nowadays the farmers are making money from it so it is a second means of livelihood in my constituency.

Whilst it is a hobby they also can sell some of the produce. Most of what is produced nowadays you can. For those of us who have come from those types of families we know how important that is; how really important that is.

So, whilst the First Official Member says that only 3 per cent were turned down, I have to question how many there were, because I've heard a number of people saying that they had applied. And, Madam Speaker, I've written character references for many people to the Commissioner of Police. If I don't believe that they are of the character to be issued a licence I will not do it. Or, if there is not a need then I will not do it.

I question why this is being refused, because I don't think the Motion is calling for very much. I don't think the Motion is asking for the Government to go away from the requirements of the law [or] amend the law to change the requirements for the issuance of a licence, but only to expand that knowledge base by setting up a committee which comprises of Justices of the Peace.

Now, Madam Speaker, what I gathered from the First Official Member is that . . . I don't know if it is the Official Members, but maybe the elected arm of Cabinet will get up, or I call on them to say why they have decided not to allow one or two Justices of the Peace to sit with the Commissioner of Police, a Commissioner who, as we know, usually comes from yonder who has no knowledge, or very little knowledge, of local people, particularly when they come here at first, and the circumstances under which this law was put in place.

Now, are we saying that the Elected Government has reposed more trust, or are we continuing to repose more trust in a Commissioner than we have in the Justices of the Peace in this country who went through all that screening, whether verbal or otherwise, to become a Justice of the Peace? That is the question.

And, Madam Speaker, the same way that it affects me in East End and old *Betsy* in Bodden Town or the Second Elected Member for Bodden Town, and the Member for North Side, it affects every one of us in here. And it must be viewed from a policy perspective.

#### **Moment of Interruption—4.30 pm**

**The Speaker:** Member for East End, we are approaching the hour of 4.30 pm. Honourable Premier could we have an extension.

#### **Suspension of Standing Order 10(2)**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, being it is the hour of 4.30 pm, I move the suspension of the relevant Standing Order in order for the House to continue its business. I intend to continue until 6.00 pm.

**The Speaker:** The [question] is that business of the House be continued past the hour of 4.30 pm. All in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 10(2) suspended.**

**The Speaker:** Please continue Member for East End.

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

I think I was just saying that it should be addressed from a policy perspective. And I am hereby calling on the Premier to say what the position of the Elected Government is on this matter, because it affects us all.

In West Bay we have farmers as well that are affected by the lack of being able to obtain a licence to utilise a shot gun, in this case to protect their crops. Wherever we go in this country. In Cayman Brac it is the same thing. So, the Government needs to say why is it that the official arm of Government is refusing to accept this Motion. I do not see it taking anything away from the authority. I see it as a means of the authority being better informed on who should, or should not, be allowed to own or to be given the privilege to own a firearm, particularly in the circumstances under which one can apply.

And, Madam Speaker, when you look at the regulations and the forms you have to fill out, it is obvious that besides protecting your crop, you can apply for a firearm if you are using it on someone else's land, if you get permission from that individual. And in most instances, that would apply when one does not have property and then they create a plantation ground on someone else's land, which we know has happened, and then they have to give a portion of that produce to the ownership. So, we are even allowing farmers to use firearms on other people's property, to hunt for agouti in particular, if they get permission from the owner.

As a result of this, I don't think we are going to see, like the great America under their amendments to the Constitution, the right to bear arms. I certainly don't think that we will ever reach that point in this country. Neither do I advocate that. I do not advocate

the right to bear arms, but I do advocate the right to be able to own a firearm for specific purposes if the person is . . . Madam Speaker, the requirements are so easy and the persons who were allowed to apply need to be of sound mind and the likes; not with any record, convictions and the like, particularly when it comes to abuse.

So, I believe the 3 per cent of refusals certainly would in most instances be coupled with the lack of knowledge of who the persons are. I'm sure there's something in there for that. I believe that putting Justices of the Peace—two, three maybe—would enhance the authority in this case, Madam Speaker.

I submit to this honourable House and to the Government that they should change their minds and accept this Motion. And I applaud the Member for North Side for bringing it. I believe it is necessary. I believe that when you repose so much authority or power in one individual it is too uncertain, too subjective, and I fear that.

Madam Speaker, I am concerned about the level of crime in this country and I know the Commissioner, particularly this one who sits there now, is absolutely concerned about it too, and the proliferation of guns whether it's for farming or not, would be of utmost concern to him. Therefore, as a result of that he may be more inclined to restrict the people in this country from owning a shotgun. So, this would assist the Commissioner of Police. I believe that it would assist the Commissioner of Police in getting a little local knowledge. And I would like to recommend that the Government change its position and accept this Motion.

Thank you very much, Madam Speaker.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you very much, Madam Speaker.

Madam Speaker, I always listen attentively and I just heard one Member of the Opposition say, *Oh we got him up.*

Madam Speaker, I have listened to everything Members have said. I have listened attentively to the mover and I'm going to separate him from the Opposition, as I do believe he wants to help the persons he has cited.

However, Madam Speaker, if you listen to the Leader of the Opposition you would believe that this is a new problem. And if you listen to the general secretary of the party, the Third Elected Member for George Town, and listen to the two sitting on the Backbench who spoke in the Opposition, all four of them just got . . . well, departed from Cabinet—lost your seat—and the problems that they cited have been there all this long time.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** One cited it from 1964. One got one called *Betsy*, and they all talk about the agouti they eat.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, all four of them had sufficient time—four years—to decipher the problems, study the problems, find the solution, form a committee, appoint Justices of the Peace, find the solution. And they didn't. Now they ask why the official arm is objecting to the process and they want to find out why the elected Government has reposed more trust in a Commissioner than in a Justice of the Peace. Depends.

But as a new Cabinet our policy is that we want to help the farmer. We believe that the process as it stands . . . we are willing, and we have said this to the official arm, although I would have thought that the Deputy Governor would have given some more examples. But he didn't. But as a new Government what I can say is, if a farmer or anyone finds themselves in need of a licence and is turned down in that process, then an appeal must be, can be, made to the Cabinet. And when an appeal is made to Cabinet, as a new Cabinet we will take it on merit with more consideration and support to the genuine farmer.

I have been here long enough, Madam Speaker. I also heard one of them saying 25 years. Well, I was not responsible for executive authority for that 25 years. I had a seasoned time on the Backbench.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** And, Madam Speaker . . .

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** You had more time to grant much more licences than a gun licence that you didn't grant.

I have been here long enough to recognise too when an Opposition is pandering to votes and when something is emotive. And this is one of those things. It has ever been so, and I know that. So, let them go ahead and pander, let them be irresponsible if they want to.

The Leader of the Opposition had sufficient time because, Madam Speaker, not only if he knew of a situation, but he was directly responsible for the farming community for agriculture in this country. And to come now to ask us as a new Government whether we put more trust in the Commissioner or a Justice of the Peace. Madam Speaker, as I said, we will, if an appeal is made to Cabinet, as a new Cabinet we will take it on its merit.

Now, Madam Speaker, I don't know if appeals were made to them in the last four years, and why

they found not to be able to trust the people they claim needed the guns. Why? Can the Leader of the Opposition say why he doubted a number of appeals to take issue with that?

Well, if they didn't know if there were any, Madam Speaker, you want to tell me in four years they didn't have any appeals? Then if they didn't have any appeals in four years I really have to wonder about what all of this racket is about. Because if people needed the gun that bad and were not getting it, then why not make an appeal to the Cabinet—which would have been the Leader of the Opposition, the Member for East End who is walking up and down, and the Third Elected Member for George Town who talked about going through hoops, and my good friend, the former Minister of Health.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** The four of them, Madam Speaker, need to stop pandering to the vote on everything that they think is emotive.

We have four years here, Madam Speaker, and we have just begun. Times are rough, yes. Issues are challenging, but we are determined as a new Cabinet to meet those issues head on. And I want to guarantee the Member for North Side, who moved the Motion, that we will address it on merit when they come to us. But I am not going to listen to the four of them now. I will say that to this House and I say so publicly because they are playing too much politics and they know how to do it, and have done it for far too long while the real issues in this country have tripped us up.

As I like to say, *we row about firearms while elephants are trampling us.*

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the Mover of the Motion to bring his reply.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** I am—

**The Speaker:** Please do not talk across the Chamber. Thank you.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, *[inaudible]*

**The Speaker:** Member for North Side, please continue with your debate.

**The Premier, Hon. W. McKeever Bush:** Even in Sunday School we were allowed to talk across the aisle.

**Mr. D. Ezzard Miller:** I am a little bit—

**The Speaker:** This is not Sunday School.

**Mr. D. Ezzard Miller:** —disappointed that the Motion has not been accepted. But, Madam Speaker, I have done my job.

**The Premier, Hon. W. McKeever Bush:** Yes, you have.

**Mr. D. Ezzard Miller:** And some of the people who have made representation to me have genuine cases. I have asked a few of them why not appeal, and they just can't be bothered because they didn't really feel that appealing to the Governor, not understanding that in this case and in our legislation the Governor means Governor in Cabinet. And I don't know of any of them, certainly no one who made representation to me, who had bothered to appeal.

Just to give you a little broader perspective, Madam Speaker, and maybe lean on the conscience of the Government a bit more: Another example is, one person came to me whose father had inherited a gun and, as the Member for Bodden Town said, his *Betsy*. If you take care of these 12 gauge shotguns and oil them and clean them after you have used them and store them properly, as these older people did, because they were cherished by these people, they can last as what one former lady Member of this House used to say, Madam Speaker, a long, long, long time.

And in his case his father had inherited a gun and now his father wanted to pass the gun on to him. And it is my understanding that his application was refused by the Chief of Police. Now, he simply put it to me: *I have one or two choices, I can take this gun, keep it illegally because it is unlikely that the police will ever remember to come and check on my father. The problem I would have is when he dies I got to make sure I can use his signature well.*

In these cases, these are genuine people, upstanding citizens, clean police records who have been denied. I didn't start quite as young as the Member for Bodden Town, but it is almost a right of passage if you came from a farming family, particularly in North Side or East End, that one of your uncles or your father took you under his wing and took you out there and showed you how to shoot rabbits and, at that time, whistling ducks. Of course, you can't touch them now. But we would go to the pond and shoot white winged fowls or whatever was around. And you were taught to respect the firearm and how to use it properly.

I can remember my uncle quite vividly demonstrating to me, when there were two agouti in the same ground, to not rush to shoot one and lose the

other one. But they would eventually go to feed at the same root and he would shoot all two. And he proceeded to show me how to do it and he did, in fact, shoot both rabbits with one shot.

So, Madam Speaker, while I accept the Premier's position, I will, in fact, encourage some of these people to make the appeal. I also would say to the Government that with the increasing desire of up-standing Caymanian citizens to want to be able to protect themselves, I fully believe that there's going to be increasing political pressure brought to bear on all of us to more clearly define in the law who can be licensed to own a shotgun and what are the grounds on which refusals can be had.

One of the great difficulties that I am experiencing in my community, particularly after successfully establishing a very comprehensive neighbourhood watch, is that many of the people are bordering on the desire, if they don't already have the desire, to practise vigilante justice because they don't believe they are getting it. And, Madam Speaker, I spend a lot of my time trying to discourage such a thing. But we need to understand that with the growing crime problem in this country I believe that the Government would be well served to be proactive and to set these kinds of decision-making processes up where Caymanians can feel comforted that they have representation in the decision-making process in the first instance.

I thank all Members for their support and I thank the Government for their contributions and commitment to review the merit. That's all I ask. I believe that most of these people, if given the opportunity, can in fact qualify on merit to be licensed for their shotgun. And I could just add, Madam Speaker, that I'm not advocating myself because mine is well licensed and I haven't had mine quite as long as the Member for Bodden Town, but she has been around for a while.

Madam Speaker, thank you very much.

**The Speaker:** The question is BE IT NOW THEREFORE RESOLVED THAT Government consider amending the Firearms Law to establish a committee of two Justices of the Peace and the Police Commissioner to issue gun licences.

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

**Ayes and Noes.**

**The Speaker:** Madam Clerk.

**Mr. V. Arden McLean:** Madam . . .

**The Speaker:** Sorry.

Madam Clerk, can we have a Division please?

*[inaudible interjections]*

**Division No. 10**

**Ayes: 6**

Mr. D. Ezzard Miller  
Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden  
Mr. V. Arden McLean

**Noes: 8**

Hon. W. McKeever Bush  
Hon. Juliana Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Mr. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio Solomon  
Mr. Dwayne S. Seymour

**The Speaker:** Result of the Division is 6 Ayes, 8 Noes.

**Private Member's Motion No. 4/09-10 Negatived.**

*[inaudible interjections]*

**The Speaker:** Honourable Leader of the Opposition.

**Private Member's Motion No. 5/09-10—Returning Turtle Meat to Affordable Prices**

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, I beg to move Private Member's Motion No. 5/09-10. And perhaps I would wait for the seconder before I read the Motion, or would you prefer me to read it now?

**The Speaker:** You can read the Motion now.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

Madam Speaker, this Motion is entitled, Returning Turtle Meat to Affordable Prices. And it reads:

**WHEREAS the Board of Directors and the new Managing Director of Boatswain's Beach/Cayman Turtle Farm announced on 5<sup>th</sup> February, 2010 that they had decided to triple the price of turtle meat to the general public with effect from the 8<sup>th</sup> February 2010;**

**AND WHEREAS the effect of the said decision of the Board of Directors and the new Managing Director of Boatswain's Beach/Cayman Turtle Farm has been to increase the price of turtle meat per pound as follows: stew from CI\$5.40 to CI\$16.00; steak from CI\$9.00 to CI\$27.00; menavalin from CI\$4.00 to CI\$12.00 AND bone from CI\$2.00 to CI\$6.00;**

**AND WHEREAS turtle meat is the national dish of the Cayman Islands and the steep increase in its price now makes it unaffordable for many people and restaurants;**

**AND WHEREAS the Managing Director of Boatswain's Beach/Cayman Turtle Farm has indicated that the annual loss of producing and selling turtle meat at the previous prices resulted in an annual loss to the Farm of approximately CI\$175,000;**

**AND WHEREAS the present annual subsidy provided to Boatswain's Beach/Cayman Tur-**

**tle Farm by the Cayman Islands Government exceeds \$8M.**

**NOW BE IT THEREFORE RESOLVED THAT the Cayman Islands Government considers requesting the Board of Directors and the new Managing Director of Boatswain's Beach/Cayman Turtle Farm to apply such portion of the annual Government subsidy as is necessary to cover the losses incurred in the production and sale of turtle meat at the prices in effect immediately prior to 8<sup>th</sup> February 2010;**

**AND BE IT FURTHER RESOLVED THAT the prices of turtle meat sold by Boatswain's Beach/Cayman Turtle Farm be reduced to the prices in effect immediately prior to 8<sup>th</sup> February 2010.**

**The Speaker:** Is there a seconder for the Motion?

**Mr. Moses I. Kirkconnell:** Madam Speaker, I beg to second Private Member's Motion No. 5/09-10.

**The Speaker:** The Motion is opened for debate. And the Honourable Leader of the Opposition has asked for a minute. He has stepped out of the chamber, he will be right back.

[pause]

**The Speaker:** The Motion is opened for debate, does the Member wish to speak thereto?

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, there are those who would very readily say that an apt description for this Motion would be that it is a frivolous one. The truth is, this Motion could have been brought by any one of my colleagues or myself because there has been tremendous representation to all of us, including the First Elected Member for Cayman Brac and Little Cayman, with regard to the sudden price increase.

Madam Speaker, the new Managing Director was on the radio talk show recently (my good friend) speaking of the various issues surrounding it. I remember him saying that one of the reasons for the price increase was a clear attempt to lessen the demand for the turtle meat. Now, Madam Speaker, I trust that that will be explained.

You see, from the public's perspective all they really know is that there is a loss incurred in getting the turtle meat sold to the public at the price it is being sold for. And it seems like this is an attempt to cover that cost. First of all, I don't think it will do so because the new prices will certainly prove to lessen the demand. That is, lessen the demand from actual purchases; but it is certainly not going to lessen the desire for the turtle meat from individuals. So, public

perception is simply, *This is meant to ensure that we can't get turtle meat anymore.*

Now, Madam Speaker, there are perhaps several reasons why this may be the case. And I don't think I'm going to go into those reasons because I may well be making assumptions that are not so. In my presenting the Motion I will wait until the windup to speak about that, depending on what response we get from the Government.

Madam Speaker, as the Motion indicates in its recitals, traditionally this is the national dish here in the Cayman Islands. And I can remember coming in here in 1992. For many, many years after being elected, whenever the Annual Reports of the Cayman Turtle Farm would be tabled in this honourable House, it would always show a profit. In fact, there were on several occasions various sums being taken by the Cayman Islands Government because of the Turtle Farm making a profit.

You see, Madam Speaker, what has happened now is the Boatswain's Beach project, which has been something much more huge than the original Turtle Farm, has caused two tours, as I understand it, at the Turtle Farm now. You have the Boatswain's Beach tour and you still have a \$10 tour for which individuals simply visit the tanks and the holding areas for the turtles. And, as I understand it, there are some 400,000 visitors indulging in that \$10 tour on an annual basis. So, if we were to segregate the gift shop (which always existed and which I knew from quite a while back needed some subsidy) and the Turtle Farm itself, and what it took to raise the turtles and everything else, and include that \$10 tour, it would be self-sufficient. That is my understanding. As it is with a combined effort now, although my Motion says that the subsidy exceeds \$8 million, I noticed in the Annual Plan and Estimates for this fiscal year that the amount is \$9 million.

So, Madam Speaker, what we are saying in the Motion is, if it is a situation where there needs to be a \$175,000 subsidy in order to ensure that there is not a loss incurred by the Boatswain's Beach Cayman Turtle Farm entity in the production and sale of the turtle meat then, certainly, if there's a \$9 million subsidy there has to be a way for the Turtle Farm to retain the prices that it has, if it is simply a matter of serving the public.

Madam Speaker, if the Caymanian public has not gone through the hassle purchasing their own turtle meat and cooking it and eating it, there are several small outlets, local restaurants, that on given day of the week have turtle. And people book the meal from the week before. That is how it has been for quite some time. And, Madam Speaker, whenever there are any types of district functions, Pirates Week, Easter, whatever else, and even on Saturdays, there are individuals in various locations, such as the Market at the Grounds, where you can get a little bit of turtle meat to buy.



The latest estimate with the new prices for anyone to be able to reasonably purchase the turtle meat and sell it in a restaurant is some \$19 to \$21, as I understand it, and that is still cutting it fine.

Now, Madam Speaker, when you speak to a certain different type of restaurant and a meal is \$21 that's not a big deal. But we are talking about local restaurants where local people go during their lunch hours or on a Saturday. And before the price change it was averaging half of what they will have to sell it for now.

So, from that regard, Madam Speaker, two things are going to happen—not one of two things, but two things are going to happen. First of all, the people in the restaurants are not going to be encouraged to buy it, which means people won't have it to buy, but even if they were buying it people would not be buying it for that price. People simply can't afford to buy it for that price.

I listened carefully to the Honourable Premier in the earlier motion, and he spoke to emotive issues and playing politics. Perhaps that is the line that will come again. But, notwithstanding that, Madam Speaker, this is something that our constituents don't want to have visited on them. Now, if we were dealing with a situation where we were talking huge and tremendous amounts of money, then, Madam Speaker, we would simply have to understand. But I don't think that this is one of those that is an insurmountable situation if it is limited simply to the \$175,000 it is costing.

Madam Speaker, from every angle we see where, in our view, it is deserving to bring this Motion to ask the Government to consult with the Board of Directors of the Turtle Farm to see if they can revisit this decision.

Madam Speaker, the other troubling thing for which there is no excuse at the end of the day . . . I have had many people say to me and have gotten many messages sent to me (and I really find it a bit disheartening) saying, *Well we can't get the turtle meat from the farm anymore but we know how we will get it now.* We don't want to go back to that, Madam Speaker. I know there is poaching going on even now as we speak and many of us have done our own little bit in our own little way to try our best to discourage that.

But, Madam Speaker, if it gets to the point where you find proliferation of that, then certainly it cannot be that the decision has been right. And I don't think there is anyone who can truthfully say that it will not occur. We do know that we have the marine patrols and the marine officers from the DOE, but we also know that they are very limited in their ability to cover all the various areas 24/7. And for those who have a genuine intention to do so, they are going to find it very difficult to apprehend.

Madam Speaker, there are other aspects to this Motion which some of my colleagues will speak to I am sure. I await to hear what the Government's view

of the Motion is, and the justification for whatever their decision is going to be, and that part of it I will have to deal with in my winding up. But I say this, Madam Speaker, given all the circumstances that we know and given the fact that the Cayman Turtle Farm was something we have always been proud of and something that we hope to have there for many generations to come, and at the same time allowing our own Caymanians to be able to have a meal of turtle, not every day of the week, but at least fairly regularly, all things considered, then, certainly, I would hope that the Government could see it fit to accept this Motion.

I will pause here for now, Madam Speaker, and will listen very carefully, especially to what the Government has to say.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you very much, Madam Speaker.

Madam Speaker, I know (because I grew up in West Bay) that turtle is a national dish. But one thing that I don't believe anyone could convince me is that anyone in Cayman is addicted to turtle meat and they must have it or they are going to die. The way the Leader of the Opposition spoke, if they do not have a pot of turtle meat on the table, the whole Island is going to fall apart.

[Hon. Cline A. Glidden, Jr., Deputy Speaker, in the Chair]

**The Premier, Hon. W. McKeever Bush:** Mr. Speaker, in any well-run commercial enterprise the setting of prices is management's responsibility, not a shareholder's decision. And this Government is determined to see Cayman Turtle Farm be run as much as possible as a commercial enterprise. Therefore, the decision as to what price to charge for its products is the decision of management. In turn management is expected to set prices that will meet the strategic goals and objectives of Cayman Turtle Farm.

The Ownership Agreement which forms part of the budget (2009-2010 documents), the ownership performance of the Cabinet and the Board of the Turtle Farm have agreed that Cayman Turtle Farm will seek to achieve during the 2009-10 financial year. The purpose of the document is to ensure that the ownership performance expectations for the year are clearly specified and agreed by both parties.

Cayman Turtle Farm is a complex organisation that offers various products and services to various types of customers and clients. For those product lines that are strictly commercial to run the company as a commercial enterprise, the management will aim to set prices that in the long run will make each product line commercially sustainable.

There are some key success factors in achieving this. One is that the product price should at least cover the long-run incremental cost of that product. Another is to optimise the supply and demand price elasticity curves. However, Mr. Speaker, if the organisation could get the ideal position where every product line is earning revenues to cover its cost, including the cost of capital and so make it commercially sustainable, then overall the organisation will be commercially self-sustaining. That would be an excellent outcome for the country because it would enable us to eliminate the subsidy that in this current financial year has been set at \$9 million.

One of the strategic goals and objectives laid down in the Ownership Agreement for the financial year 2009-2010 is stated as follows: "Secure pricing structures that cover turtle meat production cost."

That wording is clearly stated in the Budget 2009-2010 that was laid on the Table of this House at that time.

Another important factor is, that if we were to keep on butchering turtle at the rate of 40 turtles per week, which is the harvest rate that has been in effect for years up to the point of this price change this month, we would run out of harvestable turtles in about the next year and a half; 18 short months.

In the exercise to fulfill these objectives the Management of Cayman Turtle Farm (I am glad that two of them are here, Mr. Adams and Mr. Parsons) examined those costs that were directly identifiable as the cost factors for producing one pound of each of the different types of turtle meat products sold—steak, stew, menavelin and bone. Those results were inflated by a factor of only 15 per cent to cover a low-end estimate of other cost factors to be attributed to turtle meat production from other more general cost elements. The resulting numbers for price per pound were then rounded up or down to set a straight forward CI whole dollar amount for each type of meat product so as to make cash transactions easier to handle for the staff involved in selling turtle meat.

Mr. Speaker, given that the pricing structures of turtle meat production is a strategic objective specified in the Ownership Agreement, management presented new pricing to the Board of Directors on Thursday, 28 January, after which management did the various work to implement the pricing structure, announced the new pricing in media releases on Friday, 5 February, and implemented the new pricing on the next business day, Monday, 8 February 2010, this month.

The prices now being charged by Cayman Turtle Farm are barely covering the Farm's known costs of producing each pound of each of the four types of turtle meat we sell. If Cayman Turtle Farm sells it for any less, in the long run the farm won't be able to sustain producing turtle meat. Therefore these price increases were essential to help with the long-term sustainability of the Farm. The alternative is that Cayman Turtle Farm would be continuing to subsidise

restaurants and private individuals who would be eating turtle. The revenue from turtle meat sales is an important part of Cayman Turtle's Farm overall revenue.

The price for turtle stew compares favourably with the prices for several other meat products sold in local supermarkets. If you wanted to get Maine lobster, you are paying about \$21 per pound. This means they actually end up buying lobster meat at somewhere around \$105 per pound, and obviously think nothing of it because the supermarkets have been selling live Maine lobsters and continue selling them. And if you don't believe me, just go to the seafood counters at either of the large supermarkets and see for yourselves the live Maine lobsters in the cold water tanks.

A rack of lamb sells in our supermarkets for the same price as we sell our turtle stew, \$16 per pound. But remember, the rack of lamb typically includes the bones of about 8 ribs, and, in fact, it is the bone that makes up the majority of the size of the rack of lamb. And if we be optimistic and say that the edible meat comprises up to half of the weight of a rack of lamb, that means in Cayman people are regularly buying in the supermarket a rack of lamb at \$16 per pound but are actually paying \$32 per pound or more for the edible meat to get from that.

Oh! That's bad reasoning? Not when you figure it out. And the Member who seconded this Motion ought to know because he is the owner of a supermarket. So, he should know that what I am talking about is right.

Another meat that probably most of us here are familiar with, and have eaten from time to time, is filet mignon, which when we checked in late January, was being sold at exactly the same price as turtle stew, \$16 per pound.

Caribbean lobster: Lobster tails sell for \$19 a pound and that includes the shell, of course.

Pound for pound, just about all of the turtle stew that the farm sells is edible meat. So, when restaurants or private individuals buy a pound of turtle stew from the Turtle Farm at \$16 per pound they are getting edible meat at \$16 per pound.

So, if you are out to buy a pound of edible meat you would pay \$16 for filet mignon, \$16 for turtle stew, \$19 for lobster tail, over \$30 for a rack of lamb, and about \$100 for live Maine lobster, including all in that. You will pay over \$10 for tuna or over \$16 per pound for salmon. Now, I need someone to explain to me why is it that at equal or higher prices for the raw meat filet mignon is affordable, lamb is affordable, lobster is affordable, but turtle meat at \$16 per pound for stew is not affordable.

Now you might say, *Oh it is just the local people, only the small people.* Ah ha, only them eating turtle meat? Oh yeah? I don't believe so, you know. If anyone of you over there eats turtle meat—and I know you do—you can afford \$16 a pound. So, it is not just the local people you are looking out for.

Remember too that there are countless farms around the world that produce those items I mentioned. Many fishing operations are involved in harvesting lobster. But only one farm in one island in the whole wide world that has done all the research and put in all the complex sophisticated systems to produce farm green turtle at \$16 per pound for turtle stew. It is probably the lowest priced meat of anything even coming close to such rarity in the whole world. Rarity!

Another thing, Mr. Speaker, I'm interested to know—all these restaurants that suddenly can't serve turtle meat because they claim it is too expensive, have they taken lobster tail and filet mignon and rack of lamb off their menu too?

What I do know is that our Schooner's Restaurant at the Turtle Farm is selling our full Cayman size turtle stew at \$19.60 per plate, and our full size turtle steak lunch at \$16.80 per plate, and the more popular size small lunches sell for \$8.40 for the turtle steak lunch; \$9.80 for turtle stew lunch. And the Schooner's restaurant buys the meat from the Turtle Farm at exactly the same price as we sell it to every other restaurant or individual. And Schooner's assures me at the prices they are selling it they are keeping the same gross margin as they were getting before the prices went up. So, Schooner's is making turtle lunches available to anyone in George Town by starting up a delivery service. They will accept orders by fax, paid by credit card, and will charge only an additional \$2 per plate for delivery.

Mr. Speaker, I mentioned *rarity*. The thing that amazes me in this country is how we charge so very little for things that are precious and are national icons in these Islands. You take Sandbar and Stingray City—only one Sandbar, only one Stingray City—and they have cut the prices to barely nothing for what are national treasures and national icons.

Yes, turtle meat is our national dish, but it is not something growing on trees that costs barely nothing to keep. It is something that we spend nearly a million dollars on. We spend nearly a million dollars on it and the revenue is only \$522,905, and it cost a million. So, don't come here and talk about 175; I don't know where you get that figure from.

No, no, no, no.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** No, no, no.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** It cost what I am telling you. And, Mr. Speaker, that cost does not include electricity, water, telecom or hard insurance. There is no depreciation, no admin added to that, no maintenance of equipment. So, I would tell you that we are losing close to 800, if not over, on these things. And we just cannot continue.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** You hush! You can get up all you want. It does not worry me if you get up or not. I'm telling the truth but that does not matter to you. You want something to beat up your gums about? Well you can go ahead and row about turtle meat.

The *Caymanian Compass* editorial of 8 February was very positive in observing that those responsible for making the hard decisions felt they needed to make them. They said, "We hope this is the start of a new trend when it comes to Government operations." You can find that editorial on [www.caycompass.com](http://www.caycompass.com).

Now what do we get? The initial response, as expected, was that restaurants and individuals were hesitant to purchase turtle meat products at the new prices. After building up a stock of frozen meat product available for sale, Cayman Turtle Farm decided to suspend harvesting operations to allow the carrying out of some needed repairs and renovations in the building and rooms housing its meat production and sale facilities. Each week since the price change there has been an increase in the amount of meat sold. So, they are beginning to buy. If they love it they are going to buy it!

Cigarettes went up in this country and you heard that that was going to destroy the whole world. Now they don't even have enough to sell!

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** But sales have not yet returned to the levels prior to the price increase, but I bet ya it will.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** I didn't say . . . I said each week since . . . No you nah listening! I said each week since the price change there has been an increase in the amount of meat sold.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Wait 'til you get up!

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** So, Mr. Speaker, we have had a long time now to look at this. We can't manage the past, but as a new Government we can chart our course for the future and sail that course, and that is what the Cayman Turtle Farm is doing right now.

Cayman Turtle Farm aims to make its vision real and to fulfil its mission. The company's vision is to

be the most recognised and respected cultural experience and research facility in the world whilst promoting public awareness and conservation. It's mission is to be a world renowned Caymanian attraction where guests enjoy a quality interactive experience with animals, all served by friendly, professional, well-trained personnel in a culturally rich and safe environment while promoting public awareness and involvement in conservation through research, utilisation and education.

Mr. Speaker, if demand resumes to the same amount as before, Cayman Turtle Farm can harvest up to 40 turtles per week only until—and I want the movers and the Members over there to hear this and listen. And I will repeat that: If demand resumes to the same amount as before, Cayman Turtle Farm can harvest up to 40 turtles per week only until around June 2010 after which it will need to reduce production to around half that amount. In other words, around 20 turtles per week. That is because by that date, due, primarily, to lower hatch rates in recent years (there is a lower number of turtles in the various stages of growth) it will take a few years to get back to where the pipeline of turtle production is such that we have sufficient turtles at the harvest age and weight to sustain the 40 turtles per week meat production rate.

So, when Cayman Turtle Farm has to reduce its production to 20 turtles per week, Cayman Turtle Farm Management has undertaken to give priority to those restaurants and individuals that have been the best customers for its meat production in the days and weeks immediately following the price increase. And we really hope, Mr. Speaker, that Caymanians and residents will appreciate the unique resource we are blessed with and that everyone will support us by continuing to be our customers, enjoying our turtle meat products and also coming to the Turtle Farm to have lunch at Schooner's Restaurant or spend time enjoying the various attractions in our park.

This farm is the only one of its kind in the world. So far Cayman is the only country, and the Cayman Turtle Farm is the only institution, that has successfully farmed the green sea turtle as far as the second generation in captivity. The green sea turtle is the only animal that can convert the vast acreages of turtle grass in the shallow tropical seas around the world into high quality low cholesterol meat that is great tasting.

Turtles are, yes, an integral part of our Cayman's history, economy and culture from the very beginning of our Islands' own history all the way up until now. Remember that we were first known as Las Tortugas.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** *You already had too much!*

Columbus named the Islands because of how the Islands looked, low-lying in the water, and be-

cause of the abundance of turtles in the water around the Islands. Our turtle became the main reason that those early explorers came to our Islands, so as to stock up on this animal.

Yes, tortling was the mainstay of Cayman's economy before the advent of steam ships. And turtle meat remained a staple part of our diet on the Islands, even during the years, Mr. Speaker, when I was growing up.

From the 1970s Cayman has been the home of the very first effort to farm and raise green sea turtle in captivity. The Cayman Islands is still the only place in the world where you can buy farmed turtle meat. We should be very proud of that. But looking to the future, the research and know how we are developing at the Turtle Farm could one day be shared with the rest of the world so that many of the world's people could be fed by farming green sea turtles in the vast turtle grass beds that border many countries. Perhaps the best analogy is to think of turtles as the "buffaloes" of the sea, an animal that has the potential to convert vast undersea grasslands into that high quality meat that many Caymanians like.

So, if preserving Caymanian culture isn't enough to excite us, I hope the prospect of helping to feed a hungry world would resonate with everyone and that they would support us in working towards that ultimate goal.

It is now up to the restaurants and the public in the Cayman Islands to decide whether they think the green sea turtle is important enough to Cayman's history, heritage and culture to keep this species alive and available in the Cayman Islands, and to keep open the Cayman Turtle Farm which is one of the Islands' main land-based attractions.

Consistently year after year, between 12 per cent and 15 per cent of all the visitors that arrive in the Cayman Islands by cruise or air visit the [Cayman] Turtle Farm. So, it is very popular with the visitors. Consistently year after year Cayman Turtle Farm employs around 100 Caymanians and consistently its crew is around 80 per cent or more Caymanians.

Consistently year after year, the Turtle Farm is stretching the boundaries of knowledge of the green sea turtle species and its husbandry. And consistently year after year, the Turtle Farm produces high quality meat products that keep what is in reality our national dish on the tables of restaurants and homes in the Cayman Islands.

This Government and the Board of Directors, Management and crew of the Cayman Turtle Farm firmly believe that the Farm is worth saving, but if the public does not think it is worth supporting and continues to refuse to buy turtle meat or meals, then the public would have decided, either deliberately or by consequence, that the Turtle Farm should not survive.

Mr. Speaker, I only can add to all I've said, that when Hurricane Michelle destroyed the Turtle Farm and we had to relocate, if all those persons who had licences (and some of those who did not have)

had taken the breeders that they caught back to the Farm we would have been better off today. But no, they made their gut run away with them and ate them. And now what we have left is not producing as much and that is one of the main problems.

The Government cannot support this Motion. Mr. Speaker, we know that there are Caymanians who cherish a meal of turtle meat every week, but nobody is addicted. Therefore, they won't die if they don't get a pot of turtle stew.

*[inaudible interjection]*

[Hon. Speaker in the Chair]

**The Speaker:** Does any other Member wish to speak?

First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker.

Madam Speaker, as the Premier recognised, yes, I am the seconder of this Private Member's Motion. And the reason that I seconded it was because of the representation from the constituents in my district about turtle and the price of turtle. But before I deal with that and what I believe is one of the underlying fundamental issues of the pricing, because I believe every Caymanian should have the ability to purchase it, I just want to talk about the structure itself and the challenges, because as I believe every Member in this honourable House, I realise that something has to be done to help the Turtle Farm and Boatswain's Beach.

It is obvious that the structure receives \$9 million in this year's budget. The structure is a statutory authority that is owned by the people of the Cayman Islands. The money that comes through the budget is the money of the people of the Cayman Islands.

*[inaudible interjection]*

**Mr. Moses I. Kirkconnell:** It's not the money of the people? Who [does] it [belong] to?

**The Premier, Hon. W. McKeever Bush:** You can't be goin' to say what I—

**The Speaker:** Excuse me. Please address your comments through the Chair.

**The Premier, Hon. W. McKeever Bush:** You can't be goin' to say that! Not a businessman like you!

**The Speaker:** Ah—

**Mr. Moses I. Kirkconnell:** Well let me say what I'm going to say without interrupting [me]!

Madam Speaker, when—

*[inaudible interjection]*

**The Speaker:** Order please!

**Mr. Moses I. Kirkconnell:** When you look at the board of directors and the management that has been put in place, you have extremely good people there. You have a very strong management team that is sitting here today, well recognised, not only in this community but regionally for their expertise. And I believe that it falls upon management to look at what the business plan is, and if that business plan calls for revenue from the sale of turtle meat to be 5 per cent of the gross revenue, 10 per cent of the gross revenue, it must be taken into the consideration the other ways and the other income streams that are there, and that we look at this as a total package for the country.

I'm going to repeat, there's not one Member in this House who does not want that organisation to be successful. There's not one Member who is not wishing success for the new management team. And I believe that when you look at it in total and say, *How do we fulfill the mission that we are trying to accomplish* . . . this is not a short-term goal that is ahead of us, Madam Speaker.

We have many revenue streams available. Obviously, they have to sell to the cruise passengers, they have to sell to the stay-over tourism, they have to provide for the local population and entertainment facility. They have a restaurant on the premises. So, there are many revenue streams that they take into consideration.

Now, I will repeat again that I have confidence in the Members who are in place. But the understanding has to be clear that I was elected to represent my constituents and the representation from my constituents is concern. And the concern is, Madam Speaker, that when they come and sit down and talk about it if they can't get the turtle, then they are going to take the turtle. And when they do take the turtle, if they are caught, it falls upon not only me, but other members in the community. They come and ask for help, and there is that underlying factor that is being talked about.

We heard the price structure of all the different foods that are available. I agree that that price structure is correct, maybe not to the penny but percentage wise. And I agree that it is sold in most of the major stores in this country, Madam Speaker. But you also have to be cognisant of the fact that if you stand there and look at who buys that, there are more constituents that have concern about what they can buy with the money they have—and it is turtle meat stew from my district. Menavelin and stew. If you bring 100 packs, you can bring 99 menavelin and stew and one steak. That's how the demand goes.

So, I understand the Government's position. But I think that there's an opportunity to rethink where we are with this and provide some comfort in the short

term of making this available and affordable for all Caymanian people. Now, Madam Speaker, the structure of this . . . Again I go back to very strong management team who looks at this and puts the yearly budget in place. And, I'm sure there has to be considerations of where the revenue streams will pick up, slow down, and opportunities of how they would bring this into fruition.

It is unfortunate that the representation from our constituents has no jobs that come with it, because the Turtle Farm is not in Cayman Brac or Little Cayman. And if you are going to work there you actually have to move to Grand Cayman. So, there's no job creation for my constituents. Madam Speaker, the release programme, most of it is done here. But I will give credit that it does help and the wild turtle population has successfully been increased in all three Islands.

The national dish that it provides, it provides it for all three Islands. But my concern is that we want to continue to provide in an affordable way. And this, Madam Speaker, is not an argument; this is a discussion of how we could look at trying to do that in some way that it is managed. If something costs one dollar and you raise it to three dollars immediately, it is hard to plan, hard to resource for it. But if the movement is scaled in a way that you know it is coming and it is incremental, it does make it a bit easier as you try to understand how you are going to continue with a dish of this type.

Madam Speaker, again, I understand the challenges of trying to put this back into a business. I understand the challenges of trying to find the niche that we have to find for Boatswain's Beach. We have to continue with the research and then complement what they have done and what they have been able to accomplish. And this Motion is brought to try to find a way and have some consideration for how the ultimate goal of facilitating the people of the Cayman Islands themselves . . . because I believe that out of this \$9 million subsidy we can look at all of it in total as how this comes into the business plan and try to allocate part of that to make it easier on the people themselves.

Madam Speaker, I don't want to be repetitive, and I'm not argumentative. I'm trying to factually lay out what I believe is a reasonable consideration and course forward. So, I hope that the Government will think about it and consider looking at how they can work with management and the board of directors to facilitate the people of the Cayman Islands with the pricing and how it's brought in.

Thank you, Madam Speaker.

**The Speaker:** Thank you, First Elected Member for Cayman Brac [and Little Cayman].

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

I call on the mover of the Motion—

**An hon. Member:** Madam Speaker.

[inaudible interjections]

**An hon. Member:** Too late. Call on the mover. Too late.

[inaudible interjections]

**The Speaker:** I have called on the mover of the Motion. I have called already—I am sorry—to make his reply.

[inaudible interjection]

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, in listening, especially to the Government's response, I guess it was fair comment to say that the Premier does not believe anyone is addicted to turtle meat.

**The Premier, Hon. W. McKeever Bush:** No-o-o.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** And I too have heard . . . There are many across me who are a living proof too.

I too, Madam Speaker, have heard the, I won't say stories, the *revelations* about the stock not being able to sustain the volume of sales going on presently. You see, Madam Speaker, I still hold the view that that should be the primary concern. I just personally hold a different view from the one being proffered, that the answer to that is to up the prices.

I understand what has been explained, that it is the cost that they are trying to recoup. But I think we would have been better off if it was said that we need to cut supply for a period of time; or, for that matter, to have a moratorium for a given period of time until stocks are built up. But you see, Madam Speaker, to go into all of this, people will just look for arguments to and fro.

The whole point in the Motion is (and that part is accepted by the Government) that this is something that Caymanians by and large cherish.

Now, Madam Speaker, when the comparisons were made about filet mignon and about a rack of lamb and Maine lobster on a per pound basis, of the restaurants that sell those types of dishes, few, if any, have turtle stew on the menu. They might have a turtle steak because that is considered a delicacy by some, mostly those who visit our shores, although we do have some locals who indulge. So, I don't think that it is reasonable—

**The Premier, Hon. W. McKeever Bush:** It is when you buy it by the [inaudible].

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** — in making those comparisons, because it is not only about those who would go to restaurants and buy those items. But those who buy those things at the supermarket, I think that it is fair for me to say that they are in the minority. And they are not the ones who would have a great desire to have a plate of turtle stew. So if we are using that to compare, Madam Speaker, that doesn't cut it.

The point that continues to be made is that the Turtle Farm's new policy is whatever it sells must pay for itself. And with that statement I wish them luck. And it would be so wonderful if the tours they sold could pay for themselves, but we will see how that is.

The truth is that no matter which figures were quoted, Madam Speaker, the sale of the turtle meat is the least harmful of the lot when it comes to the financial bottom line. With a subsidy of \$9 million it has to be. But, Madam Speaker, nevertheless, we on the Opposition can only voice our constituents' desires and wishes through this medium. And if the Government chooses not to accept, then there really is no more that we can do in this instance.

It is a real pity, Madam Speaker—and I wish to go on record again to state that, notwithstanding the position taken by the Motion regarding the sale of turtle meat reverting to its previous price before 8 February this year, my biggest fear is what is going to happen to those in the wild. And I can't ask for agreement across the floor, but I know that I can look in the eyes of some and know what they are thinking. They understand exactly what I am saying, and agree with me too. But we shall have to see, Madam Speaker.

Madam Speaker, once again I commend this Motion to this honourable House. The Government has said it will not vote for it. I'm telling you from now, Madam Speaker, so that I don't have to ask again, I am going to be asking for a division because you will have Ayes and Noes.

Thank you, Madam Speaker.

**The Speaker:** The question is: NOW BE IT THEREFORE RESOLVED THAT the Cayman Islands Government considers requesting the Board of Directors and the new Managing Director of Boatswain's Beach/Cayman Turtle Farm to apply such portion of the annual Government subsidy as is necessary to cover the losses incurred in the production and sale of turtle meat at the prices in effect immediately prior to 8<sup>th</sup> February 2010;

AND BE IT FURTHER RESOLVED THAT the prices of turtle meat sold by Boatswain's Beach/Cayman Turtle Farm be reduced to the prices in effect immediately prior to 8<sup>th</sup> February 2010.

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

**Ayes and Noes.**

**Mr. Alden M. McLaughlin, Jr.:** *Rolston, you can't vote twice you nah.*

*[laughter]*

**The Speaker:** The Noes have it.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, can we have a division please?

**The Speaker:** Madam Clerk.

### Division No. 11

#### Ayes: 6

Mr. D. Ezzard Miller  
Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden  
Mr. V. Arden McLean

#### Noes: 8

\*Hon. W. McKeeva Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Mr. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio Solomon  
Mr. Dwayne S. Seymour

**The Premier, Hon. W. McKeeva Bush:** *Madam Speaker, I vote no. If and when the Government can ever get to that position we will cut prices when the herd is safe.*

**Mr. V. Arden McLean:** *Oh no, you can't be explaining nothing—*

**The Premier, Hon. W. McKeeva Bush:** *You shut up. You wouldn't even vote.*

*[laughter]*

**The Speaker:** Result of the Division is 6 Ayes, 8 Noes.

**Private Member's Motion No. 5/09-10 Negatived.**

**The Speaker:** Can we move on to the next Motion?

## ADJOURNMENT

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, we had proposed to stop at 6 pm. Therefore, I am going to move the adjournment of the House at this point.

We will have a Business Committee meeting immediately following this sitting. And before I move the adjournment, Madam Speaker, there is one motion that needs to be on the Order Paper agenda for tomorrow.

I am going to ask for the suspension of Standing Order 24(5) to enable a Government Motion to be dealt with during the current meeting. The CIDB Motion which I mentioned in Business Committee the other day.

**The Speaker:** Are you asking to have 24(5) put to a vote?

**Mr. Alden M. McLaughlin, Jr.:** Suspension of Standing Order 24(5).

**The Premier, Hon. W. McKeewa Bush:** Suspension of Standing Orders.

#### **Suspension of Standing Order 24(5)**

**The Speaker:** The question is that Standing Order 24(5) be suspended to allow Government Motion No. 9 to be included on the Order Paper tomorrow, 26 February 2010.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 24(5) suspended.**

**The Premier, Hon. W. McKeewa Bush:** Further, Madam Speaker, it is understood that the other motion on today's Order Paper will carry over tomorrow.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, just to lean on the Business Committee that maybe the other private member's motions that have not yet been listed on the Order Papers, if they could also be listed tomorrow in case we finish Government Business earlier, so we could do those. My understanding is that it was planned to finish this meeting tomorrow, or are we coming back on Monday?

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I intimated earlier that we would put on the Order Paper those motions that Government is ready to deal with. And I am hoping that all of them will be ready to deal with by Monday but I'm not sure. But as of this minute, when I go into the Business Committee I don't have any indication that they are ready for the others, including me, who has one from the Member for North Side dealing with parking spots. I don't have the information on it as yet. If we do, then I will certainly try to get it on the Order Paper to be dealt with.

We intend to work tomorrow. We intend to work on Monday, God willing.

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

**The Speaker:** The question is that the House do now adjourn until 10 am tomorrow. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it. *[repeats with emphasis]* Ten o'clock tomorrow morning!

**At 6.12 pm the House stood adjourned until 10 am Friday, 26 February 2010.**





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**OFFICIAL HANSARD REPORT**  
**FRIDAY**  
**26 FEBRUARY 2010**  
**11.15 AM**  
*Third Sitting*

**The Speaker:** I will ask the Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs], to say Prayers for us this morning.

**PRAYERS**

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Let us pray.

*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, honour 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.

The Honourable Premier would like to say something.

**The Premier, Hon. W. McKeever Bush:** Yes, Ma'am.

Madam Speaker, thank you very much. I would just like to apologise to you and to the House for the late start. There were a number of matters this morning, including sports at the Truman Bodden Centre, and a number of emergencies that arose this

morning that had to be dealt with, therefore the late start. I do apologise to you.

**The Speaker:** Thank you, Honourable Premier.

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

**Apologies for late start  
of the Legislative Assembly**

**The Speaker:** There are no messages or announcements this morning, but I will add my apology as well because we are having some technical difficulties with equipment in the building and it has slowed us down a bit.

**QUESTIONS TO HONOURABLE  
MINISTERS AND MEMBERS  
OF THE CABINET**

**QUESTION NO. 10**

**The Speaker:** The Elected Member for East End.

**No. 10: Mr. V. Arden McLean** asked the Deputy Premier, the Honourable Minister responsible for District Administration, Works and Gender Affairs, if the Government has awarded a contract for the disposal of scrap metal from the dump. If yes, to whom and at what price?

**The Speaker:** Honourable Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs.]

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** The Government, through the tendering process and the Central Tenders Committee (CTC), awarded a contract for the removal and shipment of 6,000 tons of baled scrap metals from the George Town landfill site. The contract was for CI\$300,000, or CI\$50 per ton, and paid in advance.

The contract was awarded to Cardinal D. Ltd., a local company incorporated and registered in accordance with the laws of the Cayman Islands, along with its alliances Pan Caribbean Energy Limited (a local company) and Hong Luen Metal Trading Company of Hong Kong.

**The Speaker:** Are there any supplementaries?

Elected Member for East End.

### Supplementaries

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

Can the Minister tell us who the shareholders of Cardinal D. Ltd., are? And also, [who are] the shareholders of Pan Caribbean Energy Limited, and Hong Luen Metal Trading Company of Hong Kong?

**The Speaker:** Honourable Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs.]

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly:** I am not in possession of that information, but all of that [information] is public knowledge through our public register. However, if the Member does not wish to avail himself of that, I can undertake to get my staff in the Ministry to do it on his behalf and provide him with the relevant response in writing.

**The Speaker:** Thank you.

[Elected] Member for East End.

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

Is the Minister saying that the information for the trading company from Hong Kong is available here?

**The Speaker:** Honourable Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs.]

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly:** Madam Speaker, what I am saying is that Cardinal D. Ltd., and Pan Caribbean Energy Limited are local companies and are public knowledge. The Hong Luen Metal Trading Company of Hong Kong would be information that I could solicit from my Permanent Secretary, who was the officer dealing with this particular operation, and I would undertake, as I have indicated, to give it to the Member in writing if he so pleases.

**The Speaker:** Member for East End.

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

Am I to understand from the Minister that the Government has engaged in a contract with a foreign company?

**The Speaker:** Honourable Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs.]

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly:** Madam Speaker, there is nothing in law to prevent any government from engaging with any company once due diligence is done. But I am happy

to report that in this case, Hong Luen Metal Trading Company of Hong Kong has not engaged the services of the government, or vice versa, but in fact we have engaged with the local companies and the other arrangements are commercial arrangements between the local companies.

**The Speaker:** Member for East End.

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

I must say that the PPM Government engaged with a local company too, but we were criticised for it. Anyway . . .

Madam Speaker, in the substantive answer it said that the contract was for \$300,000, or \$50 per ton, paid in advance. And it is baled scrap metal. Can the Minister say if this \$50 per ton covers the cost of having baled that 6,000 tons of metal in the dump?

**The Speaker:** Honourable Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs.]

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly:** Thank you, Madam Speaker.

I am reliably informed that that covers the basic cost. But I would also like to say for the record that unlike the PPM, the Government has money in hand for the scrap metal which was not the case with Matrix.

**The Speaker:** Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I wonder if the Minister could confirm whether or not these people are in fact extracting precious metals, that is, aluminium and copper, from other areas of the dump not included in the metal that has been baled.

**The Speaker:** Honourable Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs.]

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly:** Madam Speaker, again I am reliably informed by the person who would be in the know (the director of the said operation) that they are operating within the full terms of the contract which only allows them to take the baled metal which is baled there on site. So, no, they are not taking any other metal except that. That is my instruction, so if the Member knows otherwise, I would be grateful to receive it so that we can ensure that the contract is not being breached without our cognisance.

**The Speaker:** Third Elected Member for West Bay.

**Hon. Cline A. Glidden, Jr., Deputy Speaker:** Thank you, Madam Speaker.

I heard the Member asking the supplementary question make reference to what the PPM did. So I just wonder if the Deputy Premier could give me a bit

of a comparison as to how the scrap metal that was sold for \$300,000 compared to the last deal that the PPM did, the Matrix contract; and also whether we have been paid in full for our contract and how that compares to the payment relationship that was obtained for the Matrix contract.

**The Premier, Hon. W. McKeever Bush:** And how many Caymanian companies were not paid.

**The Speaker:** We have two questions on the Floor for the Deputy Premier.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Madam Speaker, as I was not a Minister during the time of Matrix, I beg your indulgence to confer with my staff as it relates to the Matrix section of the response.

[pause]

**The Speaker:** Honourable Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs.]

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Thank you, Madam Speaker.

Let me begin with a caveat that the director does not have all of the information with him as it relates to Matrix, but what he does recall is that it was a contract for \$1.2 million, of which the past administration—the Member asking that question leading that Ministry—received, from my director's recollection, some \$300,000 for 8,000 tons.

The first comparative analysis, Madam Speaker, would be that under our contract we have sold 6,000 tons for \$300,000. So that is the first distinction that has been more advantageous.

The other one is that we have received all of our funds up front before any scrap metal was removed, and the remaining scrap metal there will go out for a bid in due course. It will go through the proper tendering process.

And the most important distinction is that we have not left any small striving, arduous, conscientious, dedicated, hardworking Caymanian companies in a deficit as the last Minister did.

**The Premier, Hon. W. McKeever Bush:** Whew! Put that on the blog!

**The Speaker:** Elected Member for East End.

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

First of all, the 6,000 tons of *baled* material, which included the members of that department put-

ting in many hours of work to bale it, and \$300,000. . . I would like to know if the Minister can confirm whether or not what the PPM Government sold was baled. And, secondly, which of those small companies

was in a contractual agreement with the Cayman Islands Government at the time?

**The Speaker:** Honourable Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs.]

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Madam Speaker, I am reliably informed that it was a combination—some was baled and some was not baled—and that the arrangement for the sale was similar to what we have here where it was a local company selling to [an] overseas company and using local contractors to do it.

The distinction is, if we want to approach it from a scientific, surgical prospective, that this Government, the United Democratic Government . . . neither are they in a direct contractual agreement with any company. But because they are local Caymanian companies and we are in the economic atmosphere and environment that we now find ourselves in as a result of global conditions and lack of foresight from his government, the Government has entered a segregated line provision in the passed budget—not supported by that same Member—which allows Caymanians who have been left out of pocket to be back in pocket as a positive catalyst and economic boost so that they can restart.

Madam Speaker, I hope that satisfies the Member for East End.

**The Speaker:** One more question, Member for East End. And can we just stay on the subject before the House?

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

Is the Minister trying to give the impression that the lack of proper agreement on the government left Caymanian contractors out of pocket? I would like to ask the Minister if she is working with legal advice on this matter as we did, and we were duly instructed and advised, really advised, that we were not obligated to any third party contract during that period, that is, with the contractors of Matrix.

**The Speaker:** Can we just pause for a minute please? We need to [suspend] Standing Orders because we are working after the hour of 11.00 on questions.

#### Suspension of Standing Order 23(7) and (8)

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the suspension of the relevant

Standing Order to enable questions to be asked after 11.00.

**The Speaker:** The question is that the relevant Standing Order [be suspended] to enable questions to be asked after 11.00 [am].

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 23(7) and (8) suspended.**

**The Speaker:** We will continue with Question Time.

Honourable Deputy Premier, [the Honourable Minister responsible for District Administration, Works and Gender Affairs.]

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Thank you, Madam Speaker.

Madam Speaker, I believe there are a number of questions encompassing that, so I will try my best to give detailed, open and frank disclosure to the Member's inquisition.

First of all, the difference is that, yes, as in all cases, we seek adequate, appropriate legal advice. But the advantage that my Government has is that the Minister responsible is a lawyer herself. Number one, Madam Speaker.

Number two, yes, the advice has not changed in that there is not a legal obligation. But there is a moral obligation. And because my Government is caring and compassionate and cares for the Caymanian people, we have decided that we will exercise that moral obligation with due diligence, care and concern.

And the third part of that, Madam Speaker, is that no matter how the question is twisted I would like to say that we have followed all aspects of the law including going through the Central Tenders Committee that we have in hand \$300,000 as a result of the contractual obligations and we are proceeding to gain more money even in an economic downturn. I believe that is commendable regardless of the Opposition's position, Madam Speaker.

**The Speaker:** Thank you.

Can we proceed to the next question?

#### QUESTION NO. 11

**The Speaker:** Elected Member for East End.

**No. 11: Mr. V. Arden McLean** asked the Honourable Minister responsible for Community Affairs and Housing how many adoption applications are before the Adoption Board, broken down by years.

**The Speaker:** Honourable Minister responsible for Community Affairs [and Housing.]

**Hon. Michael T. Adam:** There are currently 21 adoption cases before the Adoption Board at various stages of processing.

Of the 21 adoption applications currently before the Board, the cases were first brought before the Board in the years as noted below:

2003	2 cases
2004	1 case
2005	1 case
2006	0 cases
2007	8 cases
2008	4 cases
2009	3 cases
2010	2 cases

#### Supplementaries

**The Speaker:** Elected Member for East End.

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

Maybe the Minister will not have this available, but I wonder if the Minister can tell us why these cases are taking so very long to come to completion. And then I will have another.

**The Speaker:** Honourable Minister responsible for Community Affairs and Housing.

**Hon. Michael T. Adam:** Thank you, Madam Speaker.

As I mentioned earlier, there are 17 cases on the books since the last administration. And to answer the second question, the adoption process would normally take two years from start to finish if everything in the initial application were complete.

There are a number of factors that impact the process and each case is different. Delays may be caused by incomplete applications, getting back references on the applicants, workload of social workers and the ability to get home studies or the three month supervision reports completed on a timely basis.

Additional problems with consent of natural parents, family conflicts within the prospective adoptive family, the adoption board requiring additional information pertinent to the adoption process from the applicants, delays in the prospective adopter obtaining a child or the adoption involves a child from overseas, and lastly, delays may also be caused by the secretary to the board not following through on matters in a timely fashion.

**The Speaker:** Elected Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, it is refreshing to hear honesty at long last.

Madam Speaker, I wonder if the Minister has available how many were processed during this period and completed.

**The Speaker:** Honourable Minister of Community Affairs and Housing.

**Hon. Michael T. Adam:** Thank you, Madam Speaker.

The question was how many applications were processed from 2002 to the present. A total of 33 adoption cases have been finalised with a grant of adoption order by the Grand Court between 2002 and 2009.

In 2002 there was 1; in 2003, 10; in 2004, 0; in 2005, 3; in 2006, 3; in 2007, 6; in 2008, 0; in 2009, 10.

**The Speaker:** Thank you.

Third Elected Member for West Bay.

**Hon. Cline A. Glidden, Jr., Deputy Speaker:** Madam Speaker, I just want to say that we too feel the same way that we have honesty at long last. It is just surprising to hear that it is coming from the Minister who just demitted office—

**The Speaker:** You are asking a question?

**Hon. Cline A. Glidden, Jr., Deputy Speaker:** Yea, Ma'am, I am turning this into a question.

I am happy as well that we have honesty. Madam Speaker, it was a long wait, but finally honesty has come to the House.

I just wonder whether the Minister can say how we have been able to satisfy the need for the paramount importance of the child during those significant delays. I just wonder as well if the Minister can say how this policy has changed in the last eight months, because I am pretty sure that it must have changed. Otherwise the Member would have had full knowledge, or he could have asked his colleague, the previous minister. I just wonder how the process has changed in the last eight months that would seem to be unknown or strange to the previous minister.

**The Speaker:** Honourable Minister of Community Affairs and Housing.

**Hon. Michael T. Adam:** Madam Speaker, the short answer is that I guess we have again scrutinised what is on the books to be processed and we are prudently conducting that process. If you like I could take you through the adoption process.

**The Speaker:** Does the Member for East End require that, the mover of the question?

**Mr. V. Arden McLean:** Madam Speaker, I did not ask the question.

**The Speaker:** Okay.

**Mr. V. Arden McLean:** That is the [Third Elected] Member for West Bay. He is trying to make them look good.

**The Speaker:** I am sorry.

[Third Elected] Member for West Bay.

**Hon. Cline A. Glidden, Jr., Deputy Speaker:** Madam Speaker, being a part of the Government I have full access to that, but since eight months is a long time, maybe the previous side may have forgotten in the last eight months—

**The Speaker:** That is a statement. We are going with questions this morning.

**Hon. Cline A. Glidden, Jr., Deputy Speaker:** But, Madam Speaker, you were asking me to answer a question.

*[inaudible interjection]*

**The Speaker:** I—

**Hon. Cline A. Glidden, Jr., Deputy Speaker:** I am not questioning the Chair; I am just asking what you want me to say.

**The Speaker:** Thank you, honourable Members.

Honourable Minister responsible for Community Affairs, do you wish to give the further information?

**Hon. Michael T. Adam:** Madam Speaker, I would be happy to speak to the adoption process.

The process normally starts with an inquiry from someone interested in adoption. They are then given an application. This is simply followed by a counseling session where the secretary to the board provides the applicant with more details on the process as well as counseling.

Once applications are filed by an applicant, they must be checked by the secretary to ensure that all relevant information is provided including references. The board then reviews the application to determine whether the person seeking to adopt has met the criteria to be eligible to adopt.

Provided all is in order, the board will accept the application and send the case forward for assignment to a social worker who will carry out the home study. When the home study is completed and submitted to the board the board will review the home study and make a determination that the applicants are suitable prospective adoptive parents based on the in-depth report provided. If they approve the family as suitable prospective adopters, they will then approve the applicant for the next step, that is, the three month



supervision of the child in placement with the adoptive family.

Delays may be caused if the prospective adopters are awaiting placement of a child from an approved overseas agency from one of the approved countries Cayman allows adoption.

Lastly, once the three month supervision period is completed, the assigned social worker must prepare a report for submission to the board.

Madam Speaker, the board then reviews the final report and if all seems in order they will approve for the matter to be prepared for Grand Court. At this stage the secretary must prepare all relevant documents, file the documents with the Grand Court, obtain a court date with the Grand Court and all parties are notified.

The Grand Court then reviews the matter and makes a ruling as to whether the adoption order should be granted or denied.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, with your indulgence, can the Minister say if there are any immediate plans by the Government to review the existing adoption legislation, which I believe is rather antiquated? I think I left drafting instructions there in 1992 to review the law.

**The Speaker:** Honourable Minister of Community Affairs [and Housing].

**Hon. Michael T. Adam:** Thank you, Madam Speaker. The Adoption Law has been reviewed and is currently waiting on the Legal Department to finalise.

**The Speaker:** Elected Member for East End.

**Mr. V. Arden McLean:** Thank you, Madam Speaker. I brought this question out of concern, and if the Minister wants me to talk to him off the air that is fine. But I have experienced this thing, and it does not work. It is not working.

**The Speaker:** Um—

**Mr. V. Arden McLean:** Madam Speaker, my question to the Minister is, can he can give us an undertaking to ensure that something is done about the adoption process? They are taking too long. That is all I want from the Minister, an undertaking that we work on it.

We encourage people, Big Brother/Big Sister, we are encouraging people to adopt children and it is not working, Madam Speaker. So if he can give us an undertaking, I would like an undertaking from him to work with it. I am prepared to help. I do not care.

**The Speaker:** Thank you Member for East End. And that will be the last question.

Honourable Minister [of Community Affairs and Housing.]

**Hon. Michael T. Adam:** Thank you, Madam Speaker.

The Adoption Law and the adoption process are only one of the many things under the Ministry and we are diligently working on this as well as all the other matters concerning the Ministry, Madam Speaker.

**The Speaker:** Thank you.

The next question please.

Elected Member for North Side.

## QUESTION NO. 12

**No. 12: Mr. D. Ezzard Miller** asked the Premier, the Honourable Minister responsible for Finance, Tourism and Development, how many quarterly reports, annual reports, annual accounts and audited annual accounts have been produced and tabled in the Legislative Assembly as required by the Public Management and Finance Law since it has been enacted.

**The Speaker:** Honourable Premier, [the Honourable Minister responsible for Finance, Tourism and Development.]

**The Premier, Hon. W. McKeever Bush:** Based on the Legislative Assembly's Order Books as at 24 February 2010, there were no quarterly reports, 14 annual reports, 36 annual accounts and 42 audited annual reports produced and tabled in the Legislative Assembly as required by the Public Management and Finance Law since its enactment on 1 July 2004.

Madam Speaker, the answer provides the details. I do not think I need to take the time to read all of them because it is attached. If the Member is satisfied with that, I will not proceed to read each one. [*Table of Reports attached as Appendix A.*]

**The Speaker:** Thank you.

Member for North Side.

## Supplementaries

**Mr. D. Ezzard Miller:** Just to ask the Minister, Madam Speaker, if any of the 36 annual accounts or 42 audited annual reports actually relate to central government accounts.

**The Speaker:** Honourable Premier, [the Honourable Minister responsible for Finance, Tourism and Development.]

[*pause*]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I think what I can say from the information I have here and in speaking to the Financial Secretary,

is that if you look at the answer you will see that a few areas of reports have been done. For instance, the annual report of the Portfolio of Legal Affairs 2004-2005, and the annual report of Judicial Administration for the same time, and several other areas put in their particular own reports. But consolidated, annual working reports of the central government, which tell of the various expenditures that the Legislative Assembly would be concerned about were not made.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I know that the Minister has just been given responsibility for finance quite recently with the coming in of the new Constitution. However, there was a quasi agreement with the Public Accounts Committee struck in June last year that the seven or eight years of accounts that are missing would be brought up to date by April this year. I wonder if the Minister would have at hand any progress on those annual audited accounts since we did, in fact, hire some expensive help from June to December last year to do exactly that.

**The Speaker:** Honourable Premier, [the Honourable Minister responsible for Finance, Tourism and Development.]

[pause]

**The Premier, Hon. W. McKeeva Bush:** Sorry, I had to confer with the Financial Secretary on that period.

Madam Speaker, we did hire an external firm to bring those accounts up to date, but they will not all be ready by April. But they are working on them.

[inaudible interjection]

**The Premier, Hon. W. McKeeva Bush:** But it is your accounts, what are you rowing about?

**The Speaker:** Are there any further supplementary questions?

Next question please.

### QUESTION NO. 13

**The Speaker:** Honourable Leader of the Opposition, [the First Elected Member for George Town.]

**No. 13: Hon. D. Kurt Tibbetts** asked the Premier, the Honourable Minister responsible for Finance, Tourism and Development, (a) how many different tours are sold at Boatswain's Beach and their description; (b) how many tickets are sold for each of these tours annually.

**The Speaker:** Honourable Premier, [the Honourable Minister responsible for Finance, Tourism and Development.]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, Boatswain's Beach (Cayman Turtle Farm (1983) Ltd.) presently offers eight different categories of tours. They are as follows:

(1) "Turtle Farm Tours": This Tour allows access only to the breeding pond, display tanks, and hatchery areas of the park, in addition to Schooner's Restaurant and Bar and the gift shop. Duration of this tour on site is approximately 45 minutes. This tour is mainly sold by independent tour operators. They either sell this as a stand alone product or they integrate

this into a combined product along with other tour features.

(2) "Boatswain's Beach Tours—Regular and Deluxe": This Tour allows access to the full park including areas accessed in the "Turtle Farm Tours" plus other features such as the salt and freshwater lagoons, aviary, nature trail, predator tank viewing areas, and Cayman Street. The duration of this tour on site is approximately 3.5 hours. This is a product that we sell directly to the cruise lines. The "deluxe" version of this tour includes lunch at our Schooner's Restaurant along with the other items contained in the "regular" version.

(3) "Stay over tickets": For our records we count our direct sales of admissions to visitors as "Stay over tickets". In this category "Turtle Farm" access price is US\$18, and the "Boatswain's Beach" full park access price is US\$45.

(4) "Resident Tours": These are offered to authenticated Cayman Islands residents and their guests. They are specially priced at CI\$10 for adults and CI\$4 for children aged 4 to 12 years.

(5) "Comp Tickets": These are admissions offered free of cost typically to visiting children under the age of 4 years, also to children and spouses and parents of Cayman Turtle Farm Crew Members (i.e. staff).

(6) "Upgrades": We offer these deals to guests who have purchased the "Turtle Farm Tours" and wish to upgrade to the full "Boatswain's Beach Tours".

(7) "School Group Tours": Cayman Turtle Farm Limited offers educational programmes to our primary and secondary education schools. We charge CI\$5 per student for admission. If lunch is included an additional CI\$5 is charged. That is CI\$10 total.

(8) "Website Discount Tickets": These are Tours sold online directly through the website [www.boatswainsbeach.ky](http://www.boatswainsbeach.ky) and are discounted by 20 per cent. Additionally, roundtrip transportation from the cruise terminal is included for those bookings which are made by cruise visitors.

Madam Speaker, tickets sold for the financial year 2008-2009 are as follows:

- i) 130,330 tickets for Turtle Farm Tours
- ii) 14,924 tickets for Boatswain's Beach Tours (Regular and Deluxe)
- iii) 42,807 tickets for Stay over Tours
- iv) 21,886 tickets for Resident Tours
- v) 9,675 tickets for Comp Tickets
- vi) 729 tickets as Upgrades
- vii) 439 tickets as School Group Tours
- viii) 45 tickets as Website Discount Tickets

### Supplementaries

**The Speaker:** Honourable Leader of the Opposition, First Elected Member for George Town.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, I noticed in the substantive answer given by the Honourable Premier, the first one, which is, the Turtle Farm Tours; and the second one, the Boatswain's Beach Tours; and the eighth one, the Website discount tickets; those three do not have a price attached.

I believe that I might have an inkling of an idea why, but I wonder if the Premier could give us those prices.

**The Speaker:** Honourable Premier, [the Honourable Minister responsible for Finance, Tourism and Development.]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I am getting that information (I hope) from the staff that are here. So I will just require a minute.

[pause]

**The Premier, Hon. W. McKeeva Bush:** Perhaps we can ask some other supplementaries in the meantime, Madam Speaker, while the staff work that out.

**The Speaker:** Third Elected Member for West Bay.

**Hon. Cline A. Glidden, Jr., Deputy Speaker:** Madam Speaker, my question concerns how many different tours are being sold at Boatswain's Beach. Can the Minister say whether Boatswain's Beach also works along with the cruise line to develop tours that would be attractive to the passengers? And is there knowledge of any of those tours being developed by our local operators and being proposed to be sold and after investments have been made the cruise lines would have withdrawn at serious detriment to the local operators?

**The Speaker:** That is—

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, when I took over responsibility at the end of May, we had a tremendous amount of work done in this area. Madam Speaker, we have had at least six

meetings, [with] at least five in Miami, with the cruise association and one here when they visited in regard to cruise passenger matters, and the matter of tours. We do work with the cruise ships to develop various tours but also tours are developed by various entities here, the Land and Sea Co-op and private entities.

There was one such young person who developed a tour some time in 2008 (I guess), and made a purchase of a boat based on the fact that he had gained a signed contract. Once that was done, the Turtle Farm went off and the management at that time made an agreement with the ship thereby causing serious distress for that young couple.

I have been trying since May last year to rectify it with the particular cruise company. I sat down in nearly every meeting, and that matter—which is causing us quite a bit of grief . . . I do not know yet whether it will turn into a legal matter because it does seem to hinge on legalities. But I am trying my best to take us out of that, trying to get the cruise ships to agree. But they have an agreement also, so I guess the fault is perhaps at the Turtle Farm in 2008.

As I said, I am trying my endeavour best with Mr. Glidden, who is now Councilor for Tourism, to rectify that situation.

Madam Speaker, compared to 2007 and 2008, there is an increase in stay over tours, and in February . . .

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, if I might just say, I believe the Minister is reading the wrong information.

**The Premier, Hon. W. McKeeva Bush:** I was going to give more information, Madam Speaker, which I am going to give in any event. I was waiting, as you saw, for the information to come from the Turtle Farm staff. But I was going to give some more information.

Having said that, I do want to take one minute.

[pause]

**The Premier, Hon. W. McKeeva Bush:** Thank you for your indulgence, and that of the House, Madam Speaker.

On the question posed by the Leader of the Opposition, Turtle Farm Tours (which is number 1), was \$18 rack rate and \$10 minimum price to independent tour operators who resell it.

Number 2, Stay over Tours, \$45 rack rate, and number 8, Website Tours, 20 per cent discount, US\$45 rack rate, which means US\$36 when purchased on the web.

**The Speaker:** Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker.

My understanding, as I look at the bottom part of the Premier's response, such as the 130,000, [numbers] i, ii, and viii . . . maybe I misunderstood something in the last . . . No blame on you.

We were getting something like 300,000 or 400,000 visitors there from the cruise ships. This is not in your time period. Something is not adding up here. I thought we had more—

*[inaudible reply]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, just let me get that information.

*[pause]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, in connection with the last question asked by the Second Elected Member for Bodden Town, no, that would not be correct. We did not get 300,000 or 400,000. We wish! For the financial year 2008/09, there were 222,034 passengers.

Madam Speaker, in connection with all of these figures and the work that we have been doing, as I said, in six meetings since I have taken over responsibility for tourism and Boatswain's Beach, what it shows is that there is a steady increase in traffic for the Boatswain's Beach tour as of October 2009 when some new tours commenced.

We have had five meetings, as I said, in Miami with the FCCA (Florida Caribbean Cruise Association) and one here in Grand Cayman. At our very first meeting in June we had strong discussions with the FCCA regarding Land and Sea Cooperative and Boatswain's Beach. We believe the improvement is largely due to this initial meeting which was chaired by Mr. Glidden and me, thus demonstrating the significant and positive impact that top level government support can have on the performance of Cayman Turtle Farm.

This in itself is proof, Madam Speaker, that face to face meetings are both effective and necessary in dealing with some international companies on issues affecting our country. As I said, I had five, because that is what it took.

Following are some numerical details of interest for Members:

For the first six months of 2009/10, we have generated a total of 4,573 passengers as opposed to 8,747 passengers for the whole financial year 2008/09. When it came to the revenue from those 4,573 passengers, we gained some \$139,000 in revenue as compared to the 8,747 passengers for the whole year of 2008/9, we received \$266,000.

So, Madam Speaker, what I am saying here is that it shows that when you work hard at something, as we have been working hard at Boatswain's Beach trying to rectify the problems we have, it shows [from] the meetings you have with the cruise association that you just cannot leave the cruise associations out with-

out talking to them. It shows that when you go and sit down with them you can get somewhere. And that is what we have done—increased the passenger flow.

I am being told by the management that that information I just gave is the Boatswain's Beach Tour which is sold directly through the cruise ships. So, when you sit down and work with them . . .

I am giving this information because we all know that we have a particular challenge at Boatswain's Beach. I know the Opposition is [asking] what kind of information I am giving. Well, they asked for information, they must not just think that they will get what they ask for; we need to give the country as much information as we have. That is what I try to do when I stand up here and answer questions.

**The Speaker:** Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

Madam Speaker, I hear exactly what the Premier is saying. And I do not mind him giving us information, I just need to understand and grasp it, and I did not understand and grasp that last set.

In the substantive answer it said for 2008/09 the Boatswain's Beach tours sold 14,924 tickets; just under 15,000 tickets.

The Premier just gave us two sets of figures, one saying four thousand and odd, and that was for six months; and the other one saying eight thousand and odd for the full year of these Boatswain's Beach tours. And that I do not understand because the substantive answer says for the full year it is just under 15,000 and he quoted me a half year with a 4,000 figure and a full year 8,000 figure.

I am just asking for that to be explained.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, one thing I know about some people in this House—and I have watched it closely—if they can confuse you they will. Then they come out on top because then they look good.

But the question that has been asked about the 14,924 tickets, that was for a full year 2008/09 cruise ships—all cruise ships. And the information I have just given for the first six months of 2009/10, we have generated a total of 4,573 passengers.

He said he did not understand this, but I am sure it is clear. And let me repeat it: For the first six months of 2009/10 we have generated a total of 4,576 passengers and \$139,000 in revenue from Carnival (and I did say that) as opposed to 8,747 passengers and \$266,000 in revenue for the whole financial year 2008/09 from Carnival. One.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Carnival is what was missing. He did not say Carnival.

**The Premier, Hon. W. McKeever Bush:** I said that.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Yeah, I know.

didn't say Carnival you know. That's why he was confused.

**The Premier, Hon. W. McKeever Bush:** I said it.  
You can check it back.

*[inaudible interjections]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** See, even your trusted friend around you says you didn't say it.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, no, at this particular point in time. But one of the mandates given to the new manager is for them to try to be able to tell the difference in accounts. While there is some difficulty in that because of the whole way the place is built, I mean, structure things like electricity, water altogether. It is difficult.

**The Premier, Hon. W. McKeever Bush:** Yeah, but he didn't hear so either. But you heard so now.

The new management has been mandated to make that kind of determination so that we have a better idea as to what our scientific part costs us and what the actual tourism plant itself is costing.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Yeah, we heard it now.

**The Speaker:** Thank you, honourable Members.

**The Speaker:** Fourth Elected Member for West Bay.

**The Premier, Hon. W. McKeever Bush:** And the truth is, Madam Speaker, if the last Minister had done as much as I have done in these couple of months in the six meetings that I have had, we would not have a legal issue pending over our head. But they refused to go and talk to the cruise ships and they refused. . . Now they are putting FYI for me to come say how much travel I have done. Shame on *unna!*

**Capt. A. Eugene Ebanks:** Madam Speaker, if the House agrees I will let the First Elected Member for Cayman Brac and Little Cayman continue and then I will ask mine.

*[laughter and inaudible comments]*

**The Speaker:** First Elected Member for Cayman Brac and Little Cayman.

**The Speaker:** Thank you Members.  
Can we proceed?

**Mr. Moses I. Kirkconnell:** I thank the Fourth Elected Member for West Bay for yielding.

**An hon. Member:** Oh, McKeever, you want to [inaudible].

I was just going to thank the Premier for his answer and say that looking at the information provided I think it would be a very interesting study for management to look at how these profit centres break apart considering that the majority of the tours are done with the Turtle Farm. It seems like the big percentage compared to the cost is the revenue from the Turtle Farm tours when you make the comparison based on this information.

**The Speaker:** I think that is the end of—  
Oh, you want to ask a question, sir?

I think the Turtle Farm itself is extremely important to this country and, as the Premier has said, the scientific information that is gathered for the world as a whole. I believe it would be very interesting to see the opportunities when we break the scientific part and compare it to the tourism part that maybe a partnership to improve the tourism aspect of it and help the profits there could be something he would look at.

*[inaudible reply]*

**The Speaker:** First Elected Member for Cayman Brac and Little Cayman.

**The Speaker:** Thank you.

Members, please stop the back and forth. Direct your statements through the Chair.

I assume that was a statement not a question.

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker.

I thank the Honourable Minister for the breakdown. Since the management team is here, can he say if the accounting process for Turtle Farm and Boatswain's Beach separates the Turtle Farm from Boatswain's Beach as far as profit centres?

**The Premier, Hon. W. McKeever Bush:** But there is an answer to that, Madam Speaker.

*[pause]*

The Member has much truth in what he has said. The scientific part of Turtle Farm, I do not know if that has ever been profitable as such except for when we did not have a tourism aspect to it, no more than the viewing of turtles and people taking pictures with turtles.

*[inaudible interjections]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** That's what happened to him when he [inaudible], he

Costs, as far as income, costs of income, I do not know I would have to research all of that. But that is what we want to determine.

But that is why too, Mr. Member, that when you moved that motion yesterday to reduce the turtle meat rates—

**Mr. V. Arden McLean:** [Inaudible interjection]

**The Premier, Hon. W. McKeever Bush:** Shut up!  
—we could not—

**The Speaker:** That is not polite.

**The Premier, Hon. W. McKeever Bush:**—understand why you would want us to reduce when we know that we are losing about \$800,000. So when you talk about creating cost accounting centres, you would see then much more clearly—

[inaudible interjections]

**The Premier, Hon. W. McKeever Bush:** No, but I am telling you.

**The Speaker:** Ah—

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Member might not know. But if he asks a Minister a question he better be prepared for what answer he could get.

**The Speaker:** Thank you, Honourable Premier.  
Fourth Elected Member for West Bay.

[inaudible interjections]

**Capt. A. Eugene Ebanks:** Thank you, Madam Speaker.

**The Speaker:** Through the Chair, please.

**Capt. A. Eugene Ebanks:** Madam Speaker, from reading the media and all the other avenues, TV and all, we all know that tourism passengers have been down. Can the Minister say whether this is a trend at the Turtle Farm as well, or have there been any changes in the numbers of cruise visitors to the Farm?

**The Speaker:** Thank you.  
Honourable Premier [the Honourable Minister responsible for Finance, Tourism and Development.]

[pause]

[inaudible interjections and laughter]

**The Speaker:** Would you all turn your microphones off please? It is going over the air.  
Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, again I had to confer with the staff of Cayman Turtle Farm.

I would have to provide that increase in writing. They do not want to do guess work at this point in time so they need some time to decipher figures and so on.

Madam Speaker, I do not know if there are going to be any more questions, but I do not know if I can take it any further either. I do want to thank the Cayman Turtle Farm staff for their hard work. They have been here since yesterday. The new manager has taken on a tremendous challenge. But I feel confident that we can turn things around with his help and the hard work of other members, Mr. Hydes, the Chairman, and Mr. Hydes who is managing tours, and others, Mr. Parsons. They are senior staff. There are other hardworking members of Boatswain's Beach/Cayman Turtle Farm, Madam Speaker, that we ought to say thanks to.

**The Speaker:** I think that is the end of questions on the Order Paper today.

## STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

**The Speaker:** There are no statements by Honourable Ministers and Members of Cabinet.

Would this be a convenient time to take the lunch break before we go into the Bills?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I know there are a few Members traveling to Cayman Brac. I think at least one from the other side and two from our side. But I suspect that Members would want to continue.

**An hon. Member:** Finish.

**The Premier, Hon. W. McKeever Bush:** Yes.

**The Speaker:** Convenient time for the lunch break?

**The Premier, Hon. W. McKeever Bush:** Yes Ma'am.

**The Speaker:** I will suspend the House for the lunch break. We will return (it is 12.30 now) at 2.00.

**Proceedings suspended at 12.31 pm**

**Proceedings resumed at 2.45 pm**

**The Speaker:** Proceedings are resumed.  
Please be seated.

## GOVERNMENT BUSINESS

### BILLS

#### Suspension of Standing Order 46(1) and (2)

**The Speaker:** Honourable Minister of Education [Training and Employment.]

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move the suspension of the relevant Standing Order that would allow us to read the Bills the first time.

**The Speaker:** The question is that Standing Order 46(1) and (2) be suspended to allow the Bills upon the Order Paper to be read a first time. The Bills are the National Pensions (Amendment) Bill, 2010; the Monetary Authority (Amendment) Bill, 2010; the Bail (Amendment) Bill, 2010; the Criminal Evidence (Witness Anonymity) Bill, 2010.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(1) and (2) suspended.**

### FIRST READINGS

#### National Pensions (Amendment) Bill, 2010

**The Clerk:** The National Pensions (Amendment) Bill, [2010].

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

#### Monetary Authority (Amendment) Bill, 2010

**The Clerk:** The Monetary Authority (Amendment) Bill, 2010.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

#### Bail (Amendment) Bill, 2010

**The Clerk:** The Bail (Amendment) Bill, 2010.

**The Speaker:** The Bill is deemed to have been read a first time and ordered to be read a second time.

#### Criminal Evidence (Witness Anonymity) Bill, 2010

**The Clerk:** The Criminal Evidence (Witness Anonymity) Bill, 2010.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for second reading.

#### Suspension of Standing Order 46(4)

**The Speaker:** Honourable Premier, [the Honourable Minister responsible for Finance, Tourism and Development.]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I move the suspension of Standing Order 46(4) to [allow the Bills on the Order Paper to be read a second time.]

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the Bills upon the Order Paper to be read a second time.

Those in favour please say Aye—

**Mr. D. Ezzard Miller:** Madam Speaker, before you take the vote, I wonder if I could ask the Government if they would be mindful to defer the debate on the National Pensions (Amendment) Bill and the Criminal Evidence [(Witness Anonymity)] Bill until Monday to give rookies, like me, a little more time to study them and to find a way to support the Government.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, we are happy to accede to the wishes of the Member for North Side. What I would say to him is allow the Government to present the Bill so that he would hear our reasoning, and then if, after we make that presentation, he still feels that he needs time we will stop the debate and defer the debate until Monday.

**Mr. D. Ezzard Miller:** [*inaudible interjections*]

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the Bills upon the Order Paper to be read a second time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(4) suspended.**

### SECOND READINGS

#### National Pensions (Amendment) Bill, 2010

**The Clerk:** The National Pensions (Amendment) Bill, 2010, second reading.

**The Speaker:** Honourable Minister for Education [Training and Employment].

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move the Second Reading of a Bill entitled, The National Pensions (Amendment) Bill, 2010.

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

**Hon. Rolston M. Anglin:** Yes, Madam Speaker, thank you.

Before I begin the presentation on behalf of the Government in regard to the National Pensions (Amendment) Bill, 2010, the Honourable Premier has asked me to intimate to the House that, given the discussion we just had, certainly Members should be alerted to the fact that we will need to work late on Monday in order to finish whatever business is on the Order Paper on Monday.

Madam Speaker, the National Pensions (Amendment) Bill, 2010, that is before the House principally deals with the whole matter of pension contributions and the pension contribution holiday as it relates to Caymanians for a period of one year after the passage of the Bill. Secondly, it deals with a more general exclusion for non-nationals to have to pay pensions.

Madam Speaker, with your permission, before beginning my debate I would also like to alert the House that the Government will be bringing one amendment. The amendment will relate to the exclusion of non-Caymanians contributing to pensions and the mandatory employers' contribution, and that is that the Government is going to cap that for a period of 24 months.

Madam Speaker, that is for non-Caymanians, let me be clear, that the period would be 24 months. The period for non-payment for Caymanians would be 12 months. Madam Speaker, I will get into the logic for that difference as I present the Government's position on this Bill.

Madam Speaker, this whole matter of pensions and employee benefits is one that the entire country and the Government take very seriously. History will reveal that the Honourable Premier (then the Minister responsible for Labour) was engaged in many battles, not only as it relates to the Labour Law, but workers' rights and employee benefits in this country. After more to and fro over the years, what came into being was the National Pensions Law.

The National Pensions Law is a privatised form of social security. It is built on the premise that employers deduct and withhold contributions from employees who have to pay. Madam Speaker, the exemption from payment at present under the Law is very clear. There are two categories of persons at present exempt from paying, and they are persons whom we commonly refer to in the Islands as domestic helpers and persons who are employed temporarily.

Historically, that exemption was for seasonal employment. The premise behind that was, for example, in tourism. As was the case many years ago, a

property would have to bring people in to cope with their spike in business during the high tourist season. Those persons would not be captured. Madam Speaker, that is all dealt with in section 25(2) of the National Pensions Law (2000 Revision).

Given the current state of affairs in the country, many persons have been asking for some form of relief. Our country is built on an indirect tax base taxation system. We are not like some other countries that have income tax or direct tax, like property tax, where a government can simply move a percentage around and have some form of direct benefit or impact in the lives of its people and/or its business sector. So, any time Government looks at how it can try to assist its citizens, it has to look long and hard and try to find mechanisms to satisfy itself that whatever policy or legislative change is made will have the desired impact.

For example, Madam Speaker, we know we have had a raging debate over the years as it relates to import duties and persons saying that that is not a tool Government can readily use to assist its citizens because there is no mechanism—well, certainly no efficient system, I should say—in place that would ensure that its citizens receive any benefits that any change in those rates would bring about. So, during the campaign we listened very carefully to what people were saying, both private citizens and business persons. Shortly after the election we made the announcement that we intended to put in place a pension holiday.

Madam Speaker, we had legislation drafted from last August. However, as we moved around and continued to get representation from the wider community it became obvious that the Government needed to also try to come up with some way to assist the private sector. And the private sector has been pushing at Government extremely hard as it relates to them having to match the pension contributions for non-Caymanians.

Historically, governments have been hesitant to touch that area. We know that before the 2003 Immigration Law came into effect, on 1 January 2004, we had a stark reality in this country . . . that is, many non-Caymanians came, lived and worked in the Cayman Islands, but remained for many, many years. So, when we had economic downturns in the past, governments resisted the temptation of moving in this direction principally because there was a feeling that if we did, certainly, there would be a real possibility down the road that long term residents (who would at some point have great potential for becoming permanent members of the community) would not have any way in which to take care of themselves once they retired.

However, Madam Speaker, after the 2003 Immigration Law came into force, and with it a term limit, looking at this area became less problematic from a long term policy perspective. Certainly, other than persons who became key employees, or persons



married to a Caymanian, there was not a great number of persons living and working in the Cayman Islands for many, many years before that law came into effect, in terms of those persons not having any security of tenure and there being a real question mark about the total number of persons that would potentially be retiring in the Cayman Islands and would have to be taken care of in some form or fashion.

Madam Speaker, the lobbying and the push that this Government has received from the private sector, in particular small businesses, has been one that we have had to listen to very carefully and consider fully.

What business owners are saying to us is, *Look, we have in our employ persons for whom we do not intend to make application for key employee, therefore, these are persons who would only be in the jurisdiction for seven years. Why is it that you have a piece of legislation that causes us to have to match 5 per cent up to \$60,000 of income per annum in regard to their benefit package?* They basically made the argument that this was in effect a direct tax on them that they thought and felt is something that Government ought to consider moving away from.

Now, the logic of that is something that I think resonated loudly to the Government. Therefore, as we looked into the matter and actually started to ask and put out more feelers, not only small businesses were asking for this, Madam Speaker; indeed, the wider business sector was saying, *Look, we are in tough times. Anything that Government can do to assist us would be greatly appreciated.* As we move through this recession period, easing the 5 per cent requirement could potentially cause a business to say, *Do we really have to engage another round of layoffs?* With that backdrop, the Government then decided that it ought to move in this direction.

We then went back to the Legal Drafting Department and they went to work and produced the Bill that is now before us.

Madam Speaker, as the Government continued to look at this proposal and think it through, we came to the decision that whilst we would stick with the 12 month holiday for Caymanians, that it would be prudent for us to put a cap on the length of time that non-Caymanians would be exempted from the mandatory requirement to pay pensions. As I said, trying to be very cautious to not anticipate, it is the intention of Government to circulate that amendment to Members that would cap it at a period of 24 months.

Madam Speaker, as we considered this many things came to the fore, not the least of which is the whole argument surrounding whether or not any move to remove the requirement for non-Caymanians to contribute to a pension and employers to match that contribution could potentially make it more appealing to employ a non-Caymanian. That is, if you have to match the 5 per cent requirement for a Caymanian, then perhaps not having to do so for a non-

Caymanian could cause businesses to look more favourably at hiring them.

However, there are two things we considered as we looked at that point. Firstly, we said that if that were the case, certainly we could draw direct reference to the whole issue of work permits. At present, companies have to pay work permit fees for non-Caymanians and, certainly, they would not have to pay a work permit fee for a Caymanian. So if we are going to use the logic of putting ourselves in the shoes of a business person when they are making that decision, the history and experience the country has gone through in that vein would counter that particular argument of how business would look and which employees would be more attractive because of direct cost of employing a person. Madam Speaker, we felt comfortable that we had a real life answer to that concern.

As we then got to the point of developing the budget, we also came to the conclusion that we had to increase work permit fees generally. Not only as we speak today do companies have to pay work permit fees for non-Caymanians, therefore, if we use direct cost of employment as one measure as to how you would decide who you are going to hire, from that standpoint alone, a Caymanian is cheaper because you do not have to pay a work permit fee.

If you now consider the regulations that were recently approved by Cabinet, Madam Speaker, you would see that across the board non-Caymanians have become even more expensive to hire than Caymanians because all work permit fees have increased generally. Certainly, in the professional categories, they have increase in some instances by up to \$5,000 to \$6,000 on average across certain bands of employee. So, Madam Speaker, we feel very comfortable that that argument is negated by the cost of work permits.

Now, there will be those who would say, *Yes, but the Government cannot be so blind and deaf to not know that in certain other categories within the country we have unscrupulous employers who do not pay their employee's work permit and they actually make the employee pay for their own work permit, which is against the law, but god-awful difficult to police and has gone on for many years.*

Certainly, some of those employers who engage in that kind of practice would be the same employers in the 600-plus cases that the National Pension Office has to investigate. You would find a common trend across the board as it relates to any employer that engages in that type of behaviour also potentially being the same employer who is not paying over pension contributions on behalf of his employees.

Madam Speaker, we feel very comfortable that this Bill will not create that outcome.

The second thing that people perhaps will say is, *Well, what is going to happen to pension plans generally? What happens if you have a holiday period,*

*even for Caymanians, but now also the requirement for non-Caymanians to not contribute for a period of 24 months? Will that not have a potentially negative impact on the pension plans in that there is going to be a slowing of the growth of pension funds, and depending on their current performance and their performance over the next 12 and 24 month periods the fact is they would still have to pay certain fees?*

Yes, Madam Speaker, that is absolutely the case. That is what would happen. However, this measure is something that the Government is doing to try to put people in a position so that they have more money in their pockets. Businesses will have relief for a period of time, and should result in some general easing within our economy.

Madam Speaker, if we look at what is happening globally; none of us in this House or in the wider community ought to believe that we are going to come out of this recession tomorrow. That is simply not going to be the case. There are no signs that we are going to come out of this recession tomorrow. Certainly, we need to look at the next 12 to 24 month cycle and ask ourselves, *What can we do in that intervening period to assist businesses and people in the best possible way to ensure that they can better make ends meet?*

Madam Speaker, all of us know what is happening in the sense that we feel, we hear, and we talk to people. That is not just the Government side, also the Opposition side. But there are many other measurements that we have historically used in this country that speak to how our economy is performing generally. One is the number of Caymanians that have children in private schools, for example. Just last September, and the beginning of this school term in January, we have seen a significant number of Caymanians taking their children from private schools and putting them into public sector.

That has historically been in direct correlation to how the economy is performing and whether or not people can continue to afford to pay the fees. We have not seen any material slowing in that trend. Therefore, Madam Speaker, the Government feels very confident in saying that we need to act. We need to act now, and we need to put as much money as we can into peoples' pockets to try to keep as much money being spent in the economy generally.

The old saying goes that there has never been any case in history that a country saves itself out of recession. That simply does not happen. It takes increased economic activity, increased spending, therefore, increased business activity for the economy to start to turn around and be robust.

Madam Speaker, another argument that could be made is how the fee base across a pension plan is spread. To use a simple example, if you have a pension plan that has a simple flat fee plus X basis points multiplied by the number of dollars in the pension plan . . . let's say it is 1 per cent for the first \$5 million on the administration, three-quarters of a per cent on the

next \$5 million and it is that sort of graduated or sliding fee scale that typically exists around a number of these plans. The argument could be, if you look back historically now, if we fast-forward 12 months into the future and we look at how those fees would be spread across the participants that certainly . . . not in the next 12 months, sorry, the second 12 months where Caymanians would then have to go back to paying and there would still be the exemption for non-Caymanians, that the argument could be made that how those fees are spread could be taken to be disproportionate.

However, Madam Speaker, I think we have to consider two things in that vein. Firstly, we have to think about what we think is going to happen with plan performance generally; and then the second point would be the fact that the non-Caymanians who are still in the plan . . . because, remember, people contributing to the plan, or not contributing to the plan, does not mean that tomorrow they can simply apply and take the money out. There will still be money left in the plan in their account for the period in which they remain in the Cayman Islands.

So that argument would be one that we could debate all day and all night in this House. What I can say is that if you simply look at the performance statement you receive from a pension provider, you will see that as you take those fees and spread them across all of the units in a plan, they wind up a relatively immaterial number based on most persons' holdings—even persons who are at the lower income bracket in a pension plan. Really, what drives a member's balance is the performance of the fund. Plain and simple. The performance of the fund is what will drive to either make or break a person's individual account, as it were, in a private pension plan.

Madam Speaker, I feel confident in saying that that argument would be one that really in the end would not hold much water.

Madam Speaker, I have heard people even proffer the view or come forward with the suggestion as to whether or not this could have any human rights implications. Madam Speaker, in short it would not because at the end of the day every country has the right to decide how it is going to structure its pensions and/or social security legislation.

Madam Speaker, I use my own experience. When I was an expat (or a non-national) working in another country and contributing to social security, the fact that that aspect of it, while there . . . the equivalent policy and legislation in the US as it relates to private pension plans saw a system that was rather draconian in the sense that whilst I was there for almost two years, all of my proceeds were swept back into the pool because I was not in the country long enough to actually vest. So, whilst I paid in and contributed, I could not take any of those funds out because I needed to be in for 60 months to be able to actually vest and hold.

That was also driven by that particular company's internal policy as well. But companies were given that latitude and flexibility, unlike our legislation which is quite friendly to employees in the sense that once you have worked one day and contributed one dollar you can apply for the value of your account back when you are going to leave the jurisdiction.

Madam Speaker, there are many models for trying to ensure a good, solid retirement for people in many countries. Certainly, I believe the system we have in Cayman is one that is very friendly to employees. Therefore, the Government is not going to move in a direction that would permanently shift that in any way. We believe that we need to have a robust system in place so that when persons come to retirement age, persons who were not in the employment market at the date when the Pensions Law first came into effect—in other words, a person who would have gone through their entire work life—that they do have the capacity to care for themselves.

All we have to do is look at the budget to see the number of people in our country and the dollar vote that we have every year for social services poor relief to know that that is something with population growth and inflation and the upward pressure of inflation and the fact that every government wants to increase that even more, because we know that as of today nobody can rely on that for retirement. Plain and simple. It is really a stipend from Government to assist the day to day survival.

We know that we need to keep in place and firmly entrenched a robust model that we confidently believe will alleviate future pressures from the public on the Government and the public purse.

Now, Madam Speaker, there will be those too that would argue and say, *Well, look, have you all had any actuarial assessment as to what the potential impact of this 12 month holiday and 24 month non-payment could have overall?*

Madam Speaker, what we know is this: We know people are hurting and we know we need to find a way to help people and help the economy generally. So, it is without question. If funds are not flowing into pension plans and person's individual accounts within their respective pension plans, naturally that would mean whenever they come to retirement that there would be less money there. However, the one thing that we have to stress is that this is voluntary, in essence, from the standpoint that no legislation ought to—and this legislation is certainly not anticipating that—be able to interfere with a private contract that is in place.

For example, Madam Speaker, whilst we believe fully that the vast majority of people will take up this proposal once it is brought into law (that is, not to have to pay into a pension plan), there will be those who may choose to still contribute. I would think that there might be a real possibility, for example, for professionals who have a contract to say that they may not want to participate in the holiday. There may be

persons in the trades that may feel the same way if they have a contract that has, say, a year to run. So we understand that there will be those sorts of issues and those sorts of facts that will have to be dealt with between an employee and an employer.

However, we believe that in general terms, certainly from the feedback that we have gotten, large numbers of people will take up this opportunity. So it will have a real impact on people's lives and a real impact in the economy generally.

Now, Madam Speaker, I know there has also been much talk about what is happening in regard to the pension regime in the country. I intend to have a comprehensive statement come forward shortly that will clearly explain where we are heading as a Government as it relates to the regulations of pensions and employment matters for that matter. So that is something that I need to put out there and more fully explain. But that is a separate exercise from what we are going through today, Madam Speaker, which is to allow for a 12 month holiday as it relates to Caymanian employees and allow in the legislation for there to be non-payment for non-Caymanians for a 24 month period.

Madam Speaker, we also toiled on two other categories of people, in particular. What the Government is saying is that as we have discussed and deliberated where we should go for pensions and these non-contributions, we have come to the conclusion that we ought not to have an open-ended exemption for non-Caymanians and that we ought to put in place a specific time period in which we would come back and revisit and see where we are at.

Madam Speaker, in talking through with the pension providers and pension professionals, the reason there is a difference is this: We know that Caymanians (if God spares their lives) are going to retire in Cayman. And they will need to be taken care of. So, the Government felt that we ought to go . . . we did not want to go any more than initially 12 months. If in 12 months' time we look at the economy and at peoples' lives and we believe that people still need additional help, then we will extend that holiday as well. But we did not want to go too far with part of the workforce that we know the Government will ultimately be held responsible to take care of. We just did not want to go any further than that for right now.

For non-Caymanians we felt a little more comfortable going 24 months. We looked at that and we said that seemed to be a fair compromise and should alleviate some of the pressures that businesses have come and clearly demonstrated to us exist out there in the wider economy.

Madam Speaker, there are two categories of persons that we internally toiled over as to whether they should be in the 12 month or the 24 month category. That is, persons who currently have permanent residence, or persons who are key employees. The argument can be proffered that, if not all, the vast majority of those persons, as they go through our gradu-

ated system of rights under the immigration regime, will at some point become Caymanian status holders. Therefore, they would also be in the bucket of persons that the Government needs to account for on a long term basis.

We did not include them for one simple reason, Madam Speaker. At present, certainly all key employees, and a large number of permanent residents, still have to pay a work permit fee. Well, their employers have to pay the work permit fees. We did not want to wind up in a situation where employers came back and said, *Hold on, you said you were going to try to ease the pressure, but you have upped work permit fees and those persons are caught in that category, therefore we have to pay it. But on the other [hand] you are also saying that you are not going to give any relief for those persons as it relates to pensions . . . the 12 month holiday is what I am talking about. That is why we did not put them in that category.*

There was internal debate amongst members on the Government bench as to whether or not there should be a 12 month holiday for them or [they should be] left in the category as their current immigration status is (which is non-Caymanian) and, therefore, 24 months would apply to them.

We certainly believe that we have thought through the position and have come up with the best proposal that the Government can present to our citizens, present to the private sector to try during these tough times to ease the pressure as much as possible.

As I said, Madam Speaker, we simply need to look around and see what is happening and understand that we as a country are by no means out of the woods. We still have some tough times to go through. We hope that we will get some of the major projects started. We know there is one on Seven-Mile Beach Road that will be starting soon, and that is positive news. But we still have a ways to go.

In fact, just today in the common room I was looking at the news. In the US, of the \$4 billion that the US Government approved as a bailout package for homeowners, only \$167 million has reached people in terms of saving their homes. So foreclosure is still a huge issue in that country. We just need to look at what is happening in the major economies around the world, in particular in the economy that affects us most, the United States, to know that the world is still in tough times. And anything that we can do in the short term—and 24 months is a short-term period—anything we can do to assist we ought to do.

Madam Speaker, I hope that I have adequately explained what the Government is trying to achieve. I hope I have put on record all of the concerns that we certainly believe will exist upon passage of this Bill. But I think we have weighed things and we believe that this is the best way forward for us as a small country, as a small island economy with an indirect tax base having very few tools to have any direct,

immediate impact on business and the lives of people, and not getting into any sort of policing mechanism to ensure the benefits reach.

Madam Speaker, one other point that I ought to make before I take my seat is that the exemption on the part of employers will not extend to any employer who is currently behind and in violation of the current law and has not come up with a payment plan. In discussing this with persons—

*[[inaudible interjections]]*

**Hon. Rolston M. Anglin:** Right.

In discussing this with pension professionals and persons in the NPO, a huge benefit they saw coming out of any sort of holiday would be the ability to get businesses on a payment plan so that we could start to get into pension funds the monies that really belong to persons anyway, and try to get many struggling small businesses out of trouble.

So we do believe that this will be a break that will give them that possibility to come up with a meaningful payment plan and do the right thing. And that is very important, Madam Speaker.

Madam Speaker, as I said, I do not want to get into the commentary on the big picture on pensions and what Government wants to do. In truth and in fact, Madam Speaker, it would be outside the scope of debate on the Bill that is before us in any event. But I can say to Members that very shortly I will have a very comprehensive statement as to where we are and where we are heading with pensions and how it all fits in with the OCC (Office of the Complaints Commissioner) investigation and, indeed, how we are going to try to ensure that we get more companies compliant.

But, Madam Speaker, the one little preview that I will give is that at the end of the day the Government is not going to encourage persons or companies to take people's money and not pay it in and still be allowed to have a pat on the back and told they are good old boys. Persons have to take this opportunity to catch up. Anyone who does not will be dealt with. Not only that, I can say that one of the changes we are going to be proposing (and not entertaining down the line once we have done our comprehensive review of the National Pensions Law and come to this House) is [to allow] persons [to] continue to have access to work permits and Trade and Business Licences if they do not have either their pensions current or, at a minimum, under a payment plan that they are honouring.

Madam Speaker, with those introductory words, I look forward to the debate and Members' views in regard to this very important Bill before us, the National Pensions (Amendment) Bill, 2010, and I certainly commend the Bill to all Members.

**The Speaker:** Honourable Premier, [the Honourable Minister responsible for Finance, Tourism and Development.]

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Earlier I gave the Member for North Side an undertaking that after we introduced the Bill, if he felt that he needed more time, I would adjourn the debate on the Bill until Monday.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, the mover of the Bill has addressed a few of my concerns, but I would really appreciate having the opportunity to work on it over the weekend and come back. I think I would be in a position at that time to offer support to the Government with a few other queries.

**The Speaker:** Honourable Premier, [the Honourable Minister responsible for Finance, Tourism and Development.]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Government is certainly willing to accommodate the Member for North Side, once he can promise me that he will go away this weekend, say his prayers and come back and be a nice boy and vote with the Government.

Madam Speaker, what I am going to do at this point is adjourn the debate on this Bill until Monday morning. What we are prepared to do is move forward now with the other Bill on the Order Paper.

**The Speaker:** Do we need a motion for that adjournment?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I think out of an abundance of caution, what I will do is ask the House to approve the adjournment of the debate on the [Bill] and move to the next item on the agenda.

**The Speaker:** The question is that the debate on the National Pensions (Amendment) Bill, 2010, be adjourned until Monday at 10 am.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Debate on the National Pensions (Amendment) Bill, 2010, adjourned until Monday, 1 March 2010.**

### Monetary Authority (Amendment) Bill, 2010

**The Clerk:** The Monetary Authority (Amendment) Bill, 2010. Second Reading.

**The Speaker:** Honourable Premier, [the Honourable Minister responsible for Finance, Tourism and Development.]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move the Second Reading of a Bill that is shortly entitled, The Monetary Authority (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, in the fast-changing, highly integrated yet increasingly competitive environment of financial services, it is important that we take the necessary measures to ensure that our legislative and regulatory framework remains up to date. As legislators we have a vital role to play in supporting a sound financial system and maintaining the reputation of the Cayman Islands as a financial centre.

After taking into consideration 1) the need for greater operational independence of the Cayman Islands Monetary Authority; 2) the need to further enhance international cooperation; and 3) other incidental matters, these issues are now addressed in the Monetary Authority (Amendment) Bill, 2010, now before this House.

Madam Speaker, most of the proposed amendments that are contained in the Bill before the House emanate from recommendations by the International Monetary Fund (IMF) in its 2005 Assessment Report on the Supervision and Regulation of our Financial Services Sector. Recommendations for enhancement to the independence of the Monetary Authority were also made in the IMF's 2009 Assessment Report.

On the matter of the operational independence of the Monetary Authority, the current provisions in the Law may be perceived as compromising some aspects of the Authority's independence as a financial services regulator. It is important to stress that this might be the perception of persons and bodies outside the Cayman Islands. However, those of us inside the Cayman Islands know that the Authority is independent when it carries out its responsibilities. Nonetheless, Madam Speaker, it is important that we address these wrong perceptions.

The Bill seeks to address those wrong perceptions:

a) by removing the procedure for obtaining prior approval of the Cabinet before certain regulatory instruments can be issued. These include all rules, statements of principles or guidance in instances where these regulatory instruments were created directly or indirectly through the Authority's regulatory

handbook. However, the proposed amendment in the Bill will ensure that the Financial Secretary is included in the consultation process along with the private sector associations. If necessary, the Financial Secretary can consult with and inform the Cabinet of these regulatory instruments. In this way, whilst the Cabinet does not have to give prior approval for the issue of regulatory instruments, it nonetheless has a continued avenue to be informed of such regulatory instruments.

b) by removing the requirement for the Cabinet to consult with the directors of the Authority in relation to the designation of the Authority's Chairman or Deputy Chairman of its Board of Directors; and

c) by removing the requirement for the Authority to obtain prior approval of the Cabinet before the Authority can enter into memoranda of understandings with other regulatory authorities. Instead, the Bill proposes that the Authority can enter into such memoranda without Cabinet's direct prior approval, and the Bill proposes that the Authority consult with the Financial Secretary for similar reasons aforementioned.

These amendments are proposed in clauses 3, 5, 6, 8, 9, and 10 of the Bill. In order to enhance the international cooperation with overseas regulators, the following amendments are also being proposed in the Bill:

a) by prescribing the circumstances when a search warrant is needed to assist with an investigation being conducted by an overseas regulatory authority. The list of persons that may apply for such a warrant includes the Authority, any competent person the Authority may designate, and the Commissioner of Police;

b) by inserting a new provision that allows regulated entities, for instance, foreign branches and subsidiaries of international banks, to disclose regulatory information to a parent entity's regulator for the purposes of consolidated supervision without breaching any of Cayman's confidentiality laws.

These proposed amendments have been addressed in clauses 7 and 11.

Clause 1 sets out the title of the Bill, and the remaining clauses 2, 4, and 12 contain matters that are for housekeeping purposes.

Madam Speaker, these proposed amendments to the Monetary Authority Law address some of the issues raised in the most recent IMF report and also demonstrate our willingness as a jurisdiction to enhance international cooperation. I commend the Bill to all honourable Members and ask that they give it their support.

**The Speaker:** Does any other Member wish to speak? [pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, we have looked at these proposed amendments and note that most of them were matters that were under discussion and development when we were in the Cabi-

net, and that generally we have no complaint about what is proposed.

One matter that has occurred to us—if this has been covered somewhere else perhaps the mover of the Bill will speak to it—is one of the practical matters that was agreed ought to be addressed [as to the] question of every time the director went off for any reason and the deputy had to act, it was necessary for Cabinet to approve that acting appointment, which, we feel is unnecessary. Certainly, when we were discussing it and discussing many of these amendments being made to the Law, that that would have been addressed at the same time.

Madam Speaker, I do not know whether the Second Official Member, the learned Attorney General, might recall, or whether it has perhaps been addressed otherwise. I certainly do not recall it being addressed. But that is really the only comment we wish to make about the Bill. Otherwise, it has . . . not otherwise, it has our support in any event, but we hope we can add that to the amendments being proposed to deal with what is really something of a nuisance, an unnecessary exercise for Cabinet to have to approve that the deputy should act when the director goes away.

Thank you.

**The Speaker:** Thank you, Third Elected Member for George Town.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I call on the mover of the Bill to wind up the debate.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, what I am going to do is adjourn the House until 10 am Monday, God willing.

## ADJOURNMENT

**The Speaker:** The question is that the House do hereby adjourn until 10 am on Monday.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**At 3.52 pm the House stood adjourned until 10 am Monday, 1 March 2010.**



**APPENDIX TO PARLIAMENTARY QUESTION NO. 12**  
**26 FEBRUARY 2010**

**The Elected Member for North Side to ask the Premier, the Honourable Minister responsible for Finance, Tourism and Development**

**No. 12:** How many quarterly reports, annual reports, annual accounts and audited annual accounts have been produced and tabled in the Legislative Assembly as required by the Public Management and Finance Law since it has been enacted.

**Answer:** Based on the Legislative Assembly's Order Books, as at 24<sup>th</sup> February 2010, there were no quarterly reports, 14 annual reports, 36 annual accounts and 42 audited annual reports produced and tabled in the Legislative Assembly as required by the Public Management and Finance Law since its enactment on 1<sup>st</sup> July 2004. The details are provided below:-

NAME OF REPORT	TYPE OF REPORT	TABLED BY	DATE Tabled
Water Authority of the Cayman Islands Annual Report 1999-2000	Audited Annual Report	Hon. Frank McField	19 July 2004
The 2003 Annual Report of the Central Planning Authority and Development Control Board	Annual Report	Hon Julianna O'Connor-Connolly	19 July 2004
Financial Statements of the Port Authority of the Cayman Islands – December 31, 2002 and 2001	Annual Accounts	Hon. W. McKeeva Bush, OBE, JP	13 December 2004
Annual Report of the Financial Reporting Authority for the period ended 30 <sup>th</sup> June 2004	Annual Report	Hon. Samuel Bulgin, QC	10 February 2005
2004 Annual Report of the Central Planning Authority and Development Control Board	Annual Report	Hon Julianna O'Connor-Connolly	9 March 2005
Cayman Airways Limited Financial Statements 31 <sup>st</sup> December 2001	Annual Accounts	Hon. Charles Clifford	20 July 2005
Cayman Airways Limited Financial Statements 30 <sup>th</sup> June 2003	Annual Accounts	Hon. Charles Clifford	20 July 2005
The Cayman Islands Monetary Authority 18 Month Report 1 <sup>st</sup> January 2003 to 30 <sup>th</sup> June 2004	Audited Annual Report	Hon. Kenneth Jefferson, JP	29 August 2005
Cayman Islands Development Bank Report for the year ended 30 <sup>th</sup> June 2004	Annual Accounts	Hon. Charles Clifford	12 September 2005
Financial Statements of the Port Authority of the Cayman Islands – 31 <sup>st</sup> December, 2003 and 2002	Annual Accounts	Hon. Charles Clifford	12 October 2005
The Financial Reporting Authority Annual Report (CAYFIN)2004/2005	Annual Report	Hon Cheryll Richards	4 November 2005



<b>NAME OF REPORT</b>	<b>TYPE OF REPORT</b>	<b>TABLED BY</b>	<b>DATE Tabled</b>
Financial Statements of the Courts Funds Office – seven month period ended 31 <sup>st</sup> December 1995	Annual Accounts	Hon. Kenneth Jefferson, JP	4 November 2005
Financial Statements of the Courts Funds Office year ended 31 <sup>st</sup> December 1996	Annual Accounts	Hon. Kenneth Jefferson, JP	4 November 2005
Financial Statements of the Courts Funds Office year ended 31 <sup>st</sup> December 1997	Annual Accounts	Hon. Kenneth Jefferson, JP	4 November 2005
Financial Statements of the Courts Funds Office year ended 31 <sup>st</sup> December 1998 and 1997	Annual Accounts	Hon. Kenneth Jefferson, JP	4 November 2005
Financial Statements of the Courts Funds Office year ended 31 <sup>st</sup> December 1999 and 1998	Annual Accounts	Hon. Kenneth Jefferson, JP	4 November 2005
Financial Statements of the Courts Funds Office year ended 31 <sup>st</sup> December 2000 and 1999	Annual Accounts	Hon. Kenneth Jefferson, JP	4 November 2005
Financial Statements of the Cayman Islands Stock Exchange for the 18 Month period ended 30 <sup>th</sup> June 2004	Annual Accounts	Hon George McCarthy	7 November 2005
Financial Statements of the Cayman Islands Stock Exchange for the year ended 31 <sup>st</sup> December 2002	Annual Accounts	Hon George McCarthy	30 November 2005
University College of the Cayman Islands Annual Report 2004/5 and Audited Financial Statements June 2004	Audited Annual Report	Hon Alden McLaughlin, JP	30 November 2005
First Annual Report of the Office of the Complaints Commissioner addressing a portion of the fiscal year July 2004 – June 2005	Audited Annual Report	Hon Alden McLaughlin, JP	27 February 2006
Audited Financial Statements 30 <sup>th</sup> June 2004 – Cayman Turtle Farm (1983) Limited	Annual Accounts	Hon. Charles Clifford	17 March 2006
Annual Report of the Cayman Islands Public Service Pensions Board for the year ended 31 <sup>st</sup> December 2000	Audited Annual Report	Hon. Kenneth Jefferson, JP	31 May 2006
Annual Report of the Cayman Islands Public Service Pensions Board for the year ended 31 <sup>st</sup> December 2001	Audited Annual Report	Hon. Kenneth Jefferson, JP	31 May 2006
Financial Statements of the Cayman Islands Health Insurance Fund 31 <sup>st</sup> December 2000 and 1999	Annual Accounts	Hon Anthony Eden OBE, JP	31 May 2006
Annual Report of the Law Reform Commission 2005-06	Annual Report	Hon. Samuel Bulgin, QC	31 May 2006
Financial Statements of the Cayman Islands Health Insurance Fund 31 <sup>st</sup> December 2001 and 2000	Annual Accounts	Hon Anthony Eden OBE, JP	1 June 2006

<b>NAME OF REPORT</b>	<b>TYPE OF REPORT</b>	<b>TABLED BY</b>	<b>DATE Tabled</b>
Financial Statements of the Cayman Islands Health Insurance Fund 31 <sup>st</sup> December 2002 and 2001	Annual Accounts	Hon Anthony Eden OBE, JP	1 June 2006
Financial Statements of the Cayman Islands Health Insurance Fund 14-Month period ended 29 <sup>th</sup> February 2004 and 31 <sup>st</sup> December 2002	Annual Accounts	Hon Anthony Eden OBE, JP	1 June 2006
Financial Statements of the University College of the Cayman Islands for the period ended 30 <sup>th</sup> June 2005	Annual Accounts	Hon Alden McLaughlin, JP	28 July 2006
A Report on the ICT Authority's Performance and Finances for the period from 8 <sup>th</sup> May 2002 to 30 <sup>th</sup> June 2004	Annual Accounts	Hon. Arden McLean	28 July 2006
The Annual Report of the University College of the Cayman Islands for the year 2005/6	Audited Annual Report	Hon Alden McLaughlin, JP	28 September 2006
The Cayman Islands Stock Exchange Annual Report for the year ended 30 <sup>th</sup> June 2005	Audited Annual Report	Hon. Kenneth Jefferson, JP	9 November 2006
Annual Report of the Public Service Pensions Board 2002	Audited Annual Report	Hon. Kenneth Jefferson, JP	1 December 2006
Annual Report of the Public Service Pensions Board 2003	Audited Annual Report	Hon. Kenneth Jefferson, JP	1 December 2006
Financial Reporting Authority (CAYFIN) Annual Report 2005/2006	Annual Report	Hon. Samuel Bulgin, QC	4 December 2006
Cayman Islands Monetary Authority Annual Report 1 <sup>st</sup> July 2004 – 30 <sup>th</sup> June 2005	Audited Annual Report	Hon. Kenneth Jefferson, JP	4 December 2006
Financial Statements of the Tourism Attraction Board of the Cayman Islands for the six months ended 30 <sup>th</sup> June 2003 and the year ended 31 <sup>st</sup> December 2002	Annual Accounts	Hon. Charles Clifford, JP	5 March 2007
Financial Statements of the Port Authority of the Cayman Islands 30 <sup>th</sup> June 2004 and 31 <sup>st</sup> December 2003	Annual Accounts	Hon. Charles Clifford, JP	5 March 2007
Financial Statements of the Port Authority of the Cayman Islands 30 <sup>th</sup> June 2005 and 2004	Annual Accounts	Hon. Charles Clifford, JP	5 March 2007
Cayman Islands Stock Exchange Financial Statements for the year ended 30 <sup>th</sup> June 2006	Annual Accounts	Hon. Kenneth Jefferson, JP	5 March 2007
Annual Report of the Law Reform Commission 2006/2007	Annual Report	Hon. Samuel Bulgin, QC	1 May 2007
Public Service Pensions Board Annual Report 2004	Audited Annual Report	Hon. Kenneth Jefferson, JP	17 September 2007
Cayman Islands National Pensions Board Annual Report January 2004 –	Annual Report	Hon. Alden McLaughlin, JP	16 November 2007

<b>NAME OF REPORT</b>	<b>TYPE OF REPORT</b>	<b>TABLED BY</b>	<b>DATE TABLED</b>
June 2005			
Cayman Islands National Pensions Board Annual Report July 1 <sup>st</sup> 2005 – June 30 <sup>th</sup> 2006	Annual Report	Hon. Alden McLaughlin, JP	16 November 2007
Financial Reporting Authority (CAYFIN) Annual Report 2006/2007	Annual Report	Hon. Samuel Bulgin, QC	18 January 2008
The Cayman Islands Airport Authority Financial Statements for the year ended 30 June 2005	Annual Accounts	Hon. Charles Clifford, JP	9 April 2008
Financial Statements of the National Gallery of the Cayman Islands for the year ending 30 June 2005 and 2004	Annual Accounts	Hon. Alden McLaughlin, JP	25 June 2008
Financial Statements of the National Gallery of the Cayman Islands for the year ending 30 June 2006 and 2005	Annual Accounts	Hon. Alden McLaughlin, JP	25 June 2008
Cayman Islands Monetary Authority Annual Report 1 <sup>st</sup> July 2005 – 30 <sup>th</sup> June 2006	Audited Annual Report	Hon. Kenneth Jefferson, JP	26 June 2008
The Third Annual Report of the Law Reform Commission 1 <sup>st</sup> April 2007 / 31 <sup>st</sup> March 2008	Audited Annual Report	Hon. Samuel Bulgin, QC	26 June 2008
Financial Statements of National Housing Development Trust for the years ended 30 <sup>th</sup> June 2006 and 2005	Annual Accounts	Hon. Kurt Tibbetts, JP	5 September 2008
Financial Statements of National Housing Development Trust for the years ended 30 <sup>th</sup> June 2007 and 2006	Annual Accounts	Hon. Kurt Tibbetts, JP	5 September 2008
Cayman Islands Development Bank Financial Statements for the year ended June 30 <sup>th</sup> 2005	Annual Accounts	Hon. Charles Clifford, JP	8 September 2008
The Maritime Authority of the Cayman Islands year in review 1 <sup>st</sup> July 2006 – 30 <sup>th</sup> June 2007	Audited Annual Report	Hon. Kenneth Jefferson, JP	12 September 2008
The Civil Aviation Authority of the Cayman Islands Financial Statements for the year ended 30 <sup>th</sup> June 2005 together with the Annual report for the financial year 2004/2005	Annual Accounts	Hon. George McCarthy	12 September 2008
Second Annual Report of the Office of the Complaints Commissioner of the Cayman Islands addressing of the Fiscal Year July 2005 to June 2006	Audited Annual Report	Hon. Alden McLaughlin, JP	6 October 2008
The Health Insurance Commission – In Review 1 <sup>st</sup> July 2006 – 30 <sup>th</sup> June 2007	Annual Report	Hon. Anthony Eden, OBE, JP	6 October 2008
Annual Report of the Cabinet Office for the year ended 30 <sup>th</sup> June 2005	Audited Annual Report	Hon Kurt Tibbetts, JP	6 October 2008
Annual Report of the Portfolio of Legal Affairs for the 2004/5 Financial	Audited Annual Report	Hon. Samuel Bulgin, QC	6 October 2008

<b>NAME OF REPORT</b>	<b>TYPE OF REPORT</b>	<b>TABLED BY</b>	<b>DATE Tabled</b>
Year			
Annual Report of the Judicial Administration for the 2004/5 Financial Year	Audited Annual Report	Hon. Samuel Bulgin, QC	6 October 2008
Annual Report of the Ministry of Health Services, Agriculture, Aviation and Works for the year ended 30 <sup>th</sup> June 2005	Audited Annual Report	Hon. Anthony Eden, OBE, JP	6 October 2008
Annual Report of the Ministry of Planning, Communications, District Administration and Information Technology for the year ended 30 <sup>th</sup> June 2005	Audited Annual Report	Hon Kurt Tibbetts, JP	6 October 2008
Annual Report of the Portfolio of Finance and Economics for the year ended 30 <sup>th</sup> June 2005	Audited Annual Report	Hon. Kenneth Jefferson, JP	6 October 2008
Annual Report of the Portfolio of Internal and External Affairs for the year ended 30 <sup>th</sup> June 2005	Audited Annual Report	Hon. Donovan Ebanks, MBE, JP	6 October 2008
Annual Report of the Portfolio of the Civil Service for the year ended 30 <sup>th</sup> June 2005	Audited Annual Report	Hon. Donovan Ebanks, MBE, JP	6 October 2008
Annual Report of the Ministry of Tourism Environment, Development and Commerce for the year ended 30 <sup>th</sup> June 2005	Audited Annual Report	Hon. Charles Clifford, JP	6 October 2008
Annual Report of the Ministry of Community Services, Youth, Sports and Gender Affairs for the year ended 30 <sup>th</sup> June 2005	Audited Annual Report	Hon. Arden McLean, JP	13 October 2008
Cayman Islands Monetary Authority Annual Report – 1 <sup>st</sup> July 2006 to 30 <sup>th</sup> June 2007	Audited Annual Report	Hon. Kenneth Jefferson, JP	15 October 2008
Cayman Islands Turtle Farm (1983) Limited Financial Statements 30 <sup>th</sup> June 2005	Annual Accounts	Hon. Charles Clifford, JP	5 December 2008
Cayman Islands Limited – Consolidated Financial Statements 30 <sup>th</sup> June 2004	Annual Accounts	Hon. Charles Clifford, JP	5 December 2008
Cayman Islands National Insurance Company (CINICO) Annual Report June 30 <sup>th</sup> 2005	Audited Annual Report	Hon. Anthony Eden, OBE, JP	5 December 2008
Cayman Islands National Insurance Company (CINICO) Annual Report June 30 <sup>th</sup> 2006	Audited Annual Report	Hon. Anthony Eden, OBE, JP	5 December 2008
Cayman Islands National Insurance Company (CINICO) Annual Report 2006-2007	Audited Annual Report	Hon. Anthony Eden, OBE, JP	5 December 2008
Financial Statements of the National	Annual Accounts	Hon Kurt Tibbetts, JP	5 December 2008

<b>NAME OF REPORT</b>	<b>TYPE OF REPORT</b>	<b>TABLED BY</b>	<b>DATE Tabled</b>
Housing and Community Development Trust – 30 <sup>th</sup> June 2004			
Financial reporting Authority (CAYFIN) Annual Report 2007/2008	Annual Report	Hon. Samuel Bulgin, QC, JP	5 December 2008
The Water Authority of the Cayman Islands Annual Report 2001	Audited Annual Report	Hon. Arden McLean, JP	17 December 2008
The Water Authority of the Cayman Islands 2002 Annual Report	Audited Annual Report	Hon. Arden McLean, JP	17 December 2008
National Housing Development Trust Financial Statements for the year ended 30 <sup>th</sup> June 2008	Annual Accounts	Hon Kurt Tibbetts, JP	12 February 2009
National Drug Council 2004 Annual Report	Audited Annual Report	Hon. Anthony Eden, OBE, JP	11 February 2009
National Drug Council 2005 Annual Report	Audited Annual Report	Hon. Anthony Eden, OBE, JP	11 February 2009
National Drug Council 2006 Annual Report	Audited Annual Report	Hon. Anthony Eden, OBE, JP	11 February 2009
Cayman Islands National Insurance Company (CINICO) Annual Report 2007-2008	Audited Annual Report	Hon. Anthony Eden, OBE, JP	19 March 2009
The Cayman Islands law Reform Commission 1 <sup>st</sup> April 2008 / 31 <sup>st</sup> March 2009 – Fourth Annual Report of the Law Reform Commission	Annual Report	Hon. Samuel Bulgin, QC, JP	26 June 2009
Annual Report 2006-07 Third Annual Report of the Office of the Complaints Commissioner of the Cayman Islands addressing the Fiscal Year July 2006 – June 2007	Audited Annual Report	Mr Cline Glidden	1 July 2009
Cayman Islands Monetary Authority Annual Report 1 <sup>st</sup> July 2007 – 30 <sup>th</sup> June 2008	Audited Annual Report	Hon. W. McKeever Bush, OBE, JP	14 October 2009
National Drug Council 2007 Annual Report	Audited Annual Report	Hon. Mark Scotland	14 October 2009
Financial Statements of the Civil Aviation Authority of the Cayman Islands for the years ended 30 <sup>th</sup> June 2006 and 2005	Annual Accounts	Hon. Donovan Ebanks	14 October 2009
Annual Report 2008/2009 Financial Reporting Authority (CAYFIN)	Annual Report	Hon. Samuel Bulgin, QC, JP	18 November 2009
The National Trust for the Cayman Islands Annual Report 2009	Audited Annual Report	Hon. Mark Scotland	2 December 2009
Cayman Islands National Pensions Board Annual Report 1 July 2006 – 30 June 2007	Audited Annual Report	Hon. Rolston Anglin, JP	24 February 2010
Cayman Islands National Pensions Board Annual Report 1 July 2007 – 30 June 2008	Audited Annual Report	Hon. Rolston Anglin, JP	24 February 2010

**OFFICIAL HANSARD REPORT**  
**MONDAY**  
**1 MARCH 2010**  
**11.45 AM**  
*Fourth Sitting*

**The Speaker:** I will call on the Elected Member for East End to say Prayers.

**PRAYERS**

**Mr. V. Arden McLean:** Let us pray.

*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, honour 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:** Proceedings are resumed.  
Please be seated.

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

**Apologies**

**The Speaker:** There are no messages or announcements.

I beg pardon. We do have an apology from the First Elected Member for Cayman Brac and Little

Cayman, Mr. Kirkconnell, who is not going to be here until later. I think it has something to do with the flight.

And I think the Third Elected Member for West Bay is absent this morning as well with an apology.

I also want to apologise for the late start this morning. Unfortunately, the decision to delay the House until 11.30 to allow Members to attend the opening of the new facility for vehicle licensing did not come in until late. And when I did give permission for this to happen, unfortunately some people did not receive the message. So, I do apologise for that problem.

**QUESTIONS TO HONOURABLE  
MINISTERS AND MEMBERS  
OF THE CABINET**

**Suspension of Standing Order 23(7) and (8)**

**The Speaker:** Minister for Education, Training and Employment would you move the suspension of Standing Order 23(7) and (8)?

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to suspend the relevant Standing Orders to allow questions to be taken and answered orally after the hour of 11 am.

**The Speaker:** The question is that Standing Order 23(7) and (8) be suspended to allow questions on the Order Paper to be asked after the hour of 11 am. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 23(7) and (8) suspended.**

**QUESTION NO. 14**

**No. 14: Mr. V. Arden McLean** asked the Deputy Premier, the Honourable Minister responsible for District Administration, Works and Gender Affairs if the Government is in discussions for the sale of garbage disposal. If yes, with whom?

**The Speaker:** Honourable Minister for District Administration, Works and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

No, the Government is not in discussion for the sale of garbage disposal.

**The Speaker:** Are there any supplementaries?  
Elected Member for East End.

### Supplementaries

**Mr. V. Arden McLean:** Thank you, Madam Speaker.  
Madam Speaker, since the Premier announced that Government was considering privatising the pickup of garbage, can the Minister tell us if there has been any expression of interest on that side?

**The Speaker:** Honourable Minister responsible for District Administration, Works and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

Madam Speaker, expressions of interest have been worked on. The final draft is on hand and it is anticipated that it will be going out to the public for expressions to come back in through the normal procedure within the next day or two.

**The Speaker:** Are there any further supplementaries?  
Elected Member for East End.

**Mr. V. Arden McLean:** Thank you, Madam Speaker.  
Madam Speaker, can the Minister tell us if it is still Government's stated intention to divest the garbage collection part of disposal?

**The Speaker:** Honourable Minister responsible for District Administration, Works and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, the policy of the Government is to look at the methodologies of the actual disposal site. To date, unless there is an overriding consideration, the preferable methodologies waste energy, as I understand it, it is not the intention to privatise the collection aspect of this process.

**The Speaker:** Elected Member for East End.

**Mr. V. Arden McLean:** Thank you, Madam Speaker.  
Madam Speaker, I am getting it mixed up or I am mixing up the Minister, because I think she may be replying from a global perspective with the garbage. But I was specific with the collection part of it which was, if that was going to be privatised—the collection. I know we are looking at waste energy [with] the garbage dump. But is the collection of solid waste going to be privatised?

**The Speaker:** Honourable Minister responsible for District Administration, Works and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

I thought I answered that, but for the avoidance of doubt what I did say was that the aspect of privatisation solely relates to the site itself and the solid waste that is already there. And the new collection, it is my understanding that the collection process is not going to be privatised. I have not been so directed and neither am I so minded because there are a number of employees who are there, and in this economic climate I would not think that it is prudent to privatise that aspect seeing that we cannot guarantee the continuation of that said employment on behalf of the employees.

**The Speaker:** Are there any further supplementaries?  
If not we will move on to the next question.

### QUESTION NO. 15

**No. 15: Mr. Anthony S. Eden** asked the Deputy Premier, Honourable Minister responsible for District Administration, Works and Gender Affairs, to give an update on the proposed completion of the purchase of Lower Valley, Block 32, Parcel 40 (Estate of Lannamon Stacy Watler)

**The Speaker:** Honourable Minister for District Administration, Works, and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

The Government has now completed the arrangements as per the purchase agreement. The Minister is in the process of preparing the final payment to the owners.

Thank you, Madam Speaker.

**The Speaker:** Are there any supplementaries?  
Leader of the Opposition.

### Supplementaries

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

Madam Speaker, can the Honourable Deputy Premier say if the owners are now in a position to effect the transfer of the property?

**The Speaker:** Honourable Minister responsible for District Administration, Works and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

Madam Speaker, the last sentence of the substantive answer said that the Ministry is in the process of preparing the final payment to the owners and, as the Honourable Leader of the Opposition

would appreciate, up until they are in receipt of that, they would not be minded to do the actual transfer.

The instructions have been given and the papers have gone to Cabinet for this to be done. As soon as the Ministry has gone through the administrative process of getting the cheque cut, then that transaction would go across, as I understand it, Ma'am.

**The Speaker:** Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

Madam Speaker, just for purposes of clarity, my question was simply because I have known that for some time prior to this there was some difficulty from that end and they were not in a position to effect the transfer, hence why I asked the question.

**The Speaker:** Honourable Minister responsible for District Administration, Works and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly:** Madam Speaker, I am reliably informed by my staff that the family arrangements to effect a legal transfer have [been] met to the satisfaction of the department. And the outstanding surveys have also been completed. All that is left to be done is the monetary consideration and for the RL-1 transfer form to be executed and signed.

**The Speaker:** Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

Madam Speaker, can the Honourable Deputy Premier say if the intention is still for this parcel to be part of the agri-tourism project.

**The Speaker:** Honourable Minister responsible for District Administration, Works and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly:** Thank you, Madam Speaker.

Madam Speaker, that is correct. The sole purpose for the acquisition of this said property was to continue with the diversification of the industry, specifically the agri-tourism product that was started by the Honourable Leader of the Opposition, and Government has no intention of stopping that project. Obviously, there has to be an element of prioritisation, given the economic climate we now operate in Ma'am.

**The Speaker:** Thank you.

Are there any further supplementaries? If not, that is the end of question time.

## STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

**The Speaker:** I have received no statements by Honourable Members and Ministers of Cabinet.

## GOVERNMENT BUSINESS

### BILLS

### SECOND READINGS

#### Monetary Authority (Amendment) Bill, 2010

*(Continuation of debate thereon)*

**The Clerk:** The Monetary Authority (Amendment) Bill, 2010. Second Reading.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

In winding up the debate on Friday afternoon, we said we would check out a comment made in regard to the possibility of an amendment to the law for when the managing director is on leave. We talked to the Financial Secretary and with Mr. Sibblies, the legal person in the Monetary Authority, and the decision that we have come to is that Cabinet will delegate to the Financial Secretary the approval of an acting managing director for anything less than three months. Anything over would still have to come to Cabinet. That is the decision we have made.

Madam Speaker, I commend this Bill to Members.

**The Speaker:** Was that your winding up?

**The Premier, Hon. W. McKeeva Bush:** Yes Ma'am. Sorry.

**The Speaker:** The question is that the Monetary Authority (Amendment) Bill, 2010, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Monetary Authority (Amendment) Bill, 2010, given a second reading.**

#### National Pensions (Amendment) Bill, 2010

*(Continuation of debate thereon)*



**The Clerk:** The National Pensions (Amendment) Bill, 2010. Second reading.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Madam Speaker, like the old country song, I am “almost persuaded” to support this Bill. I thank the Minister for Education in responding to the brief conversation he had about addressing two of my major concerns, but I still have two concerns that I would like to express.

I have some concerns about how it is going to be monitored if it is voluntary. And we know the problems that exist in the Pension Office currently, and have for some time, in terms of being under-resourced and its ability to monitor what is happening in pensions generally. And I remain to be convinced that it is a good thing to have a pension holiday, but I will give the Government the benefit of the doubt that it is a good thing. And I believe if it is a good thing, then I think making it mandatory for the 12 months will put everybody in the same basket, so to speak.

My concern is that if it is left voluntary the only people who are going to be left out in terms of the pension thing are the very people the current Premier and I heard about when we brought this proposal here in 1985—and suffered the wrath of the Chamber of Commerce and other business people. So, I believe that if it is a good thing it should be mandatory for the one year and it should affect everyone.

I also believe, Madam Speaker, that if it is a good thing—and I understand the mover’s argument about the benefits that it is expected to have in the local economy and private sector—I would therefore propose that the Government itself should be entitled to the same relief and also the average civil servant getting an extra 5 per cent, which is now deducted, as take home pay to be able to buy a bit more cabbage and cornmeal, or cornflakes.

Madam Speaker, I always have great difficulty when laws are passed in this Parliament and the Civil Service is exempted, because as somebody once said (I don’t remember the offer, but . . . ) that “What was good for General Motors, was good for the United States.” I believe that any law passed in this country which is purported to be good for the private citizen who is not on the Government payroll, should be good enough for the civil servants too. And I have always had concerns when we exempt the Civil Service. I understand the normal colonial relationships that are used to justify this; I just do not happen to subscribe to them.

Certainly, from the numbers that were given out in answers to parliamentary questions in this sitting in terms of what is happening with the current budget and the projected deficit, I can see no reason why the decision by this Parliament to have a pension

holiday for the private sector should not include the civil servants and the Government get the same benefit. Because, Madam Speaker, if it is not good enough for them, it is not good enough for me and the people I represent who do not happen to be civil servants.

The other concern I have, Madam Speaker, is with the concept of a holiday in general. We are all aware of what has happened to pension plans in terms of monetary losses over the last 18 to 24 months. And the holiday is going to sincerely reduce the ability of people like me, who are bordering on senior citizen status, to get the opportunity to recover some of that by paying more money in.

Madam Speaker, I would invite the Government (although it is a bit outside of the ambit of what they are proposing to do) to look at the investment criteria. Maybe during committee stage we can put in place the necessary amendments that would force the pension money to be brought back on Island so people in the private sector [would] have access to longer term, cheaper money, [which would] also [be] a stimulus to the economy.

Madam Speaker, pensions are a very important aspect. As I said, I will give the Government the benefit of the doubt at this stage, but I would really like if they would consider making it mandatory. Because invariably, Madam Speaker, what I believe is going to happen is that the less well educated, the less well-off in the community—who this whole pension thing was designed as a means of forcing them to save—are going to be the ones who are going to be told by their altruistic lovable employers that the Government said we should not pay pension for you. And even though the Government may make it voluntary, we know that most of the people in that category are not going to have the wherewithal to argue with their employers even if they wanted the contribution to continue. So, if it is a good thing I think it should be mandatory; if it is a good thing I think it should be extended to the public service as well.

Madam Speaker, with those few comments I will offer my conditional support to the Government.

**The Speaker:** Does any other Member wish to speak?

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, I wish to start my contribution to a debate on this important Bill by commending the Minister responsible for what I thought was an excellent presentation. I think he made very clear what the intention of the Government is. It also appeared that a great deal of thought had been given to these particular proposals.

Madam Speaker, he addressed almost every issue that we had flagged up on this side, although I

am not suggesting that we necessarily agree with every single proposal or conclusion that he has come to in relation to those particular issues. But I believe that overall we understand what is intended. Madam Speaker, I am going to speak quite briefly about a number of the concerns we still have.

Let me deal with what is perhaps the negative bit upfront, and that is, we cannot help but observe, as many in the business community have observed to us over the course of this weekend, that while the intention of this is to relieve the employer in particular, and the employee we hope, of this additional financial responsibility, [with] the effect of giving them access to more of their own money (which is well and good and I think is generally well received), people in the business community, and in particular the financial service industry who spoke to me and a number of us over the weekend, have said that while this is may well be helpful or useful, the biggest issue that they have is the significant increase in work permit fees which has gone directly to their bottom line.

In terms of the financial services sector the huge increase in fees on the products that they sell has again gone to their bottom line in the sense that it has resulted in a significant reduction in the volume of business. And that, I think, the Government must acknowledge as they have now projected a significant . . . in fact, a deficit approaching that of last year.

And so, Madam Speaker, I am not going to make a big deal about that, but [will] say that for many in the business they view this as helpful. But against the background of the fact that the policies and actions of the Government since they took office have significantly increased the cost of doing business, have significantly eroded their bottom lines right across the board. And while they hope and we hope that these measures might assist in the short term, they remain very concerned about the future because the work permit fees imposed and the increase in fees to financial services products are something that we expect to be permanent and, therefore, have permanently increased the cost of doing business.

Madam Speaker, turning to the specific provisions of the amending Bill: We have struggled on this side to understand the logic of making a distinction between the holiday period for Caymanian employees and that for non-Caymanian employees. Now, Madam Speaker, there has been for some time a movement (if I may call it that), a lobby within the business community, that non-Caymanian employees ought not to be caught by the provisions of the National Pensions Law at all. And we ought not to worry about their pensions until they are likely to become a part of our permanent population. And that has a certain attraction to it.

As the Minister who had responsibility for pensions in the last administration, I struggled with this particular lobby to change the policy in relation to this. I was told on more than one occasion by those in the know that the reason why in the beginning we in-

cluded non-Caymanian employees as part of the programme was because more than half of the working population is actually non-Caymanian, and that the contributions to the various pension funds would be, if not unviable, certainly much less profitable if we subtract more than 50 per cent of the contributors. I cannot say that is 50 per cent of the contributions; [it is] probably more than that. But I have no way of knowing. If we subtract more than 50 per cent of the contributors from the programme now, not only will that affect the overall return on investment, I understand it will also significantly increase the administrative costs that are applicable to each pension member. Instead of, arguably, 35,000 persons contributing, and, therefore, the administrative costs being spread across that 35,000, we have about half of that who have to bear the full administrative costs of the various funds.

The Minister spoke about articulating what his Government believes ought to be the way forward for pensions in time to come, so I think we will all anticipate that. And I am not asking him to make that decision now or saying he ought to have made that decision. I am just trying to understand why we make a distinction now in relation to the holiday period. As I see it, either the policy is that everybody who works in the Cayman Islands is part of the plan and programme and therefore contributes, or we take a decision that only Caymanians ought to be subject to the law.

I cannot get my head around the logic of how we make a distinction now. And I will say that for a number of reasons, Madam Speaker. Not only does it create the appearance in the short term that it is cheaper to employ a non-Caymanian . . . and while I heard what the Minister said about that, I think he is only partially correct in the sense that work permit fees for some of the lower income brackets of employment were not significantly increased. And it really is at that level that the system is most vulnerable to being (trying to be careful of my words) maneuvered by certain employers. So I worry about making the distinction there for that reason alone.

But the other most concerning feature of that which I think has broader application as well (I will ask the Minister if he can address that in his winding up), is that administratively I am not sure how we are going to be able to police these things. Already we are well aware that from the outset the National Pensions Office (NPO) has never been sufficiently resourced and equipped to properly supervise the National Pension Scheme, or to be able to enforce the various aspects of it. Governments before me knew that. I knew that. The current Minister knows that. The kind of enforcement that is required, I believe, would require significantly more in staffing terms than is currently the case, or that we have felt we had the wherewithal to fund and to provide. Particularly in this environment, it is just not something that I believe can be in the cards.

The more distinctions you make in the legislation, the more difficult it becomes to determine

whether someone is complying with the law or not complying with the law, because you have to figure out what category they belong to. And, as I said, that is a concern that I have which does not just relate to that particular provision, but relates to these changes in general.

Right now I think there are some 600-and something outstanding cases that we are investigating. You can believe that in reality there is likely to be many more instances of non-compliance or abuse. And the fact that there are so many outstanding I think is perhaps the best indicator that the National Pensions Office simply cannot cope with properly supervising and enforcing the law as is currently the case.

By making these changes we now give significantly more work to the National Pensions Office because they first have to determine whether or not the persons or the employers who are adopting this voluntary pension holiday are actually in compliance with the law—because unless they are in compliance with the law or have made arrangements to be in compliance with the law, the amendment says that they are not authorised to have the benefit of the holiday period.

I am flagging these up, not as major criticisms of what the Government or the Minister is trying to do, Madam Speaker, because we all understand why it is they are trying to reach this particular result, but to say that we ought to realise that this is going to create—I will not say an administrative nightmare; I hope it is not going to be a nightmare but . . . —certainly, major administrative burdens with responsibilities on top of what is already a challenging situation.

So, I hope I don't put the Minister in a spot when I say to him that it would be helpful to us if he could indicate what thought has been given to addressing this particular concern. Because, as I've said, it is clear to me that a great deal of thought has been given to what is being proposed here.

Madam Speaker, the other point that causes some concern is that while the holiday is stated to be for a period of one year and, as the Minister has indicated, he is proposing an amendment for two years for non-Caymanian contributor, it is one year according to section 1(2) of the amending Bill. It is “. . . **one year or upon such later date as may be appointed by order made by the Governor in Cabinet.**”

Translated into ordinary English that means that, in fact, it is not one year, it is one year or such longer period as the Governor in Cabinet may determine. And that is that it will be an executive decision as to whether to extend, rather than a legislative one as is the case now.

I understand, Madam Speaker, the attraction by the executive of being able to deal with this during one Cabinet meeting as opposed to having to bring a bill here to have it debated. But I believe the importance of this is such that it ought not to be a Cabinet

decision. If, in fact, the Government decides to extend it, it ought to be the subject of some national discussion and debate here in this honourable House. As it is, Madam Speaker, there has been (and no doubt will be some more) some criticism of the speed with which this particular Bill is being put through with essentially no national discussion about the specifics of the Bill, although the Government did indicate quite some time ago—I think almost as soon as they were elected—that this was something they were giving consideration to.

I am not going to make a big deal about that, Madam Speaker. I certainly have had an opportunity to consider it carefully. But I just say to the Government that they may wish to reconsider that particular subsection, and I certainly would urge upon them that extending this particular holiday benefit is something that ought to be the subject of some discussion nationally and in the legislature if, in fact, that is what the Government proposes to do when this particular holiday actually expires.

Madam Speaker, there is another downside that I think that we all ought to acknowledge, and that is that by creating this holiday for many in the workforce there will be no contributions to their retirement fund for this particular period. My biggest concern fairly mirrors that of the Elected Member for North Side [Mr. D. Ezzard Miller], because those who work in the more sophisticated industries, shall I say (more sophisticated is probably the right word), usually have written employment contracts which include considerably more than what the Labour Law actually requires in terms of an agreement. And I would say that unless things have changed a lot since I ceased to work in the financial sector almost 10 years ago, that virtually all of their employment contracts would include provisions for health insurance and for pensions. And again, unless things have changed immensely, it is unlikely that any of those contractual arrangements would be altered to take account of this holiday.

So, I am not too worried about what happens over there. I worry as, the Elected Member for North Side worries, about the employees who are, shall I say, most vulnerable, who have the least bargaining power at the lower end of the spectrum. Who, based on my experience over the years, are simply likely to be told by the employer, *Sorry guys, the Government has said that we don't have to pay pension anymore, we don't really care whether you agree or not agree. If you don't agree go find another job.*

So, what we are likely to see, I believe, in the construction industry and some of the other sort of sub-industries (if we may call them that), the supermarkets and such, is that those there are going to simply be told that this is the game, these are the new rules of the game. How they determine whether or not

to continue to contribute to the pension fund I am not sure.

I have had some experience, Madam Speaker, with an analogous provision in the Labour Law, both in the days when I was practicing as a lawyer, the days when I sat as chairman of one of the labour tribunals, and subsequently as Minister relating to the overtime provision. Try your best to figure out whether or not an employee at the lower end of the employment spectrum has voluntarily agreed to give up his overtime. Best of luck to you.

So, I think that the enforceability provisions are worrying. And, as I said, I am not suggesting that the Government abandon this because of these concerns. I am just raising these concerns because they are real, and because it may be tempting for everyone to simply applaud what is being done without thinking through some of the unintended consequences of these provisions. The law of unintended consequences has never been repealed and that is true of this as it is of anything else.

So, Madam Speaker, I think I have raised what are the concerns of the Members on my side. And, Madam Speaker, as I said, we will support what is being done, but we wanted to flag up those particular concerns to say that we would like for this matter to be reconsidered by the House when the holiday period ends, roughly a year from now, rather than simply having it carry on indefinitely if that is what the Government determines should happen. We believe that this should be the subject of further discussion and debate.

I thank you, Madam Speaker.

**The Speaker:** Thank you, Third Elected Member for George Town.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I call on the mover of the Bill to conclude his debate.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, I thank all Members for their contributions, and I also thank all those who have not spoken for their tacit support.

As outlined by the two Members who just spoke, naturally, this whole issue of employee benefits is one that we have not rushed into and has caused considerable debate amongst ourselves on this side. And we have gone backwards and forwards even with a number of the suggestions that the Members have brought to the fore.

What we struggled with is the set of circumstances before us as it relates to how can we have a meaningful and direct impact on businesses and private individuals from a financial perspective, and hopefully give some much needed relief.

Madam Speaker, all the points raised, a number of them admittedly I had raised in my original introduction of the Bill. But it is good that Members have reiterated some to those because they are real. They are real concerns to us as well. However, even with the concerns the Government felt that it was necessary to move in this direction.

Madam Speaker, I think I have captured the points adequately and accurately that have been raised. Let me go through them and give the position or reiterate, certainly, some of the points that were made by me Friday gone.

A point raised by both the Elected Member for North Side and the Third Elected Member for George Town was how will we monitor this, especially given that the National Pensions Office (NPO) is, indeed, under resourced. And, Madam Speaker, I will be the first to say that certainly this is an area that the Government feels as though we are going to simply have to demand the private sector to assist with during this intervening period. We are all going through difficult times. The country is going through difficult times.

If you look at section 5D (1) it reads: “**An administrator shall, within 7 days of receipt of an application under section 5C, notify the applicant and the superintendant in writing as to whether or not the application has been approved; and, if the application has been approved the administrator shall certify that the applicant is an approved person by issuing to the applicant a certificate to that effect.**”

Now, Madam Speaker, that will mean, simply, that the NPO is not being charged with approving the applications because we understand how overwhelmed they are at present, and the backlog they are working under. Yes, there will still be an extra bit of paper, as it were, for them to have to grapple with. We are in the process right now of advertising for a fourth inspector. And, as I understand, I think that period (if it hasn't closed) is going to close shortly, to give them at least one other body in-house in the interim period to try to assist in this area.

As mentioned by previous Members, we will not be in a position to staff up that agency. And we might as well just be truthful to the public, we will not be able to staff up that agency to the numbers that would be required in the short to medium term.

However, the other undertaking that I can give this House, and I will be issuing a statement shortly with the overall plan for where pensions and labour are heading . . . what I can say is (I know the Third Member for George Town will appreciate this) there has been a lot of work that has gone into trying to draft and come up with suggestions that would actually make it easier from a regulatory standpoint to deal with and monitor from an administrative standpoint persons who are non-compliant and not have the NPO bogged into in-depth discussion with the Legal Department in trying to get cases to court. If we can deal with a lot more of these matters administratively

on the spot, in-house at the regulator level, that will give us the capacity to be able to dispense with cases in a much more efficient and timely manner. And that is the move that we are certainly going to be making as it relates to the single regulator that I have spoken about from an employment standpoint.

Madam Speaker, in brief, right now if a person has a health insurance, a pension, and/or a Labour Law complaint, they go to three different agencies in Government. That's three times the number of work. And the truth is the vast majority of time if there is a pension breach, there is also a health insurance breach, and there is more than likely a breach in the Labour Law. So if we have a single inspectorate, that alone is going to save resources to Government.

If we do try to ensure that we have a practical tool for them to use and interact with the administrators and use technology, we do believe a small investment down the road would go a long way along with an administrative framework that allows for settling cases in-house, not having to go into this protracted discussion and deliberations and then trying to get a case brought to court and then be at the mercy of the processes in the judiciary. If we can achieve those three things, I believe that will go a long way in the medium term in trying to address some of the real issues.

But, as I said, Madam Speaker, to address a specific concern, that is the sole reason we did not put in this Bill that the NPO would be charged for these approvals. We knew that if we put it at that level they would not get an approval out the door because they are so overwhelmed right now.

We do believe the most appropriate body that can assist in this way would be the administrators who for the most part, I believe, are a little more sophisticated and would have more capacity, and they would have the records in-house. The administrators would have the records in-house to know whether or not an employer is behind. That is another reason we put it at that level, because they would be able to look at their files and know whether or not an employer is in breach. If they can look at their records and see this employer is up to date, then they can quickly dispense with the approval to the NPO, so the NPO is fully aware that that employer has now been approved for non payment along with the employees.

The other important element we believe is very attractive is . . . I think all of us in this House would agree that the ultimate goal ought to be trying to get as much of the monies that have been withheld by employers, but have not been paid over to administrators, into people's individual accounts. That has to be the goal. If we have a holiday and give them the mechanism that this Bill is creating to come up with a payment plan, and once they have come up with a payment plan and stick to it, they can become an ap-

proved person. During that period that will greatly assist in getting people's money into their plan.

The fact of the matter is, from information we have (and I'm sure the Third Member for George Town would agree from his time), one of the things which has caused hesitation to prosecute in some of these cases has been the fact that for some of the sums owed, if you prosecute, some of these employers are going to go bankrupt and the person is not necessarily going to get his money in any event.

So, this holiday, we believe, is going to provide that breathing room that if you follow through what they need to do to get approved and the fact that they need to have a payment plan, it will give them that opportunity. And I believe if out of this it causes a dollar more than is currently in persons' accounts to be paid over, it would have been worthwhile. We need to get people's monies into their plans.

Now, Madam Speaker, the Member for North Side and the Third Elected Member for George Town spoke to and queried the difference in time and this has been a point that we certainly have deliberated on for a long time. And, Madam Speaker, as I said on Friday, the decision was taken to have a difference for one really simple reason. We see 24 months as a window that is desirable. However, we understand clearly that the ultimate responsibility for Caymanians will fall to the Government via the poor person's relief law if persons do not have adequate funds in their individual accounts to be able to retire with. And so, we were very hesitant to go more than the 12 months at this stage as it relates to Caymanians.

I agree with the Third Elected Member for George Town that on the higher skilled end (that is how I would like to phrase it) the increases in work permit fees are still going to cause non-Caymanians to be more expensive, incrementally more expensive, to hire. So it removes the argument about providing an incentive for employers to employ non-Caymanians. I agree that at the lower skilled end where work permit fees have not been as great, that there starts to be that possibility.

The one thing we want to be clear about as well, and this is the one area of this that quite frankly we do not have the statistics and numbers in this country to accurately be able to predict . . . the increases that we have given effect to as it relates to work permit fees for let's say, semi-skilled and unskilled workers (that was the worry for both Members) . . . will that increase be at least equal to the amount of contribution that an employer would have had to pay over? Because if it is at least equal, that means that even after the passage of this Bill there would not be an enhanced incentive for an employer to hire them.

The fact of the matter is that we did not increase their work permit fees because we tried to come up with what we believed (using some informa-

tion from the Statistics Office) their average income is. And remember their average income does not come near the \$60,000 cap because as the law is currently crafted, and will continue to be structured, the cap on pension contributions is your first \$60,000 of income. Five per cent of \$60,000 is \$3,000.

If you take what the average semi-skilled and unskilled worker makes, which is probably more in the region of \$24,000 to \$30,000 a year, and we start talking about the 5 per cent, we see that that gets us closer to the increase in work permit fees. But I would admit that in a lot of instances the work permit fee isn't going to be equal to the savings under this holiday. However, I hasten to say, what we have to still consider is the entire work permit fee.

There was a work permit fee in existence before. So, if we are going to use the argument about attracting Caymanians versus non-Caymanians, we still come back to the same bottom line of what the employer still has to go through, the process of applying for and acquiring a work permit.

So, in essence, if you use that as one of the measures as to a person's motivation for hiring, you would see it is still less attractive to hire a non-Caymanian. The one fact that we House have all been vexed over (and previous legislative assemblies have been vexed over) has been this whole issue about unscrupulous employers and their treatment of non-Caymanian workers and what they are able to do. I can remember standing on the floor of this House talking about a work permit being a magic wand that they hold over peoples' heads.

Now, once we have reformed pension and employment law, and we start dealing with an accreditation system in bringing that into force, and ensuring that we use legislative tools to tighten up as it relates to employers, that is going to be the litmus test that this Legislative Assembly will have to hold this Government to account for if we were able to deliver and give more teeth and support to be able to not have employers simply hire, or [it] be more desirous to hire, non-Caymanians because they can "control people more". They can control people's lives more.

We have all heard of the travesty that happens within the private sector at the lower ends. We have heard about persons having to pay their own work permits. We have heard about persons having to come to business owners personal residences on weekends and perform extra chores and all this sort of stuff. It is a shame as to what has developed and festered over many, many years in this country. However, Madam Speaker, at this stage we cannot back off on what we believe will be a positive contributor to the economy because of all this previous and currently existing mess. We are going to try to assist ourselves and our boards in a more meaningful way to be able to assist our people.

I am of the firm view that there still will be (once we have gotten a reform agenda in place and the law amended) some people who will need to be

helped out of business. And I say today on behalf of the Government that *Look, if you're going to go into business or if you are in business you have to put together a business plan that is sustainable.*

We cannot continue to have a system where persons simply ignore the law and there is no penalty to be paid. The Government is clear that a feature of the reform will be to ensure that if you are not in compliance with important legislation—like contributing to pension plans when this holiday is up—that you run the risk of not being able to obtain current and future work permits and trade and business licences. The Government gives that undertaking as part of its legislative reform.

Madam Speaker, the Civil Service, and whether or not the Civil Service should be caught in this, is a little more involved I think than the Member for North Side said. As I understand at present, the Government pays over the full dollar amount of pensions. It is not an issue that we withhold and then pay on behalf of employees. We, the Cayman Islands Government, actually fund the entire six and six. They fund the entire six and six. So there is not a direct correlation if we compare private sector to the Government sector. Now, Madam Speaker, whether or not the Government ought to look at that area in its entirety at this stage is probably something that would be, as the Elected Member for North Side has said, worthy of consideration.

The worry about people who are near retirement age is a real one, and that is one that there is no answer to. There is no easy answer to that, Madam Speaker. There is no easy answer to the people who will have approached the previous minister for pensions and, certainly, the people who have started to approach me who are within a year or so of retiring. They have their account and they are basically saying, *Look, here is my account, here is my performance over the last 24 months, I'm not going to be able to make ends meet.* Madam Speaker, that is something that the Government is simply going to have to continue to grapple with.

I am confident that this is another reason why we have gone with the 12 months for Caymanians. We recognised that there is a necessity for us to be a little more stringent because Caymanians are the people for whom Government has a moral obligation. Certainly, Madam Speaker, once they apply under the Poor Person's Relief Law, and meet the criteria, the Government is going to have to continue to foot that bill plain and simple. We have to give our people the capacity to make ends meet.

And that \$550, as all Members in this House know, is not enough to cause a person to survive. But certainly, Madam Speaker, if they didn't have it and if Government didn't fund, I think it is around \$9 million plus for poor relief, woe be unto us and to our people. That is something that we would want to increase. But, Madam Speaker, the times are tough.

Madam Speaker, the Member for North Side spoke to the investment rules. I think if we all turn our attention to the regulations that govern the National Pensions Law we will see that the Governor in Cabinet must pass regulations in Cabinet and bring them to the Legislative Assembly for an affirmative resolution to be able to change the investment criteria.

I can also say, Madam Speaker, that this is an issue which my colleague, the Fourth Elected Member for George Town, has spoken about a lot in his previous position. And certainly, he has spoken to me on a number of occasions, and I can say that the Government gives an undertaking that we are going to look at those regulations. For the next meeting of the House we have drafted regulations to come back to this House. Because, Madam Speaker, we do need to create that capacity for some of those funds to be re-invested in the country.

We are committed to that because that is very, very important. It is an important public policy. And I can say publicly to the Elected Member for North Side and the Fourth Elected Member for George Town that that is something the Government is going to do. However, the Fourth Elected Member for George Town . . . So, that is something, Madam Speaker, but we can't do it now. We cannot simply do it in committee stage because of how it is crafted. It is not in the legislation; it is actually in the regulations and there is a clear prescribed way in which we need to do that. And as I said (let me just repeat it), we need to pass the regulations in Cabinet and bring them here for a positive resolution here in the Legislative Assembly.

Madam Speaker, the whole issue of persons on the lower end and an administrator seeing a signed agreement to waive, and whether or not that was coerced is a real issue. The Government is not going to run and hide and pretend that that will not be an issue. But, Madam Speaker, the one thing that I believe is that we have to do something. As I said, there are a number of areas in this, and in my opening on Friday on behalf of the Government, I hope I made it very clear that the Government does have concerns. But the overriding interest is we need to try to get as much money into the economy as possible to try and spur on as much spending.

I was quoted in today's *Caymanian Compass* as saying (and will say it here again), "There has not been a case in the history of the world where a country has saved its way out of a recession." The less spending, the worse the situation gets. And if we can at least stop some of the haemorrhaging as it relates to the suppression on spending that has happened in the local economy, we would have done ourselves and our country good.

Madam Speaker, if I were to cover the last remaining points raised, the whole issue of the spread of cost, I brought that to the fore on Friday. I thank the

Third Member for George Town who brought that up again. And, Madam Speaker, I openly said on Friday that that is a concern for the Government. It is a concern that the narrower the number of unit holders, because it is not just the number of participants; it is also the number of units that each participant owns in a pension plan. If we look at it very simply, we take the number of participants, times their number of units, and if you take the fees that an administrator charges you will quickly see that those fees are distributed evenly. And so, the more persons in, the more units purchased would mean a lower cost per unit for fees.

On the flip side—and I know this is a side that I'll get beaten over the head by the administrators on, but so be it—on the flip side, most of their fees are structured in a way that it is based on assets under management. And so whilst there is usually a flat fee charged for the administration plus X basis points or percentage points, for let's say the first \$5 million on the administration, the next \$5 million, and it goes like that and it's on a sliding scale, the lower those numbers the smaller the fees would be. But again, albeit admittedly, it is on a regressive or sliding scale. And so that is a concern in the short term.

However, Madam Speaker, I do believe, as we all look on our individual statements, a lot of the plans have reached a relatively decent size in terms of assets under management. And so it is not a huge, huge dollar figure per unit when it comes to cost. And the fact is, we certainly hope that as the world economy turns around, as capital markets turn around, that the return on investments will continue the positive trend that has started to be seen recently in pension plans, so that by the time the holiday period has ended we will see that there would have been an overall growth, hopefully, in the reinvestment return which would more than offset fees.

The problem we have at present is that people are getting charged fees and they are losing money up until very recently on pension plans. And that has been the vexing and very concerning issue for Caymanians. And again, that is one of the reasons why we want to look at those investment rules again, and look at whether or not the model ought to be the regulations driving exactly how fund managers have to invest, therefore leaving them with not enough flexibility, especially when times are down. We need to look at that and we are committed to bringing back some regulations for this House to consider.

Madam Speaker, I hope I have explained . . . and I cannot say that Members are necessarily going to agree, but I hope I have explained why there is that difference between Caymanians and non-Caymanians because that was brought up by both Members who spoke. Madam Speaker, I hope that we have covered that because the points brought up by both Members were also the whole issue of administratively how this

works, and I mentioned that that was covered under 5D.

Now, Madam Speaker, in looking at even the amendment that we are going to be distributing shortly to Members, in clause 1, where it says, “. . . **or upon such later date as may be appointed by order made by the Governor in Cabinet**”, I have had an opportunity to speak with my colleagues and, Madam Speaker, we agree with the Third Elected Member for George Town. We are going to strike that from the legislation which would cause us, the Government, to have—

**The Speaker:** Order please.

**Hon. Rolston M. Anglin:** —to come back to this Legislative Assembly if this is going to be extended. And so we agree with the Opposition on that point that, certainly, we do not desire to simply have that power vested within the executive. Far be it from me, especially the way I used to debate on those points when I was in the Opposition, and how I used to argue feverishly on the executive giving itself too much power. And I am surprised—I guess it's been a kind morning or they forgot—that one of them didn't remind me of that strenuously.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Oh they didn't want . . . Okay.

Kind fellows! Oh my goodness!

Madam Speaker, if all debates could only happen like this. But, Madam Speaker, I thank the Opposition.

*[laughter]*

**Hon. Rolston M. Anglin:** Madam Speaker, the whole issue of the voluntary provision—I am surprised that no Member honed in on that a little more. I think during our discussions outside the microphone we adequately addressed it.

However, I want to make it very clear that the Legal Department made it very clear to the Government that we simply could not put in place a legislative mechanism that caused non-contribution to be invoked without it being voluntary. So, I am happy that all Members recognised and appreciated that. I just want to say that more so for the public who will listen to this debate, so that they clearly understand that because of the way in which pensions and employment benefits and contracts and legitimate expectation of continuation of benefits work, we just couldn't put in place or create a piece of legislation that would simply cause the nonpayment trigger to simply happen by legislative act alone, and that we must have the voluntary assent from employees.

Now, Madam Speaker, times going are tough. And the whole issue of persons nearing retirement . . .

the one thing that works in their favour is that any of them who do not want to take part in this holiday can invoke their right to not sign a waiver. Therefore they would continue to contribute and their employers would have to match.

Again, I quickly agree with the Members pointed out that a large number of persons at that age are in categories of employment that we could easily imagine that employers would have the capacity to influence them. And so we certainly hope that that would feature prevalently once this Bill is assented to and comes into force.

The other thing, Madam Speaker, that we are committed to do is to prepare a very simple bullet point press release once this is passed, that clearly outlines what this means and the steps an employer has to go through and to whom they have to apply to become approved. We think that is something which is absolutely needed. I can say that from the time the Government mentioned going this route from last July, when we first mentioned this, I have gotten enquiries on a very regular basis by companies to find out when it is going to happen and how it will work.

We do recognise that there needs to be some information shared so that companies do not inadvertently run afoul of the provisions of this piece of legislation because there is a process that they have to go through. As has been said (I'll repeat this), they have to either be current on their contributions or have a payment plan in place to become current.

So, Madam Speaker, not to anticipate debate, but, as I said, two things that I am committed to doing so that honourable Members of this House and the wider public would have the information, is clearly outlining where we are heading as it relates to pension employment regulations generally, which includes pensions, the administrative oversight in regulation of pension service, pension administrators and plans, employment law, and how all of that is going to come together.

It is a significant undertaking from a legal drafting perspective, but one we are confident we will be able to come to the public and produce a legislative framework that is going to greatly enhance the position of employees. But also, Madam Speaker, make it easy on employers too, because employers have also. . . not meaning that this would have happened to previous ministers as well. They have also complained about having more than one body to have to deal with at a time when there's a complaint made. They have the NPO calling; they have the Labour Office calling, all about the same case. If we can have all of that under one roof and have one single point of contact, that's going to make life better across the board.

Also, Madam Speaker, as has been asked of the Government, in particular asked of me with responsibility for private sector pensions, I am going to seek permission and issue drafting instructions for changes to pension regulations so that we can have a



proposal for positive affirmation here in this Legislative Assembly by the next Meeting of the House. As, as I said, the Fourth Elected Member for George Town has brought that to the fore as a point that he wanted addressed and dealt with. Also brought to the fore this morning on the floor of the House during the debate by the Elected Member for North Side.

So, Madam Speaker, I hope that those comments have addressed the major points. I hope it has clarified Government's thinking on some of the provisions but, Madam Speaker, more generally just openly and truthfully spoken to some of the worries of the Government with the provisions, looking at the big picture and saying to the House (and more generally to the country) that whilst we do have those concerns we have to act. We have to do something. We need to try and get as much cash in this economy as possible. That is something that we all know is of vital importance if we are going to get the economy turned around.

I thank Members for their support. The Opposition indicated that they were going to support. The Elected Member for North Side stated that he was leaning towards support. Hopefully after this, Madam Speaker, now he has fallen on the side of support and we can enjoy a nice peaceful morning and a vote that shows the country that we are willing to work together even when we all have concerns and worries about a piece of legislation, but that we see an overriding good causing us to act.

Thank you, Madam Speaker.

**The Speaker:** Thank you Honourable Minister.

The question is that the National Pensions (Amendment) Bill, 2010, be read a second time. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The National Pensions (Amendment) Bill, 2010, given a second reading.**

#### **Bail (Amendment) Bill, 2010**

**The Clerk:** The Bail (amendment) Bill, 2010

**The Speaker:** Honourable First Official Member, Deputy Governor. Second Reading.

**Hon. Donovan W. F. Ebanks, Deputy Governor:** Thank you, Madam Speaker.

Madam Speaker, I would like to move the Second Reading of a Bill entitled, The Bail (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the Member wish to speak thereto?

**Hon. Donovan W.F. Ebanks, Deputy Governor:** Thank you, Madam Speaker.

Madam Speaker, just to state very briefly that this amendment essentially seeks to extend to a police officer the power and privilege that currently extends to an officer of the court, the granting of bail to an individual who is subject to curfew conditions.

Madam Speaker, the capability has been introduced to electronically monitor the movement of persons through a device attached to the person and, in circumstances where a curfew is imposed, the court currently has the power to also require the individual to be fitted with an electronic monitoring device.

There is an electronic monitoring—

*[inaudible interjection]*

**The Speaker:** Please direct the questions through the Chair.

The Member is presenting, there will be a time for you to voice your opinion.

**Hon. Donovan W. F. Ebanks, Deputy Governor:** Madam Speaker, there is a unit which has been established in association with the 911 Emergency Communications Unit, which is responsible for fitting and monitoring these devices.

Essentially, because the units are GPS based or operate on GPS technology, the capability exists to create electronic fences that either: an individual can be required to remain within, and if the individual goes out the alarms are activated or communicated to the monitoring individual; or around a location or an area to keep an individual out of that area.

But in curfew situations generally, one would expect that the individual would be confined to a location, most logically their home, and, as such, if they left those precincts, whatever radius they were set at, the device would activate the appropriate alarm and the individual responsible for monitoring would be alerted.

It is a capability, Ma'am, that certainly will be welcomed by the police. Oftentimes some of the individuals that they deal with, particularly in relation to property crimes, are individuals who having come to their attention, having been arrested and investigations having commenced, they may be in a situation where there is strong evidence or sufficient evidence that the individual has committed one offence but there may be various other offences that the police wish to complete investigations on and, as such, the individual becomes a candidate for bail.

There have certainly had enough incidents where those very people who were afforded bail and to whom curfew restrictions were imposed on occa-

sions have continued to commit other offences. This facility will afford the opportunity for the police to know whether in fact they are complying with the condition of their curfew, because if they are staying in their own household or wherever they are confined to, then obviously they won't be committing other offences.

So, Madam Speaker, this amendment will simply allow the police to utilise an electronic monitoring device where a person is in their custody and to whom they will propose to grant bail and impose curfew conditions. This will allow them to also, if they see it appropriate, require the individual to be fitted with a monitoring device as one of the conditions of the bail.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, just to indicate the support—

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Sorry, Ma'am.  
Just to indicate the support of the Opposition.

**The Speaker:** Thank you, Member for George Town.  
Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

Third Elected Member for Bodden Town.

**Mr. Dwayne S. Seymour:** Thank you, Madam Speaker.

I would just like to ask the First Official Member if the facility of this electronic monitoring, which I am in support of, will be set up to operate in the Sister Islands. And will it also be placed on juveniles?

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the mover of the Bill to exercise his right of reply.

**Deputy Governor, Hon. Donovan W. F. Ebanks:** Thank you, Madam Speaker.

Madam Speaker, obviously the legislation applies to all three Islands. And the monitoring capability while it is based here is also applicable to all three Islands.

The actual fitting of the device is something that, once this facility is approved, the skills can be shared with the officer or officers in the Brac in an in-

stance where they may have a situation over there where they would also wish to fit a device.

With respect to the other issue the Member raised in terms of juveniles, there are no specific provisions in the Bail Law, to my knowledge, that relate to distinguish juveniles from adults. But I would have thought where juveniles are in custody and where, again, bail is being considered with a curfew condition, there may well be situations where if there is a history of a juvenile absconding from his control arrangements, that the device may be appropriate. And, certainly, the device is not one that's in any way intrusive or physically incapacitating or even necessarily one that is obvious that an individual is wearing. So, I would expect that a juvenile certainly could be eligible subject to any other overriding concern that I may not be aware of at this time.

Otherwise Ma'am I wish to thank other Members for their support and commend the Bill to all Members.

**The Speaker:** The question is that The Bail (Amendment) Bill, 2010, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes.**

**Agreed: The Bail (Amendment) Bill, 2010, given a second reading.**

**The Speaker:** I think we will take the lunch suspension at this time and return at 2.45 pm.

**Proceedings suspended at 1.24 pm**

**Proceedings resumed at 3.37 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

## **SECOND READINGS**

### **Criminal Evidence (Witness Anonymity) Bill, 2010**

**The Clerk:** The Criminal Evidence (Witness Anonymity) Bill, 2010. Second Reading.

**The Speaker:** Second Official Member.

**Hon. Samuel W. Bulgin:** Thank you, Madam Speaker.

I rise to move the Second Reading of a Bill entitled, The Criminal Evidence (Witness Anonymity) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**Hon. Samuel W. Bulgin:** Madam Speaker, in general, this Bill seeks to make provision for the protection of

witnesses and thereby allow for the making of an investigation anonymity order by a magistrate in relation to a person who is willing and able to assist the police with a criminal investigation in circumstances where that person would not otherwise do so out of fear of harm.

This Bill also makes provision for the making of a witness anonymity order in relation to a person who is able to give evidence in actual criminal proceedings where that person would not otherwise do so, again, Madam Speaker, out of fear of harm.

[Clause] 1 of the Bill provides the Short Title, and [clause] 2 defines various terms, such as “common law anonymity order,” “criminal proceedings,” “investigation anonymity order,” and “witness anonymity order.”

[Clause 3] clarifies the application of the law as it applies to investigations and criminal proceedings that are already in progress. In other words, Madam Speaker, this clause really sets up a sort of a transitional arrangement, a transitional regime.

Just for the benefit of others, the Bill makes a distinction between the investigation stage when persons might wish to be granted anonymity and also having progressed from that stage to the stage where there are actual proceedings, charges laid, and there is a hearing and a trial. That is referred to in the Bill as “criminal proceedings.”

Part II of the Bill under the rubric of anonymity in investigations deals with, among other things, the anonymity during an investigation in qualifying offences and the commission of the offence in instances where the offence involved the use of a firearm or other offensive weapon. And the specific offences referred to in clause 4 are those of murder, attempted murder, manslaughter, robbery, attempted robbery, and of course rape, which would also encompass an attempt.

Clauses 6 through 9 discuss in detail the granting of an order by a magistrate in relation to a specified person, thereby, prohibiting the disclosure of information and the specifics of that person who is willing and able to assist a particular investigation. These clauses go on to explain who may make an application for an investigation anonymity order, namely the Commissioner of Police and the prosecutor (which in due course would be the Office of Director of Public Prosecutions).

It also deals with the condition for making an order and where a magistrate refuses an application and the circumstances of an appeal against a refusal. It provides that if the magistrate is approached for an order, and the magistrate is going to refuse to make the order, she is nonetheless required to make the order. And such an order will remain in place until an appeal is heard and dealt with against her refusal. So it will preserve the position pending the outcome of an appeal.

Clause 10 of the Bill details the circumstances whereby a magistrate may discharge an order and who may be a party to the proceedings on application, that is, who other than the applicant may be a party to such an application, and the circumstances to be considered by the magistrate in deciding whether to discharge the order.

Part 3 is relevant to actual criminal proceedings and orders that can be made there. Madam Speaker, this part discusses the reasons a court may make a witness anonymity order and the measures that may be required to be taken in relation to a witness to which an order applies. These include measures of security—for example, a witness’s name and other identifying details to be withheld or removed from the materials to be disclosed to the other party, or the using of pseudonyms, the modulation of a witness’s voice (with the aid of appropriate technology).

Clause 11(2) speaks to these measures that a witness may use a pseudonym, that the witness is not to be asked any questions of any specified description that might lead to the identification of the witness, or that the witness is screened to a specified extent or the witness’s voice is subject to modulation to a specified extent.

Madam Speaker, clause 12 explains the circumstances in criminal proceedings under which a prosecutor or the defendant, quite instructively, a defendant, may apply for an application for a witness anonymity order. Madam Speaker, it is contemplated that in most instances where a defendant will apply for such an order will probably be where there is more than one defendant and one is hoping to call a witness and would wish for the identity to be withheld from a co-defendant in those circumstances. That is the most usual circumstance in which this happens.

The prosecutor or the defendant may apply for an application for a witness anonymity order and clauses 13 and 14 specify the conditions that must be met for an anonymity order, how it is to be determined whether the measures to be specified in the order are necessary to protect the safety of the witness or other persons, or to prevent serious damage to property or prevent real harm to public interests.

Madam Speaker, if I might just clarify there what is meant by preventing serious damage to property. What is contemplated here is not just an order to prevent someone from simply destroying someone’s property, but usually where there is “held on safety” issue. For example, a potential witness might be intimidated or caught up in circumstances where someone might want to try to bomb his house or something. The real fear there is to harm or intimidate a witness. But in doing so there is deliberate damage to a person’s property in those circumstances. Those are to be covered under the language in this legislation.

Madam Speaker, for what it is worth, clause 13(1)(a) . . . just for the purpose of the record, under clause 13, conditions for making an order, it reads:

**13. (1) Upon an application pursuant to section 12, the court may make a witness anonymity order only if it is satisfied that the following conditions are met -**

**(a) that the measures to be specified in the order are necessary -**

**(i) in order to protect the safety of the witness or another person or to prevent any serious damage to property; or**

**(ii) in order to prevent real harm to the public interest, [And public interest invariably involves cases where there are undercover agents involved, so there is wider public interest.] whether affecting the carrying on of any activities in the public interest or the safety of a person involved in carrying on such activities, or otherwise;**

**(b) that, having regard to all the circumstances, the taking of those measures would be consistent with the defendant receiving a fair trial; and**

**(c) that the importance of the witness's testimony is such that in the interests of justice the witness ought to testify and -**

**(a) the witness would not testify if the proposed order were not made; or**

**(b) there would be real harm to the public interest if the witness were to testify without the proposed order being made.**

I mentioned about the public interest. Usually in most places where this is used you might have undercover officers who are involved in any number of things—purchasing drugs, sting operations and so. And, clearly, if their identities are masked, then such persons have to be taken out of commission. And there is a wider public interest that is going to be harmed in that he will not be able to assist in mitigating, detecting or otherwise dealing with those sort of activities. So there is a wider public imperative that needs to be addressed.

Madam Speaker, most instructively, clause 15 of the Bill provides that a judge shall give a jury an appropriate warning to ensure that the order that is made in relation to the witness does not prejudice the defendant. That is, Madam Speaker, the entire circumstance and desirability of withholding anonymity of the witness is taken into account ensuring that the defendant receives a fair trial.

So, Madam Speaker, the Bill, if it becomes law, contemplates that there will be stringent safeguards in place to ensure that within all of its parameters the defendant still receives a fair trial.

Clauses 16 and 17 deal with the discharge or variation of an order and that is both . . . after criminal proceedings have come to an end, sorry. And clause 18 discusses the issue of variation by way of the process of appeal.

I should say, Madam Speaker, for the benefit of honourable Members, that it is my intention to move certain amendments at committee stage.

Madam Speaker, the remaining portions of the Bill deal with the issue of common law anonymity orders and how those will be dealt with once this law comes into effect [and], of course, the usual jurisdictions of the court to grant an order where there is an application for public interest immunity issues.

Clause 23 provides that the Attorney General shall review the operation of this law and prepare a report of that review as well as lay a copy of the report before this House at the end of a period of two years from the commencement of this law (which, in effect, Madam Speaker, is a stock-taking exercise), the workings of the law and the desirability of continuing to have it on the books and to what extent it needs to be modified and/or disposed of at the end of that two year period. So there is a stock-taking exercise to be done by way of report back to this House.

Clause 24 allows the Governor in Cabinet to make regulations, which is quite a standard clause to do anything that is necessary or convenient for the carrying into effect of this law.

So, Madam Speaker, I alluded at the beginning of my presentation that this Bill seeks to make provision for the granting of anonymity orders. And the effect of such orders is to prevent the defendant or his legal representative from knowing the identity of a witness in a qualifying offence in circumstances where the court considers it necessary to do so and that in the instances of a trial the defendant will, notwithstanding the granting of the order, be able to receive a fair trial as we all come to know that.

Indeed, Madam Speaker, in recent times these Islands have experienced a very high level of anxiety as a result of some of the heinous crimes that have been committed with the use of firearms. Madam Speaker, the response of this House has always been, understandably, to provide the necessary legislative support to help combat such problems. This response is consistent with what has been done in the past with other efforts made when this House amended the law to allow for witnesses' statements to be admitted into evidence with the leave of the courts where witnesses kept away from giving evidence because of fear or some for other means.

Madam Speaker, we recall that some time ago this House also passed what is called anti-gang legislation, as well as increasing the sentence of certain offences including the use of firearms. The Legislative Assembly also amended the Penal Code to outlaw the carrying of certain articles or weapons—machete, baseball bats, et cetera—in certain public places, such as cinemas and the parking lots of these

places. The law was also amended some time ago to deal with the issue of parole eligibility for persons convicted of certain serious offences.

Madam Speaker, one may ask why all of this is relevant. It is relevant because it demonstrates that when necessary this Legislative Assembly has always acted to put in place the necessary legislation to assist with combating crime problems that these Islands face. But as we are to be sharply reminded these days, we will not be able to legislate our way out of this scourge that is plaguing our country. No amount of legislation is going to tame the beast that is haunting us.

What is required, Madam Speaker, among other things, in addition to the measures that Government is putting in place, is what we often like to refer to as "people power." That is the willingness of members of the public, among other things, to come forward and provide information about crimes that are being committed.

So, we need to bear in mind that no amount of increase in police officers, no amount of legislation or CCTV, no amount of stops and searches will eradicate the crime problem unless as a country we can repose our trust in someone—a pastor, a police [officer], a school teacher, doctor, someone—who will pass on vital information to police about crime.

We are now at a stage, Madam Speaker, if I might say so, where we have to trust someone to tell what we know, whatever it is that we witness, irrespective of how insignificant we think that bit of information is. It might very well be that one bit of information that the police have been trying to find will then provide the missing link in a chain that we have all been trying to put together.

Madam Speaker, some may argue that the culture of silence is understandable given, among other things, the sheer size of our community. Of course, what goes along with that is a degree of familiarity, among other factors. But what must be equally understood is that we are now at a stage where we have to be the collective eyes and ears of our community in order to counter this level of viciousness that we are encountering.

So, Madam Speaker, the bit of legislation that is being debated here today will only be as effective as the users allow it to be. A witness will only be designated as anonymous if he/she is willing to come forward and give a statement or give some information in the first place, and be anonymous by staying away.

Equally important has to be the responsibility of those who will be administering this law to ensure that its integrity is not breached and, thereby, causing the public to lose confidence in its workings. That is, the workings as it relates to protecting those who are supposed to be protected by it. We all need to bear in mind that it would just require one breach for the

whole thing to unravel. So, those of us in authority who are asking for the public's cooperation in coming forward also have a serious responsibility to ensure that when witnesses do come forward that the State upholds its side of the bargain in not disclosing the identity and thereby exposing them or their families to any potential harm.

From time to time, but mostly in recent times, there have been a number of cases involving murders or attempted murders with the use of firearms in which witnesses have found themselves the victim of direct or indirect intimidation. Many of these cases involve an undercurrent of gang activity where the intimidation is both subtle and disturbing and thereby has the direct effect of perverting the course of justice in these cases.

That, among other things, is what has prompted the Commissioner of Police to call for legislative changes which would provide anonymity of witnesses and also, where necessary, advocate that there should be some "judge alone" trials. It is the wish that these measures will ensure that the best evidence is presented to a court once the issue of fear and intimidation is addressed.

Madam Speaker, these Islands (in particular Grand Cayman) are undergoing a change in crime dynamics and a cultural shift where violence and the use of firearms has radically impacted the willingness of persons to come forward and provide information to the police. So it is necessary that the level of intimidation be halted.

As legislators we are acutely aware that every accused person has a right to a fair trial, one in which a very important component is general right of the accused to be confronted by and challenge those who accuse him of committing a crime. It is commonly referred to as the concept of open justice. So the concept of witness anonymity is therefore a very fundamental step and should only be taken where there are genuine grounds to believe that a court would not otherwise hear evidence that should be available to the court for a fair disposal of the case, and, of course, in the interest of justice for all, including the interest of a victim, the interest of witnesses, the interest of the defendant, as well as the interest of the wider public.

In closing, I would just wish to assure this House that in crafting this piece of legislation every care was taken to ensure that it was not incompatible with Article 6 of the European Convention on Human Rights, even instances where that evidence might be the sole or decisive evidence against an accused person. Although it is hoped that in instances where such a procedure is going to lead to a conviction (that is, where the evidence of anonymous witnesses is the sole or decisive factor in a conviction) it is our hope that it will be extremely rare if ever at all. But, at the end of the day the general concept has to be that within all that is being advocated, the sacred principle

that an accused person shall receive a fair trial has to be guarded.

Madam Speaker, in ensuring the fairness of the proceedings for all, and to guarantee or enhance an accused person's right to a fair trial, other supporting efforts will have to be put in place to ensure that there is adequate disclosure on the part of the Crown of all relevant material to the defendant especially in instances where a conviction or the issue turns on accuracy or credibility of a witness' evidence. The prosecution, the Crown, will have to ensure that there are adequate measures in place that will undertake all necessary disclosures to assist a defendant to the extent possible testing the credibility of a witness and also the accuracy of any evidence that is provided in those circumstances.

Finally, Madam Speaker, just to let this honourable House know that in crafting this Bill we have had significant input from our colleagues in the United Kingdom where this practice is already in place. We have had input from experts from the Ministry of Justice, in particular their Criminal Procedures and Evidence Section, and the Better Trials Unit of the Office of Criminal Justice Reform. We consider that their effort is very crucial, given that they have some experience in this. And also in ensuring, since the ultimate obligation as it relates to the obligation under the European Convention on Human Rights is the United Kingdom as a party, that it would be important to ensure that we have their input on the matter in moving forward.

They were very helpful in helping us to shape the Bill and craft it and to take it to the stage for presentation. The practice, as we know, is also in place in New Zealand, so it is really not uncharted waters, as far as the Cayman Islands is concerned.

Madam Speaker, with that background, I commend this piece of legislation to this House, which is unusual, but in the circumstances necessary. Thank you.

**The Speaker:** Does any other Member wish to speak?

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I wish to offer a short contribution to the debate on this very important Bill just introduced by the Honourable Second Official Member, the learned Attorney General.

As the Member has acknowledged, this is an extraordinary piece of legislation. It may be viewed as an extreme response to what is a grave situation in these Islands as it relates, not just to crime, but the successful prosecution of those who are charged with serious offences.

Madam Speaker, it is extreme in the sense that it runs counter to what until recent times was considered the right of an accused to be able to confront

those who allege his responsibility for a crime. The fact that this legislation actually allows, in both the case of an investigation as well as the case of a trial, for information to be given and evidence to be given without the identity of the witness being known to the accused is extreme. It is something that until fairly recently I would have said I could not be convinced that we should adopt such extreme measures.

But we live, as the old man in East End used to say, "in perilous times." And we do not have to speculate, we do not have to inquire any more about whether or not this is necessary. We know that there are many instances, in fact many more than we would like, where people are simply afraid to get involved because of the potential consequences to them or their family members. This Bill is an attempt to give some degree of confidence to those who could possibly assist with the investigation and prosecution of persons charged with serious offences because the provisions of this Bill are limited to serious offences—murder, attempted murder, manslaughter, robbery, attempted robbery and rape.

Madam Speaker, there are provisions in the Bill (and the Attorney General went through some of them, and I do not really propose to go through them in any detail) which require the court to be satisfied of one overriding consideration. And that is that the accused is able to have a fair trial. That is absolutely critical because as much as all of us want those who are guilty of an offence to be prosecuted and suffer the penalty, none of us wants the wrong person convicted. One of the grave concerns that everyone ought to have is to ensure that not one innocent person actually winds up on the wrong end of a decision because of evidence given which was not able to be challenged properly because the identity of a witness was not known to the defence.

So, the provisions in clause 13 and those in clause 14 require the court to take into account, take into consideration, when it is deciding whether or not to make an anonymity order, to bear in mind the general right of a defendant in criminal proceedings to know the identify of a witness—which is the general rule—the extent to which the credibility of the witness concerned would be a relevant factor when the weight of his evidence comes to be assessed.

Madam Speaker, if, in fact, the witness has a reputation for dishonesty, the court would have to be very careful about conferring an anonymity order because that is a factor which obviously any competent defence counsel is going to challenge. If you have a reputation and a history of lying, then the court ought to know. The tribunal hearing the matter, whether it is the judge alone or the judge and the jury ought to be aware of that.

Other considerations include whether the evidence given by the witness might be the sole or decisive evidence implicating the defendant. I would hazard that in such circumstances the court ought to be slow to grant an anonymity order. If a man is to be

convicted based on the sole evidence of one witness whom he does not know, or whose identity he does not know, that is likely to be an unsafe and unsatisfactory conviction. Whether the witness' evidence could be properly tested, whether on grounds of credibility or otherwise, without his identity being disclosed, whether there is any reason to believe that the witness 1) has a tendency to be dishonest; or 2) has any motive to be dishonest in the circumstances of the case; and, finally, whether it would be reasonable or practicable to protect the witness' identity by any means other than making the anonymity order.

Madam Speaker, the legislation has borne in mind the fact that the result which it seeks is extraordinary, that it does provide challenges to the fairness of a trial, and that the court needs to be even more conscientious than it usually is in these matters in deciding whether or not an anonymity order ought to be made.

That, Madam Speaker, brings me to another point that has been the subject of much debate and discussion in this House and elsewhere. And it always gets everybody's blood pressure up when talked about. And that is the question of legal aid. There is a strong school of thought in this country and, indeed, in this House, that believes we ought not to be paying significant sums of money to have persons charged with serious offences, particularly those before the court, properly represented. *How can we be paying money for those murderers? Those rapists?* I hear it from Members in this House, I hear it out on the street; I hear it, quite frankly, even in my home.

But as the learned Attorney General has acknowledged . . . and I am thankful that he has done so publicly, because I know the views expressed by him are not shared by all Members on the Government bench. Indeed, some of the principal members on the Government bench appear to have a different view.

Madam Speaker, may I add my voice to that of the Attorney General's? If we do not have a system that ensures a fair trial of all who come before it, the entire house of cards collapses. A person is not a rapist or a murderer or a robber until he or she has been duly convicted by a court of competent jurisdiction. The fact that the police have picked him up, the fact that he is charged and before the court is not enough. For if that were the case, Madam Speaker, all of us are at risk of trial by police officers or by prosecutors, not by a court of competent jurisdiction, not by a jury of our peers.

The foundation of the system of justice that we have is that all are presumed innocent until proven otherwise. And while that is expensive, while that creates all sorts of hurdles and issues and problems, such as the one that this Bill seeks to redress, it is one of the tenets of the kind of society and the system of government and the system of justice that we have. It

is, in the broadest possible sense, part of the democratic system.

I say that, Madam Speaker, to say this: It will be even more imperative after we pass this Bill than it ever was before that every person charged with a serious offence before the court has competent counsel, competent representation, because these provisions significantly erode what until now has been accepted as one of the important rights of the accused—to confront his accuser.

So, Madam Speaker, I know that all of this has been considered by the Honourable Second Official Member, the Attorney General. I know he acknowledges it. But I do hope that it has not been lost on the Government—and particularly the Government front bench—because the whole issue about what we do about legal aid is still very much hanging. I hope that if they need more convincing that this sort of provision, or these sorts of provisions—which are absolutely necessary, and have the Opposition's full support—that that support is conditional upon our belief, our hope, our trust, that the principal tenets of our judicial system will be upheld, if not improved upon. And one of those is that the accused gets a fair trial.

And that in order to get a fair trial it is critical, even more so than ever before, that he or she is adequately represented. And the only way we can do that is to have an effective legal aid system, which means we have to fund it adequately and it has to be able to employ experienced, competent counsel to defend even those that some on the other side prematurely accuse of being rapists, murders, robbers and the like.

And I say prematurely because they come to the conclusion before we have the outcome of a trial. The fact that the police pick them up and everybody believes they are guilty does not make them guilty. And we must not compromise the process and compromise the system because you will end up with a compromised verdict which will be viewed . . . not only is it wrong, but for those who could care less whether you got the wrong person convicted, it means almost inevitably that on appeal the verdict is going to be determined by the Court of Appeal to be unsafe and unsatisfactory because the individual was not adequately represented—on that alone.

Madam Speaker, the learned Attorney General, the Second Official Member, also spoke about what has happened to this little country in recent times and how much we have changed. I always say that Hurricane Ivan was where I really, truly understood what had happened to us as a people. I saw things in the aftermath of that hurricane, I saw people doing things in the aftermath of that hurricane that made me realise that we had some serious, serious issues in this country—that, in fact, we were not the peaceful people that we like to say we are. That, in fact, there was considerable lawlessness, obviously in the hearts and minds of many of us.

I am not judging this on what people told me, because I could judge it on that. I am talking about what I personally witnessed in the immediate aftermath and in the days and weeks that followed as we moved about. But that seemed to me to be something of a watershed and, quite frankly, ever since then it seems that until recently while it moves in fits and starts, the level of violence and audacity of those perpetrating various crimes just seems to grow and grow with every passing week and the situation just gets worse and worse. It is to a point now where the fact that shots are fired in a particular area on a particular night does not really cause a great deal of surprise.

We are starting to become de-sensitised because of the level of crime. *If that's all that's happened, just some shots fired, thank God that's all that happened; at least nobody got killed.* That is how we are starting to view these things.

Madam Speaker, I could be here for the rest of the afternoon, and so could all Members, for the rest of the night, probably, if we started delving in this debate on all of the social reasons and all of the things we believe have actually contributed to how we got to where we are today. But I do not believe that ought to be the subject of this debate. We are talking right now about measures that are being taken to simply assist, in this case with the successful prosecution of those charged with serious offences. I will not take the discussion down that particular road, although that is an area that I have thought about a long time and have, on occasion, spoken about at some length.

But I am going to say, Madam Speaker, that this Bill, like the one that came before it, the amendment to the Bail Law, which will permit now electronic monitoring of those charged, or even those out on police bail for serious offences. But to say that these are all bits and pieces, these are all components of what ought to be an overall strategy to assist with crime prevention and the successful prosecution of offences.

Madam Speaker, that is what is missing, has been missing for a long time, from the way we are trying to deal with these issues. We have to get to a point where there is a national strategy articulated, one which has buy-in from a large cross-section of this community. While these bits and pieces—

**The Speaker:** May I interrupt the Member please for a minute?

#### **Moment of interruption—4.30 pm**

**The Speaker:** It is after the hour of 4.30. We need to suspend Standing Orders.

#### **Suspension of Standing Order 10(2)**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we plan to complete business on the Order

Paper today, so I want at this point to suspend the relevant Standing Order in order for the House to continue business until the business on the Order Paper is completed.

**The Speaker:** The question is that the relevant Standing Orders be suspended to allow the Bills on the Order Paper to be completed today.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 10(2) suspended.**

**The Speaker:** Third Elected Member for George Town, continue your debate please.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

When we had the interruption, I was saying that these pieces of legislation, this Bill and the one which preceded it, and many of the others that we have introduced over the course of these recent years, are all bits and pieces which actually help the police to do their job, the prosecution to do their job, and hopefully remove technical hurdles or obstacles to ensure that those who are responsible for perpetrating crime actually get properly convicted.

They are all necessary. And I am sure there are going to be more if things do not improve. And there is no sign, so far, that things are going to improve as far as a lessening of serious crime. We must have that national discussion about the situation with crime and what is contributing to it and how we can help prevent it. And we must develop national crime prevention and prosecution strategy.

Madam Speaker, the National Security Council has been established under the new Constitution. We are looking forward to it becoming functional. Hopefully that will help to get the elected Government and the broader community more involved in the policymaking that is necessary if we are to deal with these issues.

The Second Official Member spoke about people power and the need for people to become more involved in all of this. Unless, as I said earlier, we get a national buy-in to the strategies we have been employing to try to deal with this issue, that will never happen. Unless the public becomes more confident about the handling of these matters by all of those involved—the police, the prosecution, the courts, the entire system—that is not going to happen. And that is key to reducing the level of crime in this country. If everybody in this community feels it his or her duty and responsibility, as they ought to, to assist—not to cover up, but to expose and to help prosecute those who are responsible—the numbers of



. . . well, the first thing we are going to do is take those who are responsible off the streets at a quicker rate and hopefully keep them off the streets so we will reduce the number of existing ones.

But, Madam Speaker, that will also give us an opportunity, hopefully, to make some of the interventions that we need to make at the social level, at the education level, to help avert a new generation of criminals from coming up.

Madam Speaker, with those few sentences I want to thank you and this honourable House for your indulgence and to indicate formally, as I did when I started, the Opposition's support for the Criminal Evidence (Witness Anonymity) Bill, 2010.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, just to be very brief to say that the Bill is before this House to help address the crime committed in these Islands. This is used as a fighting stick against the crime committed. The Government has brought this Bill here because we feel it can help.

I heard the language used by the Third Elected Member for George Town, in particular about legal aid. I was wondering how far he was going to take it. I listened to him carefully. Of course, his job is to try to throw cold water on what the Government is doing.

On the one hand we have a high crime rate of the worst kind and we are trying to deal with it in all shapes and forms. Madam Speaker, we cannot make criminals feel that they can do anything they want and get away with it. In other words, we cannot mollycoddle (the words I like to use) the criminal element because you can talk about it in the sense that you have human rights. The fact is that the Government is attempting to address this matter of legal aid properly to get a system we are all satisfied with, including the legal fraternity, Madam Speaker. But I have not heard that Member say anything about how it should be paid for.

I just have to keep wondering why, when people like him rise to speak on things that affect his fraternity, he cannot talk about the impact, the cost figure, what it costs the country and that, yes, when he admits that people feel hard when we have to pay \$1 million to get what he called "good" legal advice for the criminal who rapes a woman and then burns her.

I have not heard any suggestion from him as to how to cure it, how to get the money. We have to have the money. That is all the Government has been saying; that there has to be a proper system, one that

we can fund properly. But the Government has to have that money available. You can get up and use all the flowery language you want to use, and all the legal terms you want to use and you can make the strongest case as to the need for it and why it should be.

No one wants a situation where people do not have access to legal aid. However, I keep wondering how far we can take it and whether, in fact, the way we provide it is not assisting the minds of the criminal element in saying, *I can do this because sentencing is soft and if I happen to get a lifetime sentence I will get some of that taken off and I will get out at some point* like is happening right now. Has the Member ever thought to address that?

And perhaps those same ones that watch and lay in wait for young women and rape them and then burn them up, perhaps they are waiting on people like the former Minister and the last Member who spoke. Perhaps they are waiting to see just how much defence they can get from people like him and frighten off the Government. Perhaps that is what it is all about because there is nothing to scare these criminals. What is there to scare them? Nothing there to scare them!

Madam Speaker, we can stand and talk all day long about the need for legal aid. At the end of the day the Government has to have the money. We have to have the money. If we do not have the money, what do we do? Do we cut the vote for the old people? Do we cut education in schools? Do we cut things that are programmed for prevention?

These are tough questions because we all recognise that when you go before the court you should have some means of defence, somebody to talk for you. But then you should not try to go before the court. You should not burn people up. You should not shoot people. You should not lay in wait and fire guns into cars and kill four-year old children. These are the realities that we face. That is the kind of thing the Government has to get money for, this so-called better system.

Anyone here who wants to get up after me should talk about how we get the money and whether in fact we are not encouraging what we are trying to kill out on the one hand, and stop on the one hand, because we vote in this House millions of dollars over the years to help them out. And then when they go to prison, we have to feed them the best in the world, we have to treat them as the best in the world.

Are we getting anywhere or are we spinning wheels?

Oh, I believe in education, I believe in prayer. I believe in all of that. I believe that we should get a system, yes, that tells us . . . we have one, I just saw it recently, a meeting to discuss this element of criminality, a report that was done when—

**An Hon. Member:** 06.

**The Premier, Hon. W. McKeever Bush:** 06?

Where did that report go? On the shelf.

Now we have to sit down and hear calls about we need education. The time to have done something was when you had the authority to do something.

I get kind of peeved, Madam Speaker, when we hear eloquent speeches admonishing Members of this House and the Government Front Bench about voting large sums of more money and more money for legal aid. If he had not gone there I would have said he made a good speech. You do not need to come to admonish this Government about the rights of people. But, by God, at the same time what about the responsibility and the responsibilities of people? They must just go on a rampage and rape and kill and burn and shoot down children and then we must come and find the money. Think about that, honourable Members. Think about it.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

I will call on the Second Official Member to wind up the debate.

**Hon. Samuel W. Bulgin:** Thank you, Madam Speaker.

I would like to thank honourable Members for a very spirited contribution to the debate. There is not really much more for me to say, other than to indicate that in order to ensure consistency and certainty in how the process works, the United Kingdom's Attorney General and the DPP both issued what they call guidelines to assist the workings of this legislation. And to ensure that we get it right we intend to adopt those guidelines with the necessary modification, of course, in moving forward.

There is also other supporting legislation and administrative systems that will be required before the legislation itself can be fully effective. Those are matters that the court users and others will address in the coming days at a meeting to be convened to address that.

Just to say that given the import of this piece of legislation it would have been understandably more desirable for it to have gone its entire 21 days of public consultation. But there was some degree of urgency in moving it forward. I made two attempts to get in touch with members of the defence bar, but time constraints did not allow that. But the Bill itself is self-explanatory.

In my presentation I tried to be as comprehensive as I could. So I am hoping that in due course they will appreciate what we are trying to do here. With those closing comments, I thank honourable Members of this House for the support provided.

**The Speaker:** The question is that a Bill entitled, The Criminal Evidence (Witness Anonymity) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Criminal Evidence (Witness Anonymity) Bill, 2010, given a second Reading.**

**The Speaker:** The House will now go into Committee to consider the Bills.

**House in Committee at 4.49 pm**

## COMMITTEE ON BILLS

**The Chairman:** The House is now in Committee. Please be seated.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses.

### Monetary Authority (Amendment) Bill, 2010

**The Clerk:** The Monetary Authority (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment to section 2 of the Monetary Authority Law (2008 Revision)—definitions
Clause 3	Amendment to section 4—private sector consultation
Clause 4	Amendment to section 6—principal functions of Authority
Clause 5	Amendment to section 11—board of directors.

**The Chairman:** The question is that clauses 1 through 5 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 5 passed.**

**The Clerk:**

Clause 6	Amendment to section 34—relations with banks and other financial institutions
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Clause 7	Amendment to section 35—assistance in obtaining information
Clause 8	Amendment to section 48—regulatory handbook
Clause 9	Amendment to section 51—memoranda of understanding
Clause 10	Insertion of section 52—disclosure of regulations
Clause 11	Repeal and substitution of Third Schedule—private sector associations
Clause 12	Savings and transitional provisions

**The Chairman:** The question is that clauses 6 through 12 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 6 through 12 passed.**

**The Clerk:** A Bill for a Law to amend—

**Mr. Alden M. McLaughlin, Jr.:** Madam Chair, sorry.

I just wanted to remind Government, or the Premier, in particular, that those amendments which he proposed this morning—

**The Premier, Hon. W. McKeever Bush:** On the Monetary Authority Bill?

**Mr. Alden M. McLaughlin, Jr.:** On the Monetary Authority Bill.

**The Premier, Hon. W. McKeever Bush:** No, no. There was not an amendment.

What I said was that the Cabinet will delegate to the FS.

**Mr. Alden M. McLaughlin, Jr.:** So, Madam Chair, that does not need a legislative basis? I would have thought that needed a legislative basis.

**The Premier, Hon. W. McKeever Bush:** No.

My advice is that we do not.

**Mr. Alden M. McLaughlin, Jr.:** Okay.

**The Chairman:** Honourable Second Official Member?

*[no audible reply]*

**The Clerk:** Title: A Bill for a law to amend the Monetary Authority Law (2008 Revision) to make further provision in respect of the operational independence

of the Monetary Authority; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it. I'm waiting.

I need to hear the Ayes and the Noes, so that I know if they have approved or not.

*[Inaudible interjections]*

**The Chairman:** The Title will stand part of the Bill.

**Title passed.**

### **Bail (Amendment) Bill, 2010**

**The Clerk:** The Bail (Amendment) Bill, 2010.

Clause 1 Short title

Clause 2 Amendment to section 2 of the Bail Law (2007 Revision)—definitions

Clause 3 Amendment to section 7 of the Bail Law (2007 Revision)—conditions of bail.

**The Chairman:** The question is that clauses 1 through 3 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a law to amend the Bail Law (2007 Revision) to make provision for the imposition by a police officer of electronic monitoring as a condition of bail where curfew is a condition of bail; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**Criminal Evidence (Witness Anonymity) Bill, 2010**

**The Clerk:** The Criminal Evidence (Witness Anonymity) Bill, 2010.

Clause 1	Short title
Clause 2	Interpretation
Clause 3	Application of the law
Clause 4	Qualifying offences
Clause 5	Qualifying criminal investigations

**The Chairman:** The question is that clauses 1 through 5 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 5 passed.**

**The Clerk:** Clause 6, Investigation anonymity order.

**The Chairman:** The question is that Clause—

**Hon. Samuel W. Bulgin:** Madam Chair, I have an amendment.

**The Chairman:** Honourable Second Official Member.

**Amendment to Clause 6**

**Hon. Samuel W. Bulgin:** Thank you.

In accordance with the provision of Standing Order 52(1) and (2) I wish to move the following amendment to the Criminal Evidence (Witness anonymity) Bill, 2010, in clause 6 as follows: by deleting in subclause (2) the numeral “(9)” and substituting the numeral “(8)”; by deleting subclause (3); and by re-numbering subclauses (4) to (9) as (3) to (8) respectively.

**The Chairman:** The amendment has been duly moved and is open for debate. Does any Member wish to speak thereto?

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Chair.

I wonder if the honourable Attorney General would explain the rationale for deleting subsection 3 of [clause] 6.

**The Chairman:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Thank you.

What we did was remove that provision and have a general penalty provision which is going to be clause 24, which deals with penalty generally.

**The Chairman:** The question is that the amendment stands part of the clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Amendments passed.**

**The Chairman:** The question is that clause 6 as amended stand part of the Bill.

Does any other Member wish to speak? [pause] If no Member wishes to speak, then I will put the question.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 6, as amended, passed.**

**The Clerk:**

Clause 7 Application for investigation anonymity order

Clause 8 Conditions for making an order.

**The Chairman:** The question is that clauses 7 and 8 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 7 and 8 passed.**

**The Clerk:** Clause 9, Appeal against refusal to make an order.

**The Chairman:** The question is that clause 9 stands part of the Bill.

**Hon. Samuel W. Bulgin:** Madam Chair, I do have an amendment.

**The Chairman:** Honourable Second Official Member.

**Amendment to Clause 9**

**Hon. Samuel W. Bulgin:** Thank you, Madam Chair. I beg to move that the Bill be amended in clause 9(3) by inserting after the word “shall” the word “nonetheless”; and by inserting after the words “by the applicant” the words “and that order shall be endorsed with the words “subject to appeal”.

**The Chairman:** The amendment has been duly moved and is open for debate. Does any Member wish to speak thereto?

If [no Member wishes to speak,] the question is that the amendment form part of the clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

#### **Amendments passed.**

**The Chairman:** The question now is that clause 9 as amended stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

#### **Clause 9, as amended, passed.**

##### **The Clerk:**

Clause 10	Discharge of order
Clause 11	Witness anonymity order
Clause 12	Application for witness anonymity order
Clause 13	Conditions for making an order
Clause 14	Relevant consideration

**Hon. Samuel W. Bulgin:** Excuse me, excuse me.  
I think there is an amendment to clause 14, so  
...

**The Clerk:** It is a new clause.

**Hon. Samuel W. Bulgin:** Thank you, Madam Clerk.

##### **The Clerk:**

Clause 15	Warning to jury
Clause 16	Discharge of variation of order
Clause 17	Discharge of variation of order after criminal proceedings have come to an end

**The Chairman:** The question is that clauses 10 through 17 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

#### **Clauses 10 through 17 passed.**

**The Clerk:** Clause 18, Discharge of variation by appeal court.

**The Chairman:** Second Official Member.

#### **Amendment to Clause 18**

**Hon. Samuel W. Bulgin:** In clause 18, the marginal note thereto, by deleting the words "appeal court" wherever they appear and substituting the words "Court of Appeal."

**The Chairman:** The amendment has been duly moved and is open for debate. Does any Member wish to speak thereto?

If [no Member wishes to speak,] the question is that [the amendment form part of the clause]

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

**Ayes.**

**The Chairman:** The Ayes have it.

#### **Amendment to clause 18 passed.**

##### **The Clerk:**

Clause 19	Abolition of the common law rules
Clause 20	Common law anonymity orders

**The Chairman:** The question is that clauses 19 and 20 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

#### **Clause 19 and 20 passed.**

**The Clerk:** Clause 21, Common law anonymity orders—appeals.

**The Chairman:** Honourable Second Official Member.

#### **Amendment to Clause 21**

**Hon. Samuel W. Bulgin:** Madam Chair, I beg to move that clause 21 be amended by deleting the words "an appeal court" and substituting the words "the Court of Appeal"; and by deleting the words "appeal court" and substituting the words "Court of Appeal."

**The Chairman:** The amendment has been duly moved and is open for debate. Does any Member wish to speak thereto?

If no Member wishes to speak, the question is that the amendment form part of the clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Amendment passed.**

**The Chairman:** The question now is that clause 21 as amended stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 21, as amended, passed.**

**The Clerk:**

Clause 22	Withholding of information on the grounds of public interest immunity
Clause 23	Review

**The Chairman:** The question is that clauses 22 and 23 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 22 and 23 passed.**

**The Clerk:** Clause 24 Regulations.

**The Chairman:** The question is that clause 24 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** I think the parliament is going to sleep or they are having a party, because I am not hearing the Ayes and the Noes.

The question is that clause 24 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The ayes have it.

**Clause 24 passed.**

**New Clause 14A**

**The Clerk:** New Clause 14A.

**The Chairman:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** I beg to move that the Bill be amended by inserting after clause 14 the following, namely, clause 14A, which reads as follows:

“Appeal against refusal by court to make an order.

14A. (1) Where a court refused an application for a witness anonymity order, the applicant may appeal to the Court of Appeal against that refusal.

(2) An applicant may not appeal under subsection (1) unless the applicant indicates –

(a) in the application for the order; or

(b) if there is a hearing of the application before the court, at the hearing, that the applicant intends to appeal a refusal.

(3) If an applicant has indicated an intention to appeal a refusal, the court which refuses an application for a witness anonymity order shall nonetheless make the order as requested by the applicant and that order shall be endorsed with the words “subject to appeal”.

(4) An order made under subsection (3) has effect until the appeal is determined or otherwise disposed of.

(5) The Court of Appeal shall consider afresh the application for a witness anonymity order and section 12(2) to (8) applies accordingly to the determination of the application by that court.”

**The Clerk:** Clause 14A Appeal against refusal by court to make an order.

**The Chairman:** The clause is taken to have been read a first time.

The question is that the clause be read a second time. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 14A read a second time.**

**The Chairman:** The question now is that this clause 14A be added to the Bill and that the subsequent clauses be renumbered accordingly.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 14A added to the Bill.**

**The Clerk:** New Clause 24.

#### **New Clause 24**

**The Chairman:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Thank you.

I beg to move that the Bill be amended by inserting clause 24, which reads:

“Penalties

24. A person who disclosed information in contravention of—

- (a) an investigation anonymity order; or
- (b) a witness anonymity order

commits an offence and is liable on summary conviction to a fine of one hundred thousand dollars or to imprisonment for ten years or both.”

And by renumbering clause 24 as clause 25.

**The Clerk:** Clause 24 Penalties.

**The Chairman:** The Clause is taken to have been read a first time.

Now I put the question that the clause be read a second time.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 24 read a second time.**

**The Chairman:** Now the question is that this clause 24 be added to the Bill, and that subsequent clauses be renumbered accordingly.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 24 added to the Bill and subsequent clauses renumbered.**

**The Clerk:** A Bill for a law to make provision for the protection of witnesses during an investigation into a criminal offence; to make further provision for the pro-

tection of witnesses in criminal proceedings; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

#### **National Pensions (Amendment) Bill, 2010**

**The clerk:** The National Pensions (Amendment) Bill, 2010.

Clause 1 Short title and expiry.

**The Chairman:** Honourable Minister of Education.

#### **Amendment to Clause 1**

**Hon. Rolston M. Anglin:** Madam Chair, in accordance with the provisions of Standing Order 52(1) and (2) I, the honourable Minister of Education, Training and Employment, give notice to move the following amendments and beg to move those in committee (at this stage), that the Bill be amended as follows: by deleting clause 1 and substituting the following:

“Short title and expiry

1. (1) This Law may be cited as the National Pensions (Amendment) Law, 2010.

(2) Section 4 shall cease to have effect –

(a) in relation to an employee who is a Caymanian, upon the expiration of a period of one year; and

(b) in relation to an employee who is not a Caymanian, upon the expiration of a period of two years.

(3) Upon the expiration of section 4 in relation to a Caymanian employee or a non-Caymanian employee, as the case may be, the respective law in force immediately prior to the coming into operation of that section shall, so far as it is amended by that section, again operate as though that section had not been passed and the said amendments had not been enacted.

(4) In this section – “Caymanian” has the meaning assigned to it by the Immigration Law (2009 Revision); and “employee” has the meaning assigned to it by section 2 of the Labour Law (2007 Revision).”

By deleting clauses 2 and 3, and by renumbering clauses 4 and 5 as clauses 2 and 3 respectively.

**Hon. Samuel W. Bulgin:** Madam Chair, can I just —

**The Chairman:** Yes.

**Hon. Samuel W. Bulgin:** — just a procedural issue. I think the notice was only done today.

**The Chairman:** The Minister was supposed to seek my—

**Hon. Samuel W. Bulgin:** Yes.

**The Chairman:** The leave has been granted for the amendment to be presented.

The amendment has been duly moved and is open for debate. Does any Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Madam Chair.

**The Chairman:** Member for North Side.

**Mr. D. Ezzard Miller:** Just for a matter of clarity, I believe the current legislation provides that any non-Caymanian coming into the Islands on a work permit . . . there is a nine-month period by which his employer is not required by law to provide him with pension. Is this amendment going to extend this same nine-month period now to two years? Or is this amendment only meant to apply to those who are currently working here and the new ones coming in, that it would be expected that they would start in nine months?

My recommendation would be that everybody now starts in two years, but just to. . .

[pause]

[inaudible comments]

**Mr. D. Ezzard Miller:** No, that is for all work permits, as far as I know. Anybody brought in, getting a work permit . . . I do not remember the exact section now, but I just happen to be familiar with it in another life as an HR manager, that there is not an obligation under the Law to provide a pension for the first nine months.

[pause]

**Mr. D. Ezzard Miller:** [Section] 25(2)(a) “**have been working . . . for a continuous period of nine months . . .**”

**Hon. Rolston M. Anglin:** Madam Chair, the section, and I think the Member has just quoted it, is 25, which speaks to membership and eligibility of membership in particular. [Section] 25(2), which reads: “**Employers**

**are not required to provide pension plans, or to contribute to pension plans for the benefit of employees who do not have Caymanian status, or who are not permanent residents, within the meaning of the Immigration Law (1997 Revision) and who, in either case- (a) have been working in the Islands for a continuous period of nine months or less; or (b) are employed to do housework in private residences.”**

Of course suborder (b) is the helpers/maids exemption. The nine months was designed for seasonal employees. That is when we contemplated hotels, for example in the high season, bringing people in on a temporary basis.

If we look at the provisions that we have captured, everything would collapse and fall to the two years simply because we have now mandated that once there is the voluntary exemption on the part of the employee and the employer everyone would get caught in that wider net. This was more restricted to cover those two eventualities which, as I understood it at the time, the industry and citizens basically demanded to be part of the pension regime so that when you bring people in on that seasonal basis you did not have to pay pensions, and for domestic helpers you did not have to pay pensions.

**Mr. D. Ezzard Miller:** I will agree with the Minister on the domestic side of it; but it is fairly common practice in the financial industry that anybody that they bring in on work permits at whatever level they do not become members of the pension plan . . . in fact, I think most of it is recorded in their handbooks and in their contracts, that they are not entitled to pensions until they have completed nine months of work.

So I do not know if we need to amend that or, as you say, it will be caught up and, therefore, now anyone coming in during this period would not have to provide it because it is a holiday anyway. I am just asking to sort of clearly understand because the question is going to come up.

The other question would be is that voluntary? Do they have to have a similar agreement with their employer that they will not provide this after the nine months?

**Hon. Rolston M. Anglin:** Madam Chair, again, certainly if I look at the amendments in totality that we are approving, once that exemption is given . . . let us just use the more complex issues: Someone just arrives on the Islands the day after His Excellency assents to this Bill and it becomes law. At that stage the law, from what I am seeing from this Bill, is clear that there is a 24 month holiday and, therefore, [section] 25(2)(a) would simply not be triggered.

I think there would be an issue if we were only looking to do a six month holiday. There would be a question as to what would happen to the additional three months. But because we are already going longer we wrap up the nine months.



**The Chairman:** If there are no further questions . . . The question now is that the amendments stand part of the clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Amendments passed.**

**The Chairman:** The question now is that clause 1 as amended stand part of the Bill.

If no Member wishes to speak, all those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 1, as amended, passed.**

**The Clerk:**

Clause 2 Amendment of section 2 of the National Pension Law (2000 Revision)—application of law to certain pension plans

Clause 3 Amendment of section 3—definitions.

**The Chairman:** Honourable Minister.

**Hon. Rolston M. Anglin:** Madam Chair, in my original reading of the amendments, I did note (b), which was deleting original clauses 2 and 3 and re-numbering clauses 4 and 5 as clauses 2 and 3 respectively.

So, in regard to the Bill before us I move that we delete clauses 2 and 3.

**The Chairman:** The question is that clauses 2 and 3 be deleted from the Bill and that clauses 4 and 5 be renumbered as clauses 2 and 3 respectively.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 2 and 3 deleted and clauses 4 and 5 re-numbered as clauses 2 and 3 respectively.**

**The Clerk:** A Bill for a Law to amend the National Pensions Law (2000 Revision) to provide a mechanism whereby pension contributions can be temporarily suspended for a fixed period of time in relation to Caymanian employees; to remove the requirement for

pension plans to be maintained for the benefit of non-Caymanian employees; and to make provision for related matters.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**The Chairman:** The question now is that the Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**House resumed at 5.32 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

## **REPORTS ON BILLS**

### **National Pensions (Amendment) Bill, 2010**

**The Clerk:** The National Pensions (Amendment) Bill, 2010.

**The Speaker:** Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, a Bill shortly entitled, The National Pensions (Amendment) Bill, 2010, has been considered by a Committee of the whole House and approved with amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

### **Monetary Authority (Amendment) Bill, 2010**

**The Clerk:** The Monetary Authority (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** I have to report that a Bill entitled, The Monetary Authority (Amendment) Bill, 2010, was examined in Committee without change.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

#### **Bail (Amendment) Bill, 2010**

**The Clerk:** The Bail (Amendment) Bill, 2010.

**Hon. Donovan W. F. Ebanks:** Madam Speaker, I beg to report that a Bill entitled, The Bail (Amendment) Bill, 2010, was considered by Committee and approved without amendment.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

#### **Criminal Evidence (Witness Anonymity) Bill, 2010**

**The Clerk:** The Criminal Evidence (Witness Anonymity) Bill, 2010.

**The Speaker:** Second Official Member.

**Hon. Samuel W. Bulgin:** I beg to report that a Bill entitled, The Criminal Evidence (Witness Anonymity) Bill, 2010, has been considered by a committee of the whole House and passed with amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

### **THIRD READINGS**

#### **Education (Amendment) Bill, 2010**

**The Clerk:** The Education (Amendment) Bill, 2010.

**The Speaker:** Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move the Third Reading of a Bill shortly entitled, The Education (Amendment) Bill, 2010.

**The Speaker:** The question is that a Bill shortly entitled, The Education (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Education (Amendment) Bill, 2010, given a third reading and passed.**

#### **National Pensions (Amendment) Bill, 2010**

**The Clerk:** The National Pensions (Amendment) Bill, 2010.

**The Speaker:** Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move the Third Reading of a Bill shortly entitled, The National Pensions (Amendment) Bill, 2010.

**The Speaker:** The question is that a Bill shortly entitled, The National Pensions (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The National Pensions (Amendment) Bill, 2010, given a third reading and passed.**

#### **Monetary Authority (Amendment) Bill, 2010**

**The Clerk:** The Monetary Authority (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move that a Bill entitled, The Monetary Authority (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The Monetary Authority (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Monetary Authority (Amendment) Bill, 2010, given a third reading and passed.**

#### **Bail (Amendment) Bill, 2010**

**The Clerk:** The Bail (Amendment) Bill, 2010.

**Hon. Donovan W. F. Ebanks:** Madam Speaker, I beg to move that a Bill entitled, The Bail (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The Bail (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Bail (Amendment) Bill, 2010, given a third reading and passed.**

#### **Criminal Evidence (Witness Anonymity) Bill, 2010**

**The Clerk:** The Criminal Evidence (Witness Anonymity) Bill, 2010.

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** I beg to move that a Bill entitled, The Criminal Evidence (Witness Anonymity) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The Criminal Evidence (Witness Anonymity) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Criminal Evidence (Witness Anonymity) Bill, 2010, given a third reading and passed.**

## **MOTIONS**

### **GOVERNMENT MOTIONS**

#### **Government Motion No. 9/09-10—Government Guarantee in Respect of Debt Refinancing by the Cayman Islands Development Bank (CIDB)**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move Government Motion No. 9/09-10—Government Guarantee in Respect of Debt Refinancing by the Cayman Islands Development Bank (CIDB) on behalf of the Government. I will, with your permission, read the Motion:

**WHEREAS on 23<sup>rd</sup> February 2010, the Governor in Cabinet authorized that the Legislative**

**Assembly's approval be sought for the issuance of a guarantee in the amount not to exceed US\$5,000,000 to First Caribbean International Bank (Cayman) Limited (FCIB) for the purpose of approved loans awaiting funding and to support the ongoing lending programme.**

The CIDB is seeking to utilize these funds for approved loans awaiting financing and to support the ongoing lending programme. CIDB currently has approximately CI\$2,000,000 loans in the pipeline awaiting funding. The loans in the pipeline include mortgages totalling CI\$735,000, business loans totalling CI\$1,100,000 and student loans totalling CI\$100,000.

The CIDB has invited proposals from local banks and FCIB has offered a financing facility (a 5-year Variable Rate Bond) to the CIDB for US\$5,000,000 at a floating rate of 180-day USD LIBOR plus a margin of 275 basis points. The current effective floating rate is 3.20%.

**AND WHEREAS section 8 of the Public Management and Finance Law (2005 Revision) provides that, as a general rule, no guarantee may be given by or on behalf of the Government unless it has been authorized by a resolution of the Legislative Assembly;**

**BE IT NOW THEREFORE RESOLVED that, in accordance with section 8 of the Public Management and Finance Law (2005 Revision), the Legislative Assembly hereby authorizes the Honourable Minister for Finance, Tourism and Development to do the following:**

**Issue a Government Guarantee to First Caribbean International Bank (Cayman) Limited for an amount not to exceed US\$5,000,000 for the purpose of funding CIDB's approved loans and to support the ongoing lending programme.**

**The Speaker:** The Motion is open for debate. Does the honourable Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, thank you very much.

Madam Speaker, as honourable Members are aware, the principal function of the Cayman Islands Development Bank is to mobilize, promote, facilitate and provide finance for the expansion and strengthening of the economic development of the Islands. The bank does this by providing financing for tertiary education, housing, agriculture, and the development of small businesses.

The Development Bank seeks the Legislative Assembly's approval of a guarantee of a new US\$5 million credit facility with First Caribbean International Bank. First Caribbean International Bank submitted a winning bid offering a financing facility, a five year variable rate bond, to the Development Bank for US\$5 million, that is CI\$4,166,666 at a floating rate of 180-

day US dollar LIBOR plus a margin of 275 basis points, the current effective floating rate, being 3.20 per cent.

Madam Speaker, allow me a few minutes more to describe the purpose of this US\$5 million credit facility. This facility will immediately provide funding for current loans which have been approved as well as support the ongoing lending programme. The Development Bank currently has approximately \$2 million in approved loans in the pipeline awaiting funding. The loans in the pipeline, as I said in the Motion, include mortgages totalling CI\$735,000, business loans totalling CI\$1,100,000 and student loans totalling CI\$100,000.

The Development Bank currently has limited funds available for on-lending which represents the core of its business. As of February 19, this year, the Development Bank has cash of \$473,054 and bank overdraft of \$743,215, resulting in a net overdraft position of \$270,161.

Between July 2009 and October 2009, the Development Bank provided financial stimulus loans to Caymanians of approximately \$3.6 million. The current funding of \$577,875, which was for a Cabinet agreed output was approved over six years ago, which does not adequately mitigate the bank's annual operational expenses due to the escalation of operating costs over the years.

There is no doubt, Madam Speaker, that this is needed at this point in time. I wish we could do more, but we cannot at this point, maybe later on. We are working on some things to get more funding to assist this aspect of our economy.

I commend this Government Motion to all Members and ask that they give it their support.

**The Speaker:** Does any other Member wish to speak?

First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker, just a few short comments.

The Cayman Islands Development Bank is extremely important to Cayman Brac and Little Cayman. I will certainly be supporting this that has been brought here by the Premier.

This is approximately \$4 million that he has identified. I would just ask if in his winding up he could tell us what portion of that will be for Cayman Brac and Little Cayman.

And the other part of it is, both my colleague and the Premier and everybody in this honourable House knows of the economic conditions, not only globally, not only Grand Cayman, but certainly in Cayman Brac and Little Cayman, so I would ask them if they could look at a programme, because there is only one bank on the Sister Islands, and the Development Bank forms the second one. So it is an inte-

gral part of the stimulus package that can certainly help us to move forward.

That is the thrust of my comments. I am sure they will look at favourably and give us a positive response.

The other thing is, since some of the staff are here . . . the Chairman, if they could advise the schedule of the visits so that customers would know when they are coming over and make it as easy as possible for them to do business.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak?

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Madam Speaker, I rise very quickly to give a brief contribution insofar as the Motion brought by the Minister of Finance, the Premier.

I just want to mention—and I am sure I have done so on other occasions, but I feel it is important to mention—that every day that you spend time in the George Town MLA office . . . and I am sure it is something that is represented, even as I heard the [First Elected] Member for Cayman Brac speaking (not just specific to the district of George Town but throughout the Cayman Islands), and particularly at this point in time with the tough economic situation, there are so many persons, businesses and families that find themselves in very desperate positions.

I recall as the Premier mentioned when the \$3.6 million were provided, and how very quickly, how rapidly that money was actually utilised. And I am sure that with the expertise and quality of persons that we have on the board, [it was done] with the highest of impeccability, Madam Speaker. But I do want to say that the money is desperately needed.

There are families out there that need it and there are businesses. And as we talk as a Government about the various projects that we have in the pipes that are required, that have to be done, again I just want to offer this up for the benefit of this honourable House and for those listening to understand that despite the difficult challenges that this government has inherited and we find ourselves in that we have still managed, by the grace of God, to be able to find some funding to be able to do what we can as a Government in these tough times to be able to offer up some assistance to those who are in such desperate need.

I would like to say that I am confident all of my colleagues and the Premier as well are most honoured to be able to be here in this House and despite the fact that we would love to do more, that we have done something. I would like to thank my Government for actually making this valuable contribution towards the Cayman Islands Development Bank.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I will call on the Honourable Premier to wind up.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I want to thank the two Members who spoke, my colleague, the Fourth Elected Member for George Town and the First Elected Member for Cayman Brac and Little Cayman, for their support, and the support of others who did not speak.

Madam Speaker, what I can say to the Member for Cayman Brac is that the effort is made by senior management all the time going on regular visits to meet the public in Cayman Brac. From what I am told by the Chairman, who is here in the Chamber, is that people from Cayman Brac and Little Cayman are included in that amount, but he does not know what the portion is, or specifics at this point. But he does know that there have been applications and there are people who are included.

I can tell you that you are on all fours with your colleague, the Deputy Premier, because she made a similar observation.

Just to thank all Members, Madam Speaker.

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED that, in accordance with section 8 of the Public Management and Finance Law (2005 Revision), the Legislative Assembly hereby authorizes the Honourable Minister for Finance, Tourism and Development to do the following:

Issue a Government Guarantee to First Caribbean International Bank (Cayman) Limited for an amount not to exceed US\$5,000,000 for the purpose of funding CIDB's approved loans and to support the ongoing lending programme.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 9/09-10 Government Guarantee in respect of Debt Refinancing by the Cayman Islands Development Bank (CIDB) passed.**

## STATEMENTS BY HONOURABLE MINISTERS/MEMBERS OF THE CABINET

**The Speaker:** The Premier has sought permission to read a statement at this time and I have granted it.

### Reduction of Elected Members' of the Legislative Assembly salaries

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

This statement is on reduction of salaries of Elected Members of the Legislative Assembly.

Madam Speaker, honourable Members of the House will recall that last Thursday, 25 February 2010, I provided an answer to a parliamentary question that forecasted a core government deficit for the year to 30 June 2010 of approximately \$50 million. The answer also indicated that statutory authorities and government companies were forecasted to have a combined debt deficit of \$6 million, approximately, with the result that the entire public sector is forecast to have a deficit of \$56 million for the year to 30 June 2010.

The main purpose of this statement is to indicate to the House the Government plans to address some of this forecasted deficit. Before stating what Government's plans are to address this forecast deficit to 30 June 2010, it is once again necessary to remind the House and the public why the Government finds itself in the present financial situation and, in particular, why the Government had to take some difficult decisions in respect of public assets.

The previous financial year ended on 30 June 2009. The entire public sector debt for that year was approximately \$81 million, and Government's own deficit accounted for \$70 million of the \$81 million deficit, with the remainder of the deficit being the result of the performance of statutory authorities and government companies.

The consequence of a \$70 million government deficit for the year to 30 June 2009, which means that we lost cash or bank balances as a result of expenditures exceeding revenue, was that we had very little cash at the start of the new financial year that began on 1 July 2009. We had approximately \$7.6 million at 1 July 2009 from which to pay our operating expenses. Seven point six million dollars is very little, Madam Speaker.

To be complete, I must state that we had approximately \$83 million in restricted and reserved funds.

Madam Speaker, let me summarise in very simple language what we faced at the start of the year on 1 July 2009:

- 1) Very low bank balances, \$7.6 million, from which to pay government's operating expenses.
- 2) A great difficulty in getting the United Kingdom's permission for the Cayman Islands to borrow funds in the New Year all

because the previous year, to 30 June 2009, ended in a deficit of \$81 million.

- 3) Significant capital expenditure projects that required completion, but we had very little cash of our own to finish them, and we also had great difficulty getting the UK's authority to borrow funds to help continue the schools estimated to be \$100 million to complete now, and the new government administration building estimated to require another \$40 million to \$50 million to complete now plus at least \$15 million for road works to make the building accessible.

What I have just said is the very difficult platform that we inherited and were expected to build on to save this country. That was the past year, Madam Speaker.

The current year that will end on 30 June 2010, will also prove to be difficult for Government's finances. The latest forecast indicates that operating revenue will under-perform their budgeted levels by approximately \$72 million, and are forecast to be approximately \$490 million.

Operating expenditures are forecast to be \$516 million, some \$9 million less than the budgeted level of \$525 million.

I said last Thursday that Government was not content with an under-spend of \$9 million and would review expenditures again with a view to reducing them even further. Government met all weekend to continue its expenditure review process. Members of the United Democratic Party agreed that elected Members of the Legislative Assembly must set an example by having our salaries reduced.

We have agreed that effective March payday, 2010, the Premier would have his salary reduced by 30 per cent. And all other elected Members of the House would have their salaries reduced by 20 per cent.

The ability to meet with our constituents and to serve them is important, therefore, we do not propose to reduce MLA's constituency allowances which pay for constituency offices. The Government is also requiring elected Members of the House to pay 50 per cent of their health insurance premiums. I believe that is running something like \$700, over \$600 for some Members. Anyway, it would be 50 per cent of that.

Madam Speaker, I believe that the following scenario that I am about to suggest, and these are just suggestions that I believe would help the Government and the wider public service which includes the statutory authorities and government companies in this expenditure and revenue crisis could involve civil and public servants who earn \$3,000 to \$4,499 per month to have their salaries reduced by up to 5 per cent.

Civil and public servants that earn \$4,500 to \$9,999 per month to have their salaries reduced by up

to 10 per cent and also be made to contribute up to 50 per cent of their monthly health insurance premiums.

Civil and public servants that earn \$10,000 and more per month to have their salaries reduced by up to 15 per cent, and also be made to contribute up to 50 per cent to their monthly health insurance premiums.

Also, Madam Speaker, for there to be a holiday of pension contributions.

Madam Speaker, however, this is just a possible scenario. As Minister for Finance, I intend to have a meeting with chief officers and the Civil Service Management Council to examine different remuneration reduction scenarios that could be applied in the civil service and the wider public service that includes all statutory authorities and government companies.

The Government will decide once the analysis is completed and the aforementioned meeting held, the remuneration reduction strategy for the civil service and the public service. If it is necessary to do so, Government will return to this House mid-March with appropriate legislation to effect any changes that the Government decides upon.

Madam Speaker, this country, the United Kingdom and the wider world will see that the Government is determined for our country's sake to reduce public sector costs. Madam Speaker, as a Government we have attempted to take many other measures, some extremely difficult, such as divestment of certain government assets. We have increased the fees charged to the private sector, such fee increases were in relation to the financial services sector.

Madam Speaker, government revenue usually peaks in January as fees in the financial services industry come due. After reviewing the January 2010 results it became starkly obvious that more has to be done to stabilise the financial situation of these beloved Islands.

We have worked extremely hard, debated very long and made every effort to not touch personal emoluments. It is now obvious that we have no choice. Independent reviews have shown that government expenditure must be reduced. We have saved \$9 million through January from various areas of government. There is simply nowhere else to effect savings.

Madam Speaker, here are some of the measures that have produced the \$9 million savings through January:

- Restricted cell phone usage policy
- Purchase and installation of energy savings devices at school campuses
- Only allowing essential posts to be filled or have a contract renewed or extended, i.e., not allowing any posts to be filled
- Restrictions on official travel
- Modest, yet tasteful, Hero's Day celebration

- Centralisation of government public relations and reallocation of those resources for ministries to fill various positions at GIS or departments, hence eliminating the need to have those post positions filled separately
- Holding a tight rein on supplies and consumables
- Abandoning the expensive school-within-a-school model at secondary level
- Placing restrictions on the personal use of government vehicles
- Establishment of the Lands and Survey Department as a central coordinator for negotiations with telecom providers thus allowing government to be able to negotiate collectively versus separately as had previously existed

Madam Speaker, fellow legislators, civil servants, public servants, we are mindful of our current difficult times and the Government undertakes that when the Cayman Islands economy improves, along with an improvement in government's and public entities' finances, these changes will be re-examined or reversed.

Madam Speaker, the economy is not good. We need all hands in the civil service to help us. The Constitution says that the civil service of this country must carry out the Government's policies. If that is done, we can turn this economy around. But as long as the politics continue to play, and the roadblocks and hurdles continue to be pushed in our way as a Government, the economy will not be turned around. And I am saying that in the hope that one and all understand that we will not allow the country to go belly up because then more and more people will suffer.

These are hard knocks at this time. We have not cut the civil servants and public service salaries. We will sit with their Management Council and chief officers and examine the situation. But cuts there will be.

**The Speaker:** Thank you, Honourable Premier.  
Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, with your kind permission, I would like to ask a short question.

**The Speaker:** Granted.

#### Short questions—Standing Order 30(2)

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I believe that all of us on this side agree that we ought as legislators to set an example. So there is no argument about that.

I just wonder if the Premier can confirm that other non-essential benefits, if I may term them such, such as provision for a personal chef for the Premier and a housekeeper, and chauffeurs and security and certain other allowances that I am aware of are being paid to certain members of the Government, whether those will also be either cut or will cease.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, when I took over the post of Premier there were a number of items that were prepared for that post, including two vehicles.

Madam Speaker, I do have a driver who acts with me as security on that level. No. That is still in place. I do have a housekeeper. No. That housekeeper will still be in place. I do not have any personal chef. I do not need one. I never did need one; and never did advertise for any. Not me. Whatever people put in their wording, that is them. I did not ask for that.

I do have a housekeeper as Premier.

Madam Speaker, I do have official duties that I have to entertain people at various levels and for various reasons. And my wife and my family chip in to help during those times. But we do need somebody to help us.

Madam Speaker, that is why I took a 30 per cent cut, because my salary stood at \$14,800. If I take 30 per cent of that it goes well over \$4,000 being cut from my salary.

Madam Speaker, we would not have to do any of this if the Member asking the question had not messed the country's finances up, had not gone out on a building spree that we now have to find \$100 million for that we do not have; if they had not bought the two vehicles we would not have them; if they did not create the Premier post—which I did not vote for—they would not have had it; and with the Premier's post comes a certain level for this country that cannot be downgraded.

It will not be a wishy/washy post in my time. I am not building it for me; it is for posterity. It is the Premier of this country. As much as other countries have theirs and do things for theirs, I have refused many things that were put in place for me. I have refused it. They did not.

Madam Speaker, when they were ministers, government put in security systems in their individual homes. And I understand that guns were issued to them as well. So, perhaps they did not need a driver or a security, as such, because they had a gun!

**The Speaker:** Honourable Premier, I think you have answered the question.

**The Premier, Hon. W. McKeever Bush:** I do not think so, Madam Speaker. There is another thing I would like to say about it.

If I did not say this before, Madam Speaker, since I have been asked what we are cutting . . . I do not know if they still have their guns. I do not know whether they still have their security systems.

**The Speaker:** Ah—

**Mr. Anthony S. Eden:** Madam Speaker, just on a point of clarification, my house has never had a security system from anyone. I would not allow anyone to cut my logs.

**The Speaker:** Thank you, Second Elected Member for Borden Town.  
Elected Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, can the Premier say who guns were issued to?

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I am told that all of them had guns. I do not know who it was, whether it was him, whether it was . . . which one of the ministers had them, but I understand they were issued. I understand that they were issued—

**The Speaker:** Honourable Premier—

**The Premier, Hon. W. McKeever Bush:** Sorry? Are you not allowing the question?

**The Speaker:** I think you have answered the question.

The Member for North Side caught my eye first.

Just a minute, honourable Leader of the Opposition.

**Mr. D. Ezzard Miller:** [inaudible]

**The Speaker:** Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker, I respect how you find yourself. I understand.

But there are some matters . . . when certain things happen certain people get going, and they must not create any impression of anything that is not factual.

I do not know who were issued guns. But I just want to make it absolutely clear that I do not know of any member of the past Cabinet being issued a gun. And I can tell the world that I certainly was not issued a gun.

**The Speaker:** Member for North Side.

[Inaudible interjections]

**The Speaker:** Member for East End, the Member for North Side caught my eye first, please allow him to proceed.

**Mr. D. Ezzard Miller:** Just a question for clarity, Madam Speaker.

The Government says that elected Members of the House will be required to pay 50 per cent of their health insurance. The question I have to ask is— and this would also go on to civil servants who would contribute—are we going to have a choice of who we insure ourselves with? Or are we going to only get that 50 per cent allowance from the Government, if we, insure with CINICO with its inherent limitations? Because I believe that we may be opening up a bigger can of worms here than we want to deal with at this level. And it could in fact cost you more than you hope to gain from the 50 per cent if you are going to have to give . . . and I believe that once people pay they have a right to demand a choice.

For instance, I will quite happily pay my insurance, but it will not be with CINICO which limits me to going to the hospital where my mother goes, delivered by the ambulance and waits one hour for a doctor to see her.

So, I am quite happy to pay my 100 per cent health insurance, but it would be with a private company that allows me choice to whom I wish to take me and my family to get medical care.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, at present Government insures every one of us through CINICO. Government pays 100 per cent. We have offered for Members of the House to pay 50 per cent and Government pay 50 per cent.

That is something that we would have to discuss because Government's policy is to insure through Government and Government is still paying 50 per cent of that.

**The Speaker:** Elected Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, it is unfortunate that the Premier has now brought this up about guns being issued.

Madam Speaker, I want you to bear with me for one second ma'am.

I was never issued a gun by the police. Never! However, it was rumoured in this country that the Premier was threatened shortly after he took over Government. What was not heard was that my life was threatened through my son, and to this day the police have done nothing about it—after I reported it!

That's what he needs to talk about!!



**The Premier, Hon. W. McKeever Bush:** [*inaudible*] . . . life be threatened all the time.

**The Speaker:** We had a statement and questions are allowed on the statement.

Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

Madam Speaker, it just occurred to me, and I think perhaps it is something—

**Mr. V. Arden McLean:** [*inaudible remarks*]

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** — that would need to be clarified.

**The Speaker:** Member for East End, please. The Leader of the Opposition is speaking.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, when you get . . . when civil servants get their pay slip, there is a basic salary and a pension amount. That pension amount is what is called six plus six.

Now, the understanding is that there is a 6 per cent contribution by the Government and a 6 per cent contribution by that civil servant. So, if there is a proposed pension holiday the question is: Is it going to be . . . if there is no pension paid in, is it going to be an automatic 12 per cent reduction in what civil servants take home today, plus whatever the percentage is that is taken off? Or is it going to be 6 per cent reduction plus whatever percentage is being taken off?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we have said—and it is absolutely clear what we have said—and we said, Madam Speaker, that these are suggestions that I have made as the Minister of Finance, and as possible scenarios.

Another possible scenario could be that people might choose to take a week off and we see how much that saves us rather than losing. But that is why we said that we will have a meeting with chief officers and the Civil Service Management Council to examine different remuneration reduction scenarios that could be applied to the civil service and the wider public service. That includes all statutory authorities and government companies.

So, Madam Speaker, they cannot read anything else into this.

**The Speaker:** Thank you, Honourable Premier. I think we have exhausted that subject.

Elected Member for North Side, last question.

**Mr. D. Ezzard Miller:** Just on a matter of clarity.

Is the Government going to bring a formal motion to do this, which would be debated? Or is this *de facto* today?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, from my point, I am not bringing a motion. I have that authority to cut expenditure for us.

If we do require, after we sit down, after I have sat down with the Civil Service Management Council and chief officers, if I do need to bring any kind of legislation, as far as I know, it gives us the authority to cut expenditure where we must. We cannot raise it, we have to come to the Assembly; but we can cut.

After we sit down with them and see where we are at, then we will determine what, if any, legislation needs to be. But cuts must come. We cannot expect the country to run along. None of us—your side nor our side—can expect the country to run the way it is, especially when we are spending money and nobody is thinking about the efforts that we need to make revenue and there are no suggestions. All we hear about is a march and everything else, but no solutions!

Not the Member for North Side, I agree.

**The Speaker:** Thank you. Can we move on with the agenda?

**The Premier, Hon. W. McKeever Bush:** Yes.

## OTHER BUSINESS

### PRIVATE MEMBERS' MOTIONS

#### Private Members' Motion No. 6/09-10—Controlling Population of Introduced Iguana Species

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I beg to move Private Member's Motion No. 6/09-10, entitled Controlling population of introduced Iguana species. It reads as follows:

**WHEREAS the ANIMALS LAW (2003 Revision) provides that all iguanas are protected animals and makes it an offence to hunt or take into possession any iguana, its eggs or its nest;**

**AND WHEREAS the Grand Cayman Blue Iguana (*Cyclura lewisi*) and the Cayman Brac and Little Cayman Rock Iguana (*Cyclura nubila caymanensis*) are the only species of iguana endemic to the Cayman Islands;**

**AND WHEREAS in recent years other species of iguana have been introduced to the Cayman Islands and have been released or escaped**

into the wild and have proliferated in numbers and are causing a major nuisance and threat to local flora, cultivations and gardens and to the indigenous iguana of the Cayman Islands.

**NOW BE IT THEREFORE RESOLVED THAT the Animals Law (2003 Revision) and any other applicable legislation or regulations be amended to restrict the protection presently afforded all species of iguana by legislation to only the Grand Cayman Blue Iguana (*Cyclura lewisi*) and the Cayman Brac and Little Cayman Rock Iguana (*Cyclura nubila caymanensis*).**

And that, Madam Speaker, is the Motion moved by me.

**The Speaker:** Is there a seconder?

Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker.

I beg to second the Motion.

**The Speaker:** [The Motion has been duly moved and is open for debate.] Does the honourable Member wish to speak thereto?

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I think it is well known, and I believe there must be almost universal agreement that the proliferation of the green iguana . . . I am not sure what the scientific name for that species is—

[Inaudible interjections]

**Mr. Alden M. McLaughlin, Jr.:** “Pest” I am told!

[laughter]

**Mr. Alden M. McLaughlin, Jr.:** That that has proliferated in these Islands, particularly since Hurricane Ivan and in consequence of those which were held as pets, I believe, or kept captive, escaping as a result of the devastation visited upon these Islands by the Hurricane. And over the ensuing years the numbers just seem to increase radically, almost month to month. This particular species of iguana which at one point seemed to be restricted to the West Bay and George Town areas is now right throughout Grand Cayman and they are causing immense damage to gardens, to cultivations, as well as being a major nuisance.

They love pools. Anyone who has a pool will know what I mean. And because they are cold blooded animals they come out, go for a swim in the pool, foul the pool and then bask in the sun.

**An hon. Member:** Good deal!

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I think we are all aware that many of us are taking measures to control the numbers of these pests. But

at the moment such measures as we are adopting run afoul of the Animals Law, which was drafted a long time ago. This Law first came into effect on 25 June 1976 when this was not an issue. So the Law actually protects, by virtue of section 80, all iguanas by making them a protected animal.

Under the Law, **section 78(a)** “Whoever hunts any protected animal; (b) has in his possession any protected animal or part thereof; or (c) takes or has in his possession the nest or egg of any protected animal is guilty of an offence.”

The objective of the [Motion] is to remove from the protection of this legislation and any other applicable legislation or the regulations, all iguana species other than the two Cayman, the two that are endemic to the Cayman Islands— Grand Cayman Blue Iguana (*Cyclura lewisi*) and the Cayman Brac and Little Cayman Rock Iguana (*Cyclura nubila caymanensis*).

Madam Speaker, it will take a rather simple amendment to effect this change. There will be those who wonder why this has not been done before. The short answer to that, at least in the recent past, is that we have been working . . . I think more than one government has actually been working on the development and, hopefully ultimate passage, of a national conservation law and this was to be dealt with in that legislation.

That legislation has run into, I suppose predictable, inevitable hurdles because as is all such legislation some aspects of it are somewhat controversial. So we do not know when that will ultimately come to this House and get passed. So, in the interim, given the legion complaints there are about this, and the number of representations we have all had about the need to do something about the green iguana and its proliferation, we have brought this particular Motion to the House.

I think indications are that it will have the support of the Government and I thank them in advance for that.

Madam Speaker, I do not think I need to speak at any great length about this. The problem is obvious and the solution is quite clear. So, with that I will conclude my introduction of the Motion.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

Honourable Minister of Health.

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker.

Madam Speaker, very briefly I want to say that the Motion has the support of the Government. As the mover rightly said, the proliferation of the green iguana throughout the Islands is much more of a nuisance at this point.

I do not have a swimming pool but I know the nuisance that they cause in my back yard. I do not have a farm, but they are quite a nuisance.

I know when the Law was enacted way back when, as the mover said, it did not envision the introduction of the green iguana. Obviously it is not indigenous to our Islands. Subsequent to their introduction here their numbers have burgeoned to, as you said, uncontrollable numbers.

Madam Speaker, the amendment of the Animals Law would be but the first step in our efforts to control the green iguana population which, as you said, is not indigenous to our Islands. We need to ensure also that following the amendment of section 80 that whatever measures are taken to cull the green iguanas would not contravene other sections of the Animals Law which deal with offences relating to cruelty to wild life and causing unnecessary suffering in the killing of an animal.

Madam Speaker, this is something that falls under the jurisdiction of the Chief Agriculture and Veterinary Officer, so we would consult with our colleagues in the Department of Agriculture and the Minister of Agriculture.

Given the scale of the problem, it is likely that some form of trapping and euthanasia, or other type of control programme, would be methods used for culling. I say that just to point out the importance of the methods that are going to be used to control these pests. It will be important to manage the expectations in terms of what might be possible immediately, because dealing with this problem is likely to be quite time consuming and resource intensive and we will definitely need to employ a collaborative approach with the Minister of Agriculture.

As I said before we will liaise with the Ministry of Agriculture and the Department of Agriculture to develop guidelines for the public to follow in dealing with the animals on their property as well as recommending overall strategies to eliminate the iguanas.

Madam Speaker, we would also need to make sure that there is clear and sufficient information provided to the general public to ensure that individuals will be able to distinguish between all of the different stages of the green iguana and, very importantly, our endemic Blue Iguanas and the Sister Islands Rock Iguanas. It is very important to underscore that people will have to understand the difference . . . well, obviously, there are not many Blue Iguanas running in the wild. But it will be very important to distinguish between the green iguanas that we want to eliminate and those that we want to protect.

Madam Speaker, in closing, while removing the protected animal status from the green iguana is an important step, there are many other actions and interventions not supported within the framework of the current Animals Law that will be necessary to address the problem associated with the species in a

comprehensive manner. And, Madam Speaker, we need to address those different areas and make necessary changes in legislation in other laws that are applicable.

Also, as the mover rightly said, the National Conservation Law, which we hope to table later this year, would have covered that area as well. But, as an interim measure, the amendment of section 80 of the Animals Law and other legislation will address the culling of the green iguanas. And just to say, Madam Speaker, in closing, that the Motion has the support of the Government.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause]

Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker.

I am pleased to hear the Minister and the Government supporting this Motion. And as our colleague across there commented, the honourable Deputy Speaker, they are a pest. If you see them in a vegetable patch or a pumpkin patch, it is amazing the damage they can do. They eat everything.

I would urge the Minister that whatever they are going to do, because we know (not saying this Government is like that) what can happen when government bureaucracy gets into enforcement and making preparations for us to get rid of these pests, because *Betsy* can get restless! So I urge that he deal with this in a prompt manner.

I do not know if the combination of these green and whatever colour they get after a while . . . I see some monsters down by the golf course. What happens if they contaminate our Blue and other indigenous iguanas. I hope they can prevent that before it gets out of hand.

I ask Government to look at this promptly.

Thanks.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:**

Thank you, Madam Speaker, a very short contribution, but just to follow up on what my colleague, the Second Elected Member for Bodden Town, was talking about.

I remember that fear being expressed about the possible cross breeding of our indigenous species along with these new-found proliferations, if I may call them that. Madam Speaker, I can tell you this: as I understand it, a bearing female will hatch more than 100 eggs in the period of a year. So that is much more prolific than our own indigenous iguanas.

I believe that to this point, especially here in Grand Cayman, the indigenous Blue iguana is by and large known for a certain geographical area of habitat where perhaps 95 per cent of the Blue ones are located now. I do not think the space has been invaded by these other ones, but eventually they will get there.

The cross breeding is one problem, Madam Speaker, but because they are so much more prolific than our own, just by nature and the food chain alone, once they get into those areas then they will cause our own to decimate because there are more of them than our own. And those areas can only sustain certain numbers. If you get that number multiplying itself two and three fold, then everybody is in trouble at that point in time.

What it will also do, if that were allowed to happen, Madam Speaker, is it would cause our own species, where they now inhabit in a fairly safe and controlled environment, to have to stray for food also and that spells their own death knell. Then I do not know when we would start over again trying to build back the levels of the population.

I just wanted to mention that, Madam Speaker, and to say that even when one might think of it almost in jest at some points in time, the truth of the matter is that it has the potential to be a very serious situation and we certainly need to get to the point where there are much less of them than there are today. In fact, I do not often use this word, but I believe that we need to strive to annihilate them. I think that must be the effort, Madam Speaker.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the mover of the Motion to present his wind up reply.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker, and thank you to all Members of this honourable House for their support of this Motion.

Madam Speaker, I just cannot help but comment in relation to something said by the Minister of Health who responded about how we go about removing or exterminating this pest. I am not suggesting this, but I am old enough to remember when there was a bounty on the heads of agouti or rabbit in this country. One of my earliest memories of East End were the "ranges" as they called them. When you would be driving into Lower end of the Bay you could see these ranges with rabbit heads hanging from them as they took them down to collect the bounty.

I am not suggesting, particularly in these times, that Government offer any such bounty on the tails of iguana. But I believe that all encouragement ought to be given to the good people of these Islands to take whatever measures they deem necessary to get rid of this very prolific pest.

So, with those few words, Madam Speaker, again I thank all Members of this honourable House for their support of this Motion.

**The Speaker:** The question is: NOW BE IT THEREFORE RESOLVED THAT the Animals Law (2003 Revision) and any other applicable legislation or regulations be amended to restrict the protection presently afforded all species of iguana by legislation to only the Grand Cayman Blue Iguana (*Cyclura lewisi*) and the Cayman Brac and Little Cayman Rock Iguana (*Cyclura nubila caymanensis*).

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Private Members' Motion No. 6/09-10 Controlling Population of Introduced Iguana Species passed.**

**The Speaker:** Member for North Side.

**Private Members' Motion No. 2/09-10—  
Clarification on Parking Spots**

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to move Private Member's Motion 2/09-10—Clarification on Parking Spots. The Motion reads:

**WHEREAS the Planning Law requires that all developers of commercial property provide a specified number of parking spots for that development;**

**AND WHEREAS these developers have now contracted parking management companies to patrol and enforce their own parking restrictions on these spots mandated by their planning approval;**

**AND WHEREAS these parking management companies are wheel clamping the vehicles of persons parked in these planning required parking spots and charging substantial, usually C\$75.00 to release the clamps;**

**AND WHEREAS the Traffic Law (2003 Revision) in section 87(a) states "Whoever – without the permission of the owner thereof, interferes with a vehicle or any of the controls or equipment thereof or any animal while saddled or in harness; is guilty of an offence and liable upon summary conviction to a fine of one thousand dollars and to imprisonment for six months."**

**AND WHEREAS the actions of these parking managers in clamping vehicles and charging such high fines is causing hardship and growing resentment within the community;**

**BE IT NOW THEREFORE RESOLVED THAT Government investigate these concerns and determine if any amendment to the Planning Law is**

**necessary to clarify the legal position of the clients and visitors to these commercial establishments having a right to park in these parking spots required by the Planning Law.**

**The Speaker:** Is there a seconder?

**Mr. V. Arden McLean:** Madam Speaker, I wish to second the Motion.

**The Speaker:** The Motion is open for debate. Does the Member for North Side wish to speak thereto?

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

The Development and Planning Regulations (2006 Revised) in section 13(12) states: **“Parking facilities, in a commercial zone shall be on the basis of one car parking space for every three hundred square feet of commercial development.”**

Madam Speaker, “parking space” is not defined in the Regulations, but “parking area” is. Madam Speaker, the difficulty that we have is that people visit a commercial building, park in a spot that was signed up and agreed by the developer in order to get the certificate of occupancy. My contention is that those parking spaces are then there for public use and particularly by clients or customers of that facility.

I do not believe that the landowner, landlord, developer, having given up, in my opinion, his right to absolute private ownership can then assign his own conditions to these parking spots and pay some private company to enforce his own regulations. In order to obtain the certificate of occupancy from Planning, he had to provide a specified number of parking spots.

Without getting into the difficulties of parking in George Town generally and the need to take the yellow paint away from the NRA (National Roads Authority), we will just concentrate on parking spots provided by Planning permission.

Madam Speaker, if you go around to these commercial buildings you will see parking spots that the tenant, landlord or developer has specified for a particular individual or they will specify parking for 30 minutes only, parking for one hour only . . . I acted as a consultant for one particular company in town. While I was in there gathering up certain information and observing the organisation and management of the company, I noticed that on the hour you had 10 or 15 employees who went around and gathered up and all went running to the elevator and all went down for a period of five or ten minutes. So that company was using easily an hour, or an hour plus, of productive time.

I decided one day to ask one of the employees, “Where are the 15 of you going every hour on the hour?”

He said, “Well, Mr. Ezzard, we have to go downstairs and move our cars around because they

have these people driving around in the parking lot and if they see that a car is not moved to another space within the hour, they clamp it and we have to pay \$75.”

Now, Madam Speaker, that is a tremendous loss of productivity to any company. What has happened now is that we have these companies (I think they call themselves “Parking Management”), they drive around and their job is to harass people and clamp their cars. My contention is that those parking provisions required by the Planning and Development Law are for the use of any person using that facility for as long as they want to use it. The only parking spots that any of these developers—including the Government—should be able to put a label on is any parking space above and beyond the requirement of 1 per 200 square feet. In some places in George Town it is 1 per 500 square feet in OBY, or something like that. So it is a little less.

Madam Speaker, a lot of these employees working in these buildings and getting clamped (we heard the Premier awhile ago talking about the economic situation) find it very hard in the middle of the month to find \$75 to give to some person to remove a clamp from their car. And often times when they request a receipt it is being denied.

I have also encountered a different problem, Madam Speaker, in those marked for handicapped parking. These same parking managers are trying to collect the fine that is reposed in the Government’s law for parking in a handicapped position if you do not have the proper handicapped license plate or sticker hanging from the windshield. Madam Speaker, certainly none of these parking managers has the authority to enforce government’s law and collect the fines.

If you look at a lot of the signs that are posted at these parking spots, the developers and the landlords actually use the word “fine”, that you will be fined \$75. Again, I believe that they are sailing close to the wind because I believe it is only policemen that can give you a ticket, and only the Grand Court that can impose the fine. I am not a lawyer, so I am not claiming to . . .

But this issue is becoming more and more contentious. I had a call from a friend who got clamped and he asked me what to do. I said, “Well, if they clamped you, go to the bank and get pennies.” And he actually went and got pennies and paid the people in pennies. That is one extreme.

The other side of it, Madam Speaker . . . and I am sorry that the Second Official Member, the Attorney General, has left, because these parking companies are actually justifying their action on a letter written by the Attorney General. Madam Speaker, they were very smart—

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** The date of the letter? November 28, 2005.

Madam Speaker, I am not in any way suggesting that the Attorney General's advice so given was wrong. I think he responded correctly to the question he was asked. But these people in this parking management business were quite ingenious in what they asked. They did not ask if a developer has the authority to impose conditions on a parking spot that he is assigned through Development and Planning's permission to get the certificate of occupancy. What they asked was, "Does a private citizen have to have a permit to collect funds from members of the public for releasing a wheel clamp from a vehicle which has been illegally parked on his or her property?"

And the Attorney General's response was (to cut a long story short), "Yes" in the situation of private.

My position is that this is what the Government needs to clarify. I contend that these particular parking spots that were used, and that are a requirement of the Planning and Development Law to get a certificate of occupancy, can no longer fall into the category of private ownership and private land. Without those parking spots being assigned for public parking, the developer could not get Planning permission for a certificate of occupancy.

And then we get in conflict with the Traffic Law. I believe that the Traffic Law has been extended by this Parliament to include parking lots and other conditions of the requirements of the Traffic Law. And the Traffic Law is quite clear in section 8 that: "Whoever— without the permission of the owner thereof, interferes with a vehicle or any of the controls or equipment thereof or any animal while saddled or in harness; is guilty of an offence and liable upon summary conviction to a fine of one thousand dollars and to imprisonment for six months."

So, Madam Speaker, while the Government is trying to clear up the legality of it, I am going to suggest that anybody who gets clamped calls the police and tell them that you want the person who interfered with their vehicle, who clamped it, arrested and taken to court, fined \$1,000 and imprisoned for six months.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Because the law is the law, Madam Speaker. Not because we have a parking company running around in a little car with some names on it and some orange lights blinking, gives them authority that they do not have.

Madam Speaker, some of the things that I believe the Government need to clear up . . . when I called the Planning Department to speak to the officers there to make sure I had the correct sections of the Law, they were very enthusiastic that somebody was trying to do something about this to clear up this position because it is causing them a lot of headaches and problems.

I think one of the questions Government needs to address is: Can the landlord enforce his parking regulations on parking spaces that have been assigned to a tenant under a lease agreement?

Can this independent company retained by the landlord clamp vehicles that they determine to be illegally parked and force employees of the tenant to pay \$75 to have the clamp removed?

Can a landlord post signs to regulate a parking lot that he has assigned to tenants and which is a requirement of the terms of his Planning permission and certificate of occupancy?

Can a landlord assign parking spaces to the exclusive use of particular employees and then utilise the services of the agent contracted by the landlord to clamp other employees who may use this designated space and allow the agency to charge the employee \$75 to remove the clamp?

And we also need to address what takes precedence. Does the Traffic Law have any bearing in these parking lots?

The other question they might want to look at is: Does the tenant who is renting from a landlord have a right to say to the landlord that he is entitled to one parking spot per 200 square feet for the space that he rents? And can he have exclusive rights to that?

Madam Speaker, I believe that this is a matter the Government needs to address. I am asking the Government to look at what is going on because I believe that these parking management companies are taking more and more liberty with people because the more they get away with the more they believe they can do.

There is a growing animosity in this community. If something is not done to regulate it, Madam Speaker, my fear is that somebody is going to get hurt for interfering with somebody's car.

Madam Speaker, I ask the Government to support the Motion.

**The Speaker:** Does any other Member wish to speak? [pause]

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I rise on behalf of the Government to offer support to this Private Member's Motion for the investigation of the concerns of and to clarify the legal position of the clients and visitors to commercial establishments for parking in relationship to the Planning Law and Regulations.

In doing so, I note that we have already as a Government established a Planning Law and Regulations Review Committee, chaired by Mr. Burns Connolly and other key volunteers, which has been very active since August last year. That committee meets every week and has covered a significant amount of

work. Later on this year the committee will open itself to direct public input as well.

The reason why Government set up this committee is several-fold. But it was important to our Government, Madam Speaker, that the outdated planning laws and regulations we currently have (some based on [the] 1940s law), were comprehensively reviewed to meet the demands of current development on these Islands.

Our Government had the foresight to realise that the existing planning laws and regulations needed review and was very proactive in doing so. That committee has already made many recommendations to our Government that will modernise our planning laws and processes and we are reviewing those recommendations as we speak.

Amongst those many recommendations are the following, which I will share with the House today:

- Update the building code to the International Building Code as our current code is now outdated
- Increase the scope of administrative approval which will make the planning process quicker for residents;
- Create a comprehensive plan for access to land-locked parcels. Madam Speaker, we know this is a large problem also for many Caymanians who cannot get to lands that they have inherited.
- Reduce the minimum size of home lots which will allow lower land costs for new purchasers;
- Better coordination between government departments involved in the planning process, also to speed the planning process;
- To vary the current parking requirements in the downtown George Town area.

Madam Speaker, that last recommendation is part of the solution to the mover's request and we commit that Government will ask the existing committee to consider in an upcoming meeting the relevant portions of this Motion in connection with parking, commercial properties and the Planning Law.

Madam Speaker, I have also heard of complaints from the public in this area and believe that this Motion is worth pursuing to gain clarity to identify what rights a person visiting a commercial establishment should have relative to the Planning Law. But my understanding is that the Planning Law requires parking spaces for the use of the specific development approved. Then the Planning Law anticipates that the use of these spaces will be for three parties—the unencumbered use of the owners, tenants and users of the facilities approved, let us say in Walker's Plaza, and the parking numbers in law are based on the size and function of the development.

The Planning Law does not require that a developer provide parking for persons other than the users of the facility or development. And we do know

that people go and park elsewhere, wherever they can find because there is limited parking. An owner should have the right, based on the Planning Law, to limit the access to their property for persons who are not either their tenants or visitors.

Madam Speaker, if you go to a place and you cannot find a place to park where you are going and you come down to building A, and that has space, then what happens is you park there. But if you were going to building B, let's say, and you have to park at building D, that person does not have any requirement to allow you to park there. It is only by their good graces. The developer has no obligation to provide parking for anyone other than the users of the development.

But, as I said, that is the way the Planning Law is. That is what we are going to look at now. That is what I will request. Because as the Member said, there are a lot of tempers flying about, especially when people park then come back and find their car clamped. I had that once in my whole time of driving.

And then there are a number of issues regarding parking too, Madam Speaker, which impact upon parking. The older buildings do not meet current Planning Regulations for parking. Current buildings should all meet the current Planning guidelines, however, the guidelines do not seem to be enough here in these Islands. And in the Cayman Islands there is a tremendously high ownership of cars. Then there is no significant public transport. These are problems that we find.

Sometimes I am told that clamping locations include a fire lane, obviously an emergency lane, and sometimes people park in it. The fee is meant to be a deterrent I am told. If they charge \$10 anybody will go there and park and pay \$10 for the day.

Anyway, Madam Speaker, I have been told all these things and all good rationale and the problems they are supposed to impact. However, as I said, we too have heard the many complaints from the public in this area and we believe the Motion is worth pursuing. Therefore I will instruct that committee that we have working on planning matters to deal with this as soon as possible.

**The Speaker:** Does any other Member wish to speak?

Elected Member for East End.

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

I rise merely to lend my support to the Motion and make a few comments in that support.

Madam Speaker, my run-ins with problems in the commercial industry of being threatened to be locked started way back. I was a member of the Planning Authority in the 1980s when the then Commissioner of Police threatened to ticket me because I was in his parking spot at the Tower Building. He sent one

of his other police officers . . . he had one downstairs holding his spot, he was sitting in his truck, and he sent another police officer up to CPA meeting to tell me to come downstairs to move my truck so he could get in there. And then I would go in the spot they were holding.

My reply to the Commissioner was that that did not make sense. He was wasting all that salary burning government gas just sitting down there waiting. Go in the spot that is available.

So, Madam Speaker, this has been a contention in this country for a very, very long time. As a Minister I went over to a building that housed some of government's offices and I was threatened then too that they were going to lock me. I have always believed, from the time I was on Planning, that if, like the Premier said, you go to a premises and there is adequate parking, then you should be allowed to park. That is within the minimum requirement.

However, if you go to park in another premise to visit the original one that you wanted to, to find somewhere to park, you should not be allowed to do that. You cannot utilise parking on another premise that is for that particular development.

I witnessed recently the development officer from East End being at the Public Library. They were having a seminar, I believe, and some of it was East End, some of it was West Bay, and some at the Public Library. And because her vehicle was there all day in the same spot they clamped her. The lady was there 7 o'clock at night coming out of this seminar on behalf of the Government, and the gentleman refused to take the clamp off, so she called me. I spoke to the gentleman.

I said, "The lady is working for Government, on behalf of Government. Let her go."

I have had so many calls with this thing, so it needs to be corrected. It really needs to be corrected in this country.

I too am in possession of the letter the Member for North Side read from. I too have had my discussions with the honourable Second Official Member concerning this. And, yes, I agree with him. If you come on my private property and park, then you have no right to be there unless I invite you. But I have a right to go to a commercial development whether I am expressly or otherwise invited. I have a right if I am attending to a business within that development.

Now, the Attorney General cited quite a few cases from England in his reply to these people. But it was all about private property. I do not believe that once you have asked Government to give you permission to develop that piece of property that you have a right to designate any parking other than what is over and above the minimum requirement. Anything over and above that, if I am found in those spots then maybe there is some justification for clamping me. But until you can prove that . . .

Madam Speaker, I must tell you that 99 per cent of the developers in this country maximise the

land coverage. That is where the money is at, you know, in the rental of the building. And where they can go up to 90 per cent, they take it straight up to 90 per cent, that is the building coverage plus the parking. So that is only the minimum requirement. If you want to designate something over and above that, then, sure; but reduce your coverage so you can get a few more parking spots to designate.

It is causing some real problems in our country. It is causing contention between the companies that enforce this and it is causing contention with businesses as well. People are losing their clients as a result of their clients getting clamped in the parking lot. That is the reason I support this Motion.

We need to rectify it. I am not saying we should put anybody out of business, but certainly we need to rectify it. I know the mover mentioned briefly the handicapped parking. Madam Speaker, I have never in my life seen more abuse of that. That really, really aggravates me.

I do not advocate for the parking people to be recovering the fines that Government has to do, but whilst I was a Minister I brought an amendment here to extend the public road into parking lots so that the police could enforce the restriction on handicapped parking.

Madam Speaker, these companies that are hired to do this . . . I have seen them so strict with it that an old lady . . . a daughter or son drops off an old lady. They do not have the disabled vehicle license plate or the decal and they book them. The reverse of that is that their friend or associate comes in a delivery truck and parks right in the handicapped spot to deliver. When I ask them they say, "Well, this is the most suitable one because it is close, and we won't have to carry the weight too far."

Well that is what you use trolleys for! That's how far this has gone in this country.

It aggravates me, Madam Speaker, to see people parking in these handicapped spots when there is nothing wrong with them. The purpose is to ensure that the little old lady or little old man who . . . even if they are fairly old in age and they cannot walk the distance across the parking lot. Even if we have to pull up there and drop them off and then go and park and bring the vehicle back to pick them up. But they are even enforcing that. But they will not enforce a delivery truck coming there to deliver products. That is how far this thing has gone. That is how wild this thing has gone and it needs to stop.

Then we see people coming to pick up their wives from shopping and pull up in it. I spoke to a gentleman up at Foster's the other night and he said, "I'm only going to be five minutes."

I said, "If my mother, who is 86, came here she would have to walk from around the corner, right? And I don't see anything wrong with your hands or your fingers, or toes or feet. But you are going to wait on your wife here and if my mother comes to shop, my



sister is going to have to park almost a quarter mile away and she needs to walk.”

Madam Speaker, there needs to be a comprehensive review of all the parking in this country in order that people understand what their rights are. Right now it is so disconnected, too disjointed. And everybody is taking ownership and doing whatever they want to do.

Madam Speaker, with those few words I would commend this Motion to the rest of my colleagues in this honourable House.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call upon the mover of the Motion to make his reply.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Just to thank the Government for accepting the Motion. I also agree with the Government. I have no sympathy for anybody who expects to park at Royal Bank and visit Cable and Wireless.

The people I am talking about are tenants of the building. And to give you a real example, if you drive down Dr. Roy’s Drive now, you will see that next to Fidelity Bank there are parking spots earmarked for one hour. And people who go to the bank sometimes or one of the law firms up there, or to Digicel, they may have to be longer than one hour. They come back down and their car is clamped.

I had a case where the legislative parking, Madam Speaker . . . I invited somebody here to meet with me on a particular concern they were having. The person parked behind the library in what is marked “Legislative Assembly” and we were here for maybe an hour and 45 minutes and when he went out his car was clamped.

So, Madam Speaker, the problem is the way this is being enforced. I agree with the Premier. I have no sympathy for people who park in the wrong place. But if the tenants are using that building I do not think the landlord has a right to tell them that they can only park for 15 or 30 minutes.

I thank the Government for supporting the Motion.

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED THAT Government investigate these concerns and determine if any amendment to the Planning Law is necessary to clarify the legal position of the clients and visitors to these commercial establishments having a right to park in these parking spots required by the Planning Law.

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

**Ayes.**

**The Speaker:** [The Ayes have it].

**Agreed: Private Member’s Motion 02/09-10 passed.**

**The Speaker:** There being no further business, I call on the Honourable Premier to move the motion for Adjournment.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, before I move the adjournment there is a milestone reached just recently with Miss Bothwell, who is one of our officers here, having been here for 28 years. That’s a milestone, Madam Speaker, and we certainly want to thank her for her very, very hard work over the years. Everyday—everyday—she is here.

Madam Speaker, also it is probably the last sitting for the Serjeant-at-Arms who is moving on, and we certainly want to offer our thanks to him because he has been such a great help here. And, I think I speak for all Members on both sides, that he has been such a good Serjeant-at-Arms, that I wish he never had to go but he has to go on to greener pastures where he likes to be. I know that. He likes to be where he is going and I know he is going to do a good job there as he has done here.

But we want to wish him all the very best. He is one decent young man and I hate to see him go. So, he won’t be here but we want to, on behalf of all Members, offer our thanks and best wishes to him in his new position.

[*applause*]

## ADJOURNMENT

**The Premier, Hon. W. McKeever Bush:** Having said that, Madam Speaker, I move the adjournment of this honourable House—

**The Speaker:** Does anyone else want to say something on the statement?

**Mr. D. Ezzard Miller:** Yes, Madam Speaker.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** As I understand, this is the last sitting of this Meeting and I have some business, some nine questions that have not been done and—

[*inaudible interjection*]

**Mr. D. Ezzard Miller:** Of this meeting.

Well, what I want to do . . . Madam Speaker, I don’t find any comfort in Standing Orders because

23(8) refers to questions that have been on the Order Paper and the proviso also requires that those questions being answered in writing. And since my questions have not appeared on an Order Paper I want to ensure that they are moved forward to the meeting which is scheduled for 22, 23 March, and that I am not bound by Standing Order 24(8) which is a six-month proviso, that it is not invoked on me by the Clerk, which is what happened to the two questions that I asked in June that were never answered, never made it to the Order Paper, and I could not bring the questions back until this sitting, which was after six months.

So, I just want to make sure, Madam Speaker, that the nine questions that I have there are moved forward by motion and the parliament deciding because I cannot find any comfort in the Standing Orders.

**The Speaker:** Can you tell me what the Standing Order is that you just named? Can you repeat the number that you want it raised?

**Mr. D. Ezzard Miller:** Madam Speaker, what I was saying is that Standing Order 23(8), which talks about questions that were on the Order Paper, cannot refer to my questions because, although they were part of the Business Paper, they were not put on an Order Paper to be answered. So that does not allow me to ask for them to be preserved.

Maybe what we need to do, Madam Speaker, is for the Chairman of the Business Committee to simply move a motion that all the business that was before the Business Committee that has not yet been dealt with at this meeting be moved forward to the next meeting.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we are happy to accede to that request. I was going to say that, when the Member rose, that business not dealt with would certainly go on to the next Business Paper. That would mean all questions and everything else, Madam Speaker, would all go onto the next Business Paper. And it will go on to the agenda as the departments and those responsible prepare that work.

I did not move the adjournment, Madam Speaker, but I will move the adjournment for a date to be fixed.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, the Elected Member for North Side seems to know things that I do not know, or seems to know things that I have just learned.

But there is still outstanding business on the Business Papers of this honourable House, notable among which are two motions, one dealing with a call for a national crime prevention strategy, to be moved by me, one dealing with budget issues, particularly the proposed divestment of the Government Office Administration Building under construction by the Government. Both are critically important motions dealing with relevant issues that are currently being determined by the Government.

The motions were filed in good time, the Government had the requisite notice and I have repeatedly reminded the Premier of how critically important it is that these get dealt with at this meeting. He keeps telling me that the Government is not ready, but at every public opportunity the Premier (or one of his ministers) speaks about these issues at length—some would say ad nauseam.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, is the Member going to ask for a date—

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I asked for a date—

**The Premier, Hon. W. McKeever Bush:** —there is no debate on adjournment.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I am on my feet.

**The Premier, Hon. W. McKeever Bush:** You are?  
I am on mine too.

**The Speaker:** I am on my feet!  
Thank you.

*[Addressing the Third Elected Member for George Town]* Now, will you finish what you were saying, and then the Premier can—

**The Premier, Hon. W. McKeever Bush:** No, Madam Speaker. On a point of order.

There are Standing Orders that do not require debate on the adjournment. And I do not know if the Member came to you and asked specifically to debate something . . . he can bring something to our attention, but he is taking mighty long to do it. That is what the Standing Order says.

And I will answer.

**The Speaker:** [Third Elected] Member for George Town, please finish what you were saying, and then the Premier can answer you.

**Mr. Alden M. McLaughlin, Jr.:** Yes, Madam Speaker.  
Madam Speaker, I was saying that at every public opportunity the Premier or his ministers speak to these issues, so I do not believe—

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, this is not so.

**The Speaker:** Ah—

**The Premier, Hon. W. McKeever Bush:** But I must interrupt and I must call attention to the Standing Orders of this House.

**The Speaker:** I do not want to have both of you Members removed from this House this evening. Please sit down.

When I am standing, all Members sit.

Thank you very much.

Now, this is not a debate. If you are asking a question, please ask it, Third Elected Member for George Town.

And, Honourable Premier, you will have your opportunity to answer.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I am not asking a question.

Madam Speaker, I am protesting what I believe to be a breach of the protocol and procedures of this honourable House—

**The Speaker:** Thank you, Third Elected—

**Mr. Alden M. McLaughlin, Jr.:** —which has had the effect of shutting up the Opposition.

**The Speaker:** Thank you, Third Elected Member—

**Mr. Alden M. McLaughlin, Jr.:** This is a grave matter.

**The Speaker:** —for George Town.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Member raised several issues in what he just raised here. And I say the Standing Order does not give him that permission.

But, Madam Speaker, I will say that the Member has asked about it. I have simply said that the matters that he has raised in the motions have . . . there must be a lot of work done to deal with it.

But not only does a lot of work need to be done with it, if it was so important, then why did he not bring those things before?

**The Speaker:** Honourable Premier, let us not get into back and forth at this time of the evening.

**The Premier, Hon. W. McKeever Bush:** No, Madam Speaker, but you must give me a chance to answer though, you know.

**The Speaker:** But, yes. You have answered the question.

**The Premier, Hon. W. McKeever Bush:** I do not think so, Madam Speaker, because I want to tell him—

**The Speaker:** I think I have said what I had to say, he said what he had to say. You have answered.

May we please have the motion for the adjournment? I think everybody is tired and everybody's nerves are frayed at this point.

**The Premier, Hon. W. McKeever Bush:** I moved it for a date to be fixed.

**The Speaker:** The motion before the House is that the House be adjourned for a date to be fixed.

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

**Ayes and one audible No.**

**The Speaker:** The Ayes have—

**Mr. Alden M. McLaughlin, Jr.:** May we have a division, Madam Speaker?

**The Speaker:** Madam Clerk, please call the division.

#### Division No. 12 of 09/10

#### Ayes:

\*Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. J. Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Mr. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne Seymour  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden

#### Noes:

Mr. A. M. McLaughlin, Jr.  
Mr. V. Arden McLean

*\*The Premier, Hon. W. McKeever Bush: Madam Speaker, the business of this House is finished. I vote yes for the adjournment.*

**The Speaker:** The Division is 11 Ayes, 2 Noes.

The House is accordingly adjourned for a date to be determined.

**At 7.34 pm the House stood adjourned until a date to be fixed.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**24 MARCH 2010**  
**10.40 AM**  
*First Sitting*

**The Speaker:** I will ask the Honourable Minister responsible for Community Affairs and Housing to say Prayers.

### PRAYERS

**Hon. Michael T. Adam:** Let us pray.

*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, honour 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:** Good morning everyone. Please be seated.

Proceedings are resumed.

### ADMINISTRATION OF OATHS OR AFFIRMATIONS

**Oath of Allegiance**  
*(administered by the Clerk)*

**The Speaker:** Ms. Richards.

**Hon. Cheryl M. Richards:** I, Cheryl Melanie Richards, do swear that I will be faithful and bear true alle-

giance to Her Majesty Queen Elizabeth II, her heirs and successors according to Law, so help me God.

**The Speaker:** On behalf of this honourable House, I welcome the [Honourable] Temporary Second Official Member responsible for Legal Affairs, and invite her to take her seat.

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

#### Apologies

**The Speaker:** I have an apology from the Deputy Speaker. He will be arriving later on in this sitting.

I want to thank Sergeant Pollard for acting this morning as Serjeant-at-Arms.

I would like to meet with all Ministers and Members of the Cabinet on the first break. Thank you.

### PRESENTATION OF PAPERS AND OF REPORTS

#### Development and Planning (Amendment) Regulations, 2010<sup>1</sup>

**The Speaker:** Honourable Premier, Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House, The Development and Planning (Amendment) Regulations, 2010.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, there is a Motion following and I will wait until such time to speak to it.

**The Speaker:** Thank you.

### QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

<sup>1</sup> Revised paper tabled 25 March 2010, page 523

### Suspension of Standing Order 23(6)

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move for the suspension of Standing Order 23(6) in order to allow the Member for North Side to ask more than three questions.

**The Speaker:** The question is that Standing Order 23(6) be suspended to allow the Member for North Side to ask more than three questions.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 23(6) suspended.**

### Suspension of Standing Order 23(7) and (8)

**The Speaker:** Honourable Premier, would you make a second motion to suspend [Standing Orders] so that we can move beyond the hour of 11 o'clock? We are almost there and I do not want to interrupt Question Time once we begin.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, when we get to that point, but I move for the suspension of the relevant Standing Order so that when we reach 11 o'clock we will continue beyond the hour of 11 for questions.

**The Speaker:** The question is that when we reach the hour of 11 o'clock the relevant Standing Orders be suspended to allow Question Time to continue.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order [23 (7) and (8)] suspended.**

### QUESTION NO. 16

**No. 16: Mr. D. Ezzard Miller** asked the Honourable Minister responsible for Health, Environment, Youth, Sports and Culture what are the Board certified clinical specialties of the current Medical Director for the Health Services Authority, and how many clinical hours per week does his contract require him to work in this or these clinical specialties.

**The Speaker:** Honourable Minister for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** The Medical Director is Board Certified in Sports Medicine (since 1995) and Family Medicine (since 1992). The contract of Medical Director does not require the individual to work clinical hours.

Clinical duties have never been a requirement of the post of Medical Director. The position is an administrative function at the senior management level to provide managerial responsibilities, advice, policy support to the senior management team, Board and Ministry, if required. The Medical Director also provides oversight on matters of physician practice, standards of care, policy development etc.

Although not a requirement of the post the Medical Director from time to time may also assist in various clinical duties and surgical procedures.

### Supplementaries

**The Speaker:** Are there any supplementaries?  
Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister say if the Medical Director is registered for these clinical specialties in the Cayman Islands?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, the Medical Director is registered as a clinical practitioner in the Cayman Islands.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister confirm that that registration as a clinical practitioner includes specialties of family medicine and sports medicine?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, the CEO for the HSA is here. She is confirming that for me. If the Member has another supplementary, I will answer that in a few minutes.

*[laughter]*

**The Speaker:** I am sorry. I did not quite hear what you said.

**Hon. J. Mark P. Scotland:** I said I am getting the answer confirmed for you, Madam Speaker.

**The Speaker:** Thank you.

Are there any further supplementaries?  
Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister confirm that family medicine and sports medicine are recognised clinical specialties under the Health Practitioners Law in the Cayman Islands?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I do not have my copy of the Health Practitioners Law here, but we can also confirm that and give the answer to the Member as well.

**The Speaker:** Thank you.  
Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister confirm, or is the Minister aware that on the Health Practitioner's Registry, as gazetted, the current Medical Director is listed under clinical specialties as having none?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I believe in the previous question I said the director of the HSA would be getting that answer to confirm that.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Only to reserve the right to consider the privilege motion, depending on what the answer is when it is finally given, Madam Speaker.

**The Speaker:** Any further supplementaries? [pause]  
Next question.

#### QUESTION NO. 17

**No. 17: Mr. D. Ezzard Miller** asked Honourable Minister responsible for Health, Environment, Youth, Sports and Culture what special post graduate qualifications in management or administration does the current Medical Director have that the Health Services Authority requires.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, The requirement of the Health Services Authority is at least 10 years of relevant management experience, most of which should have been spent in senior management positions in a healthcare delivery environment. The current Medical Director has the following experience that meets the requirement:

- Chief Operating Officer, Naval Hospital, Yokosuka, Japan; 2004 to 2007.

- Director of Medical Services, U.S. Navy Hospital and Fleet Hospital Eight, Bremerton, Washington; 2000 to 2004.
- Director Medical Operations, Commander Amphibious Group Three; Fleet Surgical Team Five; San Diego, California; 1997 to 2000.
- Clinic Director, Naval Medical Center San Diego, Marine Corps Recruit Depot; San Diego, California; 1995 to 1997.
- Clinic Director and Staff Family Physician, Navy Medical Clinic, La Maddelena Italy; 1991 - 1993.
- Chief Resident, Family Medicine Residency, Navy Hospital, Camp Pendleton, California; 1990 to 1991.
- Clinic Director and Staff Physician, Camp Smith, Hawaii 1986 - 1989.

#### Supplementaries

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Can the Minister confirm that in the answer to the substantive question which asked what qualifications in management and administration the current Medical Director has, that in giving this answer, this answer is that he has none?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, the answer states that the requirement of the Health Services Authority is at least 10 years of relevant management experience, which I listed out.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I believe we all understand clearly the difference between experience and qualifications.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Oh, I know when he came here and who hired him.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** The question does not ask who hired him, you know.

*[Inaudible interjections]*

**The Speaker:** Please, excuse me—

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Because his contract had been—

**The Speaker:** Order!

*[Inaudible interjections]*

**The Speaker:** All questions and answers directed through the Chair, please.

**Mr. D. Ezzard Miller:** Madam Speaker, with the greatest of respect, then, I submit that this is not a proper answer to the question that I asked, which dealt with qualifications of the Medical Director. I did not ask what his experience was. I want to know does the man have any administrative or managerial qualifications.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I stated in the answer that the requirement of the Health Services Authority for that specific position require at least 10 years of relevant management experience. The job description does not require any post graduate qualifications in management or administration.

**The Speaker:** Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker. I wish to ask the Minister of Health, because the Member for North Side seems to be pointing in the direction of some serious if not gross deficiencies.

**The Speaker:** Ah—

**Mr. Ellio A. Solomon:** I was wondering if I could ask—

**Mr. D. Ezzard Miller:** Madam Speaker, on a point of order. The Member cannot read my mind, and cannot impute any motives that I am not making.

**The Speaker:** Fourth Elected Member for George Town, please ask a question.

**Mr. Ellio A. Solomon:** Madam Speaker, I wish to ask the Minister if he could perhaps enlighten us as to when the Medical Director was actually hired.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, the current Medical Director was first hired by the Health Services Authority in November 2007.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, not to anticipate a question on the Order Paper (I will wait until we get to that question), but I get back to my question, Madam Speaker.

The question before this House reads: "What special post graduate qualifications in management or administration does the current Medical Director have that the Health Services Authority requires." The word "experience" does not appear in the question.

Therefore, Madam Speaker, I cannot accept an answer that deals solely with experience. Either the Medical Director has a post graduate qualification in management or administration, or he does not.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I believe the question [being asked is, what post graduate qualification does the current Medical Director have, that the Health Services Authority requires.] I believe the answer that I provided was that the HSA does not require any post graduate qualifications or experience.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Is the Minister therefore confirming that there is no requirement for the Medical Director of the hospital to have any post graduate qualifications in administration or management to occupy the post?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I stated earlier what the requirements for the post holder are, 10 years of relevant management experience. Obviously, if the post does not require the graduate qualifications or the post graduate qualifications, then the post holder is not required to have them either.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister state whether the Health Services Authority is a naval hospital or not?

*[laughter]*

**Mr. D. Ezzard Miller:** If he is going to get technical, I will get technical [inaudible].

**The Speaker:** Please, keep the back and forth out of the Chamber this morning. We are trying to get some questions answered.

Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I believe the Member for North Side knows the answer to that question is, No.

**Mr. D. Ezzard Miller:** Can the Minister confirm that answer to the question that all of the experience of the current Medical Director is naval experience and is, therefore, irrelevant to the functioning of the Health Services Authority hospital?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, the answer to that question is, No. The experiences as I listed out are definitely relevant management experiences to the current post that he is fulfilling at the HSA.

**The Speaker:** Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Madam Speaker, can the Minister responsible for Health inform this honourable House who would have been the Minister of Health at the time this individual was hired?

**The Speaker:** I do not know if that question is relevant to the matter before the House. We are discussing the qualifications of the Medical Director. But, the Minister can answer that if he wishes.

**Hon. J. Mark P. Scotland:** Madam Speaker, the Minister at the time the Medical Director was first hired at the HSA, was the previous Minister of Health, Mr. Anthony Eden.

**The Speaker:** Thank you.

I think we have exhausted the supplementaries on that question. We will move on to the next question.

#### QUESTION NO. 18

**No. 18: Mr. D. Ezzard Miller** asked Honourable Minister responsible for Health, Environment, Youth, Sports and Culture what are the improvements, both in clinical and administrative procedures that the current Medical Director has successfully implemented during his first contract.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** When the current medical director was hired in 2007 he was initially tasked with providing the strategic leadership required to restore internal and external confidence while rebuilding private sector partnerships. During these last two years, Dr. Hoeksema has made significant strides in the

transformational improvement of clinical quality whilst developing key services within the organisation.

**The Speaker:** Any supplementaries?  
Elected Member for North Side.

#### Supplementaries

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister state whether in the strategic leadership required to restore internal and external confidence, while building private sector partnerships, includes admission privileges by private physicians to the Health Services Authority hospital?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, one of the responsibilities of the Medical Director is as Chairperson of the Committee for Clinical Practice and in that responsibility one of his responsibilities is granting privileges for private practitioners at the HSA.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I wonder if the Minister would agree to provide me with a copy of the Medical Staff bylaws that authorise privileges according to credentials for physicians to practice at the George Town Hospital.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Yes, Madam Speaker, I can undertake to provide that to the Member.

**The Speaker:** Are there any further supplementaries?  
If not, we will move on to the next question.

#### QUESTION NO. 19

**No. 19: Mr. D. Ezzard Miller** asked Honourable Minister responsible for Health, Environment, Youth, Sports and Culture has the current Medical Director been directly involved in the dismissal of an emergency medical technician at the Health Services Authority as a result of the only reported death of a patient with the H1N1 virus.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, the Medical Director did not participate in the dismissal procedure. The procedure was conducted in accordance with the Health Services Authority Human Resources Manual.



**The Speaker:** Any supplementaries?  
If not, we will move on to the next question.

### QUESTION NO. 20

**The Speaker:** Elected Member for North Side.

**No. 20: Mr. D. Ezzard Miller** asked Honourable Minister responsible for Health, Environment, Youth, Sports and Culture has the current Medical Director's contract been renewed without the position being advertised.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, as has been acknowledged in previous statements and in the media, the Health Services Authority's Medical Director's contract was recently renewed without being advertised.

As Honourable Members are aware, the HSA is a statutory authority, so the day-to-day operations and administration are not under the direct control of my Ministry. Recent amendments to the HSA legislation by the adopted a governance model that was recommended by Impact Consultants that removed the Ministry representative from the HSA Board and created clear separation between the Board, the Ministry, and the administration/day-to-day operation of the HSA.

However, when the circumstances surrounding the renewal of the Medical Director's contract was brought to my attention, I investigated and was disappointed to learn that the contract renewal had not been advertised. Despite my disappointment that an open recruitment process was not done, I would like to take this opportunity to go on record and state that as Minister for Health I have not found any reason to ask the HSA to terminate the Medical Director's contract, or seek his resignation.

**The Speaker:** [Any supplementaries?]  
Elected Member for North Side.

### Supplementaries

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister state whether the hiring of staff for the Health Services Authority falls under Government Regulations which require advertising of the position, or under the Cayman Islands Immigration Law, which also requires advertising of the post?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, a Cabinet directive was issued in 2003 in which Cabinet granted approval as follows . . . one of the items in the

approval was that all job vacancies at the Health Services Authority must be advertised as prescribed in Immigration Regulations, sections 3 and 4, and in this case the interpretation by the Board was that the renewal was not a "vacancy" it was a contract renewal.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister explain how it is possible to have a contract for a position that is not vacant?

*[addressing the Hon. Minister of Health]* And stop spitting words at me, I get . . . I am not a little boy. There is no such thing as an extension.

**The Speaker:** Order please.

**Hon. J. Mark P. Scotland:** Madam Speaker.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** As I stated, the Board used the interpretation that a vacancy is either a post that was vacant or not being occupied at present. As I said in my previous answer, I have not accepted that interpretation and since then have mandated that all future contract renewals would be advertised and an open recruitment process would be followed going forward.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Ah . . . Madam Speaker, in the second paragraph of the substantive answer the Minister says that "**Recent amendments to the HSA legislation adopted a governance model that was recommended by Impact Consultants** [Just for clarity, Madam Speaker, because I know that would show here because that is my company. I have no shame in admitting that I made those recommendations] **that removed the Ministry representative from the HSA Board and created clear separation between the Board, the Ministry and the administration/ day to day operation of the HSA.**"

How can the Minister reconcile his statement in the last paragraph where he says that having learned that the contract [was not] advertised he inquired and "**I have not found any reason to ask the HSA to terminate the Medical Director's contract, or seek his resignation.**"

Is the Minister saying that he is willing to contravene that separation of powers if he deems he has a reason to? Because we either have the separation or we do not.

**Hon. J. Mark P. Scotland:** Madam Speaker, no I am not . . . the question, I believe, the Member asked if I was contravening the recent amendments to the legislation which removed the Ministry rep from the Board. The Ministry is there to set the policy. The only time I would step in to contravene that would be if the wider

public interest was to be . . . was needed in the wider public interest, Madam Speaker.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, in a supplementary question a few minutes ago, the Minister said he just issued a directive to the Board that all posts must now be advertised. That has nothing to do with general policy; that is direct day to day operation which contravenes the adoption of policy recommended by Impact Consultants.

**The Speaker:** Was that supposed to be a question or a statement?

**Mr. D. Ezzard Miller:** Yes, Madam Speaker. I need him to confirm it because I am getting spun in circles here.

**The Speaker:** Are you asking a question?

**Mr. D. Ezzard Miller:** Yes, Ma'am.

**The Speaker:** Thank you.

Honourable Minister responsible for Health, Environment, Youth, Sports and Culture, do you have anything further to say on this matter?

**Hon. J. Mark P. Scotland:** Madam Speaker, did he ask a question?

**The Speaker:** He said it was supposed to be a question, but I did not hear the question. I am waiting.

**Mr. D. Ezzard Miller:** Madam Speaker, you know, I am big, fat and ugly. It is hard to spin me round and round in circles—

**The Speaker:** Ah, that is not a question either, sir.

**Mr. D. Ezzard Miller:** Can the Minister confirm that within the last 15 minutes in the answer to supplementary questions from me he said that, having found that the Health Services Authority were contravening the paper, the authorisation of Cabinet in 2003, he has issued a directive that all posts must now be advertised?

*[Inaudible interjection]*

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Mr. D. Ezzard Miller:** Tell the truth!

**Hon. J. Mark P. Scotland:** Madam Speaker, in the wider public interest it was my decision to issue the directive to the HSA at this time as it is bound by . . . and in the wider interest of the people of these Islands

to ensure that all future contract renewals are advertised.

**The Speaker:** Thank you.

I think—

Elected Member for East End, go ahead.

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

Madam Speaker, the Minister has said that there is a clear separation between the Board, the Ministry and the administration of day to day operation at the HSA, which must be maintained. He also spoke of his disappointment and the likes of the renewal of the contract.

Can the Minister tell us, then, by extension is it not so that Ministers are not responsible for hiring of personnel there either?

**Hon. J. Mark P. Scotland:** Madam Speaker, the answer is . . . the Member is correct. The Ministers are not responsible. But I did not say that I issued any directive in which I would become involved directly in the hiring of any personnel. I simply issued a directive that all posts from here on should be advertised for contract renewals.

**The Speaker:** Thank you.

Elected Member for East End.

**Mr. V. Arden McLean:** Thank you.

Madam Speaker, I certainly would not want to accuse the Minister of getting involved in any way. And I hope he does not. But the question I asked of him is: Is it not so, then, that the former Minister responsible for Health had no place in hiring the current Director?

**Hon. J. Mark P. Scotland:** Madam Speaker, I think the Member just provided his opinion. I cannot speak to the fact of whether the previous Minister was involved in the hiring or not of the Medical Director.

**The Speaker:** Elected Member for East End, this is the last question that is going to be allowed on this subject because I think we have gone through this quite . . .

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

The Minister provided this answer that there is a separation. So, it is not an opinion of mine.

Can the Minister say, based on the separation of those powers is it not fair to assume that, like his not being involved, the previous Minister following that separation was not involved?

*[Inaudible interjections]*

**The Speaker:** Excuse me. Please do not speak across the Chamber. The questions are to be directed to the Chair.

Minister—

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Madam Speaker, on a point of order.

By virtue of Standing Order 22(g), I wonder if I could draw the Chair's attention to that for a ruling please?

[pause]

**The Speaker:** Would you repeat the question, Member for East End, please?

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

Based on the separation of powers, previously and currently, between the HSA, the Ministry and the day to day operations, can the Minister say if that separation prevents a Minister from getting involved in the hiring of individual staff members?

**The Speaker:** The question is prevents a Minister? Is that what you are saying? I am trying to get the question clarified.

**Mr. V. Arden McLean:** Thank you, Madam Speaker. Any Minister, yes.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture, this is the last answer.

**Hon. J. Mark P. Scotland:** Madam Speaker, obviously the intention is that the Minister is not directly involved in the hiring. But I cannot speculate as to whether, as the previous question the Member asked, the previous Minister was directly involved or not.

**The Speaker:** Thank you.

Please move on to the next question.

*[Ongoing inaudible interjections]*

**The Speaker:** You know, if you two gentlemen would like to continue the conversation, we have committee rooms you can do it in. Please do not do it across the Chamber.

Would the Clerk read the question again, please?

#### QUESTION NO. 21

*(Withdrawn)*

**No. 21: Mr. D. Ezzard Miller** asked Honourable Minister responsible for Health, Environment, Youth, Sports and Culture how many years experience did the current Medical Director for the Health Services Authority have as a Medical Director or Chief of Staff before he was hired by the Health Services Authority.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I wish to withdraw question 21 as it was already answered under question 17.

**Mr. V. Arden McLean:** Madam Speaker, I beg to second that.

**The Speaker:** All those in favour of that question being withdrawn, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Question No. 21 withdrawn.**

**The Speaker:** We move on to Question No. 22.

#### QUESTION NO. 22

**No. 22: Mr. D. Ezzard Miller** asked Honourable Minister responsible for Health, Environment, Youth, Sports and Culture has the Cayman Islands National Insurance Company Board received a contract from Baptist Health System to partner or act as its Third Party Administrator (TPA) prior to CINICO advertising for a TPA or issuing a "Request for Proposal."

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** In December 2009, at their request, representatives from Baptist Health South Florida met with myself, my Chief Officer, the Deputy Chairman of the CINICO Board, and the General Manager of CINICO to present a proposed Provider Participation Agreement for the consideration of the CINICO Board. This unsolicited agreement proposes to create a direct relationship between CINICO and Baptist Health South Florida, which would effectively eliminate the need for a third party providing case management for services that CINICO clients receive at Baptist. It is also worth noting that there is no exclusivity being requested by Baptist – the proposal would still allow CINICO clients to receive overseas care at any institution which the Chief Medical Officer refers them to.

This proposal has been sent to the CINICO Board members for their review, and they are considering it in concert with their review of the strategic direction of the organisation. No decisions have been made as yet regarding this proposal from Baptist.

**The Speaker:** Are there any supplementaries on this question?

Elected Member for North Side.

#### Supplementaries

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister say whether the CINICO Board intends to issue a request for proposals to act as TPAs, in light of having received this unsolicited proposal from Baptist.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, prior to receiving this unsolicited proposal, the Board was preparing an RFP for these services. That should be going out in the near future.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the [Minister] confirm, based on his answers, that while the Board is preparing a request for proposal (RFP) they are, as he stated earlier, considering an unsolicited proposal from Baptist Hospital? And, if so . . . if the Board is going to issue a request for proposal, why was this proposal ever presented to the Board in the first place?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**The Speaker:** Madam Speaker, the RFP being prepared is to procure the services of a third party administrator for the claims adjudication and case management. This unsolicited proposal is simply to establish a direct agreement which I stated earlier would not be an exclusive agreement with Baptist.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister confirm that the Board is going to issue a request for proposals and that having received this proposal that proposal is not going to be used to influence the request for proposal which may favour Baptist Hospital having made a proposal to the Board?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I can confirm that the RFP for the TPA is going to be issued and, yes, or no as it may be, that the Baptist proposal will not influence that RFP.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, would the Minister clarify that the Board is in fact considering two matters before it now: 1) they are considering a proposal to act as a direct provider and eliminate the need for a TPA for anything that goes to Baptist Hospital, and they are also in the process of preparing an RFP for anything that does not go to Baptist Hospital, and why the difference?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, as part of its strategic direction, CINICO is currently investigating the feasibility of creating its own claims adjudication capacity as well as internal case management unit. We know that there are significant savings to be found in pursuing both of these options.

At present the RFP for the TPA to do claims adjudication and case management will be issued, as I said, the proposal from Baptist eliminates the need for the TPA, but is not an exclusive agreement.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister say that the CINICO Board and its strategic-whatever-they-are-doing is considering developing in-house TPA and case management, while the Board is at the same time preparing a request for proposals from private institutions while we are also considering a contract from Baptist Hospital to provide direct services which are not subject to TPA or anybody checking their bill?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, in the RFP that is being issued, part of those services will be to help CINICO transition from the TPA to doing its own in house services.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, in the Minister's substantive answer, he says that representatives from Baptist Health South Florida met with him, as Minister, [with] the Chief Officer, the Deputy Chairman of CINICO and the General Manager of CINICO. Can the Minister explain why, having knowledge that the CINICO Board was in the process of preparing a request for proposal this proposal from Baptist Hospital was presented to the Board? And who presented it to the Board?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, in the course of the last 8, 9 or 10 months, we received numerous proposals from various entities, unsolicited, for providing services. When we were requested to meet with Baptist, we had the meeting with them and simply passed the proposal over to the Board for their consideration.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister therefore state why Baptist Hospital of South Florida was given such preferential treatment when the other proposals that were received unsolicited were not presented to the Board? And answer the last part of the last question; was it the Deputy Chairman, who was at this meeting that presented this contract to the Board?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, we have had numerous requests for meetings. When I said "unsolicited proposals" while we have had meetings and discussions with other entities about various services, this was the first formal proposal that was presented to us in that meeting. And we simply handed it over to the Board, which I believe the Chairman distributed copies of it. I do not think there was any formal presentation to the Board.

**The Speaker:** Any further supplementaries?  
If not, we move on to the next question.

### QUESTION NO. 23

**No. 23: Mr. Anthony S. Eden** asked Honourable Minister responsible for Health, Environment, Youth, Sports and Culture for the current policy of the Health Services Authority regarding recruitment of returning Caymanian medical professionals.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, it is the current practice of the HSA to actively support and consider for hire all returning medical professionals to the Cayman Islands with a desire to work at the HSA.

**The Speaker:** Are there any supplementaries?  
Third Elected Member for George Town.

### Supplementaries

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I wonder if the Minister can say whether or not the usual practice enshrined in the Immigration Law, and has been for decades, that Caymanians suitably qualified and experienced are given preference in terms of employment, applies to the recruitment policies at the Health Services Authority.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, the Member is correct. The policies are followed very rigidly in terms of returning Caymanians for employment at the HSA. I have again mandated that any returning

Caymanian student qualified in medical profession be given top priority to be hired at the HSA.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, can the Minister confirm that there is no requirement by the Medical Director that Caymanians completing an MBBS degree and would normally return to the Cayman Islands as what we call general practitioners (which he calls a family practice specialty) are now requiring that they have a specialty or a board certification before they are allowed to be employed at the hospital?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, it is not currently required to have a specialty to return as a general practitioner to the HSA.

**The Speaker:** If there are no further supplementaries . . . Member for East End.

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

I wonder if the Minister can tell us how many medical students we have overseas. If he also has information on the timeframe we are looking at for these to return home, if possible.

**The Speaker:** I do not know if that relates directly to what is being asked, but if the Minister wants to answer it, he is free to do so.

**Hon. J. Mark P. Scotland:** Madam Speaker, ever since assuming responsibility as Minister of Health we have been working to construct that database. We found that that information was not available when I took office, and I am rigorously involved in trying to contact some of the students to ensure that a database is compiled to ensure that a succession plan is put in place at the HSA for returning Caymanians.

**The Speaker:** Are there any further supplementaries?  
If not, we move on to the next question.

### QUESTION NO. 24

**The Speaker:** Third Elected Member for George Town.

**No. 24: Mr. Alden M. McLaughlin, Jr.** asked the Honourable Minister responsible for Health, Environment, Youth, Sports and Culture what are the present arrangements for the maintenance of all Government sports facilities, and in particular, the playing fields.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, the Department of Sports has the main responsibility for the maintenance of Government sports facilities, including playing fields. They maintain these facilities using their maintenance crew, and Advanced Road Construction and Paving (ARCP) has been providing assistance at the Truman Bodden Sports Complex, the Haig Bodden Playing Field, the Old Man Bay Playing Field, and the Donovan Rankine Playing Field].

Prior to July 2009, ARCP conducted this maintenance as part of their contract with the Cayman Islands Government for remedial work on five natural fields. However, this agreement expired in July, 2009. Since that time, ARCP has continued to provide a degree of assistance with the maintenance of these playing fields at no cost to the Cayman Islands Government.

**The Speaker:** Third Elected Member for George Town.

### Supplementaries

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I would ask the Minister to indicate whether or not he is satisfied with the present level of maintenance of the fields. Rather than going around in circles, Madam Speaker, is he aware of the state of the football field at the stadium at the Truman Bodden Sports Complex?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I believe that we have not . . . the Sports Department . . . this maintenance falls directly under the Sports Department. We have not been told that there is any concern with the maintenance of any of the fields at this time.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I need to indicate . . . I need to essentially make a statement before I can ask the next question. I myself have been to the facility at the Truman Bodden Sports Complex recently and the field is in poor shape.

My concern, as the Minister well knows from his previous life is that we have spent—

**The Speaker:** We have to ask the question.

**Mr. Alden M. McLaughlin, Jr.:** Yes, Madam Speaker.

We have spent . . . given the fact that we have spent millions of dollars over the course of the past few years to upgrade these facilities to international standards, would the Minister confirm that he will take the necessary measures to ensure that adequate

maintenance is continued on all government playing facilities?

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, as I stated earlier, the five natural fields were reconstructed up until 2007 and there were no maintenance procedures put in place for those fields up until we took office in 2009. As I mentioned, the company that constructed them continued to maintain them to provide a degree of assistance to the government in maintaining those fields.

Maintenance is a top priority, maintenance of all facilities, not just the football fields is a top priority of mine, considering my background in engineering and project management and so on. I recognise that Government has invested quite a large sum in all of its facilities. As I said, maintenance is of extreme importance.

I will undertake to investigate the question the Member had concerning the condition or state of the Truman Bodden Sports Complex. However, I visit the field regularly as well, and I am not aware of it being in a poor state at this time.

**The Speaker:** Thank you.

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I am not sure I quite understand one bit of the Minister's response. I need to confirm that, Madam Speaker, because it conflicts with what is in the substantive answer.

The substantive answer says, "**Prior to July 2009, ARCP conducted this maintenance as part of their contract with the Cayman Islands Government for remedial work on five natural fields.**" In light of that, I wonder if the Minister would confirm that in fact there were provisions for maintenance of the sports facilities in place when he took office in May 2009.

**The Speaker:** Honourable Minister responsible for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, as I stated earlier, the provisions for maintenance were not in place, they were very short-term provisions which were running up until July 2009.

**The Speaker:** If there are no further supplementaries, we will move on.

**Mr. D. Ezzard Miller:** Madam Speaker, before you move on from questions, I just wish to table the Medical and Dental Council gazette list of fully registered practitioners for 2010, as of January 2010. It says, "Medical Director, profession, specialty, none, sur-

name, Hoeksema, First name, Greg, second name, William” so that the evidence is before the parliament.

**The Speaker:** Are you supplying copies of that to all Members of the House?

**Mr. D. Ezzard Miller:** Madam Speaker, unfortunately I do not have a photocopier at my house, but I am quite willing for the Clerk to photocopy them and distribute them to all Members. I do not have a problem with that.

*[Inaudible interjections]*

**The Speaker:** We are going back into this exchange again.

**The Premier, Hon. W. McKeeva Bush:** Yeah [inaudible]

**The Speaker:** [inaudible] I would suggest that you make copies of the report and you can circulate it to Members on your own.

Please proceed, Madam Clerk.

**Mr. D. Ezzard Miller:** Madam Speaker, I would respectfully request that I be allowed to table it so that it is available to the public and not just to Members.

**The Speaker:** Do we have a Standing Order under which you are going to table that?

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I do not know if the rules provide for it, but this House would be glad to get this fantastic, or supposedly informative, document. I would like to see what it is all about too. Let's get it. We agree with that.

**The Speaker:** All right. Thank you, Mr. Premier.

**The Premier, Hon. W. McKeeva Bush:** Besides that, Madam Speaker, I will humbly ask the Clerk to make required copies and enough for the public to spread it unto all the press.

**The Speaker:** *[Addressing the Serjeant-at-Arms]* Would you please collect the paper and lay it on the Table?

**The Premier, Hon. W. McKeeva Bush:** You hear *'bout taking licks for somebody else's work?*

*[laughter]*

**The Speaker:** Now can we proceed with the business of the House?

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** I have received no statements from honourable Ministers and Members of the Cabinet.

Before we proceed to Government Business, I will take the suspension now until 1.30 pm, and remind the Cabinet Ministers and Members that I would like to meet with them.

Thank you.

**Proceedings suspended at 11.55 am**

**Proceedings resumed at 2.32 pm**

**The Speaker:** Please be seated. Proceedings are resumed.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I would like to apologise to the House for the long wait. Government was in a very important meeting which entailed all of us. We just could not complete in time. So I do apologise to the House.

**The Speaker:** Apology accepted.

## GOVERNMENT BUSINESS

### BILLS

#### Suspension of Standing Order 46(1) and (2)

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I move the suspension of Standing Order 46(1) and (2) to enable the Bills on the Order Paper to be read a first time.

**The Speaker:** The question is that Standing Order 46(1) and (2) be suspended to enable the Bills on the Order Paper to be read a first time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(1) and (2) suspended.**

## FIRST READINGS

**Criminal Procedure Code (Amendment) Bill, 2010**

**The Clerk:** The Criminal Procedure Code (Amendment) Bill, 2010.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for a second reading.

### **Penal Code (Amendment) Bill, 2010**

**The Clerk:** The Penal Code (Amendment) Bill, 2010.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for a second reading.

### **Suspension of Standing Order 46(4)**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** I beg to move the suspension of Standing Order 46(4) to enable the Bills on the Order Paper to be read a second time.

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the Bills on the Order Paper to be read a second time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(4) suspended.**

## **SECOND READINGS**

### **Criminal Procedure Code (Amendment) Bill, 2010**

**The Clerk:** The Criminal Procedure Code (Amendment) Bill, 2010.

**The Speaker:** Honourable Acting Second Official Member.

**Hon. Cheryl M. Richards:** Thank you, Madam Speaker.

I beg to move the second reading of a Bill shortly entitled, the Criminal Procedure Code (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**Hon. Cheryl M. Richards:** Thank you, Madam Speaker.

I rise to present to this honourable House the Criminal Procedure Code (Amendment) Bill, 2010. The Bill seeks to amend the First Schedule to the Criminal Procedure Code (2006 Revision) in order to prescribe the mode of trial, category of offence and

penalties in relation to the offence to damage to property as set out in section 267 of the Penal Code (2007 Revision).

Madam Speaker, it is a companion Bill to the proposed amendment to the Penal Code. Presently, the First Schedule to the Criminal Procedure Code provides that damage to property whether committed by fire, which is arson, which attracts a maximum sentence of life imprisonment, or damage by other means, with a maximum penalty of ten years are all A offences and triable only in the Grand Court. The practical effect of this is that even very simple offences have to be committed to the Grand Court for trial. Thus, a matter cannot remain in the Summary Court even where the parties would wish it to so remain.

It may be helpful, Madam Speaker, if I were to briefly review the history of changes to the legislation and identify how the present position came about.

Madam Speaker, the 1995 revision to the Penal Code provided in section 257 for the offence of damage to property as follows: **“257. Whoever, without lawful excuse, destroys or damages any property belonging to another intending to destroy or damage any such property or being reckless as to whether any such property would be destroyed or damaged is guilty of an offence and liable-**

**(a) if tried upon indictment, to a fine of ten thousand dollars to imprisonment for ten years; or**

**(b) if tried summarily, to a fine of one thousand dollars and to imprisonment for two years.”**

The corresponding Criminal Procedure Code (1995 Revision) provided as follows: “that the first mentioned offence triable on indictment, subject to a maximum of ten years imprisonment if the value of destruction or damage exceeded \$1,000, was a category B offence, if the value of destruction or damage did not exceed \$1,000 was therefore subject to two years imprisonment or a fine of \$1,000 was a category C offence.”

Madam Speaker, in August 2004, the Penal Code (Amendment) Law 1998, Law 15 of 1998, came into effect. This repealed section 257 and substituted as section 250 the following offence:

**“250. (1) A person commits an offence if he, without lawful excuse, destroys or damages any property, whether belonging to himself or another-**

**(a) intending to destroy or damage any property, or being reckless as to whether any property would be destroyed or damaged; and**

**(b) intending by destruction or damage to endanger the life of another, or being reckless as to whether the life of another would thereby be endangered.”**

And subsection (2) provided if an offence committed under this section by destroying or damag-



ing property by fire would be charged as arson and the person convicted would be subject to life imprisonment and for lesser offences the maximum was ten years or a fine not exceeding \$10,000.

While this amendment served to increase the sentence for arson for the first time to life imprisonment, the immediate practical effect with the use of the word "and" was that every damage to property could now only be committed where the intention was to injure the life of another which was clearly not the case previously.

The corresponding Criminal Procedure Code revision to the change in 2004 as a response now made all damage to property offences an "A" offence, and, given the required intent, this would have been perfectly proper. However, [in] practical reality not all damage to property offences is committed with intent to endanger life. Consequently, Madam Speaker, the Penal Code Amendment Law, 2006, amended section 261 essentially removing the "and" and reverting to the original position where there was a damage to property simplicity offence as a separate offence for the more serious offences of damage to property and arson.

That, therefore, provided (and is the present position) that a person who without lawful excuse (that is 261(1)) destroys or damages any property belonging to another intending to destroy or damage any such property or being reckless as to whether any such property would be destroyed or damaged commits an offence. So it is a separate offence of damage to property *simpliciter*

Subsection (2) then retained where the damage to property was caused with intent to endanger life. And subsection (3), the separate offence where the damage is occasioned by fire, being charged as arson. However, despite this change in 2006 to the Penal Code separating the offences, the Criminal Procedure Code remained as scheduled, so that all the offences, both the simple offence and the more serious ones, are category A offences.

This Bill, the Criminal Procedure Code and its companion Penal Code (Amendment) Bill, seeks to remedy the situation and to provide for modes of trial for different categories of damage to property. Madam Speaker, the detailed provisions of this Bill, which is before this honourable House, are as follows: Clause 1 provides the short title; clause 2 repeals all of the items listed in the columns of the first schedule relating to section 267 of the Penal Code (referred to as the principal Law), and these are to be replaced with the first category, "destroying or damaging property where the value of the destruction or damage does not exceed \$3,000 with a penalty of five years and \$5,000." This would be a category C offence triable only in the Summary Court.

The second category, "destroying or damaging property where the value of destruction or damage exceeds \$3,000 with a penalty of ten years and \$10,000, a category B offence" thus electable to be

tried either in the Summary Court or in the Grand Court.

The third category, "destroying or damaging property intending to endanger life," the penalty is life imprisonment. That would be a category B offence, electable, triable either in the Summary Court or in the Grand Court.

And the fourth and final category, "arson," which continues to carry a penalty of life imprisonment, would remain a category A offence.

Clause 3 saves the rights and liabilities arising under the First Schedule, which accrued prior to any change in the Law.

Madam Speaker, I commend this Bill to this honourable House and seek the approval of this House in passing the Criminal Procedure Code (Amendment), Bill 2010.

**The Speaker:** Thank you.

Does any other Member wish to speak?

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Just to say on behalf of the Opposition that we support the Bill.

**The Speaker:** Thank you.

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I also support the Bill. But I have one question to ask. Does life imprisonment in the context of this law mean until death? Or does it mean life imprisonment, which is normally 12 to 25 years with parole?

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I will call on the Honourable Acting Second Official Member to conclude the debate.

**Hon. Cheryl M. Richards:** Thank you, Madam Speaker.

To answer the question posed, if I may refer briefly to the Interpretation Law, which provides in section 43, under the heading "Provision as to penalties," that where any final penalty is imposed by under the authority of any law shall be implied that the amount of such final penalty is the maximum amount. And where by any law any person may be sentenced to any term of imprisonment it shall be implied that such term of imprisonment is the maximum term."

So, in respect of this as drafted it will be a maximum; but the court would have the discretion to consider the circumstances of each case and to determine what would be the appropriate sentence.

[Inaudible interjections]

**Hon. Cheryll M. Richards:** Only if it relates to the offence of murder.

The offence of murder, which is set out in the Penal Code, says “shall be” so that is an imperative sentence as written. All the other sentences, and, certainly, those we are considering today, *may be*.

Madam Speaker, having answered the question posed, there remains only for me to thank honourable Members for their support of this Bill.

**The Speaker:** The question before the House is that a Bill shortly entitled, The Criminal Procedure Code (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Criminal Procedure Code (Amendment) Bill, 2010, given a second reading.**

#### **Penal Code (Amendment) Bill, 2010**

**The Clerk:** The Penal Code (Amendment) Bill, 2010.

**The Speaker:** Honourable Acting Second Official Member.

**Hon. Cheryll M. Richards:** Thank you, Madam Speaker.

I beg to move the second reading of a Bill shortly entitled, The Penal Code (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved, does the Member wish to speak thereto?

**Hon. Cheryll M. Richards:** Thank you, Madam Speaker.

I rise to present to this honourable House the Penal Code (Amendment) Bill, 2010. This Bill seeks to amend Part X of the Penal Code (2007 Revision) relating to Malicious Injuries to Property in order to distinguish between minor offences, where the value of the destroyed or damaged property does not exceed three thousand dollars, where that value exceeds three thousand dollars, and other offences committed under subsections (1) and (4) of section 267 such as arson.

The history has been previously outlined, that is, in relation to damage to property in relation to the debate for the Bill entitled, The Criminal Procedure Code (Amendment) Bill, 2010, and I would respectfully crave your permission to adopt the previous comments made by way of explanation to that Bill.

The proposed change to the Penal Code (Amendment) Bill would provide four different categories,

of damage to property and level of penalty in each case would determine not only the mode of trial, but the penalties which would attach.

Madam Speaker, the detailed provisions are as follows: Clause 1 of the Bill provides the short title. Clause 2 amends both subsections (1) and (4) of section 267 of the Penal Code. And these are replaced with the following subsection:

**“(1) A person who, without lawful excuse, destroys or damages any property belonging to another, intending to destroy or damage any such property or being reckless as to whether any such property would be destroyed or damaged, is guilty of an offence and liable, where the value of the destruction or damage-**

**(a) does not exceed three thousand dollars, to a fine of five thousand dollars and imprisonment for five years; and**

**(b) exceeds three thousand dollars, to a fine of ten thousand dollars and to imprisonment for ten years.**

**“(4) A person convicted of arson under this section or of any offence under subsection (2) is liable to imprisonment for life.”**

Madam Speaker, clause 3 would preserve the status quo for matters which occurred prior to any change in the Law. So it would not affect any rights or liabilities acquired, accrued or incurred before the date of commencement of the Law.

Madam Speaker, I commend this Bill and seek the approval of this honourable House in its passage.

**The Speaker:** Thank you.

Does any other Member wish to speak?  
Leader of the Opposition.

**Hon. D. Kurt Tibbetts:** Thank you, Madam Speaker. This, not really companion legislation, but accompanying legislation, certainly as my colleague already indicated, is supported by the Opposition. But I have to ask the question again, Madam Speaker.

The Member for North Side [Mr. D. Ezzard Miller] questioned the business of life imprisonment. And I believe the Honourable Acting Second Official Member explained that a life sentence is only mandatory on a conviction of murder. I believe that is what she meant.

But what I believe—and I am a bit confused, that is why I want to make sure. What I am a little bit confused about is that . . . and I understand that it means “up to a life sentence.” That means, as I understand it, that there can be a term, a conviction for a term, a period of time. But the question is: If the conviction draws a life sentence, what does that mean?

We understand that a life sentence is the maximum. And we understand that depending on precedents and everything else, the Judge may decide on whatever he or she so wishes or thinks is appropriate as sentencing. But I do not think we are

quite clear as to whether a life sentence for one of these convictions in either one of the two amending Bills means a life sentence, or whether it is between so and so many years.

Thank you.

**The Speaker:** Does any other Member wish to speak?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

My concern about life sentence, because I happened to have been in Executive Council when capital punishment was removed from our law books by Order in Council by the United Kingdom Government, and I have had representation over the last couple of years that there has been thought being given to the Governor paroling certain people who have been sentenced to life.

The question that I want to have clear in my mind, and for my constituents, is that when a person receives a life sentence for a crime that carries a life sentence, it means that he stays in jail until he is dead. There is absolutely no possibility of parole.

I know that in some European countries and in the United Kingdom it is now down to 12 or 25 years. And I believe that there is some concern . . . certainly in my constituency, people believe that when people are sentenced to life imprisonment . . . they want to have the satisfaction and the peace of mind to know that he is only coming out of there when he comes in a body bag or a casket. We are not going to get some liberal government that is going to release him after 12 years for murder.

Madam Speaker, I had given notice of an amendment to the Penal Code earlier, in accordance with Standing Orders 51 and 52. What I am seeking to do here is to create an offence under section 240 for anyone who employs any person in the Cayman Islands for less than \$6.00 will be guilty of an offence and liable to a fine of \$5,000 and/or one year in jail.

I understand, Madam Speaker, that there may be some conflict with the Labour Law. Not being an attorney, I do not claim to have all of the legal expertise to maneuver around it. That is why I avoided the word "minimum wage" because what I am seeking to do is establish that in the Cayman Islands it would be an offence to employ anyone for less than \$6 per hour.

We have talked about a minimum wage in this country. The Premier and I were guilty of that in 1984/1985 when we introduced labour legislation and we took the licks for it then. I know that there is provision; there is a very convoluted process that existed—

**The Speaker:** Member for North Side, is that not a little bit off the subject of the Bill before the House? Are you moving an amendment?

**Mr. D. Ezzard Miller:** I am speaking to the amendment that I have put—

**The Speaker:** But you have to move it.

**Mr. D. Ezzard Miller:** I will move it in committee stage.

**The Speaker:** You will move it in committee stage.

**Mr. D. Ezzard Miller:** Okay.

I would be happy for the Speaker to rule that this has nothing to do with labour or . . .

[laughter]

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

**The Speaker:** Thank you, Member for North Side.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I will call on the mover to exercise her right of reply.

**Hon. Cheryl M. Richards:** Thank you, Madam Speaker.

The direct answer to the question posed is that the liability to life imprisonment in relation to these offences of damage to property will, in the vast majority of cases, not mean life imprisonment. As it is given as a *maximum*, it will be for the court to determine what sentence should be imposed.

It is quite correct that the court will look at the various precedents including the aggravating and mitigating features of a particular offence with which the court is faced before determining what sentence is appropriate.

In categories where life imprisonment is a *possibility*, what the court would look at is whether the person who is convicted is a particular danger to himself or to society before going against the precedents to the extent that a sentence which more closely resembles a sentence of life imprisonment would be imposed.

So, the short answer is that in the vast majority of cases it would not be life imprisonment. It would have to be an exceptional case where there are severe aggravating features for the court to impose a sentence of life imprisonment in relation to this category of offence.

**Hon. D. Kurt Tibbetts:** If he is, then what?

**Hon. Cheryl M. Richards:** If he is, then it would mean life.

I have seen it in senses where the person convicted is a danger to himself so that it would be life imprisonment, on occasion possibly with psychiatric

review to see whether there is any improvement in that person.

**Hon. D. Kurt Tibbetts:** Okay.

**Hon. Cheryl M. Richards:** In relation to the question about the liability of life imprisonment for murder. Presently as it stands on the books, that is a mandatory sentence and that means life imprisonment.

Madam Speaker, I thank the Members who have spoken, and I thank all honourable Members of this House for their tacit support of this Bill.

**The Speaker:** The question is that a Bill shortly entitled the Penal Code (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Penal Code (Amendment) Bill, 2010, given a second reading.**

**The Speaker:** The House will now go into Committee to consider the Bills.

**House in Committee at 3.00 pm**

## **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses.

### **Criminal Procedure Code (Amendment) Bill, 2010**

**The Clerk:** The Criminal Procedure Code (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment to First Schedule of the Criminal Procedure Code (2006 Revision)
Clause 3	Savings

**The Chairman:** The question is that Clauses 1 through 3 remain part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a Law to amend the Criminal Procedure Code (2006 Revision) in order to update the First Schedule in relation to the offence of damage to property; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

### **Penal Code (Amendment) Bill, 2010**

<b>The Clerk:</b> The Penal Code (Amendment) Bill, 2010	
Clause 1	Short title
Clause 2	Amendment of section 267 of the Penal Code (2007 Revision)—destroying or damaging property
Clause 3	Savings

**The Chairman:** The question is that Clauses 1 through 3 remain part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a Law to amend the Penal Code (2007 Revision—

**Mr. D. Ezzard Miller:** Madam Chairman, I had filed an amendment to 1A and I was trying to get your attention when you were dealing with clause 1.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Do you need a copy of it, Madam Chairman?

**The Chairman:** Yes, please.

[pause]

**The Chairman:** Member for North Side.

**Clause 1A**

*[Amendment moved by Elected Member for North Side]*

**Mr. D. Ezzard Miller:** Thank you.

I move an amendment seeking to amend clause 240 of the Penal Code which would read:

**“Without prejudice to subsection (1) and (2) where a person utilizes the manual labour and or the other intellectual capacity of another person to perform any task as a form of employment and the compensation paid is less than six Cayman Islands dollars per hour is guilty of an offence and liable to a fine of five thousand dollars and to imprisonment for one year.”**

*[Inaudible interjections]*

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If no Member wishes to speak?

**Mr. D. Ezzard Miller:** The Attorney General.

**The Chairman:** Second Official Member.

**Hon. Cheryll M. Richards:** Thank you, Madam Chair.

The Labour Law (2007 Revision) provides in section 20 that **“The Governor [in Cabinet] may, by Order, prescribe a National Minimum Basic Wage.”**

But before an order under that section may be made, there has to be consideration or recommendations to the Minister by a National Minimum Wage Advisory Committee established under section 21 of that Law.

Section 22, which is important for the purposes of the motion made, provides that **“Where a National Minimum Basic Wage has been fixed under section 20 it shall be an offence for an employer to employ or to pay any employee at a basic wage less than the minimum wage prescribed by the order.”**

There is a general penalty provided in section 81 of this said Law which would make a person liable on first offence to a fine of \$2,500 or imprisonment for six months.

I have referred to those sections to indicate that there are already provisions and there is already a penalty and the creation of an offence in relation to the non-payment of a minimum wage. The proposed amendment would be seeking to create a duplicate offence and would be inconsistent with the system which is already provided for by the Labour Law as to how a minimum wage should be arrived at and how it is to be set.

Thank you.

**The Chairman:** The question is—

**Mr. D. Ezzard Miller:** No, Madam Chair, I would like the opportunity to respond please.

Madam Chair, I accept the legal guidance from the honourable Acting Attorney General. My problem is that that procedure established in the Labour Law does not yet create an offence, because the creation of an offence is predicated on that convoluted process that exists in that Law to establish a minimum wage.

My non-legal opinion is that until a minimum wage is established that offence does not exist. And if this amendment is accepted today and creates this offence, if at some time in the future a minimum wage is ever established in this country, then we would have to be concerned about the duplication thereof. But since there is no minimum wage, and the process—although it has been in legislation in the Cayman Islands for more than a decade—has never been acted on in terms of setting up the committee and establishing the minimum wage.

I would still like to see this offence created now because I do not think, from the experience in the political arena and what happened over the years, that that minimum wage is ever likely to be established and, therefore, that offence will never be created.

**The Chairman:** Honourable Second Official Member.

**Hon. Cheryll M. Richards:** Thank you, Madam Chair.

The proposed amendment by the honourable Member does more than create an offence; it has a compensation amount and a cap on that compensation amount within what is purported to be an offence creating section. So it is in effect, subverting or circumventing the process for arriving at that cap, which is set out in the Labour Law, in addition to creating an offence which is already created in the Labour Law.

**Mr. D. Ezzard Miller:** Put it to the vote.

**The Chairman:** The question is that the amendment stand part of the Bill.

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

**One audible Aye and Noes.**

**The Chairman:** The Ayes have it.

**Mr. D. Ezzard Miller:** Can I have a division?

**The Chairman:** Sorry, the Noes have it.

**Mr. D. Ezzard Miller:** Can I have a division?

*[Inaudible interjections]*

**Hon. Cline A. Glidden, Jr.:** Come on back, Mr. McLaughlin.

*[laughter and inaudible interjections]*

**The Chairman:** Madam Clerk, take the vote please.

**The Clerk:**

**Division No. 13-09-10**

**Noes:**

Hon. W. McKeeva Bush  
Hon. J. Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour  
\*Hon. D. Kurt Tibbetts  
Mr. Moses I. Kirkconnell

**Ayes: 10**

Mr. D. Ezzard Miller  
Mr. Anthony S. Eden

*\*Hon. D. Kurt Tibbetts: No, Madam Clerk, after the sage advice of the Second Official Member, thank you.*

**The Chairman:** The result of the division is 2 Ayes and 10 Noes. The Noes have it. The Amendment is accordingly negated.

**Amendment to Penal Code (Amendment) Bill, 2010, negated.**

**The Clerk:** A Bill for a Law to amend the Penal Code (2007 Revision) with respect to malicious injury to property; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**The Chairman:** The question is that the Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**House resumed at 3.15 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

## REPORTS ON BILLS

### Criminal Procedure Code (Amendment) Bill, 2010

**The Speaker:** Honourable Temporary Second Official Member.

**Hon. Cheryll M. Richards:** Thank you.

I beg to report that the Bill entitled, The Criminal Procedure Code (Amendment) Bill, 2010, has been examined by a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

### Penal Code (Amendment) Bill, 2010

**The Speaker:** Honourable Second Official Member.

**Hon. Cheryll M. Richards:** Thank you.

I beg to report that the Bill entitled, The Penal Code (Amendment) Bill, 2010, has been examined by a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

### Suspension of Standing Order 47

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I move the suspension of Standing Order 47 to enable the Bills on the Order Paper to be read a third time.

**The Speaker:** The question is that Standing Order 47 be suspended to enable the Bills on the Order Paper to be read a third time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 47 suspended.**

## THIRD READINGS

### Criminal Procedure Code (Amendment) Bill, 2010

**The Clerk:** The Criminal Procedure Code (Amendment) Bill, 2010.

**The Speaker:** Honourable Second Official Member.

**Hon. Cheryll M. Richards:** Thank you.

I beg to move that the Bill entitled, The Criminal Procedure Code (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled, The Criminal Procedure Code (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Criminal Procedure Code (Amendment) Bill, 2010, given a third reading and passed.**

### **Penal Code (Amendment) Bill, 2010**

**The Clerk:** The Penal Code (Amendment) Bill, 2010.

**The Speaker:** Honourable Second Official Member.

**Hon. Cheryll M. Richards:** Thank you.

I beg to move that the Bill entitled, The Penal Code (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled, The Penal Code (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Penal Code (Amendment) Bill, 2010, given a third reading and passed.**

## **GOVERNMENT BUSINESS**

### **MOTIONS**

#### **Government Motion No. 10/09-10—Government Guarantee in respect of a credit facility for the Cayman Islands Development Bank**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move Government Motion No. 10/09-10—Government Guarantee in respect of a credit fa-

cility for the Cayman Islands Development Bank, standing in my name, which reads as follows:

**WHEREAS on 18<sup>th</sup> March 2010, the Governor in Cabinet authorized that the Legislative Assembly's approval be sought for the issuance of a guarantee in the amount not to exceed US\$20,000,000 to HSBC Bank (Cayman) Limited (hereafter "HSBC").**

**AND WHEREAS the Cayman Islands Development Bank (CIDB) is seeking to utilise these funds to redeem the US\$20,000,000, 6.85% fixed rate bond currently held with The Royal Bank of Scotland PLC of 135 Bishopsgate, London, United Kingdom.**

**AND WHEREAS the CIDB invited proposals from local banks and HSBC has offered a credit facility (a 5-year Variable Rate Facility) to the CIDB for US\$20,000,000 at a floating rate of 180-day USD LIBOR plus a margin of 235 basis points; the current effective floating rate being approximately 2.73%. Refinancing of the bond will realize savings in interest of approximately US\$824,000 per annum.**

**AND WHEREAS the CIDB is also seeking to secure an additional credit facility of US\$5,000,000 to support its onward lending program, and is currently in the process of securing an offer from a local financial institution.**

**AND WHEREAS section 8 of the Public Management and Finance Law (2005 Revision) provides that, as a general rule, no guarantee may be given by or on behalf of the Government unless it has been authorized by a resolution of the Legislative Assembly;**

**BE IT NOW THEREFORE RESOLVED THAT, in accordance with section 8 of the Public Management and Finance Law (2005 Revision), the Legislative Assembly hereby authorizes the Minister for Finance, Tourism & Development to do the following:**

- Issue a Government Guarantee to HSBC (Cayman) Limited for an amount not to exceed US\$20,000,000 for the purpose of a credit facility for the Cayman Islands Development Bank; and
- Issue a Government Guarantee for an amount not to exceed US\$5,000,000 for the purpose of a credit facility to support the onward lending program for the Cayman Islands Development Bank.

**The Speaker:** The motion has been duly moved and is open for debate.

Does the Honourable Premier wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

The Development Bank in July 2007 secured a \$20 million fixed rate, long-term bond at 6.85 per cent. The Bond was initially held by First Caribbean

International Bank. It subsequently changed hands in the capital market and is currently held by the Royal Bank of Scotland. This bond was scheduled to mature in 2017.

The capital raised by the issuance of this bond back in 2007 has been an integral source of funding for the bank's on-lending programme. The cost of funds has long been a challenge for the Development Bank. The margins which the bank can lend to qualified clients are directly impacted by the rate at which the funds are sourced by the Development Bank.

This challenge has become even greater since the global economic downturn which has had the effect of dramatically lowering interest rates at commercial banks. Interest rates have steadily decreased to their lowest levels in recent times. Locally this has meant that more competitive rates are available from commercial banks for qualified borrowers who would have in the past sought assistance from the Development Bank.

Currently in the local market commercial banks are offering their mortgage loans at prime plus 1 per cent to 3 per cent, depending on the level of risk which I think equates to something like 5 per cent and 7 per cent. Currently the Development Bank's average mortgage loan rate is 9 per cent.

Madam Speaker, an opportunity has arisen for the Development Bank to drastically reduce the cost of funds and support the on-lending programme. When this opportunity was acknowledged the Development Bank's Board of Directors sought offers from local commercial banks. The successful offer was provided by HSBC Bank (Cayman) Limited.

Therefore, the Government Motion before this honourable House seeks the issuance of a guarantee in the amount not to exceed \$20 million to HSBC Bank (Cayman) Limited for a new credit facility. The Development Bank is seeking to utilise these funds to buy back the \$20 million, 6.85 per cent bond currently held with the Royal Bank of Scotland. The Development Bank and the Royal Bank of Scotland PLC have agreed to the waiving of specific requirements for early redemption of the bond in order to facilitate that transaction.

HSBC (Cayman) has offered a credit facility, a five-year variable rate facility to the Development Bank for \$20 million at a floating rate of 180-day USD LIBOR, plus a margin of 235 basis points. The current effective floating rate would be approximately 2.73 per cent.

As a result, the Development Bank will save over \$800,000 in interest expense in the first year alone, and is projected to secure similar savings over the term as well as due to the forecasted low interest rate environment.

Additionally, it is the Government's view that an additional US\$5 million credit facility should be sought to further strengthen the on-lending programme at the Development Bank. The Development

Bank will be seeking bids from local commercial banks for this credit facility. However, given the acute need for funding at the Development Bank and the time sensitivity of securing the requisite approval of the Legislative Assembly, it was thought best to include this additional sum in the Motion before this honourable House.

Section 8 of the Public Management and Finance Law (2005 Revision) states that "**Except as provided in section 13, no guarantee may be given by or on behalf of the Government unless it has been authorised by a resolution of the Legislative Assembly.**"

Madam Speaker, this Motion is of critical importance. These credit facilities will greatly reduce the spread which the Development Bank currently lends to customers and will, therefore, allow the Development Bank to once again be more competitive in lending to well qualified customers who right now may prefer going to the commercial banks. On-lending is critical to the Development Bank's viability. During this challenging economic times we must, as a Government, ensure that the Development Bank is ready and able to assist meeting the needs of the people who we were elected to serve.

Madam Speaker, the Development Bank continues to play a crucial role in the Cayman Islands economy as it provides opportunities for those who may not readily qualify at local commercial banks for small business loans or mortgages or even debt consolidation. And at this time, Madam Speaker, I would like to take this opportunity to say that the Chairman of the Board and all other Directors should know that the Government is grateful for their efforts to secure this new credit facility and for their efforts to improve the Development Bank in their short term as a new Board.

When the new Board was appointed, the latest set of audited financials for the Development Bank was for the 2005–2006 fiscal year. In less than nine months the new Board, under the leadership of the new Chairman, Mr. Byles, has completed the 2006–2007 financials which have been officially signed off. They have also completed the 2007–2008 financials, and these I understand will be signed off within the next three weeks. Finally, the Cayman Islands Development Bank has already completed the draft financials for the 2008–2009 fiscal year.

The Development Bank is also making vast improvements to its internal procedures and credit policies. In other words, not only is the organisation seeking to reduce its cost of funding within this Motion, but it is also simultaneously undergoing a number of changes to ensure that the institution improves its financial management and corporate governance. I therefore wish for the Board and the entire management and staff to know that their hard work is deeply appreciated. I also want to thank Mr. Rose in the Ministry for his work with them.



Accordingly, Madam Speaker, I ask all honourable Members to support the Motion before them.

**The Speaker:** Does any other Member wish to speak?

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts:** Thank you.

Madam Speaker, in listening to the Honourable Premier, just two questions came to mind because the Motion itself is fairly straightforward.

The first question it raised is: Can the Honourable Premier say in his winding up whether or not it means that the ongoing lending, which the Development Bank will be engaged in, is going to be at a lower interest rate than previously; and, if that is the case with this money, if the monies that have already been lent out of this \$20 million, which already has been borrowed or a bond issue having been taken, and this new guarantee is going to allow for a fresh \$20 million to be had a much better interest rate, which will clear that old one off and literally put the Development Bank back to the same position it was before except paying a lot less money on the rates, does this mean that future lending will be at a lesser rate? And what about those existing loans that were taken out at a specific rate?

And the Premier mentioned that the ongoing rates are somewhere at 9 per cent. Will those rates decrease?

And secondly, just to ensure, because I did not hear it mentioned, we are now asking for another guarantee of \$20 million. Are we then simply saying that this guarantee for this \$20 million replaces the other one and the other one will be falling away at the other institution?

That is all I want made clear. Thank you.

**The Speaker:** Does any other Member wish to speak?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I wish to support the Government Motion for the refinancing of the debt of Cayman Islands Development Bank. I only have a couple of concerns.

I wonder why it was not possible to get the additional \$5 million from HSBC at the rates they have proposed; or, if the mover of the Motion has any idea, what the rates on the additional \$5 million and which bank it is likely to be so that we will have a good idea of what we are voting on in the second resolve?

I also would hope that those people who got financing and loans out of the first \$20 million from Royal Bank of Scotland will now be given the opportunity to refinance their loans at what should be, if we use the same spread that is indicated, which is an increase from what the money was costing, and if we go to 9 per cent is about 2.15 per cent. If we use that same spread then those people who have existing

loans at CIDB could possibly be looking to reduce their interest rates from 9 per cent to 5 per cent, which I think would be . . . or something in that region depending on how the numbers pan out.

But I certainly support the move to refinance it and I hope that the additional \$5 million will carry similar rates. As I said earlier, I wonder why HSBC is not providing that additional \$5 million and we are just giving one guarantee for \$25 million instead of breaking it up. Because if we are going to get back in a similar situation where this \$5 million is going to cost a lot more than the projected 2.73 per cent, then we are back in the same basket of funds and will not be able to help the people who need the help.

The only other question is, Are there any plans now or in the near future to inject some capital into the bank so that it has a better capital to debt ratio than what currently exists by Government?

Thank you.

**The Speaker:** Does any other Member wish to speak?

First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell:** Thank you.

Madam Speaker, I rise also to support this Motion. I personally believe that the Development Bank is extremely important to the Cayman Islands, especially as it can be used as a vehicle to help stimulate our economy which the Government is certainly trying to do.

I also take the opportunity to compliment the Board of Directors for looking into finding money at a cheaper price.

Madam Speaker, I ask the Premier in his winding up to just clarify that the money that will be available . . . there was a previous guarantee that came to the House and now this second guarantee which, if I am correct, will mean that there will be an injection of \$10 million into the Development Bank. And I am hoping this will come with the preferred interest rate that is now going to be on the floor for the guarantee.

The last time they brought the guarantee, I asked him in his winding up, to speak about Cayman Brac and Little Cayman and how this would help. I will say that he is a man to his word. We had customers in Cayman Brac who told me that they had been contacted. One of the things that is basically being answered here today is that they were not competitive. They could go to a commercial bank with the competition and get a cheaper house mortgage than they could from the Development Bank.

So, I would ask him again to look at how the Development Bank with the new funds and lower interest rate can help stimulate the economy of Cayman Brac.

I thank you for giving me this time to say that I am in support of this.

**The Speaker:** Thank you First Elected Member for Cayman Brac and Little Cayman.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, does the mover wish to exercise his right of reply?

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, a couple of questions that I need to answer.

The Leader of the Opposition queried whether the current guarantee before the House replaces the \$20 million bond. Obviously, Madam Speaker, that is what I said. That is what the Motion says too, that it is a replacement for that \$20 million bond.

His other question was whether the intention is to pass savings on. Madam Speaker, I would say that an analysis must now be carried out to determine exactly how or where the rate will stand, what the rate will be. And that will be done in the next couple of weeks. And the intention, of course, is to pass on whatever savings we can. That is part of the reason, actually, for doing a new bond to (the truth is) inch and pinch where we can get some money, and we might be able to lend a few people out of that interest saved. So that is the purpose.

I think a Member asked about the extra \$5 million. I think it was the Member for North Side, and why that has not been taken up by HSBC. Madam Speaker, the truth is, if you would note . . . and I note the Leader of the Opposition said the Motion was fairly clear. I think it is absolutely clear. But if you would note on the last Resolve, it did not say an institution. We had to leave it open because we have to do a tendering process for that \$5 million. And it may be that it will be HSBC who takes up that extra \$5 million.

I think the Member for North Side also queried about an injection of additional capital. We all know, Madam Speaker, that is one of the problems we have with our Development Bank. Our Development Bank does not take deposits, or else we would not have to be going out and doing these kinds of transactions. Maybe that is something that we should look at; but then we will run foul of the banking fraternity here in the country.

The Development Bank was formed to enable Government to be able to give better rates than a person wanting to do small business, certain types of mortgage, student loan facilities, that is the purpose of the Development Bank. And it was always meant that I . . . from the time I was Chairman of the AIDB, which was a forerunner to the Development Bank, we always sought to find cheaper money. In those days we used to borrow from Caribbean Development Bank. And in those days you sometimes had to borrow from

a basket of currencies. And that proved to be extremely expensive.

I remember piloting the bill for the Development Bank, which, I should say the current Third Elected Member for George Town [Mr. Alden M. McLaughlin, Jr.] took great exception to and did not support . . . but, Madam Speaker, we thought it was the best thing to do—develop an institution that would try to assist small mom-and-pop operations, student loans and try to get an interest rate that is much lower, with better terms than the commercial banks.

Now, over the years, the truth is that we have had some tremendous good staff in the Development Bank. I recall when Mrs. Angela Miller was the manager, she was strong on procedure. And, while it was a development bank, as such, she was adamant that we not move outside of what was good banking procedure. And she was absolutely spot-on-target with it and we did a world of good for small businesses and students and small mortgages.

One of the mortgages that we proposed and carried on, and I do not know whether it was carried on after 2005, but one way in which we tried to save people's homes was a facility to assist people who somehow fell behind to help them not to lose their homes for the want of four months of loan payments with one of the commercial banks, which, as we know can happen. That is one of the facilities I take great pride in because it has saved homes. It is worthy.

The problem we have is that we have to go out and seek funds that we then get at a higher rate. The rate through the Development Bank is not as good as we would want it to be, as it should be, because we have to pay these other rates or these other bonds. If we were taking in our own deposits, then we could work better. But then again . . . and there would not be any problem with that. But then again it would leave Government open and there would be some liabilities to go with that.

But that is advice that many people gave me in the past when I was Minister responsible and Chairman of the AIDB, and again since I have taken over as the Minister responsible. People said we should open it and take deposits. Perhaps that is something that we need to sit down and look at.

I think it was the [First] Elected Member for Cayman Brac and Little Cayman who asked about the first \$5 million that we had agreed the guarantee for. What I can say about that is that a little over half of that is already loaned out. So with this \$5 million we would have about seven, yes, the total guarantee would be ten. But what is left would be about seven.

The truth is that this is a drop in the bucket. I wish it were possible for us to put 25, because the nature of our economy today means that we need to be helping more and more people.

The Development Bank does a good job. As I said, the new Board is on target getting the accounts up to date and back into the position that it needs to be. Good staff is there. I wish that we were able to do

that, but our financial position in the country does not immediately allow us to do that. I am hoping that in the coming budget, somehow—somehow, Madam Speaker—we will find the wherewithal to be able to get more funds. A different set up, maybe we just have to guarantee more. But, certainly, I know the requests are there, the need is there.

When I stop and think what the Development Bank in the Bahamas does for small businesses, mom-and-pop operations and so on . . . tremendous needs are met. And we can do the same here.

While the Government, this one and others, will get cussed and get blamed and fingers pointed, we are doing everything possible to try to help small businesses stay alive. Of course, small business operators have to help themselves. It has to be viable business. They have to have a proper business plan.

I know some people, Madam Speaker, who come to Government and say they are a business, but yet they do not even have a business licence. And then they expect Government representatives to stand up and pound the desk for them. But you can only do so much to help people. This Government, and governments of the past, is doing everything possible.

I think the Member for Cayman Brac and Little Cayman will inquire, as they usually do, about what is happening in the Brac. I can say that the Development Bank is doing what they promised. They are meeting with people in the Brac, or here. I know they are supposed to go to the Brac. I am not sure if they went, but I know they are supposed to be going, to meet with people. The Deputy Premier [Hon. Juliana Y. O'Connor-Connolly], of course, had similar queries about the situation.

Overall, the Development Bank has met a great need in this country and is continuing to do that. Members, the problem we have is that of funding. We do not have the money to pour into it, so we have to go out and get money. And that rate sometimes comes with a high cost. Right now, not bad, because the world's financial situation is that rates are lower, as I have said. And so we can get a good spread and help a few more people with the] saving from that spread.

[pause]

**The Premier, Hon. W. McKeeva Bush:** I am reminded that an analysis we did, which was tabled in Cabinet, shows that if a similar arrangement had been done in the last couple of years, we would have had . . . well, 7 years, so that the last 11 we would have had a better situation. In other words, we would have saved more money to lend to more people. That is the bottom line.

So, this sort of procedure is good. Again, if anyone on the other side has any ideas about how we can better the situation, then I invite them to make us know.

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED THAT, in accordance with section 8 of the Public Management and Finance Law (2005 Revision), the Legislative Assembly hereby authorizes the Minister for Finance, Tourism & Development to do the following:

- Issue a Government Guarantee to HSBC (Cayman) Limited for an amount not to exceed US\$20,000,000 for the purpose of a credit facility for the Cayman Islands Development Bank; and

- Issue a Government Guarantee for an amount not to exceed US\$5,000,000 for the purpose of a credit facility to support the onward lending program for the Cayman Islands Development Bank.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 10/09-10 Government Guarantee in respect of a credit facility for the Cayman Islands Development Bank passed.**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**Government Motion No. 11/09-10—Approval of the Development and Planning (Amendment) Regulations, 2010**

**The Premier, Hon. W. McKeeva Bush:** I beg to move Government Motion No. 11/09-10—Approval of the Development and Planning (Amendment) Regulations, 2010, standing in my name, which reads:

**WHEREAS section 42(1) of the Development and Planning Law (2008 Revision) provides that the Governor may make Regulations to this Law;**

**AND WHEREAS section 42(3) of the said Law provides that no Regulations shall be made pursuant to the said Law unless a draft thereof has been laid before the Legislative Assembly and a resolution approving the draft has been passed by the Legislative Assembly;**

**AND WHEREAS the draft Development and Planning (Amendment) Regulations, 2010, were laid on the Table of this honourable House;**

**BE IT THEREFORE RESOLVED THAT the draft Development and Planning (Amendment) Regulations, 2010, be approved by the Legislative Assembly in accordance with the provisions of section 42(3) of the Development and Planning Law (2008 Revision).**

**The Speaker:** The Motion has been duly moved and is open for debate. Does the Honourable Minister wish to speak thereto?

Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

The Development and Planning (Amendment) Regulations, 2010, were recently approved by Cabinet and will increase the fee charged to apply for Planning permission building permits, provide for the operation of cash in lieu, introduce new fees for services that are currently being provided for free, and increase the deterrent fee for illegal developments under the Development and Planning Regulations (2006 Revision).

These fee increases were agreed as part of the overall revenue-enhancement package presented by the Government in the 2009/10 Budget. And this change in the Regulations will put in place the legislative instruments needed to bring the increase into effect.

Madam Speaker, before speaking to the various aspects of the amendment, please allow me a few minutes to speak to the wider issue of fiscal responsibility.

Madam Speaker, my Government is of the view that during these trying economic times increases in fees and levies are not the best manner in which to stimulate economic activity. And nobody needs to try and preach otherwise; because they are no wiser then we are when it comes to that.

We also hold the view that Government has to continuously review its revenue base and not wait for a decade or two before making changes. This is a trap that past administrations—including some that I have been part of—have fallen into. However, Madam Speaker, going forward we have to exercise more acute forward planning to avoid such pitfalls. These changes are a necessary part of such improvements in management of public affairs.

It is my Government's position that in order for us to be more competitive in the global arena, we have to review all of our fees—how much it is actually costing us to provide the services? How efficiently are we providing the services? How effective are those services? Madam Speaker, when we have those answers, it may be possible that some fees will decrease as a result of doing more with less. Government is working towards getting the balance right.

Presently the amendment will serve to increase some fees, introduce fees for services that are actually now being provided. Together these will have the effect of widening the revenue base. We are also taking steps to increase fees as a deterrent in necessary cases. The last time there were any significant changes to these fees was in 1997—all of 13 years ago. It certainly does not cost us now what it cost then to deliver those services which are necessary for proper planning controls to be exercised.

Some of the specific fee increases included in these Regulations relating to applications for Planning permission are as follows:

- Permission to subdivide property. The current fee charged is \$60 per lot. This will increase to \$100 per lot.

Madam Speaker, while on the subject of subdivisions, let me say a few words about the cash in lieu proposals that are also part of these proposed amendments. The cash in lieu provisions are intended to serve a multitude of purposes including responding to a request from developers. Currently anyone developing a subdivision, depending on size, has to set aside up to 5 per cent as lands for public purposes. That is, LPP.

As a result of the archaic nature of parts of the Planning Law and Regulations, we see these patches of land in different subdivisions that are, in some instances, used for deviant behaviour. They may become a haven for rodents and in other instances are just blights on the landscape.

The repeal of Regulation 28 and replacement with this amendment will address the above problems in addition to widening our revenue base. Regulation 28 as it now stands does not give the Central Planning Authority (CPA) the ability to determine the value of the land for public purposes sites. This amendment provides the CPA with that ability.

Madam Speaker, please allow me a few minutes to explain to honourable Members how the Regulation is intended to work. The Regulation will address the land for public purposes sites in existing and future subdivisions. For existing subdivisions, the owner of the LPP site can make an application to the CPA to pay cash in lieu for the site. For ease of reference, let us say that the site is currently valued at \$10,000. The applicant will have to pay an additional 40 per cent of that, or \$4,000 more, for the privilege to remove the LPP designation. Therefore, the amount of the cash in lieu will be \$14,000 for that site.

For subdivisions approved after the commencement date of the Regulations, the amount of the cash in lieu will be calculated as follows: value of gross area of subdivisions at date of application (let us say, \$100,000), 5 per cent of \$100,000 is \$5,000. Forty per cent of \$5,000 equals to \$2,000 for a total of \$7,000.

So, Madam Speaker, honourable Members and members of the public may ask why add 40 per cent to the existing value. During the early 2000s when the notion of allowing cash in lieu was introduced, the Planning Department liaised with developers and 40 per cent represented an average cost to develop the land, hence the term "improved value." Therefore, what this amendment seeks to do is straightforward. If the approved value of the LPP is, or will be six times, or a certain amount of dollars, sorry, then that is the amount of the cash in lieu.

On the construction of or extension to a house, the Planning application fee will increase from 15 cents per square foot, to 25 cents per square foot.

Carrying out commercial or industrial development not being hotel, petrol station or agricultural development, the Planning application fee will increase from 20 cents per square foot to 50 cents per square foot.

Carrying out a hotel development, the Planning application fee will increase from 15 cents per square foot to 40 cents per square foot.

Clearing of land by mechanical means, currently no application fee is charged, a new fee of \$100 per acre or part thereof will be charged.

Modifications to Planning permission, each amendment or deletion of condition for Planning permission, currently no application fee is charged for that, but a new fee of \$100 per item will be charged. This new fee is designed to capture some of the costs associated with modifying Planning permission.

Madam Speaker, there is also an administrative filing fee for anyone withdrawing their application to the Central Planning Authority, the CPA or the Development Control Board (that is the Brac) before the application is heard, that is if they withdraw it before the application is heard. The situations this seeks to correct are situations where considerable time is spent reviewing applications only to have the application withdrawn. So the staff goes through a lot of problems only to have it withdrawn. And without this provision there is no way to recover compensation for the time worked by staff. This amendment will at least provide a token fee for works performed.

Madam Speaker, there are also a number of services that electrical inspectors provide for charges such as reconnections and modifications to existing electrical services. This amendment seeks to introduce a minimal charge for services rendered.

For quite some time elevators were not inspected in the same manner as other parts of a building. However, this has changed. During the last year, more or less, the elevator inspector has been meeting with property owners, suppliers and installers of elevators, to slowly introduce them to the approval inspection certification and renewal of certificates process. The new fee is meant to offset the cost. This is an improvement in service in the interest of public safety.

Madam Speaker, there are also some miscellaneous fees that are meant to recoup some of the costs of providing services which are currently being provided free. Some of these are: photocopies of documents, copies of development plan maps, due diligence letters and so on. Providing copies, due diligence letters, retrieving files, et cetera, all consume staff time and therefore costs are incurred which ought to be recovered. Madam Speaker, these amendments seek to levy reasonable fees for services rendered.

These proposed changes to the Regulations also deal with after-the-fact applications. After-the-fact

applications are applications that are submitted after the development has taken place. Currently the fee for such application is double the prescribed fee. This was meant to act as a deterrent but, clearly, it has not been effective. Madam Speaker, the proposed amendment seeks to raise that fee to ten times the normal fee. It is Government's hope that this change will provide the deterrent so badly needed. Failure to comply with the Planning approval process in the normally expected manner can create nuisances and even put lives at risk. It is our public duty to do what it takes to root out the practice.

Now if this does not work, and if that does not [prove] to be a deterrent, then I am determined that we look at that cost factor. Because not all times do you charge something that will create the needed effect. But we have to try. And in this instance, this is what we are doing.

Madam Speaker, currently there are changes proposed for building permits. These are as follows: Currently there are no fees for houses less than 1,200 square feet, and apartments less than 600 square feet. These amendments propose a fee for them. I am [reliably] informed that due to the volume of applications in these brackets, the department has to spend significant time processing them. Honourable Members may say that this increase will be a further cost to the little man, the small person trying to get a home. Madam Speaker, for a house 1,200 square feet and under, the applicant will now have to pay \$100. Even this amount will not cover overhead costs and is less than 1 per cent of construction costs. I do not see how anyone could expect to pay any less.

Madam Speaker, there is a new fee for additional reviews for building permits. In numerous instances applications are reviewed up to four times and sometimes as many as six times before the permit is issued. The new fee will apply after the second review. Therefore, if the applicant and/or agent do not provide the correct documentation within the first two attempts, the new fee is triggered. Considerable staff time is spent presently on repeat reviews which prevents staff from reviewing other applications.

This fee will not increase construction costs if persons preparing the plans get it correct by the second review. Many, many times the Planning Department and Planning Authority receive licks from the public. And we have heard many complaints about it. But many times that is the problem. You submit an application and it is not correct. And, therefore, much time is spent on it. And it looks like the Planning Authority does not want to do it, or somebody is holding it up, and all of us as representatives get complaints that *This one is holding up my plan and I did not get this in time*. The truth is that when you check it out something was not done right.

The Ministry of Finance had forecast that the fee changes outlined in these Regulations would have resulted in additional \$.4 million in revenue for the Government in the 2009/10 financial year. However,

due to the late introduction this amount may now be closer to \$50,000 to \$100,000.

As I said earlier, Madam Speaker, it is not all about money; it is also about enabling the Department to function more efficiently and effectively in the public interest. I therefore seek the support of honourable Members in the form of acceptance of these amendments. I can say that I will have the Department or the Ministry make sure that people are aware of these changes and what is expected of them by a proper correspondence or PR, which this Government is not so notable for doing. But this is something that I am determined must take place to ensure that people are made aware of the proposed changes, changes that have at this point been made.

**The Speaker:** Thank you Honourable Premier.  
Does any other Member wish to speak?  
Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts:** Thank you, Madam Speaker.  
In looking through these amending regulations, I am not going to take issue with any fees. And I do know that there are some sections which do not relate to the Schedule of fees which have been in the pipeline for quite some time now.

In reading through them and understanding the aspirations and objectives to be achieved, I just want to make a couple of comments with the hope that the Honourable Premier and his team may take note and possibly do a little bit of fixing. So here I go.

If we look at the beginning of the amending regulations, and in section 2, it speaks to repealing Regulation 28 and substituting the following regulations, and with your permission, Madam Speaker, from time to time I will be referring directly to the document and what it contains in order to be able to quote from it. Thank you.

The new section 28 (1) includes public rights of way. But when it says, "**According to the size of a subdivision, the Authority may require the applicant to set aside land not exceeding five percent of the gross area of the land being developed, for public purposes, including active and passive recreation, wildlife reserves, natural buffers and public rights of way,**" that sets the tone for (if I may use the word) categories of use or uses for the land that they are speaking about.

The new subsection (2)(b) speaks to "**a sum of money not less than five percent of the improved value of the gross area of land to be developed, if the Authority is satisfied that [ . . . ] greater public benefit would be derived from the payment.**" But that includes all of those above captioned areas, which include rights of way.

Now, we have to be careful, in my view, because the public rights of way that are included in what we refer to here are existing rights of way, some of them located on Seven Mile Beach, some of them located in other areas, unless I am misunderstanding

the public rights of way. And if they do not include those areas, then I do not have a beef. And if that can be clarified in the winding up, then I will move right along very smoothly, Madam Speaker. But I had to raise the point because, to me, the way it is worded is not very clear, so I want to make sure it does not include.

And I just want to use an example. It could read that it might include an existing public right of way through the Cadastral process from years ago for the public, and the Central Planning Authority may well have the authority to decide that this no longer suits the public so they can dispose of it or allow for it to be disposed of. And if that is not the case, Madam Speaker, we want to make sure. And it is fine if it is not the case once that can be clarified.

Madam Speaker, we come down now to subsection (5) where it says "**Money paid pursuant to subregulation (2) or (3) shall be applied to-**" Now, this regulation does not say whether there is going to be a segregated fund, which is specifically for this purpose—because that was the intention from the beginning, that is in my view the way it reads, the intention. But somehow we have to make sure that that is exactly what happens.

It says, "**Money paid pursuant to subregulation (2) or (3) shall be applied to (a) the acquisition of private lands for public purposes.**"

You see, Madam Speaker, the thought at the onset of this, as I understood it from a little while back, was that there are, in many subdivisions today, many small parcels of land which on their own are either insufficient or poorly located parcels of land to be able to make any sensible development of a recreational area for that said subdivision.

So the thought was that instead of living in a quandary over the matter, why not allow those parcels to be sold and developed and collectively the funds could purchase larger parcels over given areas which retain proximity to enough of the subdivisions that there would be proper recreational facilities throughout the country eventually, and those facilities could be properly used because they were of the proper size.

And we now have a parks and recreation office and staff, thanks to the former Minister, the Elected Member for East End [Mr. V. Arden McLean], which suits the whole purpose quite readily. But I am not so sure if this goes far enough to ensure that the funds will be used for those said purposes.

Madam Speaker, I wish not to be misunderstood, but when I read the acquisition of private land for public purposes, fine. And then it says, "and"—and, and, and—"the improvement of land used for public purposes including recreation centres [which is fine] wild life reserves, natural buffers . . ." Madam Speaker, again, maybe clarification will be the order of the day. But I could go to acreage just needed for the Blue Iguana, or I could go to the buffer zone being sought for Malportas Pond. Are we saying by way of

this regulation that these funds collected can include the purposes of situations such as that?

Madam Speaker, if the intention is to widen it to that, I say "No." We have an Environmental Protection Fund which exists right now. And to me the Environmental Protection Fund is the fund to make any application to for the purchase of any land for those two purposes that I just used two examples to specify.

So I am not very happy with wildlife reserves and natural buffers being included in the categories here. The intention of the amending regulation may be different. If so, then I wish not for any smart person in the future, the way this is worded, to come and tell anybody that this includes that. And I believe that my point is understood. I am not suggesting that it is the intention; but the way it reads here, Madam Speaker, unless the crafter or crafters or the crafts-men of the amending regulation can explain different and show me different then I have grave reservations about that.

Madam Speaker, if we go just above subsection (5) and we look to subsection (3), and where it reads, "**The Authority may permit an applicant to pay, in lieu of setting aside land for public purposes in a subdivision that was registered prior to the relevant date, a sum of money not less than the improved value of the land for public purposes, if the Authority is satisfied - (a) that - (i) the subdivision has sufficient land set aside for public purposes; or (ii) greater public benefit would be derived from the payment; and (b) that the majority of landowners within the subdivision have given their written consent to the proposed payment of cash in lieu of the land for public purposes.**"

I comment on this, Madam Speaker, simply to say that I totally agree with this. And I am happy that "or" is placed where it is, and "and" is placed where it is because subsection (i) and (ii) of subsection (a) can be either/or. But absolutely subsection (b) must be one of the requirements. And I see that they were careful enough to draft the amending regulation in this manner.

Simply because, Madam Speaker, we have a lot of existing land, as I mentioned before. And many of those parcels of land are within existing subdivisions where people have built their homes and lived with their families. I do not think that any government or any agency of government should have the express authority by way of legislation or regulation to be able to make a decision of that nature with the disposal of property that was included in a purchase by someone, to be able to dispose of it without them saying "I agree with you" or "I do not agree with you."

Now, the one question I have with that is where it says "**the majority of landowners.**" I would very much like for the Government to consider some percentage, because the simple word "majority" to me says 51 per cent. And I think that in a situation like this, it should be more than that. I know that in some instances you have landowners who have not devel-

oped, and sometimes it might even be difficult to contact them. But I cannot say that is the majority of the time.

Madam Speaker, there are those who hold near and dear their ability in subdivisions that they have bought . . . and I want to ensure, because I do not think it is the intention for them not to be protected. But I would like to ensure that they are protected to the point where they do not feel that they can be picked off. And I do not think a simple majority is sufficient, and I would like somebody to offer something more than that, which is reasonable and rational. In my view, it should be 75 per cent. That is my view. Because that way, you have the security that the vast majority of the individuals in that subdivision are satisfied with the disposal of the property.

There may be some who think that is a bit draconian. But, Madam Speaker, these are individuals who have already purchased their property and with the purchase agreement for that property they have to understand that this is a parcel of land which will be able to be used for public purposes and recreational purposes and whatnot.

And I know some of this occurred a long time ago. But I believe it is safe to say that reasonable, rational people will understand the logic behind it, once this whole plan unfolds and people see the reality of it. And I do not think it will create difficulties. But I do not believe that we should do it in such a way that they feel threatened. And I believe that the regulation saying "simple majority" does not give the people enough comfort. That is my view.

My personal view is that I do not think it will be counterproductive doing that to make it more difficult. I think it will make them feel more satisfied that no one is out to do them anything that is untoward.

Madam Speaker, I hope . . . and I saw signals across the floor saying basically that my first query which, by the way, is not only shared by me but by my colleagues. Even the Member for East End has his concerns with regard to rights of way that exist in certain locations.

#### Hour of interruption—4.30 pm

**The Speaker:** Honourable Leader of the Opposition, I need to interrupt you. We have reached the hour of 4.30. I need a motion from the Government side.

#### Suspension of Standing Order 10(2)

**Hon. Rolston M. Anglin:** Madam Speaker, we have reached the hour of interruption. I move the suspension of the relevant Standing Order to allow the business of the House to go beyond the hour of interruption.

**The Speaker:** The question is that the relevant Standing Order be suspended to allow the business of the House to be conducted after the hour of 4.30.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 10(2) suspended.**

**The Speaker:** Honourable Leader of the Opposition, you may continue.

**Hon. D. Kurt Tibbetts:** Thank you, Madam Speaker. I was just finishing up.

I was using as an example when I said that I hope the first point will be cleared up . . . I was saying that my colleague, the Member for East End (along with my other colleague), has some concerns with the business of rights of way because there are some existing from time immemorial in areas of that district which the people are used to having. [For example,] some of them use rights of way to get to the beach to do their traditional fishing or looking for bait and some in other locations where they access certain areas where they farm and everything else.

So, as I make these points, Madam Speaker, I trust that the Government will see it fit to clarify the questions that I have and to look strongly to be willing to move from simply a majority to some other more comforting percentage that everyone, I believe, will be satisfied with in regard to the proposed amending legislations.

Thank you, Madam Speaker.

**The Speaker:** Thank you, honourable Leader of the Opposition.

Does any other Member wish to speak?  
Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I wish to make a few comments on the Development and Planning Law amending Regulations.

I too have similar concerns on the public rights of ways. But I am also concerned about beach access that is actually prescribed by Planning Regulations in instances where developments occupy more than 300 feet. They are currently required to leave a public access way which may not fall under what we traditionally know as *right of way*, some of which would be protected under the Prescription Law. But I know, particularly along beachfront property, Planning Regulations themselves mandate that developers leave a certain, I think it is a six foot right of way to the beach for every 200 or 300 feet. Every 200 feet.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** And, Madam Speaker, we know from experience that many of those access roads are encumbered in different ways by the developers in

this country who do not wish to see natives, like myself and others, walk down these pathways to get to the beach.

That is one that I am sure will be captured under this ability to pay funds in lieu of. And I think that we need to make sure that the regulations are so amended to prevent those access roads from being purchased back by the developer and closed off.

I know in my own community of North Side, although we went to the trouble and had them all marked with signs, the owners of the property just simply removed the signs and threw them in the bush. And we can get neither the Planning Department nor the Police to take any action against these people.

Maybe we can get them under the Penal Code destruction of property that we passed this morning. And it would be malicious, so it would be life imprisonment.

Another concern I have, Madam Speaker, in some of the regulations is the charges. For instance, carrying out of agricultural development, a fee calculated at 10 cents in respect of each square foot of the proposed development. The question I have is, is that the total area of development? Also, there are several that fall in that, or is that the square footage of the building under development? Because in the case of farms in my community, which may be several acres, although it is only 10 cents per square foot, it could add up to a substantial amount of money if the development includes the total land area and not just the building that the person wishes to put up.

So I would want the mover to clarify that even in . . . gas stations are a good example. Is it simply on the building? Or is it on the parking area and all of the environs around? Because then the fee takes on a whole new meaning because it will be a substantial fee.

Madam Speaker, I would like to take this opportunity to invite the Government to, maybe under the Planning Regulations since we are dealing with subdivisions, look at putting in place a regulation that will allow the Government to assist these owners in these subdivisions to have their roads properly prepared and maintained.

What I am suggesting to the Government is that it consider writing a regulation that allows the Planning Authority to place a surcharge in consultation with the NRA on the linear foot of property fronting the road and this surcharge should be like a mortgage of some sort, but the owner would not be expected to pay at the time that the road is fixed, or have any particular requirement on what period of time or what payments are made at any regular time. But the caveat should be that the person cannot sell or transfer the property without liquidating the charge.

All of these people in these subdivisions, after the Government goes in and fixes a road—which the developer who took the money for the land and left has not completed—are going to enjoy increased value in the property. I think it is only fair that if the



Government goes in and spends public funds to fix the road there should be an assessment of some charge which the Government will collect at the time that the landowner cashes in by selling or transferring the property on the increased value to his property.

There are a lot of these subdivision roads that need to be properly built and the Government is spending a lot of money on an annual basis trying to keep these roads drivable and maintaining them, whereas if we had a system where we could place and assess a charge to the relevant landowners, the Government could go in and hotmix the road and you would probably have 15 to 20 years maintenance free on that road. But the Government would have a way of recouping some of the expense.

Since we all like the Public Management and Finance Law and we have accrual accounting, it would make the receivables of Government look good. But I believe it is a way to help the people who need road repairs in those areas. And I invite the Government to consider bringing such a regulation under the Planning Law which will allow them in consultation with the NRA to make such an assessment.

Madam Speaker, with those two concerns, I support the Motion.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I will call on the mover of the Motion to wind up the debate.

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, there are a number of things I would wish to reply to in answer. So I am going to ask for a 15 minute suspension.

**The Speaker:** I hereby suspend the House for 15 minutes.

**Proceedings suspended at 4.39 pm**

**Proceedings resumed at 5.20 pm**

**The Speaker:** Please be seated, proceedings are resumed.

Honourable Premier, can we continue the debate please?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I would like to thank the honourable House for its indulgence as we had to look at several aspects of the matters before us to actually be able to address Members' concerns.

Madam Speaker, for those Members who spoke about the public rights of way, the public rights of way to the sea are secured under section 32 of the

Development and Planning Regulations. Once a development has a shoreline of 200 feet or more, there has to be a public right of way to the sea. That is Regulation 32. And that has not been changed by the proposed Regulations.

These rights of way for public access along the shoreline are not secured under the LPP provision and so are not available for the use of cash in lieu provision. Those that were mentioned had been under the Prescription Law.

Another question was asked about the references to wildlife preserves. We will take that matter on board and delete the references to wildlife preserves and natural buffers.

On the question in relation to the public rights of ways, the public rights of ways have been in the Regulations since inception in 1977, when Planning Regulations were put in place. The matter that the Member for North Side raised in regard to the fees and the agriculture development, the explanation to this is that the fees apply only to buildings not to the acreage that the Member had a concern about. It would certainly have been a lot more costly. It would mean that the Government would be making much more revenue. But as one and all can see from the little revenue that we are receiving, the fees do not relate to acreage, they relate to buildings.

So, Madam Speaker, we will make these changes, and what I am going to do is make the changes over night and lay that document on the Table tomorrow morning for those things. But again, I want to say, because that has the most possibility for people to confuse these rights of ways, so we are not doing anything to the public rights of ways.

Madam Speaker, we will take the vote. As I said we will make the changes because the vote does not affect the changes.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I do not want the Member for East End to believe that we do not cooperate with him.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, what we will do is bring the new draft tomorrow with the changes that Members have recommended and we will take that vote on the new draft tomorrow.

So, again, the Member for East End cannot say that I am not agreeing, not cooperating. Okay?

So, Madam Speaker, what we will do is take the adjournment on this without completing actually.

**The Speaker:** Are you going to make a statement that this matter is continued tomorrow?

**The Premier, Hon. W. McKeever Bush:** I think the *Hansard* and the Clerk will record that the matter is continuing in the morning.

**The Speaker:** Thank you.

**The Premier, Hon. W. McKeever Bush:** Actually, it will be a continuation of the debate.

**The Speaker:** May I have a motion then from you for the adjournment, since this is the end of the business for the day?

#### **Suspension of Standing Order 24(5)**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, before I move the adjournment, I would like to suspend Standing Order 24(5) in order for a Government Motion to be dealt with during the current meeting.

That Motion is to deal with the Tax Information Exchange Agreements that will take place either tomorrow after Private Members' Business or on Friday, whichever, Madam Speaker.

And I would say also that, I guess, this part of Government Business will resume after Private Members' is dealt with tomorrow. So the *Hansard* should record that.

Madam Speaker, I want to thank you for your indulgence. Accordingly I move the adjournment of this honourable House—

**The Speaker:** Excuse me; I need to take the vote on the suspension.

**The Premier, Hon. W. McKeever Bush:** Oh, sorry.

**The Speaker:** The question is that Standing Order 24(5) be suspended to enable a Government Motion to be dealt with during this current meeting.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 24(5) suspended.**

**The Speaker:** Now may I have the motion for the adjournment?

### **ADJOURNMENT**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, that suspension was in regard to the Tax Information Exchange Agreement to be dealt with later on.

Madam Speaker, accordingly I adjourn this honourable House until 10 am tomorrow when we will

deal with Private Members' Motions and other matters that will be on the agenda, but Private Members' Motions will be . . . and I have informed the Members responsible for those Private Member's Motions that we will be taking them tomorrow.

**The Speaker:** The question is that the House do stand adjourned until 10 o'clock tomorrow morning.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**At 5.29 pm the House stood adjourned until 10 am, Thursday, 25 March 2010.**



**OFFICIAL HANSARD REPORT**  
**THURSDAY**  
**25 MARCH 2010**  
**11.04 AM**  
*Second Sitting*

**The Speaker:** I will ask the Third Elected Member for George Town to say Prayers.

**PRAYERS**

**Mr. Alden M. McLaughlin, Jr.:** Let us pray.

*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, honour 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.

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

**Apologies**

**The Speaker:** I have only one announcement. Mr. Seymour has stated that he will be late for the sitting this morning.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**The Development and Planning (Amendment)  
Regulations, 2010 (Revised)**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** I beg to lay upon the Table of this honourable House the revised copy of the Development and Planning (Amendment) Regulations, 2010.

Madam Speaker, yesterday we discussed this draft and we promised that we would make some changes. Therefore, to enable it to go forward I lay this revised draft, which should now be in Members' hands.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Just to say that out of an abundance of caution, the draft laid on the Table yesterday would be withdrawn. This is a replacement. As I said, a revised draft.

**The Speaker:** Do you want to make a motion to that regard?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I could move a motion that it be withdrawn, and this replaces [that]. I think I will do it that way, that the draft laid yesterday be withdrawn and the new draft stand in its stead.

**The Speaker:** The question is that the Draft Development and Planning (Amendment) Regulations, 2010, laid on the Table yesterday, be withdrawn and replaced with the new the Development and Planning (Amendment) Regulations, 2010 (Revised) laid on the Table today.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Draft Development and Planning (Amendment) Regulations, 2010, laid on the Table yesterday, be withdrawn and replaced with the new the Development and Planning (Amendment) Regulations, 2010 (Revised) laid on the Table today.**

**Report of the Auditor General on the Financial Statements of the Government of the Cayman Islands for the Year ended 30<sup>th</sup> June 2004**

~and~

**Report of the Standing Public Accounts Committee on the Report of the Auditor General on the Financial Statements of the Government of the Cayman Islands for the Year ended 30<sup>th</sup> June 2004**

**The Speaker:** Elected Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to lay on the [Table] of this honourable House the Report of the Auditor General on the Financial Statements of the Government of the Cayman Islands for the Year ended 30<sup>th</sup> June 2004, and the Report of the Standing Public Accounts Committee on the Report of the Auditor General on the Financial Statements of the Government of the Cayman Islands for the Year ended 30<sup>th</sup> June 2004.

**The Speaker:** So ordered.

Does the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** No, Madam Speaker.

This report was actually prepared by the previous committee; it just had not been laid [on the Table]. So I am not really in a position to address . . . I can say that there are a number of recommendations contained in the Report and the recommendations are broken down by each of the subheads that they reviewed. So there is a list of some 23 different sections that contain recommendations by the Auditor General as applied to the accounts of each of those 23 years.

**Special Report of the Auditor General on The Review of the Gasoline Charges Incurred by Pedro St. James and the Policies and Procedures in place for the period of July 2003 to April 2007**

~and~

**Report of the Standing Public Accounts Committee on the Special Report of the Auditor General on Pedro St. James – Review of Gasoline Charges for July 2003 to April 2007 - Summary Report**

**The Speaker:** Elected Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to lay on the [Table] of this honourable House The Special Report of the Auditor General on the Review of the Gasoline Charges Incurred by Pedro St. James and the Policies and Procedures in place for the period of July 2003 to April 2007 and the Report of the Standing Public Accounts Committee on the Special Report of the Auditor General on Pedro St. James – Review of Gasoline Charges for July 2003 to April 2007.

**The Speaker:** So ordered.

Does the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Only, Madam Speaker, to do what we normally do, and that is to read the recommendation of the Public Accounts Committee.

**“9.01 The Committee is pleased that the CEO Mr. Gilbert Connolly made a request to the Auditor General for an audit of the charge account and accordingly endorses the recommendations of the Auditor General.**

**“9.02 The Committee recommends that the Government encourage all statutory authorities and government departments to review their charge accounts on a regular basis.”**

**An hon. Member:** Is that the best you all could do?

**Special Report of the Auditor General on The Scrap Metal Tender and Contract with Matrix International INC.**

~and~

**Report of the Standing Public Accounts Committee on the Special Report of the Auditor General on the Scrap Metal Tender and Contract with Matrix International - Summary Report**

**The Speaker:** Elected Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to lay on the Table of this honourable House the Special Report of the Auditor General on the Scrap Metal Tender and Contract with Matrix International INC., and the Report of the Standing Public Accounts Committee on the Special Report of the Auditor General on the Scrap Metal Tender and Contract with Matrix International - Summary Report.

**The Speaker:** So ordered.

Does the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Again, Madam Speaker, only to highlight the recommendations of the Public Accounts Committee.

**“9.01 The Committee endorses the recommendation of the Auditor General.**

**“9.02 The Committee also recommends that the Government consider other options for the removal and/or sale of scrap metal from the land fill.”**

**Annual Report of the Standing Public Accounts Committee – 24<sup>th</sup> March 2010**

**The Speaker:** Elected Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to lay on the Table of this honourable House the Annual Report of the Standing Public Accounts Committee for this year, as this is the Fourth Meeting of this year and Standing Orders require that all chairmen of standing committees table annual reports.

**The Speaker:** So ordered.

Does the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes Ma'am.

1. Establishment of PAC: The Standing Public Accounts Committee of the Cayman Islands Legislative Assembly, established under Standing Order 77. The following Members of the Legislative Assembly were elected as Members of the Standing Public Accounts Committee on 27 May 2009:

Mr. D. Ezzard Miller, MLA – Chairman  
Mr. Moses I. Kirkconnell, MLA  
Mr. Cline A. Glidden, Jr., MLA  
Mr. Ellio A. Solomon, MLA  
Mr. Dwayne S. Seymour, MLA

2. Meetings of the PAC: The PAC agreed to hold at least one meeting per month in order to achieve its objectives and fulfil its responsibilities under the Standing Order of the Legislative Assembly. It was resolved to meet on the third Wednesday of each month.

Meetings were held on the following dates:

10 June 2009	12 August 2009
24 June 2009	8 September 2009
25 June 2009	15 September 2009
30 June 2009	22 September 2009
27 July 2009	10 November 2009
28 July 2009	17 November 2009
29 July 2009	25 November 2009
5 August 2009	3 December 2009

Unfortunately although meetings were scheduled on the following dates those meetings could not be called to order because a quorum was not present mainly due to other commitments of the members:

29 September 2009  
28 October 2009  
29 October 2009  
3 November 2009  
10 November 2009  
27 January 2010

The Government may therefore wish to restructure the PAC membership due to the additional duties and responsibilities placed on certain current members.

3. Outstanding Reports: There were 10 outstanding reports before the PAC, when it was established, in various stages of the review process done by the PAC. The PAC resolved to complete the review process of these outstanding reports by September 2009.

The PAC has achieved the following:

- Public Accounts Committee Report on the Report on the Caribbean Utilities Co. Ltd – tabled 1<sup>st</sup> July 2009
- Public Accounts Committee Report on the Report of the Auditor General on the Royal Watler Cruise Terminal Capital Project – tabled 25<sup>th</sup> February 2010
- Public Accounts Committee Report on the Report of the Auditor General on the Cayman Islands Government's Property Insurance Settlement – Post Ivan – tabled 25<sup>th</sup> [February] 2010
- Public Accounts Committee Report on the Report of the Auditor
- General on Review of the Debt Financing Arrangements for Boatswain's Beach – tabled 25<sup>th</sup> February 2010
- Public Accounts Committee Report on the Report of the Auditor General on the Purchase of a Helicopter by the Royal Cayman Islands Police – tabled 25<sup>th</sup> February 2010
- Public Accounts Committee Report on the Report of the Auditor General on the Gasoline Charges – Pedro St James and Policies and Procedures in place for Period July 2003 to April 2007 – to be tabled at 4<sup>th</sup> Meeting of the 2009/2010 Session of the House.
- Public Accounts Committee Report on the Report of the Auditor General on the Scrap Metal Tender and Contract with Matrix International Inc. – to be tabled at 4<sup>th</sup> Meeting of 2009/2010 Session of the House
- Public Accounts Committee Report on the Report of the Auditor General on Financial Statements of the Government of the Cayman Islands for the year ended 30 June 2004 – to be tabled at 4<sup>th</sup> Meeting of the 2009/2010 Session of the House.
- Special Forensic Report of the Auditor General on The Affordable Housing Initiative – not reviewed by the PAC.
- Special Report of the Auditor General on the State of Financial Accountability Reporting – not reviewed by the PAC.

In addition the PAC received the following reports to review:

- Special Report of the Auditor General on the Loans and Expenditures of Funds at Boat-swain Beach.
- Special Report of the Auditor General on the Review of Expenditure for Operations Tempura and Cealt.

Examinations of witnesses took place on 25<sup>th</sup> November and 3<sup>rd</sup> December 2009. The PAC reports are in the process of being prepared to be tabled during next session of the House.

There was also the urgent matter of the Audited Report on Central Government not being done since 2004 and the PAC at its first meeting expressed its grave concern and resolved to do all in its power to have these accounts reported on.

The PAC invited the Financial Secretary and his supporting staff to its meeting on 10<sup>th</sup> June 2009 and it was agreed to suspend certain requirement of the Public Management and Finance Law (PMFL), specifically those sections requiring quarterly reports and output auditing until 1<sup>st</sup> July 2010 to facilitate expediting the auditing of the dollars to complete the process by 30 April 2010.

The Financial Secretary agreed that he would prepare and submit the appropriate paper to Cabinet requesting the suspension of the relevant sections of the PMFL. However the PAC is not aware that this was actually done nor have we had any update on the progress of the outstanding audited reports of core Government. It would therefore appear that these accounts will not be completed by 30 April 2010.

4. Government Minute: The PAC wishes to remind the Government of its obligation under Standing Orders to respond to the PAC Report within ninety (90) days of the Tabling of the Report.

5. Amendment to Standing Orders: The PAC reviewed the process under the Standing Orders that deal with the way reports are handled and made a recommendation to this honourable House to make some changes to Standing Orders that would facilitate a much clearer and timelier handling of reports received by the PAC.

The PAC respectfully requests that these changes be made as soon as possible.

6. Thanks and Appreciation: The Chairman wishes to express his gratitude to all members of the PAC for their hard work and support in completing the reports.

The Committee is also appreciative of the efforts of the Auditor General and his staff in the Summary Reports and for the support, assistance and constructive advice given throughout its deliberations.

Finally we wish to thank the staff of the Legislative Assembly for the assistance provided during the periods of these Reports.

Thank you.

**The Speaker:** Thank you, Member for North Side.

### **Tax Information Authority (Tax Information Agreements) Order, 2010**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I beg to lay on the Table of this honourable House the Tax Information Authority (Tax Information Agreements) Order, 2010.

**The Speaker:** So ordered.

Does the Minister wish to speak thereto?

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, there is a motion on the Order Paper and I will reserve my remarks until that time.

**The Speaker:** We need to suspend Standing Orders in order to carry on Questions after 11 o'clock.

### **Suspension of Standing Order 23 (7) and (8)**

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I move the suspension of Standing Orders to allow questions to be asked after 11 o'clock.

**The Speaker:** The question is that Standing Orders be suspended to allow questions to be asked after the hour of 11 o'clock.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 23(7) and (8) suspended.**

**The Speaker:** Shall we proceed with Questions?

## **QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET**

### **QUESTION NO. 25**

**No. 25: Mr. D. Ezzard Miller** asked the Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development how many new positions were created in the Cayman Islands Civil Service to implement the Public Management and Finance Law; what each position is paid and what has been the total cost in salaries for the duration of the Law.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Based on information provided by the Ministries and Portfolios, 73 positions were created in order to implement the Public Management and Finance Law.

These positions were paid \$16,823,867 between October 2003 and February 2010.

The information is broken down as follows, and Madam Speaker, I am going to take the time to read each one. *[The Honourable Premier read the list attached as Appendix A]*

I should have said, Madam Speaker, that the total costs for the Ministry of District Administration, Works and Gender Affairs with 26 persons was \$3,289,183.

**The Speaker:** Are there any supplementary questions?

Elected Member for North Side.

### Supplementaries

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I wonder if the [Minister] has any ready explanation for why the Chief Financial Officers in Legal Affairs and in the Ministry of Health, Environment, Youth and Sports seem to be paid twice as much as any of the other [Chief] Financial Officers?

**The Premier, Hon. W. McKeever Bush:** No, Madam Speaker, I do not have any ready answers for that, as much as I do not have answers for some of the other things that I am only coming to find out and grappling with as we get information and trying to come to grips with.

**The Speaker:** Any further supplementaries?  
Elected Member for North Side.

**Mr. D. Ezzard Miller:** Yes, Madam Speaker, there seems to be a great variation in support staff. And some ministries seem to have supporting staff and other portfolios do not seem to have any. I wonder if there was any formula used when staffing the human resources side when the Public Management and Finance Law was being contemplated as to what the relationship was going to be between Chief Financial Officer, Deputy Financial Officer, two deputies, three deputies, six administrative staff, nine secretaries, whatever.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, as Minister of Finance, I could give the figures that have been provided to me. The human resource aspect of the question would have to be directed elsewhere. I would ask the Member for North

Side to put those questions in writing so that we can get them answered. I think they are valid questions; it is just that I do not have them.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** I am told, Madam Speaker, that one of the reasons could be that a ministry had a lot of staff already at the implementation process, and another ministry might not have had, so that ministry that did not have many needed to get more.

As I said, if the Member requires anything other than that, we could undertake to get it in writing for him.

**The Speaker:** Any further supplementaries?  
Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** As everyone knows, this is one of my pet peeves, Madam Speaker. And this is not necessarily something that can be answered, but it is a follow on of the original question just posed by the Member for North Side, on the HR component.

I would have thought, Madam Speaker, and it is quite possible that the information has not come through, but the HR component is part of the Public Management and Finance Law (and I hope we will not be too astounded when those numbers come out from wherever they may be), also the information officers and different things that have been created in the ministries.

*[Inaudible interjections]*

**Mr. Anthony S. Eden:** Yes.

I would ask, Madam Speaker . . . he evidently does not have that information at hand, whether it comes from a different ministry or department. But I think the question asked by the Member for North Side is quite relevant. I would ask if he can comment on that because that is my concern. The HR component literally duplicates much of what happened in the financial section.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Member for Bodden Town is right. This question pertains to the implementation of (I guess) the system and what that entailed, how many that brought on. But the full HR is not inclusive and I think he should ask.

I mean, there are things in here that are not answered, like systems we put in place, simply like Freedom of Information. That big thing, you know, that was going to save the country? Yes.

**The Speaker:** Elected Member for East End.

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



I wonder if I can ask the Premier one question, then I have a follow on depending on how he answers.

Can the Premier tell us if this is only salary? Is there anything else included in these numbers?

[pause]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I had to consult with the officers that are here.

The question from the Member for East End is whether this included any benefits. No, this \$16 million does not include pension and insurance benefits.

Members will recall that I gave another answer some time ago to the Member for North Side which spoke of \$17 million which had other things in it, like computers, ORACLE and other various systems that were put in place for it and at a different time period actually.

**The Speaker:** Elected Member for East End.

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

I thank the Premier for that.

If that is the case, then I would like to bring to the Premier's attention that he needs to check some of these numbers, because the worse case scenario . . . I checked on two of them. At least two. The worst case scenario on page 2, under Lands and Survey Financial Administrator, I figured that October 2003 to March 2010 (about 77 months), and it is far less than what the total is showing here.

Then on page 3, under the Ministry of Health, Environment, Youth, Sports and Culture, the Chief Financial Officer, it is far less than what is showing here also, based on those months of work and the worst case scenario paying the maximum amount.

*[Inaudible interjections]*

**Mr. V. Arden McLean:** I am not an accountant, but one plus one is two.

**The Premier, Hon. W. McKeever Bush:** Oh yeah?

I am wondering, Madam Speaker, if the Member is desirous of getting an answer, if he would rephrase his question.

**Mr. V. Arden McLean:** Well, Madam Speaker, then may I ask the Premier if he can confirm that all of these are correct?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, this question is based on information, of course, that the Financial Secretary would have gotten from the various areas that I have mentioned. So that is information coming from the various departments, various ministries, and so on.

If the Member has a specific question . . . I think he was referring to a page earlier. Maybe he can say that and I can see if I can enlighten the situation.

**The Speaker:** Elected Member for East End.

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

I draw his attention to page 2, somewhere in the middle of the page it says, Lands and Survey Financial Administrator. If you work that out, the salary range, it says \$49,044 to \$65,964. If you work it out at the top end of that, it works out to some 420-odd thousand dollars, as opposed to \$470,000.

And then on page 3, under the Ministry of Health, the Chief Financial Officer, the top end of that for 77 months works out to some 690 . . . well, I did 77 months, \$690,000 as opposed to \$791,000.

So something else may be included in those, Madam Speaker.

*[off microphone inaudible discussion]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, certainly the officers will check it for accuracy, but I would hope that that would have been done. I think it would have been done because things like "acting" have not been highlighted, but the fact is, that is the salary range as we were asked in the question. We gave those salary ranges to get the cost of the full cost. The salary range included what people would have been paid for "acting."

*[off microphone inaudible discussion]*

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I know that the substantive question asked for new positions.

But I wonder if the Premier has with him the information on positions that existed in the Civil Service prior to the Public Management and Finance Law that are now being utilised to fulfil the functions of the Public Management and Finance Law. I hope that it does not equal the same 73 or more.

**The Premier, Hon. W. McKeever Bush:** I agree that for the sake of comparison that would be good, but that is not something that I would have at hand. That is something the portfolio that employs the Civil Service could probably get through a written or substantive question.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** I wonder if the Premier may also have any idea or any guesstimate of the consumables that would go with this, like office space, desks, et cetera . . . because that will add substantially to this.

*[Off microphone inaudible discussion]*

**The Premier, Hon. W. McKeever Bush:** [1:01:36] Madam Speaker, [microphone not turned on] what we do know is that this year alone there were \$98 million [inaudible] . . . [inaudible response from the Premier continues]

**The Speaker:** Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker.

The figures that the Honourable Premier was referring to in his last parliamentary question (just for the edification of the public) for the establishment was \$15,749,326. And the cost since then was \$16,823,867, around \$32 million. And we wonder, Madam Speaker, why we are where we are today.

The other question that I would like to pose, Madam Speaker . . . and once again it should not be to him, but quite possibly to the Honourable First Official Member: The total number of positions here was 73. Somewhere I have heard since this started we were probably in the hundreds that have been added to the Civil Service. Is he in a position to say where these other positions would have been? Or, once again, we may have to submit a substantive question to that.

Thank you.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, all very good points that are being made and good questions. But this is not something that we can answer at this point.

We do know that the Civil Service has a review coming on and I do not know if the Deputy Governor wants to hazard any kind of guess because no questions were really directed to him . . .

[Off microphone inaudible discussion]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I listened to the questions from the Opposition and I am hoping that they are doing this to glean information and not to say that we do not know what we are doing on this side, because what I am giving is information coming from the Service. I would have to take what they say as what obtains.

Madam Speaker, the reference drawn by the [Second Elected] Member for Bodden Town on the two questions and two figures, we have to remember [that they are] two separate questions, one was on the . . . can the . . . for instance, the question on the \$17 million some time ago was, "Can the honourable Member give the total cost to 31 May 2009 for the establishment, implementation and training of the Public Management and Finance Law." That was on implementation, establishment and training. And what was spent from March when they began that in 1999, which would have been for people that were overseas and so on, you had to pay for them coming in, con-

sultants and so on, all of that was inclusive in that. March 1999 to 31 May 2009. So that is where that figure would have come from.

The present figure of \$16 million-plus is being asked on new positions and that is what I gave. So it is what it is, and that was from October 2003 to February . . . up until February this year, a little over six and a half years.

So, Madam Speaker, the figures are what they are; the situation is what it is. What Members need to know is that we are in the process of reviewing—an ongoing review now by the Deputy Governor—costs of the Civil Service and the Government Service and we have taken steps to put on record to the Governor that we intend to have certain changes made.

**The Speaker:** If there are no more supplementaries, perhaps we can move on to the next item of business.

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** Honourable Premier.

### A Call for the Nation to Pray

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, the country is experiencing an economic recession and the situation of rising crime is most worrisome to me as Premier and to the entire Government. It is a matter of importance.

Work is being done now by the National Security Council headed by the Governor that is examining every aspect of criminality. However, I want now to call on all the churches of this country to meet next week Thursday, 1 April, at 5.30 pm at the courthouse and I am asking each church to put aside whatever they have planned to come with all their congregation to pray for the young people and for the situation of crime we are experiencing and to provide their own transportation to the service.

Those persons who do not attend church regularly or who do not attend at all, I am asking them to make a special effort to come themselves and to bring people with them.

I have spoken to Pastor Al Ebanks to organise the event. We will be asking Pastor Manzanares to speak at that service for there is much to be done by every person in this country in what we are experiencing.

[Inaudible interjections]

**The Premier, Hon. W. McKeever Bush:** But I truly believe, Madam Speaker, that in all that we are ex-

periencing that the Bible says, "If my people will humble themselves and call on my name I will heal their land."

Sometimes, Madam Speaker, we must think that this is bigger than us. And that is what we need to do, get on our knees, humble ourselves before Almighty God. And I am asking the newspapers in this country, the media in this country, to publicise this as much as they can.

**The Speaker:** Thank you, honourable Premier.

I think this would be a good time to take the lunch break before we begin the debate on Private Members' Motions, which is the next order of business.

We will break until 2 o'clock?

**An hon. Member:** No, no, no, no—1.30.

**The Speaker:** 1.30?

We will suspend the House until 1.30 and please be back here promptly. Thank you.

**Proceedings suspended at 12.12 pm**

**Proceedings resumed at 2.17 pm**

**The Speaker:** Proceedings are resumed.  
Please be seated.

## OTHER BUSINESS

### PRIVATE MEMBERS' MOTIONS

#### Private Member's Motion No. 10/09-10—Review of the Health Insurance Law

**The Speaker:** Elected Member for North Side

**Mr. D. Ezzard Miller:** I beg to move Private Member's Motion No. 10/09-10—Review of the Health Insurance Law:

**WHEREAS the Health Insurance Law in its current form allows the health insurance providers to "cherry pick" who it wishes to insure and "dump" high risk, and persons with pre-existing conditions on Government;**

**AND WHEREAS the health insurance industry is not providing the healthcare providers with guaranteed and prompt payment for services rendered to their clientele leading to the unfortunate situation where persons who have already paid high premiums for health insurance coverage are forced to pay the healthcare provider "up front" and attempt to reclaim the expense from their insurance providers;**

**AND WHEREAS the standard health benefits plan as prescribed in the Law is very inadequate and contains such expense limiting protections like "episode of illness" and annual ceilings**

**for benefits as well as lifetime maximums that are often not reflected in reduce premiums;**

**AND WHEREAS there is common belief in the community that the clients of these health insurance providers are not receiving value for their money paid in health insurance premiums;**

**BE IT THEREFORE RESOLVED THAT this honourable House appoint a Select Committee to review this legislation and present the necessary amendments to the Health Insurance Law during the Second Meeting of the new financial year.**

**The Speaker:** Is there a seconder?

Elected Member for East End.

**Mr. V. Arden McLean:** Thank you, Madam Speaker. I wish to second the Motion.

**The Speaker:** The Motion has been duly moved and is open for debate. Does the mover wish to speak thereto?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

In the ten months that I have been privileged to be the representative for the constituency of North Side in this honourable House other than jobs and employment, I have received more representation about health insurance and the problems therewith than any other matter in the country. These representations come from all three sides in this arrangement for the provision of health insurance in the Cayman Islands.

Representation comes mostly from the people who are buying health insurance; but it also comes from the healthcare providers who provide the service that the people are buying and contracting with health insurance companies to pay for. And even the health insurance companies themselves have some complaints about the way the current legislation is structured, although the current legislation favours the health insurance providers more so than any of the other two [groups of] people that have to deal with it.

Madam Speaker, health insurance came to this parliament for the first time in 1991 when I introduced health insurance legislation in this country. Unfortunately, (or fortunately, I guess depending on who you talk to, but certainly unfortunately from my point of view, and I also believe from the point of view of the suffering public) that Bill was suspended by the Government that came in in 1993 and not allowed to come into force. They brought in a law in 1998/99 and tried very hard to make sure there were some clear differences between what was put in in 1991 and what was finally put in place in 1998. Unfortunately, most of those differences favoured the health insurance companies. In fact, as I have discussed on several occasions with the Second Elected Member for Bodden Town [Hon. Anthony S. Eden] he was taken aback when I could actually tell him who and which company

had proposed certain clauses in the [Bill], because they were concerned about the effects on their individual companies and their profit margin.

For the last decade there has been mixed success for health insurance in this country. The health insurance providers all claim to be losing money. The employers complain that it has increased the cost of doing business. The healthcare providers claim that they do not get paid. The insured employees say they do not get the coverage they paid for, and often have to pay for their healthcare up front.

Madam Speaker, even though an amendment was made to the Law in 2003 (I think it was) that said physicians and healthcare providers are obligated to take the insurance card, there are still many that refuse to do so. And the person who is paying for the health insurance is told that [he] will have to pay for the service up front. They will fill out a claim form and give it to [him] to take to the insurance company to claim it [himself], and that is unfortunate, because all health insurance premiums in this country are paid in advance. They are due by Law on the first day of the month for which the coverage is being bought.

To say that there is no great public confidence in the present Health Insurance Law as it currently operates is an understatement. Recent reports in the media, which fairly, or unfairly, drew attention to inadequacies in coverage, where Caymanians and other nationals are being sent to other countries that, in my opinion, have a lower standard of healthcare than the Cayman Islands, simply because the law allows the health insurance companies to put a cap on an episode of illness.

Some of the issues that have been brought to my attention about the current legislation are:

- The insured customers do not understand why they have to pay for their coverage up front and then try to get reimbursed.
- The insured do not understand how the insurance providers can determine what treatment they should have received from their doctor.
- The insurance providers believe that both the insured and the healthcare providers are abusing the coverage.
- The healthcare providers want to get paid on a timely basis.
- The healthcare providers want to retain some control over the treatment modality they use to treat their patients.

In short, Madam Speaker, all of those issues revolve around the money that is involved in health insurance.

Madam Speaker, in 2003 a previous Government created a Health Insurance Commission that was supposed to regulate the industry. Unfortunately, if one looks at the legislation, one will see that it is largely an association of people, [and that it] has no teeth, has very little authority to act in any controlled

position of the health insurance industry. It is underfunded and under-staffed in terms of being able to adequately carry out even the limited provisions that exist in the Law. I believe that in a review of the Law we can address some of those issues.

Some of the things that I think need to be changed in the Law [include] the relationship between the Cayman Islands Monetary Authority and the Health Insurance Commission, which has the ultimate authority to license the health insurance company, under what conditions health insurance companies are licensed, [and] who has the responsibility for the ongoing monitoring and control of the health insurance providers.

As I read the current legislation, the Health Insurance Commission really only has control over what they call SHIC 1 (Standard Hospital Insurance Contract), which is the basic plan. It does not have any control over all of the other plans that are sold in the country. So, again, they are totally ineffective against providing any regulatory supervision for the private industry and the myriad of plans that are sold out there.

I believe that the current structure of the Health Insurance Commission Board needs to be looked at because I believe that when you are going to provide supervision and governance in these kinds of situations the industry itself should not be heavily represented on the Board. And we have a situation now, certainly . . . I do not know if there is a new Board being appointed or what it is, but I know that the previous Board had some industry representatives on it who were very vocal. From what I observed, they basically controlled the Board because everybody else on the Board assumed not to have any knowledge of the industry [and] were constantly and always looking to that person for guidance and decisions. I think that is rather unfortunate when we can get people in those kinds of positions.

I believe it is possible to properly fund the Health Insurance Commission through a simple surcharge of one-half per cent, or 1 per cent, of all the premiums sold by the health insurance industry and let them pay for their own regulatory costs.

Madam Speaker, in the Health Insurance Law and Regulations there are many changes that I believe need to be made. But I think probably the biggest change that needs to be made, and maybe this Government can get some nerve and some tenacity to take on the local health insurance provider industry if they see the success that President Barack Obama has had quite recently in taking them on.

Although it took quite a while (several months) to achieve, I think the fact that they can no longer eliminate people up there by pre-existing conditions and high risk . . . and I know from my involvement in the industry that part of the powerful lobby that exists from that industry in the Cayman Islands was that they could not cover pre-existing conditions in the Cayman

Islands because their parent companies were not covering them in the United States or other markets where their parent company existed. I have seen them use actuarial projections and all sorts of numbers to justify that.

Well, it is going to be very interesting to see how many of them will be contacting the Health Insurance Commission this week to say, *Now that they are mandated by law in the United States—where our parent company comes from—to not exclude pre-existing conditions, we are voluntarily going to take them up in the Cayman Islands.* But I have a strong suspicion that that is not likely to happen. My experience with these people is that altruism is not a popular word. Profit is far more important.

I believe, Madam Speaker, that the fact that the insurance industry has been successful in putting in \$25,000 episode of illness into the health insurance contract and, added to that, the \$100,000 annual expense, and, added to that, a \$1.2 million or \$1.4 million lifetime benefit, tells us how powerful that lobby is in the Cayman Islands. All of those mechanisms increase the profit to the health insurance company.

As I understand it, an episode of illness is defined by them as any period of time spent in hospital for any one particular bout of illness. I do not have to tell you, Madam Speaker, but most of us know that \$25,000 is not going to buy a lot of healthcare in today's marketplace. Added to that, the fact that we can only spend \$100,000 a year and you can only get \$100 outpatient for the whole year . . . with those kinds of limits it is easy to see why they are making the profits they are.

Of course, if you ask them, Madam Speaker, they will tell you that they have been losing money for ten years. Well, I went to one seminar. They made that presentation, and I went up to one of the presenters who made that statement during the coffee break and I said, "Now, you say you are losing money. I really need to know if this is true because my family and I own substantial shares in this company. If you are losing money I need to go to George Town and sell these shares today."

Well, he quickly assured me, "No, no, no, no, no, no, you don't need to sell your shares. No, no we are not really . . . no, no, only on some things are we losing money."

Truth be known, Madam Speaker, they are not losing money on health insurance in the Cayman Islands.

The other thing that needs to be addressed in the legislation is finding a way to ensure that retirees can remain in the company's plan that they are retiring from, as part of their retirement benefit, by paying the premium and continuing to receive the coverage, and that it does not happen that at 60 you suddenly cannot buy insurance unless you go to the Government.

A lot of the screaming and hollering that has gone on in the recent past from the private sector about the cost of civil servants' healthcare benefits . . .

they are forgetting one very important component of that factor. Part of what inflates the cost of the civil servants' health insurance benefit is because the Government is collectively wearing the high risk people from the private sector plans that they are buying, so therefore they are getting a reduced premium. They really do not sell group health insurance in the Cayman Islands. Not to my knowledge. I propose that what they do is they come in to sell you individual plans and offer you a volume discount—an entirely different thing.

Madam Speaker, if you can go into a company that has 500 employees, 1,000 employees, and quote them a rate for health insurance and then you are allowed to medically underwrite each individual one and eliminate anybody that has any possible risk—anybody that has hypertension, anybody that has any kind of cardiovascular disease, anybody that has diabetes, right? anybody that has lumbago or any other kind of disease—they can take them out and say, *Well, I am not insuring you because this is a pre-existing condition,* right? And you are left with only healthy people. But the premium remains the same as what they quoted before they eliminated all of those people. And they have been able to convince previous governments, Madam Speaker, that while they will not insure a high risk person in a private sector company for, say, \$450 or \$500, somehow if they pay the Government \$6, or \$8, or \$10 as part of the premium that they collect, the Government can somehow use those limited funds to insure all of the high risk people and all of the people who have retired.

The legislation that I brought here in 1990 . . . we had done a lot of research on how to address that particular problem in a small market like Cayman. The advice that I was given from Towers Perrin (and Towers Perrin, Madam Speaker, is the single largest actuarial firm in the world) was that, because of the size (and, yes, it was possible in small groups to get hit by one or two expensive cases), each insurance should create what we call a "high risk pool" and each insurance company in the private industry contributed 10 per cent of every premium that they sold to that high risk pool, which was managed by themselves and their peers, and they could appeal to that high risk group when they got hit early on in a group health environment, but they had to take everybody in the group. As opposed to saying to Government, *We are not going to insure anybody that is high risk, we are not going to insure anybody that has a pre-existing condition, we are not going to insure anybody over a certain age,* and the Government will have to take this little bit of money and add to it whatever is necessary in order to provide insurance for those people.

Madam Speaker, another problem that needs to be more adequately addressed in the legislation is portability. There are people in this country today that cannot leave their present employer because they cannot get insurance with another company, with another employer, because they have a pre-existing

condition. That needs to be eliminated from the Law. And if it is all group health and you are coming into the group, you fall on the same level.

Getting back to what I mentioned earlier, Madam Speaker, about the concern of the healthcare providers about not getting paid on a timely basis. This is the electronic age. I can tell you that in 1990 the technology existed to allow an insurance company to make a smartcard, put a reader on a doctor's desk, the patient walks into the room hands his card with a photo ID on it so that they know the person in front of them is the person on the card, swipe the card, and a screen will come up and say, *Yes, Ezzard Miller has insurance; Yes his premiums are paid; Yes his deductible is paid (or only a percentage of his deductible is paid); Yes, he has coverage at 80/20, (60/40, 70/30, whatever it is).* The doctor says, *This procedure will cost \$100, he is entitled to claim from my plan \$80 (because I have a co-pay of 20 per cent, \$20).* He gets an authorisation number from the health insurance bank to cover that payment. At midnight that night the bank downloads the payment from the insurance company and credits the physician. If it existed in 1990, it certainly exists today in 2010.

This is the kind of innovation that we need to put in place to ensure that Caymanians—who the Government is forcing to pay for health insurance—have access, and that the healthcare provider can get paid for the service that he renders. It is not rocket science; it can be done.

The other problem that exists is with what they call SHIC 1, Madam Speaker. SHIC 1 was the minimum plan that could be sold. But, quite smartly (by somebody), that little minimum word was removed from the legislation. That is creating a whole pile of problems. If we prescribe and state in the Law that SHIC 1 is the minimum plan that anyone can sell in the Cayman Islands in order to receive a licence to sell health insurance, know what the minimum is.

We can then sit down, some of which has already been done with the healthcare providers, and price each item that is in that plan so we know what the plan specifies, the benefit you will get; we know what it is going to cost the insurance company for the healthcare provider to provide it, and then we get a proper actuarial firm to actuarially calculate, given the demographics of the country, what the premium for that minimum plan should be. The Law should then go on to state what the maximum price at which that minimum plan can be sold for is. Then we have a level playing field.

But I can state here today that from the research I have done that the same SHIC 1 can be bought in the Cayman Islands for as low as \$69, or, for the same plan some companies are charging as high as \$197. Now there is something wrong with that kind of disparity when we have compulsory legislation and it is allowing that kind of disparity. Any plan above the minimum level, then the marketplace takes care of

it. And people can compete on how they get it. But we need to make some bold changes to the legislation.

Madam Speaker, I believe that it is possible if we do this as I have recommended, in a select committee of this House, call in the industry, call in the providers, and we can complete this exercise as I have suggested, by the second Meeting in the new financial year . . . and, Madam Speaker, not to preempt, but I have seen an amendment that is expected to be proposed. I would hope that when the Government is replying they will be able to state when the review started, who is doing the review, what the terms of reference of the review are, when it is expected that the review will be completed, and when it will be brought to this House. Then, in my winding up, I will respond to whether I think it is a reasonable amendment or not.

Madam Speaker, health insurance has been of great concern and *is* of great concern to many people that we represent in this country. Successive governments over the last ten years have talked about bringing forward amendments to this legislation to improve the situation, but none have been forthcoming.

I understand and I know that the biggest reason for that is the political lobby of the people involved. I faced their wrath in 1992, and they managed to get me kicked out of this House because of the Law that I passed. But I still believe that that was a fair Law. It was a level playing field and what we have now is a series of compromises that have been agreed with the industry which leads to mass confusion. And the only people that are suffering in this equation are the people who the Law forces to purchase this health insurance.

I humbly submit to this honourable House, Madam Speaker, that we need to demonstrate to the country the political will to get this done. And the best way I know how to do it is through a select committee of the whole House and the committee reports back to the House in the second Meeting with the necessary changes to the legislation.

Thank you.

**The Speaker:** Does any other Member wish to speak?

Honourable Minister of Health.

#### **Amendment to Motion**

**Hon. J. Mark P. Scotland:** Madam Speaker, thank you.

Before offering a contribution to the Motion, in accordance with the provision of Standing Order 25(1) I would seek the leave of this honourable House to move an amendment to Private Member's Motion No. 10/09-10 as follows:

Before the Resolve section insert: "AND WHEREAS the Ministry of Health has embarked on a review of the Health Insurance Law;"

By deleting the Resolve section and substituting the following Resolve section to read: "BE IT THEREFORE RESOLVED THAT the Minister of Health, Environment, Youth, Sports and Culture complete the review of this legislation and present the necessary amendments to the Health Insurance Law to the Legislative Assembly in a timely manner."

**The Speaker:** The amendment to Private Member's Motion No. 10-09/10 has been duly moved. Does the Minister of Health wish to speak thereto?

**Hon. J. Mark P. Scotland:** Madam Speaker, in proposing the amendment to the Motion, just take note that the Ministry of Health, the staff, the Health Insurance Commission Board and I have been undertaking this review. In fact, the review was ongoing prior to us taking office as well. There has been quite a considerable amount of work done in this regard already and we are coming close to the stage of being able to present legislation to the House.

So, the need to establish a select committee at this point, we do not think is necessary. So the reason for moving this amendment to the Motion at this time.

**The Speaker:** Does any other Member wish to speak?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I wish to oppose the amendment because the words at the end of that Resolve section "in a timely manner" are what have been causing the problem for the last ten years. Every successive government has been promising everybody to do this *in a timely manner*. While I accept the Minister's position, that he and the Health Insurance Commission have the review and it is ongoing, without a definite timeframe I can take no comfort that it might ever see the light of day.

I believe that this matter of reviewing and finalising the Health Insurance Law is of such importance that we should be willing to commit. If it has been ongoing by the previous administration and it is almost complete now, then it should not be a problem to get it done by the second Meeting in the new financial year, which would be around September.

But, Madam Speaker, what concerns me most is the wording at the end—"in a timely manner." So, unless the Minister sees fit to change those words and accept what was in my Resolve section—that the legislation and the report be brought for the second Meeting of this honourable House in the new financial year—Madam Speaker, I will be voting against the amendment.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I will call on the mover of this amendment to wind up the debate on it.

Minister of Health.

**Hon. J. Mark P. Scotland:** Madam Speaker, just briefly in closing on the proposed amendment, as I said the review is very much underway. In fact, we already have a committee which is working on the review. In fact I have already taken a paper to Cabinet with some of the information that is being worked on with the review.

So, as I said, we do not feel at this time that it is necessary to establish this select committee of the whole House while we are at this stage of the review.

In closing, we would like to put the [amendment] to the House.

**The Speaker:** Okay.

The question is the amendment to Private Member's Motion No. 10/09-10, by inserting before the Resolve section: "AND WHEREAS the Ministry of Health has embarked on a review of the Health Insurance Law"; And by deleting the Resolve section and substituting the following Resolve section to read: "BE IT THEREFORE RESOLVED THAT the Minister of Health, Environment, Youth, Sports and Culture complete the review of this legislation and present the necessary amendments to the Health Insurance Law to the Legislative Assembly in a timely manner."

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

**Ayes and one audible No.**

**The Speaker:** The Ayes have it.

**Mr. D. Ezzard Miller:** May I have a division, Madam Speaker?

**The Speaker:** Madam Clerk, can we have a division?

**The Clerk:**

**Division No. 14/09-10**

**Ayes: 7**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. J. Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon

**Noes: 3**

Mr. D. Ezzard Miller  
Mr. Anthony S. Eden  
Mr. V. Arden McLean

**The Speaker:** The result of the division is 7 Ayes, 3 Noes. The Ayes have it.

The amendment to Private Member's Motion No. 10/09-10, is duly passed.

**Agreed by majority: Amendment to Private Member's Motion No. 10/09-10 passed.**

**Private Member's Motion No. 10/09-10—as Amended**

*(Continuation of debate on Motion as amended)*

**The Speaker:** Debate will continue on the original Motion as amended.

Member for North Side, are you going to speak on this again?

*[Inaudible reply]*

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak?

This is the new amended Motion. He has a right to speak again.

*[inaudible interjections]*

**The Speaker:** That Motion has been amended. You have the right to speak on the new Motion.

*[Inaudible interjections]*

**The Speaker:** Would you like to speak on the amended Motion? You have a right to speak on your Motion as amended.

Elected Member for North Side.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker.

**The Speaker:** Yes sir?

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, there is a bit of confusion.

The Member for North Side will have a right to wind up his Motion. He has already spoken on the amendment; therefore he does not have that opportunity now.

The Motion should be open to anybody, as you have called, for the Motion to be debated by anyone at this point in time.

*[Inaudible interjections]*

**The Speaker:** Does any other Member wish to speak?

Minister of Health.

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker.

Like the Member for North Side, who moved the Motion, I have been in office for the first time. He has been before. The fact that I have been in office for

the past ten months as well, and, similar to him, complaints have been numerous regarding health insurance and healthcare in general. So it has been a priority of ours in the Ministry to address these concerns and come up with new legislation that will address the issues, but, most of all, make healthcare accessible to everyone in our country and in accordance with the Law.

As the Member noted, too often what happens is that persons are not getting access to insurance and the big effect of that is increase in the cost of healthcare to Government. As high risk persons are dumped, as the mover of the Motion spoke about, those persons inevitably end up in the net of Government healthcare, thus the reason for the continuing increase in Government costs.

Madam Speaker, as I said earlier, we certainly understand the importance of health insurance reform and the need for amendments to the Health Insurance Law. We have been rigorously reviewing this legislation. In fact, there was already a draft law prepared when we took office, which we are reviewing to see what elements of that we will retain. We have been meeting with stakeholders. There has been an actuarial review done on the proposed enhancements, and I will speak more to this as I go on.

Madam Speaker, as I said as well, a Cabinet paper was already presented which spoke to the health insurance reform. The primary changes to health insurance are intended to make sure that the coverage will be made available to all Caymanians and residents of the Islands with benefits that are adequate and cover a full range of healthcare needs.

Madam Speaker, the Health Insurance Regulations will be simplified in order to achieve a clear interpretation of each provision and health insurance will provide products that are understandable and offer better protection for consumers and approved insurers will be required to conduct business in a more transparent manner. Madam Speaker, the importance is not only for the reasons just stated, but these amendments will also significantly reduce the cost that Government now currently bears for those persons who are either uninsured or under-insured.

Madam Speaker, as the Member for North Side noted, health insurance legislation came in around 1998. The Health Insurance Regulations were amended in 2005; the Health Insurance Commission Law came in around 2003. The Law made it compulsory for all persons who live in the Cayman Islands to have health insurance. This health insurance is provided through insurance companies that have a class A licence from the Monetary Authority and approved by the Health Insurance Commission to sell insurance to persons resident in the Islands.

The original mandate of the health insurance legislation was to help shift the cost burden of healthcare from the Government to the individual consumer/patient. Madam Speaker, this has been



achieved to some extent, but the intent of the upcoming amendments will be to continue to make that shift. One example of that will be when we enhance the current SHIC plan to address those persons who are currently under-insured. We will also be providing a guaranteed hospitalisation plan to cover catastrophic illnesses locally and overseas, and require healthcare providers to verify benefits and to accept health insurance cards where appropriate.

Madam Speaker, in addition to the three groups that the mover of the Motion spoke about as being the key persons involved in health insurance, I consider there to be five key stakeholders: the health-care providers, employers, employees, the approved insurers, and the Government, which as we know plays a huge role in filling the gap for persons who are under-insured or uninsured.

Madam Speaker, it is therefore important that any amendments to the health insurance legislation take into full consideration the potential impact the amendments and changes will have on all stakeholders. If we fail to do that the implications would be very detrimental.

Since I was given responsibility for health and health insurance I have been taking time to understand the problems and concerns. We are now working to prepare recommended solutions. The legislation that has been around for about 11 years is not working, as the mover of the Motion said. We have had the opportunity to assess it and we know it is not working the way it should.

The last time there were amendments to the legislation was in 2005. Based on experiences, then, it is very clear that certain sections will require further updating to meet the demands of the current health insurance and healthcare industries. Some of the amendments that we are proposing include portability of health insurance benefits. This is one of the most troublesome and contentious issues, Madam Speaker, which confronts the Commission in its day to day work in terms of complaints received from insured persons.

Two troublesome scenarios are when employees change employers and when an employer changes an approved insurer. There are cases when an employee changes from one employer to the next and those two employers are covered by the same insurer, and that insurer takes the opportunity at that time to drop the insured employee because of some pre-existing condition. That, Madam Speaker, cannot be right. It is not right. That will be addressed in the proposed amendments.

Madam Speaker, in short, the portability provision in its present form is too ambiguous and open to interpretation. It will be amended to ensure that where an employee changes his/her job, or where an employer changes the approved insurer, employees will at a minimum be able to obtain the SHIC plan. And I will speak further on the SHIC plan, as we propose to enhance that as well. We cannot continue the

current status quo, whereby employees are afraid to change jobs because it may result in losing their health insurance coverage.

Another important change will be the Standard Health Insurance Contract (SHIC). The mover of the Motion also spoke to the existence of several—*several*—standard health insurance contracts which, as he correctly stated, vary in price from \$69 or \$70 (right?)—

*[Inaudible interjections]*

**Hon. J. Mark P. Scotland:** Same contents, sorry. But they vary in price from \$70 up to \$100-plus, which does nothing more but cause confusion to those insured persons when they do not know what they are getting from one price to the next one.

Madam Speaker, we propose to do away with all but the basic SHIC plan and then to enhance that SHIC plan. The basic SHIC plan as we know it now is generally considered by all stakeholders to be an insufficient plan. The maximum benefit of \$25,000 per episode . . . as a matter of fact, Madam Speaker, that is one of the main causes of Government's subsidy to the HSA. As many under-insured persons, whose healthcare costs run over the \$25,000 maximum . . . those bills are left unpaid at the HSA, which inevitably have to be picked up by the Government. So an enhancement of the SHIC plan will have more than one impact in terms of saving Government money as well. But, primarily, the benefits to the insured will be increased.

Madam Speaker, in consultation with the stakeholders we are recommending an enhanced plan of benefits. The enhanced benefits for the new SHIC 1 (Standard Health Insurance Contract) would include as follows:

- An individual annual maximum of \$100,000. The current episode maximum of \$25,000 would no longer apply.
- The individual lifetime maximum of \$1 million is consistent with the current plan of benefits.
- The SHIC plan would include inpatient services such as hospitalisation, physician, surgical, room and board, newborn care, ancillary services, chemotherapy or radiation therapy inpatient or outpatient, maternity, labour and delivery, major maternity procedures and outpatient surgery in an ambulatory surgical centre or hospital up to \$100,000 per annum.
- There is a member co-payment of 20 per cent unless inpatient costs exceed \$5,000, after which no co-payment applies. That is the maximum annual inpatient member co-payment will be \$1,000 per year.
- Mental health is not currently covered. It will now be covered 80 per cent to the co-insurance maximum, then 100 per cent up to a \$25,000 lifetime.

- Madam Speaker, outpatient services benefits will be increased from the current \$100 per year to \$1,200 per year with a co-pay of 20 per cent. The benefits included under the outpatient component include such items as prescription drugs, routine physicals, annual exams, wellness services, well child care, doctors office visits and physician fees, including office procedures, diagnostics including radiology and laboratory works, physiotherapy, nutrition counselling and dental check up, maternity and antenatal care, which are currently at \$500 per pregnancy.
- Emergency services would include ground transportation for threat to life or limb, sudden onset conditions covered to 100 per cent for the first \$4,000 of outpatient services, then as per applicable benefit category. The current benefit is only \$4,000 per year.
- Medical airfare for life or limb threatening emergencies will be covered 100 per cent up to a maximum \$15,000 per year. The current benefit is limited to only \$4,000 per year for emergency services.
- Chemo-dialysis covered up to 100 per cent under the proposed new plan up to the individual annual maximum of \$100,000 per year. Currently the annual maximum is only \$25,000 per year.
- Madam Speaker, very importantly, the episode of illness will be removed from the proposed plan. However it was deemed necessary to maintain some reasonable level of co-payment and lifetime maximum benefit to assist with keeping the premium rate affordable.

Just to note that in speaking about the premium rate, as I said an actuarial review was done some time ago on the proposed new SHIC plans. In a few weeks we will be meeting with the health insurance standing committee, which is the health insurance providers, to review that to agree or get their feedback on what the . . . we already have what we think those new premium rates should be from that actuarial review, and we are meeting with them to get their feedback on it in a few weeks.

Madam Speaker, assignment of benefits and claims processing: As the mover of the Motion said, there are numerous issues that surround the acceptance of health insurance cards and the processing of claims. Some of these challenges include the lack of information which is provided on the health insurance identification card, exclusions and denials of claims due to pre-existing conditions and the delay in processing claims. We are exploring and reviewing various different methods to enhance identification cards with technology. As the mover said, this technology has been in existence for 20 years and there is no reason

why it cannot be introduced quite simply here in the Islands.

Electronic claims processing would allow for online pre-authorisation of claims, immediate acknowledgement of receipt of claims and, most importantly, reduction of waiting time for settlement of claims. But importantly it would allow the insured persons to go into a healthcare provider's office, produce a card and immediately be able to pay their co-pay, get treatment, and the healthcare provider submit their claim to the health insurance company without the insured person having to pay up front and make a claim afterwards. Given today's technology, the application of electronic claims processing for filing or authorisation, processing and the payment of claims will facilitate real-time information in processing thereby eliminating the need for paper transactions.

Madam Speaker, operating standards for health insurance providers: To ensure that insurers operate within reasonable standards, we are proposing that the annual renewal of their licences will be contained in the legislative remit of the Commission so that approved insurers are more closely monitored by the Commission. The Commission will have the ability to withdraw the approved insurer's licence under the Health Insurance Law while their insurance licences still remain intact under CIMA for the other book of business.

The mover of the Motion also spoke about pre-existing conditions. I spoke a bit earlier as well about the concern that we have with the common practice of health insurers to deny coverage to residents and others under the guise of pre-existing conditions. We have many people who are willing and able to pay for health insurance who are dumped by health insurance providers and ultimately wind up either under healthcare provided by Government or they are dumped on CINICO. As we said, we know that the resulting increase in cost to Government is one way or the other, either through CINICO or by Government having to pay directly for the healthcare costs of these persons.

Many of the frequent instances where approved insurers use pre-existing conditions to deny coverage relate directly to pregnancy. The policy treating pregnancy as a pre-existing condition is wrong and discriminatory and this practice will be corrected in the proposed legislation.

The mover also spoke to the practice by approved insurers whereby health insurance benefits are reduced or coverage terminated once a person reaches the age of 65 or, in some cases the benefits are reduced at an age as early as 60. Again, Madam Speaker, this is highly unfair. There are concerns whereby persons who retire, but are still willing to pay their health insurance coverage, as the mover said, are unable to do so because the approved insurer is unwilling to continue the coverage. The employer and approved insurers should not have the option to deny

coverage in these instances, and appropriate measures will be made in the new legislation to adjust this.

The law will be amended to allow persons, once they reside in Cayman, to purchase the SHIC plan, the new basic SHIC plan, without any underwriting.

Madam Speaker, in the area of strengthening the enforcement arm of the Health Insurance Commission, we need to do this to help reduce the number of uninsured persons in the Cayman Islands. It is estimated that approximately 12 per cent to 15 per cent of the population still has no health insurance coverage despite all the efforts of the Commission and the existence of the Health Insurance Law which mandates coverage for everybody.

Administrative fines will be introduced whereby the Superintendent of Health Insurance will have the authority to administer fines directly for some offences under the Health Insurance legislation. This will enhance enforcement by allowing violations to be addressed without necessarily progressing the case to the court, which becomes a time consuming effort. If it can be done in-house it will expedite it.

Where cases are taken to the magistrate's court, the penalties and fines will be dramatically increased from \$5,000 up to \$15,000, and from \$10,000 up to \$20,000. We are proposing that the court would also be able to order restitution to the person against whom the offence is committed, for example, their costs for medical and psychological treatment.

It is clear that this review of the Health Insurance legislation is being carried out to identify the gaps which exist between the current legislation and the current needs. Those gaps cause tremendous increase in the cost of healthcare throughout our country, whether it be to individuals or to the Government, and also costs in terms of not having easy access to healthcare for residents and individuals who should have that.

Madam Speaker, the recommendations for these amendments have been thoroughly considered. We have had numerous meetings, as I stated earlier. I also have Cabinet's approval to produce drafting instructions. I have also begun to schedule meetings. We will have a meeting very shortly with the Health Insurance Standing Committee that represents the approved insurers. The Health Insurance Commission has already had several meetings with them and discussions, and we are having a meeting in a few weeks primarily to talk about the proposed amendments as well as to get some feedback on the actuarial review for the proposed SHIC plan.

Madam Speaker, we will continue to meet with other representatives and relevant stakeholders including the Medical/Dental Society. The feedback I have gotten from the health insurers, as well as, most importantly, those insured persons, is that these amendments will be welcomed and are very much needed. What would be needed once these amendments are made is an extensive public education

campaign. We have to implement that to ensure that all stakeholders, especially the general public, become fully informed about the changes to the Health Insurance legislation. Madam Speaker, I anticipate that we will be able to table a draft bill in this honourable House by June or July this year. I think we will be justly proud of the proposed amendments.

The Health Insurance legislation, introduced just over ten years ago, served the purpose of introducing health insurance to our Islands as mandatory. Obviously we cannot rest on our laurels, and we continue to be vigilant and we will make the necessary amendments to the legislation to ensure that all stakeholders are adequately protected.

The mover of the Motion spoke about being voted out after he brought the legislation. I certainly hope I do not have that same experience after I bring this legislation. Certainly, that is not the first thing on my mind; the first thing on my mind is to ensure that we bring legislation that will ensure that all persons in the Islands get access to adequate healthcare and adequate health insurance.

Thank you.

**The Speaker:** Thank you Honourable Minister.

Does any other Member wish to speak?  
Elected Member for East End.

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

Before I got the opportunity to rise and support the Motion as I seconded it, it was amended. Unfortunately the Minister went on to say that . . . or fortunately . . . to disclose exactly what the Mover wanted in the Resolve section of the Motion, the amendment to the Motion, which was a defined time to have amendments brought. So I really do not see the reason why it could not have been said then. Certainly we would not have been here debating.

Anyway, be that as it may, Madam Speaker, let me say that here we are. Right or wrong we are at this place in this country's history, which I can say is much further on than most, much further on than the world power. I listened with interest a few nights ago, as a matter of fact I stayed up quite awhile to see what the legislative agenda was going to produce in the great America when it came to mandatory healthcare, only to wake up this morning to see the news that it is going back to Congress.

Madam Speaker, I believe we had mandatory insurance since the early 1990s, somewhere in the 1990s, and America is only just getting there. So there must be something said about the legislators in this country and how they feel about protecting their people.

Granted, we are at this point where I believe the Law needs to be amended. I believe enforcement is pivotal, extremely pivotal, in this regard. And the Minister said that he believes there is some 12 per cent to 15 per cent still uninsured. Madam Speaker, even at that, it is not bad. But of course we have to

understand that Government, we as a people, are paying for much more than that—partially insured, totally uninsured, that we are paying for. And there are a number of reasons why. The primary reason is greed—greed, in this thing called health services. Not necessarily HSA, I am talking about health services from its global perspective.

Madam Speaker, because the providers submit their costs and the insurers do not want to pay, the people suffer. Now, as legislators we have to lay down the rules in this country. And I know we like to talk about, *Oh people are not going to do business, we are going to make it too difficult for people to do business and they are going to run away.* And before I go any further, I should warn the new Minister, the Minister who has been newly appointed (and even he admitted he has only been here ten months in this honourable House). I would warn him to be careful. We like to hear the word of “lobbyist” in the United States. There are more of them here than in the United States and Russia put together. So I warn the Minister to be extremely careful, knowing that I believe there are 15 Members in this parliament ready to protect the people of this country.

But further . . . and I know it will be said that maybe in the PPM we are anti-business after I say this. Anti-business or not, those employers out there who do not pay insurance for their employees need to be jailed. Unfortunately, the Commission does not have the teeth and the wherewithal to oversee and enforce this. That is the other thing I would ask the Minister to seriously look into. I know in passing he spoke of it in his contribution.

Madam Speaker, too often we hear it, and too infrequently we hear that someone went to court as a result. In my memory I can only think of a few people who have ever been to court and that is because of the lack of resources and otherwise to ensure that these things are enforced, particularly the advantage that is taken of foreigners in this country. Caymanians too, but we take advantage of the foreigners or we allow the foreigners to make the choice of whether or not they have it because we can always send them off to their country, particularly those of our Caribbean neighbours for whom we seem to not have a lot of respect for.

Madam Speaker, the insurance industry is a dog-eat-dog world. But it needs to be properly regulated to ensure that when a person makes the sacrifice to pay his insurance premium and he falls sick . . . I have never heard of needing insurance unless you are sick. That is when you need it. That’s why you pay for it. And when he goes to the health service provider he finds that he is not insured, or that the provider does not take the insurance and he has to pay. It is a double whammy on our people and this here honourable Chamber needs to change that.

I believe that the Member for North Side laid a paper on the Table recently about the registered

health services providers in this country, and it was under 100; but I believe somewhere around 100 healthcare practitioners in this country. We would be worse off than America, not paying attention for nearly 100 years to ensure that their people are insured, if we cannot get this right. We need to get this right. We need to insist.

Madam Speaker, I am saying all this to the Minister, through you. We need to insist that these people have a system that they can depend on. But, more importantly, that the insured can depend upon, that they are getting value for their money. It is extremely important that especially those people who are retired and continue to pay their insurance, the few that we do have like that, especially those people who can only afford to pay once, which is they pay their premium and they cannot afford then to pay the doctors too, or cannot afford . . . unless it is co-insurance and they can only afford to pay the percentage they are required to under the insurance.

You are talking 100? Let’s call it 150 providers. Someone is going to tell me in this country we cannot develop (and I am almost convinced that you can buy it off a shelf) a system that we can put in all of these places that is directly connected to the insurance companies? It is ridiculous. It is hard for me to comprehend. But it is not that. It is not that they cannot do it. What needs to happen—and what is not happening . . . the reason for it is that no one wants to work with the other. The insurance companies do not want to work with the health service providers, and because the Law has lain dormant for so long and has insufficient teeth, and the Commission does not have the wherewithal to enforce it, it is a free-for-all, except those who are insured. And that is our people in this country.

Now, if money is going to be spent by our people, we have a responsibility as legislators to protect them and to assist them in ensuring they get value for money. I know the lobbyists are going to come. They are all going to come and they are all going to throw their hands up in the air and they are all going to cry foul. And they are all going to cry murder. Thus I have warned or I have pointed out to the Minister that this will happen. That is the reason.

At some stage it becomes so convoluted (again, the amended version) that we are right back at square one. If we do not do it we are going to be facing another 100 years before it gets done. We need to stop it. We need to ensure that the amendments are reasonable.

Madam Speaker, not only the Health Insurance Law, insurance of property and vehicles . . . that is even worse! But it is because we have allowed it to fester. We have allowed it to fall by the wayside and our people suffer as a result. And our people suffer three times, Madam Speaker. They pay their premiums, they go to the doctors and they cannot get service unless they pay again. Then, because they are

dropped, they come to Government and they have to pay it again. Government pays, so the people are paying through taxes that Government collects to pay for their healthcare.

And the insurance companies love to drop you at the drop of a hat. And these are the areas that we need to pay particular attention to. They love to drop you for this thing called pre-existing conditions. They love to do that.

And another that they have as one of their priorities is, when you are with a company and you are changing jobs, or that company is changing insurance provider, anyone that had a buck toe on that job gets dropped because they are too high of a risk. I believe that is called portability, and I believe the Minister spoke on that. We need to ensure that it is robust. We need to ensure that it is enforceable through the Commission because for too long the insurance . . . Whilst we were in office we implemented a system which was hoped . . . which was the rates. And I do not immediately recall what it is called, but standard rates that can be charged by the health services practitioners. And, Madam Speaker the biggest complaint by the insurance companies was that the providers were charging too much money and the value was too much and they were not going to pay that, and that is where the discussion got really heated and broke down. There was bucking of heads, thus the total derailling of any relationship which would help the insured. Madam Speaker, that was put in place, in legislation. But now we are faced with the same problem where they are still not working together. Somehow we need to bring these people together.

Madam Speaker, I would venture to say that this is one of the most important pieces of legislation for the future wellbeing of the people of this country. There is none more important, because from your first slap you start to die. And somewhere between that first slap and the visit of death you are going to get sick. And if you have paid for coverage from your first slap and you are denied that when the time comes, life is for naught.

Madam Speaker, we know that the uninsured have more health problems, and it is only because they cannot get access to good health service practitioners.

**The Speaker:** Excuse me Member for East End.

There are people that are in the corridors of this parliament. Please remember that we are sitting. I will ask that you be removed if you do not keep your voices down. You are disturbing the proceedings in here.

Thank you.

Elected Member for East End, please continue.

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

I was saying that people who have problems with their insurance either have difficulties after having

paid it or they do not have any. They have more health problems than anyone else. And it is because they do not have access to the health practitioners.

Where does that cost fall? It eventually falls on our Government.

Who are the contributors to that? It is the insurance companies. It is the health practitioners. And it is the employers in this country.

If you do not cover your employees, they have no place to go. If they are ill and they do not visit a doctor, because they are afraid they cannot cover the cost, it can escalate into catastrophic illness. We have seen it. I have seen it in my family. We have all experienced it. Thus the imperative for this parliament to ensure that the Health Insurance Law is amended, brought back to this parliament through discussions with all concerned, and that we ensure that we implement a proper law with enforcement.

Madam Speaker, nothing is etched in stone, as we well know. In my short tenure here I have seen bills come here one day and we had to amend them within weeks. Nothing is etched in stone in life, much less in parliament. But there needs to be a beginning.

If all 15 of us are in agreement that something needs to be done, it really needs to be done. Madam Speaker, I cannot promise you that I have any authority on this subject. I will defer that to the Elected Member for North Side and the director of the Commission (who is from East End). But, certainly, from a laymen's perspective, and seeing this more so in recent times as a legislator, and all the representation I have had, I am sure there is not one Member in here (or very few if there are) that did not have to put their hand in their pocket to help someone because they could not get their medical bills paid. And they are young people in their 30s and their 40s who need to have insurance.

Madam Speaker, I have known of people who go to court and still do not pay. They were convicted and still did not pay for their employees. And here we are . . . and I applaud the Member for North Side for bringing it because it is his thing. I will concede that. But, Madam Speaker, all 15 of us need to do it. We need to put our heads together and not be like the Republicans and the Democrats—every “i” that is not dotted and ever “t” that is not crossed has to go back to parliament, and that could go on forever whilst 30 million or 40 million people in America continue to suffer. Let us do it from a bipartisan position and do something. We cannot be afraid.

And if we are afraid that people will leave and businesses will shut down . . . you know, I am afraid of that too, Madam Speaker. I don't want businesses to shut down. But businesses have to respect that they must honour their commitments too. You cannot take money from me and then do not want to pay when I need you. What kind of skullduggery is that? You didn't know my money was good *or wah?* When I gave that to you it was good. Therefore I expect good money in return in the form of my services rendered

by the health service providers. I expect good money. You cannot expect me to be going into someplace and paying good old, robust legal tender, brown-back and orange and green-back, and then get nothing! No, Madam Speaker, it is wholly unfair to those people.

And then, those of us who can afford in this community to get good insurance premiums . . . I guess those are the top-of-the-line premiums. And I do not envy those. I certainly do not. It is the poorer people who cannot afford it, you know. Those are the ones. You are not going to hear this discussion surrounding the Big Four accounting firms and that kind of stuff. You are not going to hear it. It is the poor people. It is those from where all 15 of us came from—N-O-T-H-I-N-G. Those are the people who are suffering as a result, Madam Speaker. And I do not envy anyone who has anything. The more they get the more will stay in this country. That's fine by me. But we need to protect those who are right underneath that ceiling. They are human beings too. The same blood that runs through the veins of the man who can afford it runs through theirs. And everyone has a right to life.

Every one of us has the right to have returns on our expenditure. And the poor people are not getting it in this country. And if you do not defend them you are going to have to tax those who have to pay for the health down there for those who do not have. And then you are going to hear another thing "You can't tax!"

Do you see Obama saying anybody worth \$250,000 a year has to pay for the other people's health insurance? It will save them.

*[Inaudible interjections]*

**Mr. V. Arden McLean:** All those people who have unhealthy lifestyles need to start changing them, Madam Speaker.

**Mr. Alden M. McLaughlin, Jr.:** I will stand up and join you!

Physician heal thyself.

*[inaudible interjections]*

**Mr. V. Arden McLean:** Madam Speaker, I hear all my colleagues about, Physician, *feel* thyself.

*[laughter]*

**Mr. V. Arden McLean:** For a little lighter moment, Madam Speaker.

Whilst we have our light moments in here, there comes a time for seriousness and this is one serious piece of legislation that needs to be done. All of the rest is for naught.

If we fill up the hospital with our people, what will our two pillars of economy represent to us? I do

not know. There is very little you can have if you don't have people. And we are a small population. We need to try and make sure it is as healthy as possible.

Madam Speaker, I look forward to the Minister's commitment becoming a reality of June or July. Maybe he does not know those numbers, but I do not expect it in that time. I figure maybe September, which is fine. That will be the second or third [Meeting]. I do not have a problem with that. But let us do something.

How much is Government paying for indigent and uninsured? It is millions and millions of dollars per year. Especially in this time here when we have some serious fiscal challenges, we need to cut as much as possible. And I am sure that many of those who Government is paying for can come off of that and go onto their own. But because they cannot get the insurance, because they are uninsurables (I think they call them), that is the reason why ours has inflated. The insurance says that if you have a broken arm, and that's trivialising it, Madam Speaker . . . but, still, if you have a broken arm they no longer want to insure you. Or, if you have an episode of kidney, or you are diabetic or something of that nature, something that can be controlled, they are no longer insuring you. Hypertension? I have hypertension every day. The only time I do not have that is when I am sleeping. I wake up in the morning and the first thing I see is that! I ain't gone yet, but they will not insure you if you have a little hypertension.

My father died at 83, Madam Speaker, in 2002. He had diabetes, he had hypertension. He had all of those black diseases, chronic diseases. And he lived to a ripe old age and very seldom went to the hospital because he controlled it. He never once took insulin. He took his tablets every day.

So, Madam Speaker, I am saying that it does not appear that they even look at it on a case-by-case basis. That word . . . if that is anywhere there, "diabetes, hypertension" that's it. You are cut off. You are even cut off from life, you know? And it's unfair. It is highly unfair to our people. And you know we are of the race that has that little high blood pressure. So that is something that they are going to have to live with in this country. They have to live with it!

Madam Speaker, I look forward to something coming. If we need to amend it, we will amend it; but I look forward to something coming. We need to do it. And the next one I will be making a contribution to that too, Madam Speaker.

**The Speaker:** Thank you Member for East End.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I will call on the Elected Member for North Side to wind up the debate on this Motion.

**Mr. D. Ezzard Miller:** Madam Speaker, I wish to thank the Minister of Health for his commitment to bring this legislation in June or July this year. I will just put down one caveat just to ensure that it comes. I will probably be exercising what Standing Orders provide for under section 60, by doing a private bill, so that the legislation will be here in September one way or the other.

Madam Speaker, I understand from what the Minister said that they have done a lot of work on it. I would just like to put down a few markers that I believe will assist him in getting the best legislation for the people of this country.

He talked about SHIC 1 and making it the standard health insurance contract and removing the episodes of illness of \$25,000. I think he said he was going to leave in the annual limit of \$100,000. Madam Speaker, I would caution about leaving in place the annual limit in the plan because I believe it will unduly affect some people. From what limited knowledge I have of the insurance industry, the actuarial premium that is calculated is going to be based on the maximum lifetime benefit and not going to be very heavily influenced by the \$100,000 per year limit.

That is just a convenient way for the insurance companies to hold onto the cash. It may have a small effect on the premium, but not a great deal. And I do not think it is worth the risk of having some Caymanian who has paid [health] insurance from the time he started to work at age 18, and when he gets to age 56 he has to have a triple bypass, or quadruple bypass, and it costs him \$125,000 and the limit slaps him in the face and he has had no other claims basically during his life.

Furthermore, Madam Speaker, I believe that the \$1.2 million in the plan now was put there some 12 years ago. I think I can say with some confidence that healthcare costs have more than doubled over that 12-year period. So, another recommendation I would make to the Minister is to consider at least doubling the lifetime benefit to \$2 million or \$2.5 million.

And, Madam Speaker, I believe in addressing the portability issue I think it should be okay and it should be addressed in the regulations that the insurance companies should track one's lifetime claims. It should not be a very difficult thing to do. And it should provide that information and claim history on persons who are moving from one insurance provider to another.

I am not sure that the Minister . . . in fact, I did not hear him enunciate what he thought the premium is going to be for the plan he is putting forward. But I would also caution him in dealing with the industry in trying to get them to agree to a premium. I think the Government has to be bold enough, once the plan is specified, to have the actuaries calculate the premium and you *tell* the industry that is the premium. Those same actuaries are who calculate their premiums for them. So if they have enough confidence in the actuaries to do the premium calculations for their own business, they should be sufficiently satisfied in hav-

ing similar actuaries calculate the premiums that will be specified in Law.

Madam Speaker, whatever assistance that I can be to the Ministry or the Government in trying to get this legislation on the books as soon as possible, I am willing and ready to do. And the price is real good. There will be no cost for my time because I really believe that this legislation needs to be addressed as a matter of urgency.

The big hoopla in the country over the past several weeks about reducing the benefits for civil servants and saying to civil servants to pay a percentage of their premium, Madam Speaker, is an empty barrel. While it might be loud, it will have no effect in terms of long-term savings, because it is not the premium that costs the country the money; it is the benefits that have to be paid by the Government.

And it sounds nice for the private sector to jump up and down and talk about the civil servants' healthcare benefits are far too excessive, while they are enjoying benefits because the Government is paying for the high risk people in their pools. I would support the Minister in getting this legislation put in place so that the private sector in this country has to bear its fair and adequate share of the cost of healthcare and not simply be able to divert it onto Government and expect us politicians then to find money to pay for it—without charging them, of course.

Madam Speaker, I look forward to the legislation coming in June or July. I hope that the country will be better served in the end.

Thank you.

**The Speaker:** The question is: "BE IT THEREFORE RESOLVED THAT the Minister of Health, Environment, Youth, Sports and Culture complete the review of this legislation and present the necessary amendments to the Health Insurance Law to the Legislative Assembly in a timely manner."

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Private Member's Motion 10/09-10 passed as amended.**

**Private Member's Motion No. 9/09-10—Survey on Property Insurance Rates**

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to move Private Member's Motion No. 9/09-10—Survey on Property Insurance Rates:

**WHEREAS the property and vehicle insurance rates were increased by the insurance providers immediately after Hurricane Ivan;**

**AND WHEREAS** the term “underinsurance” was applied by the insurance industry during and after the claims settlement for damage done by Hurricane Ivan, leading to higher values being placed on properties;

**AND WHEREAS** the value of real estate is believed by some persons to be inflated;

**BE IT THEREFORE RESOLVED THAT** the Government consider asking the Economics and Statistics Office to conduct a study to compare insurance rates for both commercial and private property throughout the Caribbean area, in particular those countries that have a similar risk exposure to hurricane damage;

**AND BE IT FURTHER RESOLVED THAT** such study be completed and tabled in the Second Meeting of the Legislative Assembly for the financial year 2010/2011.

**The Speaker:** Is there a seconder for this Motion?  
Elected Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, I beg to second the Motion.

**The Speaker:** [The Motion has been duly moved and is open for debate. Does the mover wish to speak thereto?]  
Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.  
Not to say a lot on this Motion because I think it is rather self-explanatory, but people have made representation to me who believe that property and vehicle insurance rates in the Cayman Islands are higher than they are in some of the neighbouring countries.

And while the risk factors may be the same, there are people who believe that the insurance market takes advantage of two things: the high cost of real estate here, because of the way real estate is sold on commission basis and oftentimes things are valued higher than they would be in other territories; secondly, because they believe that the market in the Cayman Islands, in other words the income of people here, can wear these higher rates we are being charged higher rates. It would be interesting to see this comparison study done to either prove this hypothesis or put it to bed.

I believe the country needs to know and this would also affect the Government itself who has high value assets that need to be insured on a regular basis.

So, Madam Speaker, I ask the Government to consider supporting this Motion and publishing the findings in the second meeting of the Legislative Assembly for the financial year of 2010-2011.

Thank you.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

**The Premier, Hon. W. McKeever Bush:** I am waving my hand Ma'am.

**The Speaker:** Thank you honourable Premier, I did not see your hand.

[laughter]

**An hon. Member:** You're too small, man. Put it up higher!

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, the Motion is timely. Property insurance rates affect all of us living in these Islands. Insurance has become a necessary cost of modern life as businesses and individuals, families, seek to transfer the financial risk associated with an expected loss of damage to properties.

The cost of insurance in this region and in our economy is of concern to the Government, and we are interested in developing a comprehensive strategy to better understand and possibly regulate the rates charged in the Cayman Islands. And the Government has been discussing this for some time. In fact, in our campaign we noted exactly what I am saying here, that we are concerned about what has happened to property insurance rates in the country.

Madam Speaker, I have to pay in the region of \$17,000 per year for my house. Now, people might say, *You can afford it*. Well, they don't know that. The fact is that it took me 35 years and 9 adding-on and taking-down to get the house I have. Nine revisions, if you want to call it that. So, it is not that we are rich people; yet we have to pay these very rich rates.

[Inaudible interjections]

**The Premier, Hon. W. McKeever Bush:** Can't.  
We are not—

[Inaudible interjections]

**The Premier, Hon. W. McKeever Bush:** They do not want to hear good things; they want something to row about.

[laughter]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the matter is timely, but I do not want anyone to believe that the Government has not been actively considering these matters on the table and discussing them.



The geographic location of the Islands exposes these Islands to significant hazard risk of hurricanes and earthquakes, making it even more important that as many people and businesses as possible have appropriate levels of property insurance. My concern is that because the rates are so high there are a number of people who are not insuring. I know people who have said, *Look, I am not paying that money into the insurance company because I have insured for years, and years, and years before. We only had one destruction by a hurricane and I did not get paid. I had slight damage (I am saying what people have said to me) and all those many years I paid I could not get any assistance.*

We have some very good companies here, no two ways about it. But a lot leaves to be desired. Maybe we do not understand all that insurance companies have to go through because it is not just a matter of insuring in Cayman, because they have to go with international re-insurance. But certainly we have to find a way where if we can hopefully ring-fence the Cayman Islands because . . . I do not suppose that any insurance company was ready for the \$3.5 billion damage that was in the country. I do not know. I do not know what the total reinsurance coverage was.

But, certainly, for people who insured all their lives to be told that they were under-insured—and all the time that they were paying nobody said anything to them—that is what hurt more than anything else.

**Some hon. Members:** Exactly!

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I took a lot of licks for the Cayman General Insurance with Government. The fact is that had Government not stepped in there would have been a tremendous number of people lost in that situation.

Whatever it was . . . What, \$300 million paid out? And I was not insured with them. I was insured with Dyoll and I had been for years. That company went under . . . good thing God spared me. I only had \$26,000 worth of damage. But my mother had her whole roof . . . and she was in my house for two days. And during those two days she said, "I am going home."

I could not wait to hear anything about insurance companies; I had to go and fix that roof, because my mother, at 80-odd years old, was going home. So, both of us lost. I lost double then.

While I understand business—and I do what I can to enhance business in the country—and while we do not know everything about the insurance world, which is a very complicated world, let us find some way of ring-fencing the Cayman Islands. I hope that can be done. That is one aspect that we intend to do.

We are talking about this matter of under-insurance. It has to be considered. It has to be, no if's and's or but's about it. I am putting all on notice. All companies! They might as well get (as those old people in West Bay say) their pen and ink out and start to

fine-tune it. We cannot allow that to go on where you pay, and you pay, and you pay, and you think you are insured for \$200,000 or \$300,000, and they come and say that your house is under-insured. But for 15 or 20 years you were paying on that amount.

There are many things that need to be looked at, examined. We only have to go back to our experience with Hurricane Ivan to see the value of property insurance. The Cayman Islands economy benefitted significantly from the inflow of funds from insurance settlements. And without that inflow the redevelopment of many residential and commercial properties would have been delayed or may have never happened at all, which would have caused a slower recovery of our economy. And we should all recognise that.

So, in terms of the concept of underinsurance, I get back to that point, it is important that the local insurance industry do more to educate their customers and the wider public on this matter. Furthermore, insurers must continue to develop innovative insurance solutions for the local market and explore all opportunities to minimise the cost of property insurance here in the Cayman Islands.

The Government is concerned about the high property insurance rates charged in the Cayman Islands and we support the request. As I said, this is something that we have been talking about in our caucus. We had not gotten down to a plan because it is something that we have to talk through. But we support this request for a motion for a regional comparative survey to be conducted as the results would be useful in the development of sound strategies and policies which the Government is planning to undertake to address the rising cost of property insurance rates.

Madam Speaker, I think that would conclude my remarks on this Private Member's Motion. The Government intends to do that comparative survey.

**The Speaker:** Thank you, Honourable Premier.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I will call on the mover of the Motion to wind up the debate.

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker, only to thank the Government for accepting the Motion. I look forward to the findings.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED THAT the Government consider asking the Economics and Statistics Office to conduct a study to compare insurance rates for both commercial and private property throughout the Caribbean area, in particular those countries that have a similar risk exposure to hurricane damage;

AND BE IT FURTHER RESOLVED THAT such study be completed and tabled in the Second Meeting of the Legislative Assembly for the financial year 2010/2011.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Private Member's Motion No. 9/09-10 passed.**

**Moment of interruption—4.30 pm**

**The Speaker:** At this point I need a motion, because it is almost the hour of 4.30.

**Suspension of Standing Order 10(2)**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we had given notice that we would go past 4.30 so that we can finish business, or complete as much of it as possible. And we intend to do that, so I move the relevant Standing Order to enable the House to sit after 4.30.

**The Speaker:** The question is that [Standing Order 10(2) be suspended] to allow the House to sit past the hour of 4.30.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 10(2) suspended.**

**The Speaker:** Do you want to take a break at this point? We have quite a bit of business left on the Order Paper.

*[Inaudible interjections]*

**The Speaker:** Fifteen minutes?

We will suspend the House for 15 minutes. And please be back in 15 minutes.

**Mr. Alden M. McLaughlin, Jr.:** Quick 5, short 10.

**Proceedings suspended at 4.26 pm**

**Proceedings resumed at 5.12 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

**Private Member's Motion No. 7/09-10—  
Reconsideration of Decision to Divest Govern-  
ment Assets**

**The Speaker:** Leader of the Opposition [the First Elected Member for George Town]

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, I beg to move Private Member's Motion No. 7/09-10, entitled: Reconsideration of Decision to Divest Government Assets and with your permission I will read the Motion, Madam Speaker.

**The Speaker:** You need to have a seconder first. Is there a seconder?

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I beg to second the Motion.

**The Speaker:** [Leader of the Opposition] now you can read the Motion please.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

Madam Speaker, the Motion reads as follows:

**WHEREAS in the Budget Address, Policy Statement and Annual Plan and Estimates delivered by the Government on 2<sup>nd</sup> October 2009 the Government proposed to balance the budget by selling certain government owned assets totaling approximately \$72M;**

**AND WHEREAS the need to sell key government assets has arisen because of the Government's decision to attempt to eliminate the Government's operational deficit in the course of one fiscal year;**

**AND WHEREAS the Government has identified the new Government Administration Building, currently under construction, as one of the government assets it intends to sell and has in fact advertised the said building for sale and invited expressions of interest;**

**AND WHEREAS the Government has stated its intention upon the sale of the Government Administration Building to lease back the said building for use as the principal government office accommodation, housing the offices of the various ministries, portfolios and departments of government;**

**AND WHEREAS on October 1<sup>st</sup>, 2009 in a reply to a letter dated 30<sup>th</sup> September 2009 from the Premier (then Leader of Government Business) the Hon. Chris Bryant, Parliamentary Under-Secretary for State with responsibility for the Overseas Territories, stated [and I quote from his letter]:**

***"I infer from your letter that you propose to meet the bulk of the cost of reducing the deficit by***

*the sale of Government assets. This may be part of the way forward. Your proposal to bring your Government's budget in to full compliance with your PMFL in the course of this financial year is impressive. But it is a significant departure from the borrowing requirements you presented to me only a few days ago so I urge you to ensure the long term costs of such action are fully weighed against the short term benefits. As I know you well understand, my concern in this matter is to ensure the sustainability of CIG public finances. For the most part this is reflected in our application of Borrowing Guidelines but I would have concerns if CIG put long term sustainability at risk through a rapid depletion of Government assets, or through certain types of public private partnerships and I would want to take a close interest in any such proposals."*

**AND WHEREAS** the result of the sale of the new Government Administration Building will be to divest government of a key asset, cause government to pay additional rent and place the seat of government into private ownership;

**AND WHEREAS** the proceeds of sale from the divestment of the new Government Administration Building will produce the benefit of immediate revenue in the short term, in the medium to long term it will result in the erosion of government's asset base and increased operational expenditure as government is required to increase lease payments;

**NOW BE IT THEREFORE RESOLVED THAT** the Government do reconsider its proposal to balance the budget by the divestment of government assets, and in particular, the new Government Administration Building;

**AND BE IT FURTHER RESOLVED THAT** the Government considers entering into discussions with the United Kingdom Foreign and Commonwealth Office with the objective of agreeing a plan by which the operational deficit of the Cayman Islands Government will be eliminated over the course of the following 3 years without the need to dispose of key Government assets.

**The Speaker:** The Motion is open for debate; does the Member wish to speak thereto?

Leader of the Opposition, [First Elected Member for George Town].

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, so that everyone will be clear, this Motion was tabled in the office of the Clerk of the Legislative Assembly on the 16<sup>th</sup> day of February of this year. The importance of that date, or why I mentioned that date, is that that was some two weeks before the Honourable Premier and his team went off to London to discuss the Miller/Shaw Report with the

Foreign and Commonwealth Office (FCO) representatives.

Madam Speaker, the two "Resolve" sections of this Motion speak to our request for the Government's reconsideration to balance the budget by the divestment of Government assets, and, in particular, the new Government Administration Building. That is the first "Resolve" section.

Madam Speaker, history tells us that from the early 90s, or perhaps even in the late 80s, that the Government of the day considered acquiring new government office accommodations because they were running out of space from that time. What we know as the "Glass House" was built in the very, very early 70s. So, almost 20 years later there was that consideration. In fact, the Government of 1988 to 1992 went so far as to purchase a building from private ownership which now houses the Department of Education Services. That was done during that term.

Since then, Madam Speaker, additional property has been acquired, which is exactly where the new Government Administration Building is being constructed, where we used to call (if we remember) the old Racquet Club site. Years ago the Government's land ended where the old police barracks were, just beyond that. And that additional property was purchased in the early- to mid-90s with the same thought in mind.

So, Madam Speaker, this has been a fairly long journey for successive governments of the Cayman Islands, always looking for additional government office accommodation.

Madam Speaker, in very early in 2000 we looked to move that process forward, and it continued on. When the 2005 Elections were over, it was one of the projects we thought, not only suitable to go for, but, in fact perhaps the most suitable of all projects. When the reports were given to us we learned of the large amount of leased space the Government had been paying for and continues to pay for. In fact, leased accommodations by the Government of the Cayman Islands continues to increase, not decrease.

So, Madam Speaker, it was obvious that it would be in the Government's best interest to have purpose-built facilities which, while accepting that one building certainly would not house everyone in government, it certainly was going to deal with the accommodations of the vast majority of the government employees.

Madam Speaker, coupled with that, we were only in the Glass House after the 2005 Elections for a few months when a Foreign and Commonwealth Office representative came here and told His Excellency, the Governor, that he could no longer occupy the Glass House because it was unsafe. So Stuart Jack promptly moved out leaving the rest of us there.

The point about the Glass House is not something I am going to chime on, but that is an integral part of the thought process.

Madam Speaker, the technical report told us that satisfactory repairs to the existing Glass House were going to cost (at that time) some \$273 per square foot. And it was estimated that replacing the actual useable square footage in the Glass House was going to cost somewhere in the region (that is new construction) of \$300 [per square foot]. Now, Madam Speaker, the difference between \$273, used, and \$300, new, really was a “no brainer” because the story didn’t end there.

The design of the Glass House by today’s standards is very poor, meaning there is a tremendous amount of wasted space that cannot physically be used for office accommodation because of the way that building has been designed. And not only that, Madam Speaker, but because the building is as old as it is, the running costs of the building are exorbitant, to say the least. And the retrofitting of that building at \$273 per square foot would not create any great efficiencies in the running costs to warrant that. So, we moved along with that understanding from our technical people. That was our understanding at the time.

Madam Speaker, in following up the process and getting the construction going, it was decided on the height of the building and the square footage. I think it is some 180,000 square feet or 180,000 [plus] square feet. We were told at the time that given conditions that prevailed then and tracking history, that the departments, ministries and portfolios of government that would occupy this new building by the year 2013 would cost at least \$10 million annually if those departments, portfolios and ministries were in leased premises.

The equation was a fairly simple one. If by the year 2013 there was going to be a \$10 million tab on government’s operational expenditure for leased premises, then it certainly made sense to proceed to build that building, house these offices and the various departments, portfolios and ministries, and within a single to very, very low double-digit period of time the loan would be paid off, in comparison to the leased payments, which puts you free and clear.

Besides that, Madam Speaker, one of the real attractions of that new building is that it is going to be what they call LEED Certified (Leadership in Energy and Environmental Design), which means it is going to be super efficient. In fact, I remember being told by the technical team that when that building is finished it will be the most energy-efficient commercial building in the Cayman Islands.

That means that the running cost, comparatively speaking, of every piece of accommodation that we have now, whether owned or leased by the Cayman Islands Government, is going to be tremendously less. And that, Madam Speaker, while it is not looked at . . . and I tried to and still could not get it done because I understood the difficulty of the exercise. But it is hard to imagine the amount of costs, if buildings are inefficient, that the Government incurs daily, weekly,

monthly, annually, with all of the spaces that government offices occupy.

Madam Speaker, getting to this point now, we have the construction of the building going on. I set the background for the Motion to first of all get us to the point as to why the decision was made, and secondly, to look to the benefits after the building is finished by way of running costs and also loan payments.

Now, Madam Speaker, we brought this Motion because the Honourable Premier had stated publicly . . . and it was in the budget, although it wasn’t very clear how it was going to work. I have to go back into a little bit of history with that so that we can get it very clear.

When the budget was brought in October, there was a section in the Annual Plan and Estimates that spoke about the divestment of government properties. And there was a total figure of just under \$72 million that the Annual Plan and Estimates showed as government receiving money to the tune of that value for the disposal of three different assets.

One was some fire trucks, on which deposits had been paid a couple of years ago, but since the Bodden Town Emergency Centre has now been shelved because of lack of funding and they were actually being held in storage, there was supposed to be that sale which was just under \$2 million I believe, or just under \$1.5 million, which we easily understand.

The second one was the Sewerage Treatment Plant which, at present, is part of the Water Authority’s operation. And the tab for that was \$20 million.

And the Government Office Accommodation building was going to reap or bring in \$50 million.

Now, Madam Speaker, that was really a bit confusing because, coupled with that, there was a figure in the capital section of the budget which showed that capital expenditure for the same fiscal year (which is the fiscal year we are now going through) there was a \$40 million cost of continued construction of the Government Administration building, the new GOAP (Government Office Accommodation Project).

When we looked at that, that was (should I just simply say) very unclear. And I remember during Finance Committee asking the Minister (that is, the Honourable Deputy Premier) the question. And the gist of the answer was that it hadn’t been all figured out yet. And I understood that. So, that told me then that there was this figure in the budget . . . because I couldn’t understand if they were going to spend \$40 million more in construction cost this year [and] if you were to sell the building with all of that construction cost being taken into consideration, how come it was only going to be \$50 million. That was where the difficulty was in clarity.

So, Madam Speaker, as we listened afterwards and we came to the point where the Honourable Premier made public utterances that the building

is going to be sold, I understood then—and understand now—the immediate thought of disposing of such an asset. And the figure loosely used around was at that time \$92 million, sometime later \$100 million, of income to be derived from the Government's sale of that asset.

Madam Speaker, there was also another point being chimed on. I heard the Premier and others publicly state that there is some \$15 million worth of road works that need to be done for there to be any function to the new Government Administration Building, once completed, because of the number of vehicles that will be travelling through that location, concentrating in that area.

Madam Speaker, I am pretty sure that my colleague from East End can bear me out. I saw some pretty grandiose designs initially when the technocrats were looking at what needed to be done to not only widen Elgin Avenue, but also connect out onto Shedden Road and also connect through to Smith Road. But even when there was talk about the various designs to let it all happen, the figure I heard at the time was about \$3 million. That is what I heard—certainly not [\$15 million].

Now, I don't know which one is right, but let me say this, Madam Speaker. Let me say this, and of this I am absolutely certain: the NRA did not give that estimate [of \$15 million]. I can say that. In fact, it was the NRA that gave the estimate of \$3 million during that time. And, Madam Speaker, for the love of me I cannot see within that period of time how it could move from \$3 million to \$15 million. I don't know who is figuring what. I can only tell you what we were told.

I bring that small point in to say that I don't think it is fair comment to try to justify certain things by using those tactics as arguments when, in fact, the figures are very, very highly inflated in my view. I am not an engineer. I can't take a schematic and figure it out on my own, I can only go by the technical advice that I know was received.

Madam Speaker, the Government has since then said it is off the table. Since then I was watching a press briefing, and the Premier said since then that it may well be back on the table.

Now, Madam Speaker, the arguments will flow that the Government needs the cash, and I'm here to say that I understand where we're at, at this point in time with whatever figures we have heard the Government state, including the latest that the Honourable Premier has given in his press briefings and in his public statements. So, we understand that.

But you see, Madam Speaker, this is one of those equations and there is a reason why I quoted in the Motion what Chris Bryant had to say. There's a reason why we have to look more carefully at it. Because the cash is needed right away the sale is needed to be done to satisfy the moment. I understand that. But there's a lot more to the story than that. And when he said: "**As I know you well understand, my concern in this matter is to ensure the**

**sustainability of the CIG public finances.**" He says: ". . . I would have concerns if CIG put long term sustainability at risk through a rapid depletion of Government assets . . ." And, Madam Speaker, I understand that this thought was reiterated by the Foreign and Commonwealth Office since this letter—in fact, as recent as the most recent discussions they have had.

Madam Speaker, while I don't agree with everything London says, we in the Opposition share this concern about risking long-term sustainability to satisfy what is in an immediate need in the manner that is proposed. I'm not questioning the need; I'm simply saying the manner in which it is proposed to be dealt with, whether it happened in this fiscal year or the next fiscal year, Madam Speaker, is one which, while it solves one immediate problem, our view is that it creates many more problems in the medium term, and more so, in the long term. And I'm going to explain why.

Madam Speaker, one of the things that has been said, both by London and by the Miller/Shaw Report, is that when it comes to any private finance initiatives there must be proper feasibility studies and cost benefit analysis. And the process must be transparent. Now I am sure the Government already would wish to fulfil those requirements and is quite happy to adopt those principles as part of the process. But the importance is not whether we understand or the Government understands. The importance is not making that kind of decision before all of these processes are done.

Madam Speaker, let me say this: If, as has been advertised on the Government website in three different shapes by the way (I don't know why) . . . There's one with a nice big picture with a pretty building, one without any picture, and there's another one with a small picture of the pretty building. The information is not all the same and some are not as complete as others. But, really, what has been advertised is that the Government is inviting the submission of expressions of interest from investors wishing to acquire the freehold interest in the new Government Administration building being constructed on Elgin Avenue.

There are other details that if I need to later on, depending on the course of the debate, I will bring into the debate, but for the introduction of the Motion, Madam Speaker, the premise is that the Government intends to sell the administration building (or it had intended to up until the Motion had been brought), and the reason why we continue with the Motion is because we understand from statements by the Honourable Premier that it may well be on the table again. So we have to presume, as we did at the beginning, that the Government intends to dispose, by way of a freehold exchange, of the new Government Administration building for cash. Whatever that amount is, however that's decided is certainly not irrelevant, but it is not so much the point.

But, Madam Speaker, for the purposes of my argument, and to use a round figure, let us use \$100 million as the sale price figure. Let us figure that that's the value because, as is said in one of the Government ads on the website, they will have to subdivide that portion of the property so that where Radio Cayman is, where the Glass House is, where the Police Station is, and those places, is not part and parcel of the deal. I am with the belief that there was a subdivision combination done awhile back to accommodate the entire plan for that and the parking area and everything else.

I don't know, Madam Speaker, how it is going to work. The logic behind the purchase of the 4.3 or 4.4 acres over on the side behind Immigration (I think that is the old Triple C site) a few years back by my administration was that to build a multi-storey car park on the premises (alongside the new Government Building) was going to cost \$6 million and it was going to accommodate the same number of spaces, or very close to the same number of spaces that could be accommodated on the 4.4 acres. And instead of having a multi-storey car park it would all be on one level, plus there were 4.4 more acres of land which would save some \$2 million from that purchase and paving it and having to build the six-storey government car park. Hence, the purchase of that. But I don't know, Madam Speaker, because the parking for the new building is going to be over there. So, I don't know whether that has to be included into the sale or not. I don't know. Anyway, let us use the \$100 million figure.

Madam Speaker, a loan for that amount amortized over 20 years . . . I don't know exactly what it would be but, certainly, I know that amortized over 20 years at a fixed interest rate, which is quite doable in this day and age—I'm not talking about a bond issue, I'm talking about straight amortization which means that you make your monthly payments or quarterly payments on a receding balance. That's another thing we need to talk about, Madam Speaker. But that's the kind of financing I'm talking about. The same thing most of us engage in, which is on a decreasing balance that you make your payments.

Some of these bond issues I hear about with interest rates that sound better are killers because . . . Let's say that some of them are for ten years. Anybody will be happy to issue it once they feel safe, you know. What you have to do for those ten years is pay interest quarterly or six-monthly, however it is agreed upon, on that total amount for that entire ten years. Then, you turn around after that and have to find the money to pay off the whole principal. Now you could get a loan for that same amount to pay off that loan over ten years, and even if the interest rate is a point or two higher than the bond issue, I guarantee you—the Minister of Education is an accountant so let him get up and tell me that I am wrong—that you end up paying less over that ten-year period.

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:**

Because you are paying on a receding balance throughout the ten year period with one type of loan, and with certain types . . . it doesn't matter the period of time once both periods are consistent. If you're paying it one way that you are paying on a receding balance and you are paying it the other way that you are paying on the principal, your original principal throughout that period, you have to end up paying more interest because whatever you pay the first month you are going to pay straight through the period of time in interest, then you have to pay off the principal after that.

Madam Speaker, that was a sidebar.

When you look at the lease payments that the Government will have to make, any entity, conglomerate, or whoever that engages in a purchase of that building . . . and, in turn, part of the whole thing is a guarantee that the Government is going to lease back the building, Madam Speaker. The ads say immediately, market rate. Which is fine. Market rate.

If someone invests in a property of that nature, which is an income-bearing property, so it is an investment, whatever return is expected at market rate, Madam Speaker, if that return is not higher, those investing in that property and then leasing it back out would not buy it and lease it in the first place. It is simple. They are not going to invest without making some money. And they have to make profit. If you assume that they are financing their own loan to purchase the building and then lease it out and have to pay the financing charges, they are going to make their profit on it too. So, it has to be more expensive.

And, Madam Speaker, the real thought to the whole process beyond all of that is, if you borrow a finite amount, when you finish paying that amount off, you then have freehold possession of that asset. If you are leasing that asset you will lease it until forever and ever, amen, and still not own the asset. And you do not know when you engage in any original lease what the amount is going to be ten years from now.

The norm is, Madam Speaker, as I know it, to have a fixed-rate is normally no more than five years and then a clause adjusts it to what market value is after that, either on an annual basis or every two years or whatever else. Just about every lease I've seen has that kind of condition in it.

So, Madam Speaker, if you borrow—don't forget now, whichever way you go you are paying for that out of operational expenditure, not capital expenditure. Whether you are paying on a loan or whether you are paying on a lease it is coming out of your operational expenditure. So, if you are engaging in a lease in the medium to long term, it has to negatively affect your operational expenditure position, more so than paying on a loan. First of all the loan payment is fixed. On most occasions the interest payment is—

you know what that payment is for the interest rate for 15 or 20 years, whatever that is because it is amortized on the receding balance, end of story.

Your lease payments you don't know. And people are going to naturally build a profit into that lease payment over a 20-year period. When I say you don't know, you cannot get a lease which gives you a consistent figure for 20 years.

*[inaudible interjection by the Honourable Premier]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Anyway, Madam Speaker, for the benefit of all concerned, I am basing my arguments on the fact that it is a lease-back. That's how it was advertised.

**The Premier, Hon. W. McKeeva Bush:** Yeah, this is your premise.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** So, Madam Speaker—

**The Speaker:** Excuse me. Please stop the exchanges across the hall. I'm trying to hear the Leader of the Opposition in his debate.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, as I said, I'm only basing our thoughts on the situation. No matter which way it turns we hold the view that it is better to simply pay a financing package and pay the building off over an acceptable period of time rather than engage in a lease—

**The Speaker:** Order!

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** — for an extended period of time—and one which does not allow ownership of the building.

Madam Speaker, I am sure that there are many comments to be made.

**The Premier, Hon. W. McKeeva Bush:** Oh yeah!

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** And I'm also sure that regardless of what is said, unless the good Lord takes my breath away, the Opposition will have the last say. So, when we hear what we have to hear, Madam Speaker, if there are totally different ideas than what we have, we certainly are going to look at the logic of it. We can't take any different position from the position we have now because that's all we know. We'll see if there is any revelation that will change the thought process.

And, Madam Speaker, before I sit to hear what the Government is saying regarding the Motion, let me read again the very last resolve section, because I spoke to the first one. The second one I am only going to read right now:

The second resolve section says—and I said the date 16<sup>th</sup> February purposely earlier when the Motion was filed—it reads: “**AND BE IT FURTHER RESOLVED THAT the Government considers entering into discussions with the United Kingdom Foreign and Commonwealth Office with the objective of agreeing a plan by which the operational deficit of the Cayman Islands Government will be eliminated over the course of the following 3 years without the need to dispose of key Government assets.**”

I make that point simply to say, once again, that was done on the 16<sup>th</sup> of February, and I have to tell you, Madam Speaker, that while we will be arguing from time to time as Government and Opposition, we are quite keen to be able to accept and come behind any sensible plan of that nature. And on the Premier's return he alluded to a plan, which is a three-year plan, and, of course, he indicated that it was being worked on and we certainly look forward to something of that nature; something that the Opposition can say we will support. Madam Speaker, hence the second part of the resolve section in the Motion.

Madam Speaker, I will wait to hear because it seems from the Government's position that they have a totally different view than we do. But we will hear exactly what they have to say regarding how we see it based on the ad and then we will take it from there.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Leader of the Opposition.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

Madam Speaker, I rise to make a contribution to this Motion, seeking to address some of the issues raised by the Leader of the Opposition, the First elected Member for George Town.

Madam Speaker, I believe that anyone having listened to the contribution made by the Leader of the Opposition would have to say, in all fairness, that they can see some of the points that he is attempting to make. But, Madam Speaker, if I may be as brave as to say that I think that, amongst other things, timing is a very important element and plays a very fundamental role in this whole affair. It reminds me of something my brother told me sometime ago. He said that he had heard where an individual was doing some tremendous amount of chopping; chopping, chopping, chopping, until he heard a shout that said, You are doing an excellent job chopping, but you are in the wrong forest.

I say that because if we were back perhaps two years ago, three years ago, four years ago in a slightly different forest, we would probably be taking somewhat of a different position. But the reality of the situation, Madam Speaker, is that the circumstances

this Government finds itself in, unfortunately, do not lend themselves to many of the things that we heard from the Honourable Member.

Madam Speaker, just taking a step back, I heard a few days ago when the Leader of the Opposition was on the talk show. He mentioned something to the effect that he had only truly learned what the financial situation of the country was about six months ago. I found that statement very interesting and it obviously caused me to reflect that the Leader of the Opposition, along with many other Members on the Opposition Bench, was talking about how he had been fed bad information over the course of many months. I think there were, arguably, criticisms even levied against the then Financial Secretary as perhaps a major reason, if not the major reason, for a lot of that misinformation.

*[Hon. Cline A. Glidden, Deputy Speaker, in the Chair]*

**Mr. Ellio A. Solomon:** Mr. Speaker, where we take a different position . . . because I have mentioned here in this honourable House before, everything I have heard from the then Financial Secretary and another Financial Secretary seemed pretty accurate to me. And he definitely didn't hesitate to give us the true picture. If were to take the Opposition's view on that, that they were fed bad information (as the Leader of the Opposition stated on a talk show a few days ago), that they only learned the true position of the country pretty much six months ago, I think that is important for the general public to keep in mind. What it means is that the Government at the time (the previous government, the now Opposition), according to them, was acting on false information.

So, according to them, the spending whether it was a wall for \$3,000 a linear foot or whether it was a building for \$100 million, regardless of what it was, apparently—from their words not ours—they were acting on false information.

And again, back to the issue of time, if they were acting on false information then I believe they would have to admit, Mr. Speaker, that if they could go back and get an accurate picture then perhaps they would be making different decisions today. According to them, they had received false information. And when you are receiving false information, as they say "garbage in, garbage out," had they perhaps gotten more accurate information, the Opposition (the former government), might have made slightly different decisions.

Maybe they would have decided that going forward with X amount of schools and the walls for \$3,000 a linear foot or X amount of roads, or a new government administration building was not necessarily something the country could have afforded at that particular point in time.

So, with the inaccurate information . . . and the public judges them, Mr. Speaker, based among

other reasons on what they have said. They have told the country that they received inaccurate information. Therefore, when the listening public hears that, the public now says, *They said they have received inaccurate information and they have only discovered it (according to the Leader of the Opposition) some, what, six months ago?*

Mr. Speaker, I would now add that if the Leader of the Opposition will now say that it is only pretty much six months ago that [they] realized what the true situation was . . . and bear this in mind, inaccurate information when the Opposition (the then government) had at their disposal every means by which to gather the accurate information necessary to make good fiscal decisions for the country. According to their words, they were receiving inaccurate information. They couldn't receive accurate information when they had everything at their disposal, but somehow or another, Mr. Speaker, now that they are in the Opposition position they somehow have all of the accurate information and therefore can make very firm positions and suggestions as to what we should be doing as a fiscal policy.

In terms of the statements, I noted that the Leader of the Opposition mentioned some of the words by Mr. Chris Bryant. Again, I find that very interesting because I know that there have been numerous occasions (and I think the Leader of the Opposition alluded to that) where there have been staunch disagreements by the Opposition on many things and many positions that the UK has taken. And I think (to use his words) he said they do not necessarily agree with everything the UK says but they share this particular concern.

Since I have been here, many persons in this country and persons in this honourable House have expressed that the UK has an agenda (that's what I've heard), and the UK has made it clear that, insofar as the Cayman Islands is concerned, their suggestions are—whether we agree with them or not—that we should go ahead and implement in one way, shape or another, things such as property tax, possibly income tax. That is what the United Kingdom is saying—the same United Kingdom to which Chris Bryant is representing. That is what their suggestions are.

I ask persons in this honourable House and the general public, if that is what the UK is saying they would like us to do, are we on the other hand, if we take those words to believe that the UK is going to openly say to us, *Well that is what we want you to do but no way, shape or form are we going to do anything to guide you in implementing a property tax or implementing income tax . . .* I don't think so, Mr. Speaker.

Therefore based on the commentary, if nothing else that I've heard in this House from persons from 9 to 17 years who have expressed that the United Kingdom has an agenda, I think that the Cayman Islands and the Caymanian people have to be



prudent, we have to be wise, and make the right decisions. And it doesn't necessarily mean in all circumstances to simply follow, whether it is the UK or otherwise, what somebody else has to say.

We have to be able to analyse these things for ourselves. And while Mr. Chris Bryant is telling the Cayman Islands to consider the long-term ramifications of it, the United Kingdom was doing the same thing in the tune of billions and billions of dollars. And I think that is something that the people of the Cayman Islands will put into the equation when they actually listen and discuss these issues.

As we talk about the construction of the administration building, I agree there has been a desire in terms of the construction of an administration building for many years. I remember joining the Government in 1987, and from then I remember seeing plans of where the construction of a government building [would be]. So there is no doubt about that, those plans were in the works. But as I mentioned earlier, if nothing else, Mr. Speaker, we have to consider what the timing is.

During the previous administration there seemed to have been plenty. We have seen consistent increases in terms of the expenditure. I think the Civil Service numbers grew in excess of 600. Clearly, it seemed to have been a time of plenty. I believe my position, [shared by] a significant number of persons in this community, is that while there was all of that plenty we should have been doing a little bit of savings so that when we found ourselves in the valley we are in today we would have a little bit put away to help us out.

But this Government, this administration, finds itself in very, very difficult circumstances. And on one hand the Opposition does not come here and say to the positive, *Here is something that I believe positively can be done to resolve the problem.* Because, unfortunately, I have heard them on the talk shows where the questions are being directed specifically to them: *What are your recommendations? You are criticising the Government for what they are doing, the question is, what are your solutions?* And you can't get an answer. After two hours plus of drilling there are still no answers.

Well, Mr. Speaker, to paint an analogy, I believe that, even if we found ourselves out to sea (and as the Premier would say) with waters up to the scupper, and this ship was sinking, any good captain might say, *Listen! Yes, we want to try to make sure we can get all of this cargo ashore. But it may very well be a case that some of that cargo has to go overboard because the most important cargo we have on board is human lives. And if it means sacrificing the cargo so that we don't lose the ship, so we don't lose that important cargo, then that is something we have to do.*

On one hand it seems as if someone is saying, *I don't want you to throw any cargo overboard. If anything, what I want you to do is throw the human*

*capital overboard. Fire some Caymanian employees from the Civil Service. Get rid of some employees from the Civil Service. That, perhaps, is more of a solution.* I don't think so. I think this Government has an obligation and an appreciation, as we talked about a myriad of issues, whether it is health insurance, home insurance, of the challenges the people of this country face. And the last thing we need is for the Government to be laying off hundreds of Caymanian employees.

And with all of that, the timing and the unfortunate circumstances we find ourselves in where it is not a bountiful crop as the last administration found, but, instead, an inherited situation—famine, if you like, both from the global economic situation and the excess spending of the previous administration—and we have our obligation to make the best out of a bad situation and that is precisely what we are doing.

When we talk about the Government Administration building and the potential for utilizing the sewerage, all of these issues, I believe the Caymanian people can clearly understand that no one, finding themselves in the land of plenty as the previous administration would have found, is going to just simply get up one day and perhaps scratch his head and say, *I have a brilliant idea, let's just get rid of these assets, let's just utilise them in this sort of fashion.*

But, as I have mentioned, that is not the situation that this Government finds itself in. And the reality of it is that we find ourselves between a rock and a hard place. And why do I also believe that the Caymanian people can understand? Because we've had discussions today that pretty much support it. Many people in this country right now are facing the exact same situation that this Government finds itself in.

There are persons out there right now who are potentially losing, some, unfortunately, have already lost, their house simply because their economic situation has changed. A spouse has lost his or her job, some other little catastrophe has taken place. I don't know what all of those circumstances are, but there are numerous situations occurring right now in this country.

Arguably, crime is another reflection that supports the argument that there are many Caymanians who understand the difficult circumstances. And, Mr. Speaker, the ones who are out there right now saying, *I am potentially going to lose my house, I believe, have no hesitation in saying, If I have to utilise the couch, if I have to sell the car in order to pay this mortgage so that I don't lose the roof over my children's head, over my spouse's head . . . that they are prepared to do it.* And it's not because they woke up one day and something bumped them on their heads and they lost their minds. No! It is because they are fully appreciative that what is most important is to *keep this house together so that I can keep my family in a place with a degree of shelter.*

We talked about it. We talked about individuals who are not paying their home insurance. Why? Did somebody just wake up one day and say I don't want to pay home insurance? No. They have to juggle. That is the situation families are finding themselves in. How do I juggle? What do I sacrifice? The food on the table or the home insurance? And the home insurance goes away.

This Government finds itself in no different of a position. And again, unfortunately, it was avoidable. But we find ourselves in the position as many of those individuals right now who are hearing these debates in this honourable House. They understand, as mothers and fathers who are trying their best to keep the house together to go to work every day to put food on the table, what it is to have to make tough decisions, to have to make sacrifices in order to keep it all together. And in this regard this Government, this administration, has that same parental, that same familial role to play.

What do we do? Do we sit here as the Government and simply allow the economy to go in a position where the United Kingdom gets its way? And to exacerbate the situation, individuals would have to pay a property tax or an income tax or any other sort of tax? No! We are not going to act any different than any good mother or any good father is going to. We are going to take whatever steps are reasonable in order to ensure that we can keep food on the table, and that means keeping our people into jobs, keeping the roofs over their heads. That is our obligation; that is what we have to do first and foremost.

I reiterate that it would be encouraging, to say the least, if the Opposition came not with ways of blocking whatever efforts we are trying to do to keep that roof over their heads, to keep families employed, but to actually come forward with a solution.

So, Mr. Speaker, I believe as we talk about the issue of the Government Administration Building, that something else that has to be considered, and I think perhaps it is in line with all of this. And that is the question about ownership. Because many Caymanians, if they are not given all of the facts, if they are not given all of the figures, may just hit them at the core in terms of ownership. And let's talk a bit about ownership.

If nothing else we can see from the (how do I put that?) process, the modus operandi of the previous administration, what perhaps they are defining themselves to be. And that was another topic that came up when I heard the Leader of the Opposition on the talk show, I believe on Wednesday. We see consistent rises in the expenditure. We see a Civil Service that continues to increase. And when we look at all of that and consider and ask ourselves what is ownership, and they will say to the general public that what the Government is attempting to do in terms of the utilization of this particular piece of asset is irre-

sponsible and somehow hurts and affects the ownership of the people of this country.

There is a piece of land, for example, on Seven Mile Beach. And I recall this discussion taking place over a year ago. That piece of land, where someone has constructed millions and millions of dollars of assets, is on a 90-plus year lease for \$7,000 a month. So we are supposed to be . . . because all of this discussion about ownership, Mr. Speaker, I believe that is something that is going to have to come to the fore. What it truly is, [is that] for 90-something years we are leasing, supposedly, a piece of land that we are saying belongs to the people of the country and we are leasing it for \$7,000 a month.

And now answer ourselves the question. A piece of asset, which is worth millions of dollars, on which someone has condominiums constructed and is making millions of dollars, is being leased for \$7,000 a month. Are we saying that somehow or another by saying that we own it, it is benefitting the families right now who are having difficulties paying their mortgage? The ones who are losing their houses? The ones who are having difficulty even putting food on the table? Who can't pay their insurance, whether it be home insurance or health insurance; who can't perhaps even send their children to school. Are we saying that a piece of land along Seven Mile Beach—that some will argue should be sold for one million dollars a linear foot and is being rented for \$7,000 a month—is somehow or another a supposed pie-in-the-sky ownership and is benefitting those individuals at \$7,000 a month?

I mentioned that, Mr. Speaker, because as we talk about ownership it is a matter of whatever Government has (in the analogy of a parent), to utilise that to be able to create some opportunities so that they themselves may be able to make some money. I have advocated and I know that there have been those who before me have advocated that we allow, for example, Caymanians in this country to be able to invest their pensions, because right now our pensions in a large part go to a foreign country to help build a foreign infrastructure.

Every penny that is being made in this country, insofar as pension contributions from the employer/employee, goes, for example, to the United States. And we are helping to build their infrastructure. I believe that those funds should be as much as possible utilised to build a strong infrastructure for Cayman and the Caymanian people. And when we consider that, then we need to ask ourselves, How do we create those opportunities for ownership? How do we create the opportunities for our pension funds, for example, to be reinvested into our own country?

I put it to this honourable House and the people of this country that whether we are talking about the sewerage, or whether we are talking about a government administration building, we change that modus operandi, we change our way of thinking and say,

*Is there not a way for government to take some of those same assets and be able to give the people of this country an opportunity to take ownership of it? So that when we are going every month and paying a water bill, whether it be a local or foreigner, we can say that our pension contributors, the Caymanian people who are paying pension, can have if nothing else the pleasure of knowing that they have ownership in that particular piece of property, that particular asset, and they know that every time a tap is turned on or a toilet is flushed, that somehow or another they are making more money from that particular asset.*

I would say to you that having a particular piece of land, as an example, that's worth millions of dollars of assets, and leasing it for what someone is probably paying in rent for one apartment, in my humble submission doesn't necessarily translate to opportunities for ownership for our people.

The GOAP, the Government Administration Building . . . I recall once speaking with the Leader of the Opposition when he came on the talk programme, and it was to the effect . . . I believe, at the time the suggestion would have been that the Government was paying approximately \$6 million in rent or leases in terms of property out there, and that the Government Administration Building would be constructed for somewhere in the region of \$60 million, which means that it would be, all things being even, about ten years before that particular building was paid off.

First of all, I think it is important to identify that that timeline has changed. It has changed because it's clearly gone from [\$]60 million to perhaps (to use the Leader of the Opposition's number) [\$]100 million. So there's a significant difference. There's \$40 million difference, almost twice as much as what the original thought was (because that was their thought) that it would take about [\$]60 million to construct. Now we are understanding that it is almost twice that.

Here are some of the things that the Government has to consider and where we see that, even in terms of the timing of this whole event and things are different. I talked about from 1987 when I would have joined government. We talked about a government administration building. If there is, in fact, \$6 million now being pumped into the economy by the Government in terms of leasing property or renting property, that's \$6 million that is in the economy.

And if, in the perfect world, everything was still fine right now we would still have to consider that government, in essence, is saying, *I'm going to withdraw \$6 million out of the economy.* In essence that is what we would be doing in shutting those leases down, shutting those rents down—drawing \$6 million out of the economy. Let's ask ourselves, as a government, how we consider that. What are the ramifications of drawing \$6 million out of the economy? How does that impact investment?

We talk about the multiplier effect and whether we want to give it three, or we want to give it five. That is millions and millions of dollars being circu-

lated in the economy providing jobs for Caymanians, opportunities, whether it is from someone filing paper or someone clamping wheels, somebody has a job. Millions and millions of dollars being spent! And in one swoop that means you are going to withdraw \$6 million out of this economy.

We would have to consider, as any prudent government, what is the impact of withdrawing \$6 million from the economy in good times? I would also like to add that it is all the more important to ask yourself what are the financial ramifications of drawing \$6 million out of the economy when things are already tough; when it is already tough for everyone and when there is already a limited amount of funds being circulated? Just on that one single act, the Government would be taking a direct \$6 million out of the economy and, arguably, \$30 million in terms of circulation with the multiplier effect. So, \$30 million coming out of the economy!

Those are but some of the things that the Government has to consider when we even just talk about the Government Administration Building.

*[Hon. Mary J. Lawrence, Speaker, in the Chair]*

**Mr. Ellio A. Solomon:** I know the Leader of the Opposition talked about the fact that the building is green and the efficiencies that would be derived. Nevertheless, it does not change the fact, Madam Speaker, that just on that basis alone in terms of the ramifications when government now says that they are drawing \$6 million directly out of the economy . . . I haven't heard the consideration of that. And I know, Madam Speaker, because there were numerous discussions on it, that [with] the previous administration there were a lot of studies and things which were not necessarily considered, even when they were building this building.

Was there a study done in terms of saying what was the financial impact of taking \$6 million out of the economy (in the term that they like to use), in one fell swoop? What's the impact of that? There wasn't consideration in terms of what impact that is going to have. You're going to have a building that is approximately 230-something square feet. In other words, somebody has simply merged perhaps 12 buildings into one and you're going to ask all the traffic to come to one spot? Was there a traffic impact study done on that?

Every government department pretty much has its disaster recovery plan whether for an earthquake, hurricane, or a terrorist attack. Was there a study done on that disaster recovery for housing all your eggs in one basket?

There are a lot of things that were not considered. And I put it to this honourable House that what was also not considered, and taking it from what the Leader of the Opposition himself said on the talk show on Wednesday, is that he was not aware of the true situation until six months ago.

If we can get the admission that he wasn't aware of it, I would encourage the Leader of the Opposition, and the Opposition for that fact, to listen to this administration which is now informed, that has accurate information (because I don't believe we have any more months to wait) and can say to you unequivocally that the situation here is dire. And with all due respect, it doesn't lend to an opportunity of saying, *I know the ship is sinking but let's give it a little bit more time*. Something, Madam Speaker, has to go overboard.

For the want of a better expression, some little thing may have to go overboard because we are not going to sacrifice lives. We're not going to have to sacrifice lives in this Madam Speaker. Therefore, in this particular case the Government has something in terms of our utilization of, for example, the Government Administration Building.

Technically, we don't have to throw anything overboard (even though, if that's what we technically have to do, then we should do it). That is not the circumstance. I believe that there is still the possibility, as I talked about insofar as ensuring that our pension peers, the same Caymanian Contributors (because I know they are just as irate about it as I am) who are now taking their money—at a time when they could use it most—and [are] putting it into a pension provider overseas building somebody's infrastructure, would at least like to know that they have the pleasure at these difficult times of knowing that their money is at least staying here in the Cayman Islands, where they (Madam Speaker, on the subject of true ownership) actually own something.

I put it to the Caymanian people that when they are driving along West Bay Road and see a piece of property that, arguably, is supposed to be sold for \$1 million dollars per linear foot being rented for 90 years for \$7,000 [per month], that they are not getting anything out of that. But if you can drive past a Government Administration Building and know that your pension has gone into a fund for which you, your children and your grandchildren own that building, which, in turn, the taxpayers—all of us, be it locals or foreigners alike—are paying a lease . . . therefore, when the Government pays that lease where does it go?

It goes back to the same pension payers. It goes back to the same homes and families that we have been talking about who are suffering whether it is in relation to health insurance, whether it is in relation to home insurance, those same families who are suffering have the pleasure of knowing that their dollar is building a stronger Cayman economy and that their tax-paying dollar is coming back home to them.

So, I wish, Madam Speaker, amongst other things, to be able to say to our people that yes, on one hand someone may make the emotive argument, and with the lack of information maybe somebody may fall for that argument, that we're selling the country out.

But, again, nothing could be further from the truth, Madam Speaker.

This is a situation where 1) we have to clearly understand that the circumstances that exist today were not the circumstances that existed two years ago. And I believe, as I mentioned before, that there are many families who understand that from their own personal circumstances, their own difficult challenges that they face. They know that things have changed over the last two years. And that they, in their own circumstances, have to make sacrifices. This Government is prepared to make those sacrifices as well for the benefit of the country.

And, Madam Speaker, with respect to Chris Bryant and the statements coming from the UK, I encourage the Caymanian people to understand that the United Kingdom in many circumstances . . . they say it and the public says it, whether it is going to be a Tempura case or the issue in terms of our financial services. We have to listen. But, fundamentally, we as a Government still have to lead and we simply cannot quote scripture, as the Opposition is doing from Mr. Chris Bryant, when it is convenient.

As far as I am concerned, the United Kingdom (and I'm interested to see who in the honourable House would disagree) would encourage the Cayman Islands to go the route of property taxes, income tax and whatever other tax we can come up with. But we have to make the tough decision. With everything we have gathered, not just from business, but from individuals, their cry was, *Do not change the structure that we now have, keep the Cayman Islands as they are*.

And to maintain the way of life we have, to maintain the financial system we have, we cannot get to the point where we are going to implement property and income tax. So, what do we do? Well, with what the global recession has left us, and what the previous government has left us, we have to be extremely creative. But I believe, as I've mentioned before, Madam Speaker, that in all of these difficult challenges that face us there are tremendous opportunities. There's an opportunity for us to do in these difficult times what perhaps under normal circumstances would never be done. It is to be able to take a look at Government and be able to say how we can reform it; not just simply by getting up and saying we are going to lay off X amount of staff, but to seriously look at it.

The other day I talked about E-government. Under the previous administration nothing was done for four years about E-government or E-business. But it is an opportunity for us to be able to look carefully at all the processes and the way government does things and to be able to say how we can change it, how we can be creative to ensure we can provide efficient and effective service for the people of this country, but at the same time cut some costs.

Those are the sort of creative things that we as the Government have to do. And that also involves

being able to look at saying what we can do in terms of the asset, whether it be GOAP or otherwise. And just to reiterate, it is not a case where somebody is simply saying sell it off to someone in a far, far away land. It is an opportunity, which I think is something the Opposition needs to mention, for our people to own that particular piece of asset; to truly have an ownership in that asset. And when all of that gets considered, Madam Speaker, I believe that the people can walk away with a clearer view of the challenges we face, and that at the end of the day when we do what we have to do, and do it right, the people of this country would be better off as a result of it.

I know that the Premier has mentioned the discussion on the GOAP as being off of the table. And I heard the Leader of the Opposition say that it may be back on the table. I think the situation is clear, Madam Speaker. The Government will do whatever it can to try to make sure that we can keep the house intact, that we don't have to be laying off Caymanian Civil Servants; that we can keep the ship on course. And if we can find a good, easy and responsible way to do that, then we will take it. To do anything otherwise I believe would be remiss of us to say the least.

But, that said, we have and cannot therefore, permanently disregard or arguably reconsider. We have to be able to keep it on the table, because there is a possibility that we will have to utilise the GOAP asset in order to ensure that we can keep our responsibilities to the same families that we have been talking about consistently in this honourable House. Because we can on one hand talk about the sufferings that they're having and, on the other hand, when we have an opportunity to do something to help them, fail to do it. We can't play politics with that, Madam Speaker.

So, with that I will end my contribution, Madam Speaker. Of course, I don't think it is a situation where we can accept this reconsideration of the possibility of having to divest assets. I believe it would be fiscally imprudent of us to simply put that off the table because it is something that we may very well have to do to help out our people. And with that, Madam Speaker, I thank you very much for the opportunity to [make my] contribution.

**The Speaker:** Thank you Fourth Elected Member for George Town.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

Honourable Premier, [Minister for Financial Services, Tourism, and Development].

[inaudible interjection]

**The Speaker:** Order.

[laughter]

**The Speaker:** If I give you all a break you take the whole yard.

[inaudible interjections]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker.

**The Speaker:** Yes, Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** I'm not surprised that this Motion is before the House. I am not, Madam Speaker, because I have watched the modus operandi of this present Opposition. And, if I would say, Madam Speaker, it is typical of an Opposition you would find throughout the Caribbean.

There is nothing left, everything they have pitched on, Madam Speaker. They have not given consideration that they were just the Government. And I hear this thing about *not pointing fingers* and *time to stop blaming them*, but they would like that. They do not seem to have considered that they were just the Government. The fact is that they can say whatever they want. They can say anything about me that they want, which they have and they will. The fact is that the people of this country just removed them as being the managers of the country.

I listened to the Leader of the Opposition just now, who took some pains trying to be convincing. But "*Kurt-onomics*" can't work. It has not worked, and it will not work in this country. Those kinds of economics do not put bread on the table. Those kinds of economics do not feed the people of this country. Those kinds of economics do not pay the bills in government. Those kinds of economics have not reduced government's expenditure.

I listened as I know the man. His job is to find something and nit-pick it to death as he is doing here; to create as much doubt as possible. And that is the modus operandi of the PPM. Create as much doubt as possible so that people will say the Government is not doing its job and the Government is doing wrong, and therefore, throw the Government off course. And they have done some of that, but it stopped.

I have a lot of notes, Madam Speaker, and I was not going to go through them, but I see history was gone into. So let me begin by saying that time and time again I have addressed the Caymanian people and have not swayed in my message. Time and time again I have deliberately used the most basic English language to set the record straight.

I will say it again today, Government will not sell the Government Administration Building. And I don't care how many pieces of paper they pick up that somebody wrote and put on the Internet, whichever department they were in. What will happen at the end of the day is what this Government will say will happen. And they can twist anything they want to. They just waited until I got up. Madam Speaker, as you can see you could have closed it down. And the yabbers

over there were going to sit and keep their mouths shut. They want to wait because they think they will get the upper hand. As the Leader of the Opposition said, they have the last say. Well, they can have the last say. They had the last say for four years. That's all they've done—say—they didn't perform!

I have said repeatedly that if we could not leverage the building or engage in some other kind of arrangement, Madam Speaker, that the asset would remain on Government's balance sheet and we would manage as best as we could.

My Government, Madam Speaker, is not waiting for signs of life or the flicker of a fleeting ingenious idea by the Opposition. We are making moves to address the country's financial woes. The country is still waiting for a new financial formula from the Opposition that does not include borrowing and spending to address the current crisis. The country is still waiting. I hear how we mustn't do this and mustn't do that, but I don't hear them giving anything that sets the country in a position that it would be balanced. All they have done is to try to stir up emotions.

They have talked about working with the Government. Of course, that is an easy thing for them to do because they know they have no idea. And they know that I am not going to sit and listen to them because they have no idea, and I am not going to waste time. They know that. They know what it takes to run this country and so they know that McKeever Bush is not going to sit and listen to them around the table forever and ever talk about what they can't put forward here.

I listened to the Leader of the Opposition and he has not come up with any idea to solve the problem. In fact, I thought that what we should have done was to let them close this Motion down and vote against it and get out of here because it's only a waste of time. But politics being what it is, and people listening, we have to address and remind the country and the Opposition of where they put the country.

What I've seen coming from them is correspondence suggesting that we should beg the FCO to allow us to continue on with reckless unbridled spending; beg the UK to allow us to continue to borrow and continue with unsustainable spending, which was the Opposition's modus operandi.

The Financial Report of the Independent Review of the British Offshore Financial Centres recently concluded by Michael Foot states, under the section addressing Managing Economic Risk on page 8, said: “[1.29] **Decisions taken by some of the Overseas Territories to use increased revenues to raise current and capital public spending, sometimes combined with insufficient attention to data quality and the absence of robust medium-term planning, has left local governments facing difficult short-term choices to restore the public finances. This is clearly illustrated by recent events in the Cayman Islands.**

The Foot Report is speaking specifically to the last Government, the PPM Administration, under the leadership of the First Elected Member for George Town, now the Leader of the Opposition, who has the tenacity to bring this Motion to tell us what to do.

This Motion also makes the claim that the result of the sale of the new Government Administration Building would be to divest government of a key asset, cause government to pay additional rent and place the seat of government into private ownership. Oh yeah? The only political group, body, who placed the seat of government into private ownership was the PPM.

The current Government Administration Building, the Glass House, is owned by the Government. This building is not mortgaged and there are no charges on this building. However, the PPM has entered into a financial arrangement to construct the new Government Administration Building, and this building is not owned by the Government, it is owned by the bank. So, to be clear, Madam Speaker, the PPM decided to construct an [\$]80 odd million (what they said was [\$]80 odd million but we know now it will be much more than that) without having the revenue to complete this project and is now deliberately trying to deceive the people that this building is owned by the Government.

The Government Glass House belongs to the Government, but the new Government Administration Building belongs to the bank. And it will be owned by the bank until the Government can pay off the bank. So, now, I ask who has placed the seat of the Government into the hands of private ownership. Again, I ask the Opposition to provide the Government with one single idea to finance this project without Government having to engage in further borrowing.

This Government, Madam Speaker, came to power because the people of these Islands lost the confidence in the direction the PPM was going and how they were managing the finances of this country. The Caymanian people fired the PPM Government and gave our Government an opportunity to take the good ship Cayman off the reef and place it on a steady course for the future. And that is exactly what we are going to do.

In good conscience I cannot take the advice of the PPM when they suggest that we should spend our way out of this recessed economy. I do not trust their advice. Therefore, that is why when they are going to negotiate they are going to have to do it their way—sitting down behind that closed door. I will not do it! Do it in the open! Tell us what you want!

Tell us how you're going to fix the problem! Put it on the table! Give it to me!

Where's the beef?

I don't trust their advice because *Kurtomics* don't work. They don't understand business and they don't understand government finances or we would not be where we are.

The present state of the country's finances is again positive proof that the Opposition did not know what they were doing, and did not understand as he claimed there . . . And [Madam Speaker] you heard that "Anancy story" he was talking about, about financing and that *you get a lease that is going to be changing every month, every year, every five years!* [They] would sign something like that, Madam Speaker, but let me promise this country I will not sign something that is going to fluctuate over and over and over again! And I kept saying that

[Addressing the Opposition] You heard it! But you preferred to come and nit-pick because you're good at it!

They are good at nit-picking and twisting! That's how you killed Truman! But you can't kill McKeeva Bush that way.

[laughter]

**The Premier, Hon. W. McKeeva Bush:** No, no, no, no.

[inaudible interjections]

**The Premier, Hon. W. McKeeva Bush:** The advice that they are proposing here today, Madam Speaker, is but a branch from that contaminated tree that has poisoned and significantly weakened our country's financial position. It was this sort of advice and reckless action that has brought this country to this very uncomfortable place, and it is exactly why our ship has run aground. And if you had left them two months longer you could have taken the biggest dredge in the world and you would not have pulled it off of the reef.

How can they expect me to take their advice when it is that same Leader of the Opposition who said, after the collapse of Lehman Brothers, "that if all 130 companies, 39 partnerships and 7 trusts registered in the Cayman Islands having Lehman Brothers in their name were to no longer exist, the annual revenue lost here would only be \$244,000." I must take that?

I cannot take advice from an Opposition whose leader said in April 2008 in the budget speech—listen to this! We heard of enough of their scare economics and scare tactics.

But listen to this, this is the kind of advice that I must listen to? **"Human belief is a powerful force. A man or woman is driven by what he or she believes. Have you ever noticed if you are sick and believe that you will get well, your recovery is so much quicker? Similarly, if you believe the future is bright, you will be motivated to work to make it bright. The same applies to economic downturns. If you notice, downturns tend to accelerate when the view that there is a downturn becomes dominant. With booms, the opposite happens. There is a belief that things are bright and people show it**

**through their behaviour."** [Hon. D. Kurt Tibbetts, 30 April 2008, "Keeping the Faith – Securing the Future"]

I wonder which economic book they got that out of.

According to the Leader of the Opposition *the* state of our economy is a figment of our imagination. If we believe with every fibre of our being that things are going to get better, then they will! What sort of New Age economics school of thought is this?

Is the Leader of the Opposition suggesting that the entire world is in a crisis because the CEOs of top Fortune 100 and 500 firms weren't positive in their thinking? Is that perhaps one idea that we should take on board by the Opposition? We should all form a circle and hold hands and think positive thoughts. We should all imagine money trees growing in our back yards and banks lending money at zero per cent down, zero per cent interest and zero penalties and no limit on how much we can borrow and no payment for the next twenty-five years.

That is a la-la land scenario, and any government that suggests that human belief without hard work, good governance, sound financial strategy, government's ability to leverage assets, divest underperforming assets, is really not living in this stratosphere of reality.

Now I have faith, Madam Speaker, very strong faith, but faith without works is useless. And taking the advice provided by the Opposition, and, in part, highlighted in this Motion, is also useless.

In October 2008 the same Leader of the Opposition (who was then the Leader of Government Business) announced the creation of an economic monitoring and advisory group, which he would chair, and which would meet monthly or more frequently as needed. They were to continue to meet until they had successfully navigated the local impacts of the global economic storm. And while I criticised them then for the time it took them to recognise the severity of the global financial crisis, Madam Speaker, I would like to know today what that group advised the then government to do and whether they did it or not!

Certainly, at every juncture all I can hear from the Opposition Bench is that they didn't see this coming and who would have known how severe the impact was going to be. I heard the Leader of the Opposition on the radio Wednesday with that same cry. *Who could have seen this coming?*

Well, Wall Street knew what was happening and witnessed trillions of dollars evaporate from late 2007 right into mid 2009. So did the world's top financial institutions. The New York Stock Exchange listed banks and investment companies, Blue Chip industrial companies, NASDAC listed technology companies all saw firsthand the evaporation of billions of dollars as the stock prices plummeted. And some of these companies, unfortunately, were not strong enough to withstand the wicked winds of recession and are no longer a going concern. Others had to receive billions in federal bailouts to stay afloat.

Who would have known? they ask. Who would have known? Who would have known all that time?

So, where were they? They were not watching to see what was happening in the international world stage? Well they never had to because I sat right where he is sitting now and told him to.

I came to this honourable House—in the know—and tried to warn the Opposition of the financial tsunami heading our way. But they wouldn't listen. I remember the day, Madam Speaker, like it was yesterday, when the then Leader of Government Business (the Opposition Leader now) rose and said not on the kindest of mornings would he be able to take my advice aboard.

Who would have known? they asked. Our local financial services sector knew. and they too tried to warn the Government of the financial avalanches coming down the pipe.

Who would have known? they asked. Caymanian small businesses knew and were crying for the Government to correct their policies to make the environment friendlier to small businesses.

You see? Everyone, Madam Speaker, knew. The UK said they knew. They said they warned them too. The Chamber of Commerce, everybody! Everyone knew—except the PPM Government!

Now, Madam Speaker, I know you can get busy and I know you can get swamped, and in this little world where only 15 people and 5 Ministers are expected to carry on Government and keep everything intact, Madam Speaker, it is difficult. But, by God, when you are getting hit in the face every morning with something, don't tell me they didn't watch the television and see what was happening! Don't tell me that people weren't talking. What I have said here is the fact. Let them dispute it.

However, they chose to ignore all the signs, follow their own whims and fancies and do what they always do—live in a world where they got up and blamed McKeeva. And they will come behind me and blame me again after sitting there for four years and doing what? Spending! Borrowing! And now they are attempting to try to cry victim, as they are sure to do, because they are already tabling motions saying that we don't know what to do.

Oh yeah?

What they want, Madam Speaker, is for us to do nothing, then they would have something to talk about. But I've been taught a bit better than that.

Here is what they spent between January 2008 and May 2009—17 months: The Minister of Education, \$67 million, this includes monies for the schools; Government Administration Building [\$25 million]; Ministry of Communications, Works and Infrastructure, [\$9 million], including the Vehicle Licensing Department on Crew Road which broke ground weeks before the House was dissolved for general elections.

Didn't the Opposition know the dire financial straits of this country? They had to because right around that time they came to the House and reported an operational deficit.

You had to know!

That is, they reported that they were spending money faster than they could earn it. Is this the behaviour of a fiscally responsible government?

And they went on the East/West Arterial Road, \$3.8 million; Esterley Tibbetts Highway, \$701,000; public facilities, jetties and ramps, [\$837,000]; traffic [inaudible], [\$438,000]; coastal seawalls \$1 million; Bodden Town Beach—Oh yeah we know about that one—\$277,000; Boxing Gym, \$795,000; purchasing Ms. Lassie's house, \$1 million; New Farmers Market, \$945,000; Cabinet Office, \$510,000; Timothy McField's Football Field, \$288,000. I could go on and on!

In total between January 2008 and May 2009 the PPM Administration spent \$185 million. Some of them needed? Of course. But didn't they see the Tsunami? Didn't they see what was happening? Didn't they see that money was falling? Didn't they see that the revenue was not coming in? They had to! And they are going to say that I'm irresponsible? I am here with the problems that you left!

That's good, if you said that to some of what you all have been saying! This was done at a time when the entire world was bracing for one of the worst financial meltdowns ever, at a time when tourism figures locally had declined by over 40 per cent. And you're complaining now that it is down 13 per cent? At that time you were down 40 per cent, at a time when the financial services sector was contracting and business took flight and moved to places like Canada, Ireland, India, Dubai and Hong Kong.

And now you're talking in a Motion, Madam Speaker, that financial service is losing business and we must turn back what little bit of money we are getting from them. Are you mad? What kind of management that is, Madam Speaker?

All this spending took place when the construction industry was coming to a standstill and property sales were falling, thereby starving government of revenue—no revenue. Revenue down. They have the impudence to suggest that this country finds itself here because of the world's financial meltdown. Did the politicians of the world decide and vote funds for capital works undertaken by the last Government? Did they force the hand of the Government to spend more money on capital projects than the country was making in revenue? No, no, no!

The last administration made a muck of the country's finances, and now he is going to try to find every eloquent legal term and everything he can blame on this administration, and blame me from God knows from whenever, and say it was McKeeva's fault. Ladies and gentlemen, it was McKeeva's fault!



Madam Speaker, the Motion here today is void of any solutions, and is nothing more than further political posturing by the Opposition. The Motion represents an attempt to erect yet another Opposition roadblock. These self-proclaimed financial gurus have no credible advice to offer us, and I implore the people of these Islands not to fall for their shenanigans.

My administration will, with God's help, navigate this Cayman Islands off the reef and set a steady course to prosperity. Give us a chance to do it and stop your politicking man! Rest me! Rest me, man!

Madam Speaker, I listened to the Leader of the Opposition who came—and boy, don't he like to do that! I remember again the administration between 1996 and 2000. I remember, he loved to do it. Made this big claim here today, why would the Premier mislead the country to say that there was \$15 million of road works? Mm-hmm. Big thing! Big, big thing! Looking for big headlines! Luckily, might get them too!

Madam Speaker, when I said \$15 million—or up to \$15 million as I said—I don't know whether they reached \$15, I hope it don't. But here is what he is not telling the country: He says that it is only \$3 million if we only do Eastern Avenue to Shedden Road in that area to Elgin Avenue, upgrading Elgin Avenue down to the police station. That would only be \$3 million, but that does not include any compensation for property and buildings. But what it is going to take is what must be told to this country.

What it must take is Eastern Avenue to Shedden Road intersection to be done. Shedden Road to Elgin Avenue must be done. Elgin Avenue to Smith Road must be done. Smith Road must be widened, and that is something over \$7 million. That's what the National Roads Authority is projecting. Just two houses—let's cast our minds to Shedden Road—two houses going toward Flowers from Rohelio's Car Wash, those two houses there, the first one when you come out from Eastern Avenue, I believe it . . .

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Yes. I call her the Cub Scout lady. That's who I know her as for years.

And then the next old man there, I think he is Myles. That is something like over \$2 million because of the value.

How many do you have there?

Now none of that \$7 million includes property compensation, land and buildings. You know how many houses in there are going to be affected. Commercial buildings are going to be affected. And you come here saying that I misled the country?

Why is there this kind of reckless propaganda, Madam Speaker? The people of the country need to know true costs. The people of the country must know because that is why we are in problems with the buildings today, because full ramifications were not considered. Roads were built over the years and there is

still a bill of over \$15 million in claims outstanding for roads dating back probably 2001 to 2009. But they are there. Have to be paid. Over \$15 million.

How would that Member expect me, as Finance Minister, to consider, with the many houses and other buildings including commercial buildings that would be affected, that it would only cost the road building expense? How?

For God's sake, if you don't like McKeeva, if you don't like the UDP, be considerate and figure that there had to be more cost in that road exercise than that \$3 million. Come, come my friends! Three million dollars? That whole area . . . you have to widen the whole Elgin Avenue, got to go out to Smith Road, got to go up Eastern Avenue, down Shedden Road, all of that. Only \$3 million? Mm-hmm.

No wonder we were only going to lose \$244,000 from Lehman Brothers!

Madam Speaker, the subject of the divestment of government assets, in particular, the government administration building, has been heavily debated publicly and in somewhat a controversial manner over the last several weeks. And it is my belief that much of the controversy stems from a lack of understanding in some quarters. Indeed, the Motion tabled before us reveals that there are still misconceptions on the role of the proposed divestment and how it would have impacted the Government's fiscal position, and I will certainly elaborate on that shortly.

But, in October 2009 the Government took an important policy decision to enter into a private finance initiative which involves the asset of the Government Administration Building currently being constructed. Under the Government's plan, which is something that we said at the time had to happen, the investor would have paid the Government a value representing the investment made by the Government to date plus a reasonable profit.

After the building was completed by the investor the Government would have leased the building from the investor over a period while paying the investor an annual lease payment each year during this period. And, as I said, not on my watch were we going to sign something open ended. No, no! And after that agreed lease period ended, the ownership of the building would be the Cayman Islands Government under the agreement with the investor, the same as you do when you borrow from the bank, except that we would have expected to get a better rate.

The decision was taken to ensure that our budget for the 2009-10 fiscal year fully complied with the reserve requirements under the Public Management and Finance Law (PMFL).

Madam Speaker, at this juncture it is perhaps appropriate for me to correct the misperception that this transaction somehow helps the Government to balance the budget in terms of its operational revenues and expenditure, as the Leader of the Opposition took pains to point out. But that's where they are wrong. The upfront cash payment that the Govern-

ment receives as a result cannot be regarded as revenues to the Government. So this does not actually affect the Government's operational deficit. Our surplus position, rather the benefit of the transaction is simply to ensure that the Government has additional cash balances at the bank.

What do the cash balances do? If Government were to use this asset to get, let's say [\$]70 million, we could use that \$70 million to assist the capital works, which the Leader of the Opposition started without money, and meet some of the obligations. It wouldn't be enough, but, for instance, pay towards completion of the school projects they started, again, land claims of the roads that were built. We would use it to fund the operational deficit which they left, and also the financing cost and principal repayment of their [\$]340 million loan they borrowed. That's what the money would do.

It's not to help the Government, as such. It does not affect the Government's operational deficit or surplus position. So, the idea, Madam Speaker, which unfortunately continues to be perpetuated in the Motion before the House, that the Government should stretch the deficit over a number of years as an alternative, as stated in the final paragraph of the Motion, implying that somehow the Government's deficit position is impacted positively by the divestment is just not correct, Madam Speaker.

It is therefore also not correct for the Motion to state, as it does in the 7<sup>th</sup> "WHEREAS" Paragraph, that this divestment will produce revenue in the short term. Unfortunately, it is also not correct for the Motion to say as it does in the 2<sup>nd</sup> "WHEREAS" paragraph that the Government needed to sell key assets to eliminate Government's operational deficit in the course of one year. No!

Finally, Madam Speaker, again, unfortunately, it is not correct for the Motion to imply, as it does in the second to the last paragraph, that somehow the Government had planned to balance the budget through the sale of the building. No!

Indeed, Madam Speaker, to illustrate, it is possible for the Government to divest assets and still run an operational deficit each year, because the deficit or surplus is simply the difference between the revenues and the expenditures. We know that.

Madam Speaker, it is unfortunate that there should be such fundamental misunderstandings as evidenced by not one or two, but in four out of the nine paragraphs contained in this Motion. But I felt that it was important for us to point out these serious and fundamental flaws which seek to support the arguments being put forward in his Motion.

It is particularly noteworthy that this Motion and the position of the Opposition are so important to the Opposition that it led to major threats of marches, which started to catch the attention of the international media. And as evidenced by the weaknesses in the presentation of the Motion, it is surprising now to see

that the Opposition's position is based on what appears to be a limited understanding of such important concepts as they relate to the divestment of the Government Administration Building, if that were to happen.

Nonetheless, Madam Speaker, I go back to explaining the rationale for this proposed transaction last year. Entering into a PFI (Private Finance Initiative) with this asset also meant, not only would the Government have benefitted by securing the necessary cash reserves to comply with our reserve requirements, it also would have meant that the Government, which had limited funds, would not need to borrow additional funds of approximately \$50 million to \$60 million to compensate the construction of the building. Instead, Madam Speaker, the funding for the completion of the building under a PFI arrangement would be provided by the investor.

Finally, Madam Speaker, as the Government has expressed on numerous occasions, it would ideally have liked for the Public Service Pensions Funds to participate in this investment, as this will ensure that members of the Civil Service also benefit directly from the transaction via the returns on investments which will accrue to their pension funds. But I don't know that anybody wants to do it.

Madam Speaker, it is important for the House to understand—and certainly, for the Leader of the Opposition to recall—why the decision to pursue the divestment strategy was taken with such urgency and in such a deliberate manner in October 2009.

By entering into a PFI where the building would be paid for over a period and owned by the Government, the Government will effectively enter into a mortgage for the building. This means the building will be paid for over time in the same way a family would use a mortgage to pay for their home. But when a family borrows from a bank to build and then finds themselves in a position not able to meet the payment, either they have to rent the building or let the bank take it back.

Madam Speaker, based on the Government's poor financial situation, which we found in May 2009 and continued into October 2009—and the Opposition is aware of it, and it is widely known that they caused it due to their mismanagement of the country's finances—it was decided that paying for the building over time was the best solution, especially over the next few years during a challenging economic period. More importantly, Madam Speaker, it would have enabled the Government to fully comply with its reserve requirements for the current fiscal year which ends 30 [June 2010.]

Madam Speaker, it is important to note that the United Kingdom had to grant permission for additional borrowings to be included in the budget last year due to the fact that the Government failed to meet the requirements of the Law for the year ended June 2009. And the UK was not amenable to allowing

the Government to fail to comply with the requirements of the Public Management and Finance Law.

Therefore, without taking this action we would have needed to find some other way to raise that amount of money in cash to meet the reserve requirements during this current financial year. Several of us went to the United Kingdom then, but they were set on their way at that time, and they said so, on income or property tax. So they told us in no uncertain terms that we had to comply.

I saw where the former Minister of Education was trying to say something different, but we know his modus operandi. He can't get up unless he thwarts the issues, unless he confuses the public the way he would think he confuses the judge or a jury. Yeah, but that does not work. The truth is the truth! And even when they try to thwart it, it is still the truth.

My Government did not feel it was prudent to lay off hundreds of civil servants during a period of high unemployment, and did not wish to raise those kinds of taxes by a further \$50 million or \$70 million dollars on the community in that way. And we could have taken, *Let it happen, let it just go*. What would have happened to the people in their jobs in the Civil Service? What would have happened?

The UK might have done what they did in other countries, but that urgent decision was taken as a workable alternative to enable the Government to continue to function. And it was in the best interest of the Cayman Islands, Madam Speaker. It was in the best interest of the Cayman Islands, and they knew it.

But, of course, it's easy to whip up people's emotions. It is easy to get on a bandwagon and get out there and say, *All these things are happening, let us march and demand or we are going to do this*. Sure it's easy to that, but what about the country? What is still left outstanding? Ha! The bills! The money still not paid!

Now, Madam Speaker, I hope that I have provided sufficient history, which explains not only what we intended to do by divesting the Government Administration Building, but why it was necessary at that time. And I wish to conclude that history by saying that due to the bureaucracy, politics and otherwise, and a host of other reasons, our plans to divest the building will not be possible during the current fiscal year. So it is not going to help. We have to find other ways of doing it.

I don't know. But we will find a way. The Lord is going to make a way for us. I believe that. And I believe we are going to get past all of this, Madam Speaker. Even when they get up behind me to slaughter me, that, too, shall pass! And they will only satisfy their egos and try to satisfy a few PPM supporters who would clap their hands and say, *Good boy Alden, Good boy Kurt, unnah did right. Beat up that old McKeeva!*

But what about the country, where is the money to pay the bills? Where is the money to pay the Civil Service? Borrow it, you say. Borrow it? How

much more do you believe this country can take in borrowing before we get into trouble? Or don't you consider that the Triple-A+ rating that we have means something? Or don't you believe that we can lose it?

Just look at other economies. Look at what is happening to them. Look at the Greek Islands. Look at where they are.

We have survived that particular challenge financially because this Government took the necessary action to ensure that while revenues were lower than expected, expenditures were aggressively controlled. Indeed, we have been focused on cutting both operational as well as capital expenditures even further over the past three weeks, and with much success, Madam Speaker. I, therefore, hope to be able to report within the next few weeks a new forecast relating to the deficit position which will be improved by our identified operational expenditure cuts as well as our cash flow position, which will also be improved by our capital expenditure cuts as of the end of June 2010, within the next couple of weeks.

Now you want me to give back the revenue we got from the financial private sector. Want me to give it back, they said. Make up your mind *nah!*

Are you with us or are you against us?

You're against us!

Our revenue strategy is working, Madam Speaker. It is working.

[inaudible comment]

**The Premier, Hon. W. McKeeva Bush:** You should!

I hear them say they are shaking, Madam Speaker. They should.

Look at the damage they've caused! They should shake! Should shake! Because they take it, *get up and give him licks; that's what we want to do*. Because there is no answer different, Madam Speaker, no matter how they paint the picture. They can't bring any different answer.

The Member for East End is talking about he is shaking. Shaking? He needs a flogging!

[laughter]

**The Premier, Hon. W. McKeeva Bush:** Let's address the current state of affairs on this issue, Madam Speaker. The country's economic situation has not improved very much compared to last year. They say I'm to blame. And I say not very much, Madam Speaker, although the Government has certainly approached the issue of expenditures in a far more prudent manner than the previous administration, and it has resulted in lower than forecasted expenditures.

In addition, while we do not have the very latest forecasted end-of-June position, we believe it will definitely be a lot better than the \$81 million deficit the country faced last year. And, Madam Speaker, it will be better than the forecasted deficit of \$57 million which was reported a few weeks ago, as we now have

the benefit of the additional cuts we have carried out. And also, we now have our end-of-February actual figures to prepare a revised forecast for end of June.

That said, Madam Speaker, going forward the country still faces the same challenges relating to its cash needs to support what can kindly be described as an overly-ambitious capital expenditure programme by the previous administration. That programme has placed a stranglehold on the Government today. We have wrestled to deal with the burden of having to finance these very ambitious projects with no incoming cash to finance them and with the prospect created by the previous administration of having to increase our borrowings reluctantly in order to meet these projects.

They have been struggling to explain to the country that they had to do those buildings, that programme. And in the years 2005 to 2009, as an Opposition we said then, Madam Speaker, there is no doubt that work needs to be done but if there is no money then what was the plan? And the Government of the day came back with the foolish proclamation *not on the kindest of mornings would I listen to you*.

All we were asking was, *Tell us Bobo, where is the money?* Tell us. Show us your plan that you keep saying I don't have today. Show us your plan. Show us that it is not divergent of what you're saying; you're going to have a balanced budget when your income is going down and people are leaving the country.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Rest me! Show us the plan! You said the same thing and you still went out and did that.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Yeah that was a good time—after the horse had gone. Good time to lock the gate, after the cows are gone and somebody has gotten them and carried them somewhere where you can't find them. Took um!

The Member for East End talking about he knew. Then if you knew, Bobo, you should have told the other two.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I just want to elaborate on one aspect of what I have to say in these closing minutes, and one aspect of what I have just said, with your indulgence.

The vast portion of capital expenditure needs, even at this stage, comprises the capital required not for new projects, Madam Speaker, but solely to complete the existing capital expenditure programme which the last administration embarked on without any

plans as to how these ambitious projects would be financed.

Did you leave a plan for financing?

So, we are here today faced with this proposition which I now outline to this honourable House: Based on our latest assessment of capital and financing needs, we must find \$110 million to finance the completion of the schools and the Government Administration Building, which also does not include any road works associated with the completion of the building, as I pointed out just now.

That amount does not include capital requirements to inject funds into the various other entities, probably \$25 million to \$30 million, which is carried out each year. It does not include the principal portion of debt repayments that we make each year, and they brought it up to approximately \$26 million. And it does not include financing to cover any potential deficit we might face at the end of the next fiscal year or in June of this year, which both have to be done.

Finally, and of critical importance, Madam Speaker, it does not even include minimal new capital projects for this Government. We are struggling as a new government to try to put in place some of the things that are necessary.

The Bodden Town Seawall. Is that what it's called?

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** The storm protection wall.

All those things are needed. We are struggling to do it. And what you heard me name out here, Madam Speaker, does not include anything new. With the Government's revenue barely covering our expenditure, where will the funds come from to meet these great capital expenditure needs?

One answer to this question, Madam Speaker, is to divest certain assets, utilise the cash from these assets to assist with the current capital financing needs, benefit by not having to finance the completion of the building at this stage, which the Government's cash flow does not permit, and to also benefit from having to repurchase these assets over time. This solution works, Madam Speaker, if the interest rate is sufficiently competitive. And it is certainly the Government's intention, as I said, to pursue only very competitive arrangements in this regard. Nobody is being called to think.

You think I am going to do what that Leader of the Opposition did with the insurance programme for these Islands, in what happened in Cayman Brac, and say he didn't look at the fine print? That he didn't know Cayman Brac wasn't covered? No!! I am not going to do anything like that, Madam Speaker. Even with my limited, what they call no education, I got better granny wits than that. I am not going to do that.

Anything I enter, as such (you can learn from mistakes), I will make sure that the interest rate is something that we can handle, that it is not going to fluctuate to the extent that we lose at the end of the day. And they can talk about bonds but I will give him an example, Madam Speaker.

When I came here I found a bond for \$185 million signed for 7.5 per cent, or something thereabouts, and I said, *Wait a minute. We have to be able to find better rates than that.* But we were committed. We were committed, they had signed it with Morgan Stanley. And what did I do? *No, no, let's look somewhere else.* A good thing because lo and behold what they hadn't told the country was all this other mess that we found that came up to just over \$200 million something, \$300 million. If we had gone and did that at that stage, \$185 million we would have to run back again to the world and say, *I want some more money*

Now, that would have made the Cayman Islands look good! That would have put us in good standing for those people who like to talk about that I made things happen!

And, Madam Speaker, what happened? I said, *No! Naw gine do it!* Well we were committed, couple of hundred thousand dollars. I said I'll pay that. And we had to get out of it, because we needed over the \$300 million. And, Madam Speaker, at the end of the day what we got, saved the country still in interest rates over the period of time, over \$30 million. Saved the country!

They want to talk about bonds. He does not know what he is talking about. He wants to reap up and he thinks this is Truman over here and he can't get anything, he would have no recourse (like they say they have the last say and think that is going to put it right). Is that going to put the money in the bank? No! Not by them having the last say. That is going to fix the interest rate? No! Not by them having the last say. Is it going to pay the bills at the Glass House? No! Not by them having the last say. Will it bring the deficit up to a surplus? No! Not by them having the last say. Last say?

We would only pursue very competitive arrangements in that regard, Madam Speaker.

A key benefit from carrying out such divestment, and which is not available if the Government were to simply borrow in the traditional manner as he is suggesting, is that the Government secures access to cash up front. And this is in comparison to the situation of traditional financing where the bank, for example, would lend an amount equivalent to what is required to complete the building only. This would, of course, mean that the Government would have to use the loan funds solely for the completion of the building, and would certainly also mean that it would not be able to secure access to cash to finance unrelated capital projects.

So, yes, we must seek alternative methods of financing these capital expenditures, and private finance initiatives, such as the one contemplated with

the Government Administration Building, is one way of achieving our goals.

The new airport: The new terminal in the United Kingdom, [cost] over \$80 million. But the United Kingdom is getting money from it. Other countries have done the same thing and they are getting money from theirs. All you have to do is to make sure that it is done right. And certainly, the Central Tenders would be handling it; that is where that one went when we stopped it.

So, Madam Speaker, in conclusion at this time I am unable to support this Private Member's Motion. I hope that my remarks about the Motion have set out clearly the rationale for the Government's decision to have considered the divestment of this asset as well as others. And I also trust that I have made some contribution towards correcting the misconceptions and perceptions, which are evident from the presentation of the Motion.

Madam Speaker, the Opposition should consider that nothing they are doing here today is helping the situation. They have been talking and what we are discussing cannot pay one dollar towards the bills. It cannot help Government balance one dollar towards the deficit.

Madam Speaker, the Leader of the Opposition has clearly not said any solutions. *Maybe this, on one hand this, on the other hand the next; maybe that, maybe this.* That cannot . . . *perhaps this, perhaps the next thing,* those things cannot manage the country. So, let them get up and beat me up as they want to, but it will not help this country. And I say this, with the help of the Almighty God . . . yes, we are struggling. I've never had it so tough. I've never been in a government that we have had such a mess to deal with all around. Is it all their fault? Of course not, Madam Speaker. Nobody can say that. But the things we are talking about here that are under consideration now is all theirs.

We are going to pull this country through, Madam Speaker. The Opposition will throw up more road blocks. They are going to spin their stories; they are going to go on the radio shows and the blogs and say all sorts of things, as they have been doing. But I am determined that we will beat this situation. The Cayman Islands is still a strong country.

Yes, we do have problems. We are praying hard about them, and God is going to help us. I do believe that. We have some time to get out of these dark waters that we are in, but we can do it. The efforts we have made, Madam Speaker, in going abroad telling the people about this country and what we want to do . . . people are saying the needle has begun to move. It is going to take time, and this will be a telling year for us. But we are going to pull out of this. We can pull out.

We cannot withdraw fees at this point in time or else the country will flounder. But what I have promised the country is that if we can bring back foreign investment and the money will move and people

work, and businesses make money and people get jobs, Madam Speaker, Government gets revenue.

Consider the number of things that have happened. Five or six thousand people left this country. That has practically destroyed this economy. People might not think so, but that is five, six, seven thousand people worth of expenditure gone—gone to Dublin, Canada, Europe, some islands in the Caribbean. Madam Speaker, we are going to get through this. While we have it tough, we are going to get through it.

**The Speaker:** Thank you, Honourable Premier.

Does any other Member wish to speak?  
[pause]

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, the Motion which I have seconded and which is now under debate seeks two resolutions of this House: **“That the Government do reconsider its proposal to balance the budget by the divestment of Government assets, and in particular, the new Government Administration Building.”**

And further, that **“the Government considers entering into discussions with the United Kingdom Foreign and Commonwealth Office with the objective of agreeing a plan by which the operational deficit of the Cayman Islands Government will be eliminated over the course of the following 3 years without the need to dispose of key assets.”**

Madam Speaker, this was tabled in the office of the Clerk on the 16<sup>th</sup> day of February this year. The intention was that it would have been debated and dealt with in advance of any further action being taken by the Government in relation to trying to resolve the fiscal challenges which this country continues to face.

Now, Madam Speaker, those who are listening to this debate must be thoroughly confused after the contributions by the Premier and the Fourth Elected Member for George Town, because most within the sound of my voice would have heard the Government’s announcements over the course of the past months—*We’re divesting the building. We’re not divesting the building. Perhaps we’ll divest the building.* And they would be wondering a) what is the purpose of this debate? and b) really, what now is the Government’s position in relation to that?

I, for one, am no clearer now about what it is the Government actually does propose to do with this Government Office Administration Building.

In relation to the second resolution sought, when the budget was presented to this House on 2 October, and the Financial Secretary and the Premier spoke at some length, they were adamant that they were producing a balanced budget, one that actually showed or projected a small surplus, that what they

presented complied with all six principles of responsible financial management in accordance with the provisions of the Public Management and Finance Law. They were going to do all of this in eight months.

Madam Speaker, the Leader of the Opposition, then speaking on behalf of the Opposition, raised concerns in his speech about the impact of the divestment of this building. He raised concerns about the viability, the accuracy, the realism of the projections. And, Madam Speaker, that was the Leader of the Opposition who had just emitted office as Leader of Government Business, having received advice and assurances in relation to projections which subsequently proved to be completely wrong, had missed the mark by a mile.

And so, Madam Speaker, there was a reason why the Opposition urged an acknowledgement that the nature of the problem which this country faced then, [and] still faces, was much more than simply a case of how poorly our administration had managed the fiscal affairs of this country; that it had to do with the impact of a global recession which, certainly, the Premier was loath to acknowledge even existed.

It had also to do with operational the expenditure of the Cayman Islands Government, and that these issues were so fundamental that we could never, regardless of how many magic wands the new Government came armed with, move from a position of an \$81 million deficit at the end of fiscal year 2008-09 to a position of surplus at the end of the 2009-10 year. Madam Speaker, it was a *pretend* budget, absolutely a *pretend* budget. I would need the good Lord himself to tell me that those who presented it didn’t appreciate that that was what it was.

So, Madam Speaker, the reason why everyone listening to this debate must be thoroughly confused at the position the Government now takes is that, having gone to the UK, and having done what we have been urging—for once, lay the cards on the table and talk frankly to the UK about what the circumstances are—the Government comes back and the Premier announces that they have agreed with the United Kingdom that we must resolve our fiscal issues, we must get our budget back in balance over the course of (imagine this) a three-year period—not only what we said during the debate, but somehow, Madam Speaker, what is contained in the last “RESOLVE” section of the Motion.

With your permission, Madam Speaker, I will read it again: “. . . **THAT the Government considers entering into discussions with the United Kingdom Foreign and Commonwealth Office with the objective of agreeing a plan by which the operational deficit of the Cayman Islands Government will be eliminated over the course of the following 3 years without the need to dispose of key Government assets.**”

So, one wonders, Madam Speaker, why the Government feels so aggrieved by the presentation

made by the Leader of the Opposition, and why it says it can't support the Motion. They've said they are not going to divest the key government asset of the Government Administration Building.

There's a letter, Madam Speaker (which, with your permission I will read), from the Foreign and Commonwealth Office to the Honourable Premier, dated 12 March 2010, signed by Colin Roberts, Director of the Overseas Territories Directory.

**The Speaker:** Honourable Member, are you going to give me a copy of that?

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I am happy to lay it on the Table of this House. And, obviously, Madam Speaker, for you to have sight of it we can . . . I think we may have an extra copy, Madam Speaker. My apologies.

**The Speaker:** Thank you.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I am not going to read the whole letter. It is available on the Government's website for those who would like to see the whole document.

*"Dear Premier,*

**I would like to thank you and your delegation for coming to London to discuss the challenges you face in balancing the Cayman Islands' budget. At the end of our discussions, I promise to set out the key conclusions and the main elements in the development of a sustainable recovery plan over the short to medium term. You are due to present a budget in April, in which you will communicate your plan to eliminate the recurrent deficit in the public finances of the Cayman Islands by the end of your 2012/13 financial year."**

Madam Speaker, over to the second page and the penultimate paragraph:

**"We will be happy to discuss your borrowing requirements once we are satisfied that you have a credible and deliverable plan to balance public finances within the next three years that can be presented through your budget in April. You agreed to provide this to the FCO in draft by 31 March 2010."**

So, Madam Speaker, the three-year window that we have advocated from the start is what the Government has now agreed with the FCO, except, Madam Speaker, it has taken them the best part of a year to get to this point, having presented a *pretend* budget which has absolutely failed.

Madam Speaker, when I listened to the audacity of the Fourth Elected Member for George Town [Mr. Ellio A. Solomon], talking about the budget that they presented and its compliance with the principles of responsible financial management, I was wondering where he has been over the course of the past few months, because we have had announcements indicating that the Government is projecting, or was at

that point, initially a \$56 million deficit, and subsequently that was revised upwards to \$62 million at the end of this fiscal year.

Now, Madam Speaker, I wonder about the rhetoric of the Premier and its point. How does that advance this cause? I believe that if there are people on the moon, by now they must know that the present Government blames the previous Government for Cayman's fiscal problems. There's nothing new in any of that. And I am not going to spend time arguing who is right and who is wrong about that. But, Madam Speaker, this Government has done little or nothing to address this fundamental problem. It needs to stop spending so much time blaming, finding reasons and excuses why it is not their fault.

They've completed almost a quarter of their term. We are no further ahead today than we were back when they took office in terms of resolving this problem, except that we now have the benefit of a report commissioned by the Premier himself, albeit on instructions from the Foreign and Commonwealth Office, which identifies a whole range of issues that have contributed to the position we are in today.

Madam Speaker, no one, certainly not me, on the side of the Opposition would not acknowledge and accept and admit that we had a role to play in the country's finances getting to the situation they are in. But to adopt for purely political purposes the simplistic argument that all that went wrong can be laid at the feet of the PPM is one thing. But, Captain, you're in charge of the ship now and it is high time that there is a plan—a plan that the country can get behind; a plan that the country can understand. We have had so many changes in position that most people I talk to are completely bewildered. They have no idea what is being done to resolve this problem.

So, Madam Speaker, we just go from panic to panic, to panic, because for one reason or another, the Government has not been prepared to make the decisions it needs to make. It keeps throwing out this suggestion, by virtue of one Member or another, this proposal, this recommendation which then gets the place in upheaval again. Had the hard decisions that needed to be taken (some of the key ones at least) been taken back at least in October, the country would have settled down by now and we would be nursing the wounds, because there is no question that there is going to be pain, more pain, to be able to get the country back in the fiscal position it needs to be.

Madam Speaker, it is unforgivable that almost a quarter of the way through their term the Government still has no plan. Or, if they do (let me not be presumptuous), they have not articulated any plan. Seemingly, Madam Speaker, reading from Mr. Robert's letter of the 12<sup>th</sup> of this month, they are working now on a plan to get the country's budget back in balance by the end of their term.

Madam Speaker, that is a plan that we would all like to be able to get behind, but for it to work it is going to require the support of all concerned. And an

acknowledgement by all concerned of the nature of this problem. And the answer is not the short answer, which keeps getting trotted out every time a member of the Government Bench speaks, "It's the PPM's fault."

Madam Speaker, we've got to come to grips with some of the hard findings of the Miller/Shaw Report. Hard findings like . . . which I know the Government doesn't like to hear, and must have had a haemorrhage when they read on page 57 of the Report . . . Madam Speaker, do you have a copy of that?

**The Speaker:** No, I don't have a copy here.

[pause]

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I referred you to page 57, but I would first like to quote from page 17 where the author says, "**The rapid expansion in the size and cost of the civil service is the main reason for the continued growth of Government's spending.**"

On page 57: "**These excess personnel costs must be seen in the context of Government's recently having to go to the financial markets to borrow US\$312 million. Many people commented in Cayman that the reason for the borrowing was because of the capital being spent on two new schools and the Government office building. In fact, the cause of much of the borrowing is the need to pay the aforementioned excess personnel costs. Without the recent increase in personnel costs over and above growth in GDP, both new schools could most likely have been fully funded from normal revenues.**"

" . . . **Government employees have received additions in pay and benefits not shared by the economy as a whole and definitely not affordable.**"

Now, Madam Speaker, I raise that to say that as long as the Government is insistent that there are not fundamental problems with the system, and that the cause of all that has gone wrong fiscally is because of poor fiscal management by the PPM Administration, we will be exactly where we are today—ten months into the administration and nothing yet done to significantly impact operational expenditure by the Government, which the report, commissioned by them, indicates *is the fundamental problem*: operational costs and contingent liabilities, the cost of health care and the cost of pensions.

Those are the issues. And those are all driven not just by the kind of benefits, but by the sheer number of public servants, which the Report indicates the total core government and statutory authorities and government-owned companies is somewhere around 6,000. Now, Madam Speaker, to the extent that the elected Government can be held responsible for significant increases in the number of public servants,

then the PPM Administration has to take that responsibility. And I do, to the extent that we are responsible.

There are some programmes that are driven by the elected Government which would have the effect you would expect of requiring more people to do the jobs. But I challenge anyone to go and do the analysis and determine if the 800-plus persons who were actually added to Government's payroll in our four-year term are actually the result of policy decisions taken by the administration of which I was a part.

The reality is—and the Government well knows this, certainly the experienced Members over there well know this—if they could change operational expenditure by simply making a decision they would have done it, not just in this term, but over the course of the next three years. Their projections indicate virtually no change in operational expenditure.

Let me read from the findings in relation to that, Madam Speaker, in the Report, on page 31 the author says . . . well on page 30 he says the strategic policy statement for the 2010-2011 forecasts . . . he regards them as "**challenging in seeking to achieve an operating surplus.**" And on page 31 he goes on to say that there is no evidence of substantial reduction in Government expenditure. And for the 2009-10 year, 1.1 per cent below the 2008-09 year; for the year 2010-2011 fiscal year, 0.1 per cent below the previous year; and for year 2011-2012 1.7, per cent below the previous year.

So, Madam Speaker, as I said, a point must come when the new Government says, *Okay, we blamed the last government for everything that has gone wrong, fine. We draw the line and we have to accept responsibility for making the changes to fix the things that they didn't fix that we thought they ought to fix.* But before we get to that point there has to be acknowledgement that while those who were in charge, in the view of the new Government or anyone else for that matter, did some things wrong or did some things they ought not to have done, made some decisions they shouldn't have, there are fundamental problems with the system which we must address otherwise no matter who steers the ship when there are difficulties, such as the case is now, the ship will founder.

When revenue streams are strong, Madam Speaker, no government is going to get into this problem. It is when revenue streams fall off, because of the narrow revenue base that we have, and because traditionally (and the Report says over the last 20 years) we have never had really significant surpluses or a contingency fund—doesn't matter who was in government. And those are the kinds of problems that we have to fix. Those are the sorts of factors that must feature in any plan put forward to the United Kingdom Government or to the country about how we are going to resolve the present problems that we have.

It is time, Madam Speaker . . . and maybe at the end of the month we will see it. It is time for the



Government to tell us what the plan is. And, Madam Speaker, this is no joking matter. It cannot be another *pretend* budget that assumes there are going to be revenue streams that just don't exist.

*[inaudible interjection]*

**Mr. Alden M. McLaughlin, Jr.:** And so, Madam Speaker, as I said, I really don't quite understand why the Government is taking such a vitriolic approach to the Motion and what the Motion seeks to achieve.

Madam Speaker, the Leader of the Opposition, I thought, dealt admirably with the whole economic basis for deciding to construct the Government Office Administration Building, and, secondly, we share the concerns expressed repeatedly by the Foreign and Commonwealth Office that real care has to be taken in decisions being made about divesting key government assets, whatever they are. And, Madam Speaker, I should say that there are government assets which we believe real efforts ought to be made to divest.

Madam Speaker, we have become used, almost inured, to the constant beatings about our fiscal management. But one of the big drains on Government identified in the Miller/Shaw Report is the Boatswain's Beach Cayman Turtle Farm operation. Not only did the Government at the time dump some \$60-odd million into it to develop it, but it's costing us between \$10 million and \$12 million a year to subsidise its running.

So, those sorts of assets we'd be happy to support privatization of. But assets, entities which are actually saving government money—as would the Government Office Administration Building—or actually making money for government—such as the Water Authority—are really not the kind of assets we believe ought to be the subject of divestment or privatization or anything of the sort.

So, Madam Speaker, I don't want the Government or anyone else to come away from this debate with a view that the Opposition is intransigent that we don't think there is any other way of managing these particular challenges and issues but the traditional way of borrowing. And, Madam Speaker, it's all well and good for the Premier to talk about, *Oh what the PPM is proposing is to borrow our way out of this problem and put the country into a debt spiral*. That is not what we have ever said.

What we have said then, what we say now, and what, despite the protestations otherwise, the Government has had to do and is going to continue to have to do until we get the budget back in balance, is fund the deficit by borrowing. There is no escaping that. The money has to come from somewhere. That's what they've done this year, that's what they're going to have to continue to do at the end of this fiscal year when (unless there is a miracle) there will be a deficit. We pray, we hope, that the Premier is right, that the deficit will be substantially reduced below what were

the most recent projections. Because the sooner we get the country on an even keel the better for all of us.

[pause]

**Mr. Alden M. McLaughlin, Jr.:** One moment, Madam Speaker, I just want to check that I have covered all of my points.

[pause]

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, one of the greatest enemies of restoring confidence in this economy and this country as a whole, is the uncertainty that has reigned ever since the new Government took office. Madam Speaker, we have to get past that.

Virtually every country in this world is dealing with these challenges presented by downturns in revenue, principally because of the global economic conditions. But we seem to be one of the few in the world that has responded to the situation with hysterics. And we started off, when the new Government took office, with assertions that the country was bankrupt followed by a world tour by the Premier to assure people all over the world that the country was in fact not bankrupt. We then were presented with a budget, which, on paper was balanced, which projected an operational surplus, only to be told last month that in fact we are actually facing a significant deficit.

*[inaudible interjection]*

**Mr. Alden M. McLaughlin, Jr.:** The Government said that we would have to cut civil servants' salaries and benefits back in September. It didn't happen.

**The Premier, Hon. W. McKeever Bush:** No.

**Mr. Alden M. McLaughlin, Jr.:** Now that's on the table again.

**The Premier, Hon. W. McKeever Bush:** Yep.

**Mr. Alden M. McLaughlin, Jr.:** We were going to sell the Government Administration Building. We're not going to sell it. We're going to sell it.

Madam Speaker, we have to come to some decisions about these key issues. We have to settle the country back down. We need to accept what the situation is, present a plan, work to the plan, get on with the business of rebuilding confidence in this jurisdiction.

*[inaudible interjection]*

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I believe that I have covered all of the points I wished to cover in this Motion. There is another motion that deals specifically with the financial services issues, so

I am going to leave what had been my prepared debate about that until that motion is actually heard by this honourable House

And so, Madam Speaker, I simply want to conclude by saying to the Government that if they actually look again at what the Motion is calling for, I believe they will agree that there is not much difference between us on these issues. If, in fact, they are not going to divest the Government Administration Building, and if, in fact, they are going to carry through with their promise to the FCO to present a plan outlining how the deficit can be eliminated over the course of the next three years, then they should, Madam Speaker, be able to agree with the two resolutions sought by this Motion.

Madam Speaker, I commend this Motion and its objective and intent to all Members of this honourable House. And despite what has been said previously by the Government and its Backbench Member, that the Government reconsider its position and be prepared to accept this Motion so that we collectively can present the unified front to the country on this very important issue.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Third Elected Member for George Town.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

Minister for Education, [Training and Employment]

**Hon. Rolston M. Anglin:** Madam Speaker, I know that the Member who just took his seat has accused me in the past of putting on quite a dramatic show in this House. But I must say this is shades of 2001/2002 when the then Government had to take some tough decisions in this country in regard to the budget.

**The Speaker:** Order please.

**Hon. Rolston M. Anglin:** And, Madam Speaker, it was due to fiscal decisions and performance that had been taken in 2000 and a budget that was presented in early 2001.

Madam Speaker, by way of historical reference, I believe it is necessary for me to remind the honourable Third Elected Member for George Town, the Honourable Leader of the Opposition, and their colleagues on the Opposition Bench, [of the] time they produced their very first budget—the one that I was derided so much for voting against when I said to them and tried to remind them and point out that what they were looking at in terms of revenues was built on the back of the rebuilding efforts after hurricane Ivan.

I challenged them to recognise that the only reason the country was making money at that time—more money than it was spending—was because of

the revenue measure package that had been put together in 2001, and that caution needed to be taken because what was being experienced was unsustainable and that we ought not to pitch our expenditure level anywhere near matching that level of revenue.

Did they listen? No.

And then the greatest travesty, the greatest of travesties was the fact that they went down that road four consecutive budgets, four consecutive years, as has been admitted by the Third Elected Member for George Town. Overburdened the system with (according to his words) some 800-plus new people; on top of that played politics with the future finances of the country by giving pay increases on a larger base of salaries, I believe twice. Played politics to the point that they then went out and started giving away Christmas bonuses—Christmas gifts, they called it—as if the money was pouring out of the high heavens. It would be endless all because they wanted to play politics with the finances of this country.

Then, Madam Speaker, after moving a substantive motion in this House in February 2008, when we asked them to reconsider the capital expansion programme, [they] failed to heed the warning. Of course, every time the Honourable Leader of the Opposition talks about this point he conveniently says, *Oh, but you see, we didn't listen to the then Opposition because who could see the future?*

*[laughter by the Leader of the Opposition]*

**Hon. Rolston M. Anglin:** I can't dress it up so eloquently, Madam Speaker. However he says it, it is the same thing.

Then, Madam Speaker, I heard him on the talk show this week talking about the fact that everything that has transpired with this year's budget they had warned about, heeded about, and could see it coming.

Now, Madam Speaker, let us ensure as a House that we recognise one very important fact in all of these discussions, which is . . . given the electoral cycle in this country incoming administrations, especially during difficult economic times, have an impossible task because you cannot simply draw up and produce a budget that is compliant. Therefore, it takes an inordinate amount of time. It would take a lot of time anyway as they experienced after May 2005. But it took us a little longer because the picture was so dire.

Now, Madam Speaker, in October we produced a budget that was underpinned by revenue measures and a series of asset divestitures and uses. That message was communicated to the country by the Honourable Premier. Unfortunately, what has happened in the country is that we tend to wait until the last minute. So the Government produces a budget, we try to paint a picture that the fiscal situation is grave, but the system does not react, the peo-

ple don't react. Much of what this Government has had to try and push extra hard to have happen over the last four weeks—including the use of GOAP and the sewerage system—was as a result of the system in this country and the people in this country not listening and heeding the fact that we have a serious crisis before us.

Now, how can it be that every day on the local or international news all we hear about is the dire economic situation in every single country around the world, yet the Government could produce a budget that was underpinned by the use of some critical assets and the issuing of a licence to develop a sewerage system network in the country, and the system not react?

People in the civil service, a select few, play politics to the point that they do not act. The fact of the matter is, if from October (when all of this was produced and clearly communicated by the Honourable Premier and therefore the Government) action had been taken, if the consultants that would do the normal work of studying, looking at the proposal, setting up a framework for soliciting tenders, bids, evaluating those and coming up with a recommendation, if all of that had happened with the speed and efficiency that it should have, the Government and the country would have had the benefit of being able to look at the range of possibilities that the private marketplace would have proposed as ways forward. That didn't happen.

And so when the Third Elected Member for George Town says that the Government came with a *pretend* budget, I believe it is from lack of memory. He must have forgotten the fact that all of this was announced, and he must have forgotten that if the work that should have gone into these exercises had been undertaken the Government would have had information to go and dialogue with the country about. What this Government has received is a plethora of unsolicited (up until the ad that went out for GOAP) enquiries.

People have come to the Government with a wide range of options and possibilities, many of which make a lot of economic sense. But there we were, the elected Government, listening, entertaining persons who wanted to meet and discuss and present their views, but saying to them, *Hold on, we can't do anything. The Civil Service system is going to come to the public with a process for the way forward. You wait and present then.* And that simply did not happen.

Did not happen!

In my opinion, it didn't happen because a small number of members in the Civil Service decided that they were going to play God and ignore the stated direction of the Government, because they did not believe that they ought to have produced the documentation that needed to go out to the public.

Madam Speaker, it seems as though there are many—one too many—in the Civil Service that seemed to have only taken anything serious (and for a couple it is only still half serious from what I can see) when the Honourable Premier spoke about having to

reduce salaries. That seemed to be the only thing that woke them up.

And, Madam Speaker, to say that our budget was (as he put it) a *pretend* budget, he quite knows it is inaccurate. He also knows that given the fact that we only passed the budget in October that almost half the fiscal year (four months out of the fiscal year) had already expired.

Let's use one of the initiative revenue measures—work permit fees. Surely the Third Elected Member for George Town understands that any work permit that expired and was renewed between 1 July (the passage of the budget), and then there was another lag which was between the passage of the budget and drafting the regulations for the new fees, which did not happen until January . . . So, for one important initiative alone, half the fiscal year has gone—expired, before it took effect. He well knows that.

So, when he jumps up and moves motions talking about Government considering rolling back the changes when, in fact, some of the changes have not been given any opportunity to work fully, means that we can't listen to that sort of knee-jerk reaction.

When the Premier moved (and I seconded) the Motion in February 2008, we were basing our analysis on observation at the time and concrete performance. Now the Opposition wants the Government, ten months in, six months after passage of our first budget, to now react to their Motion and change course.

Well, Madam Speaker, I could have understood and appreciated a little more if the Opposition was coming twelve months after revenue measures were implemented, saying, *Well, look at where we are at. It's had a full year to perform. Government, we think you should reconsider this, this, and this.* To come with a knee-jerk reaction now, playing politics but sounding as wise as Solomon . . . Well, Madam Speaker, I really don't believe that the arguments put forward to this House are wise. I don't believe that they are well thought out and considered.

I believe, Madam Speaker, it is the political pouncing that the Leader of the Opposition and the Third Member for George Town so enjoy, because at the end of the day, in my mind, they will stop at nothing to regain power in this country! And so they want to try to create upheaval as quickly as they can. There's no goodwill gesture in the Opposition. None!

The only goodwill gesture that the Opposition could truly have put forward would have been to clearly give the budget an opportunity to perform to make clear their position on a number of these important items. Because what is funny is that the Leader of the Opposition, in the grand usual style, kept pointing to, *here's what's on the Government's website. Here's what this said; here's what that said,* instead of saying, *Look, we fundamentally are opposed to divestiture, to use of assets in any way, in particular GOAP. However, here is the range of options you, Govern-*

*ment, would have. If you're going to do it here is the best possible way you could do it. That's the type of analysis this country needs. Here is the best way you could do it. Do it in a sale lease-back; do it in a lease to own; do it this way, do it that way.*

No, the tact is a lot of this and the overall picture was not fully appreciated or understood by the public.

There was a furore because of the way it was played politically by the Opposition. That has died down considerably. But instead of doing the analysis and saying, *Look there's all sorts of forms and ways that a country can do this and execute these types of transactions, and the only way we see that it could make sense is to do it this way . . .* or give the range of ways and then give the range of ways that they would be fundamentally opposed to. But no, no, let's get in a fight because we see the word "sale," "divestiture." Let's get in a good fight because we now need to pounce on you, the administration, because we need to clearly set entrain our election campaign for 2013. The election campaign for 2013 is well on the way. That's all this is about.

Madam Speaker, when I looked at the Motion, the second paragraph, "**AND WHEREAS the need to sell key government assets has arisen because of the Government's decision to attempt to eliminate the Government's operational deficit in the course of one fiscal year;**" that speaks volumes to the state of confusion in the Opposition camp, but more importantly, to the state of confusion they want to perpetuate in this country.

Madam Speaker, I think they know that the sale of government assets, the use of Government assets in any way, shape or form, whether it be in a private financing arrangement, a P3 arrangement, a sale, lease-back arrangement, a lease to own arrangement, name it; they know that there is not any additional excess to emanate from that, surely should never be used to eliminate the Government's operational deficit. The deficit is the operations of the country.

The use of assets is purely capital and balance sheet in nature. Would it have assisted, as the Honourable Premier made clear in October, in strengthening the Government's cash position? Yes. The key driver behind the talk of use of assets is because the Government believes that there can be a value proposition in the use of the assets. That value proposition would create a number of things: 1) it would create additional cash. In these times in which we live we ought to know and appreciate that the more cash we can accumulate, the smallest amount of debt we incur, makes the country better off.

Let us use GOAP. The Government's view on GOAP is simple. We would rather have an arrangement where the country can be in a position to be able to pay for that building in a different style than traditional borrowing. Some of the unsolicited proposals

that I have seen have been things like a mini bond. It has ranged from a mini bond issue, right up to creating a hedge fund, which could attract local investment, including pension fund money, potentially straight out to a more efficient mortgage. The proposals have run the gamut.

If Government went in any of those veins the ultimate desire in terms of determining a value proposition and a structure that would be acceptable to us (we have said this) would be one in which the country pays for the asset once. They have continually made this point of, *Oh well, what's the sense of leasing it back, paying for it then, and then at the end of the term having to pay for it again?* I have said at least four times in local media and talk shows, any such proposal would not be one that the Government would accept.

Let us use the simplest form of lease arrangement that could be understood in this situation. Let us talk about a lease to own package. If a private entity, whether it be a local hedge fund set up in which persons could invest locally, or whether it be a financier who wanted to undertake the finance privately, [inaudible] or a bond offering, let it be any of those options. Or, ultimately, what would be a deal breaker would be anyone who came with the proposal for Government to pay amortized payments over ten, twenty years and then have to repurchase the building at the end. I have not seen any proposal come to the Government which indicated that.

Madam Speaker, I think people in the marketplace understand that the Cayman Islands actually exist in this world. There isn't some cocoon over the world and so they could come in and be able to propose something so preposterous and that we would accept it. No presentation that I have seen has indicated any such structure, because people understand that Government would be crazy to go down that path in terms of a package in which we would fund GOAP.

However the Opposition wants to paint it, let me make this abundantly clear, as it relates to GOAP, or any other private financing arrangement, what the Government would have to come to the country with is an analysis conducted by a third party that shows a value proposition. There are many independent firms that do this: Canada, UK, US, and where PFI (Public Finance Initiatives) type transactions are executed by governments.

The way in which governments are able to convince their constituents (by constituents I mean in the broadest sense the Opposition, the Public, everyone) that the transaction makes sense is that independent analysis. That independent analysis takes everything into consideration. Let us use one that I believe the Opposition has conveniently excluded from their debate, which is the whole issue of ownership risks. Let us not kid ourselves into thinking that once you take up substantive ownership from day one

of a house, a building, or whatever, that there are [not] many risks that go with that.

One of the risks of ownership is destruction. How do you mitigate that risk? You acquire insurance.

One of the risks of ownership is maintenance, having the asset deteriorate. How do you mitigate that risk? Maintenance! A robust maintenance programme!

Anyone who has looked at any private initiative and has looked at how the transaction takes place, how the analysis takes place, understands that those two items alone form the crux around which you can either determine and prove a value proposition or not. Value proposition, Madam Speaker, is a technical term in this sphere that simply means there is value for money; that by doing the transaction government actually creates savings, value, for itself.

Let us use maintenance. Maintenance is awfully expensive. Who in this Chamber can hold their hand up and say that there are any public works departments across the world that are efficient? One of the most notoriously inefficient departments of governments globally is public works. Who is it that maintains government assets?

And so, Madam Speaker, one of the ways in which private financing arrangements makes sense is the fact that when you start to shift some of those fundamental ownership risks, the private sector in its pricing of the overall deal is able to charge government a lease, rent, payment (name it, whatever you want to call it, a payment) that causes government to save net. Because . . . let us pretend we do nothing on GOAP.

So we do nothing on GOAP. And let us use the Leader of the Opposition's example. Let's use a round number, it was \$100 million. If we simply borrow \$100 million, whether by mini bond, whether by a mortgage, whatever form it is, it is simply a financing arrangement and we have to pay that down monthly. However, when Government takes on full ownership risk we still have to insure the building, we still have to maintain the building. You have to add those on to demonstrate what the true cost of ownership is. The cost of ownership is not simply the debt repayment. It is what you also pay to mitigate all the other risks, such as the risk of destruction, for which you acquire insurance; risk of deterioration, for which you have a robust maintenance programme.

So, what the private sector is able to do and has been able to do in many other countries. . . This isn't new to the Cayman Islands or something that is so far out that the Cayman Islands is going down a path that no one else has gone. There is a clear transparent way in which you move along the transaction cycle to be able to arrive at a decision as to whether or not a private financing arrangement makes sense. And so, Madam Speaker, however Government structures it, until it's free, "free of charge," is when you would pay down the transaction.

So, this Government believes that the structure that could create the greatest value and savings

to the people of this country would be engaging with the private sector on a specific asset called Government Administration Building where they could bring the efficiencies of the private sector to the table, save Government money, Government [would] be able to have additional cash in hand and, at the end of the day under residual value transaction, take up ownership of the asset.

Government could choose whatever residual value it wants. If Government wants it to be equivalent to a mortgage, it would be zero residual value. We would put into the contract that we would acquire the asset after the 10, 20 years, at a nominal amount; one single dollar.

And so, in that case the amortization schedule that the private sector would create would look identical to a mortgage. However, the analysis and whether or not it makes sense would be captured in that maintenance programme, their assurance programme, and all the other bits and pieces that go along with ownership.

Now, Madam Speaker, if you wanted to get it off balance sheet, yes, you would have to take the transaction to a full divestiture. If you don't want it off balance sheet then you could do it in a more traditional lease-to-own option. And so it is that type of analysis that we wanted to be able to do between October of last year and the end of this fiscal year so we could make a decision. However, we saw how long it took just to get out that expression of interest and we saw how it was couched.

We saw the wording. This Government has been exposed to what happens when some people in the Civil Service decide that they are going to fight government policy.

Madam Speaker, another emotive argument, and one that I find cute, has been this whole issue about the seat of Government administration. Now, Madam Speaker, I wonder if the Third Elected Member for George Town forgot where his office was up until 20 May last year. The Ministry of Education isn't in any Glass House, and I don't . . .

Well, yeah, I mean Education. And what happened there is a story for the budget meetings. But certainly, Madam Speaker, I never heard that all of a sudden we were compromised because the former Minister of Education took up a lease on Cardinal Avenue in the old Royal Bank building. I didn't know the country was falling apart because His Excellency, the Governor does not have his office in the Glass House.

So, Madam Speaker, this whole "pretend" game . . . we have had ministries outside Glass House, an important ministry. The Governor's Office has been outside the Glass House for years.

To simply follow along this emotive argument of, *Oh well, you see we really need to keep this under complete control of Government because we can't have the seat of Government administration owned or transacted in any way but a traditional borrowing way.*

Disingenuous, Madam Speaker! Really, really, really disingenuous on the part of the Opposition! Really disingenuous!

Now, Madam Speaker, I note that the Honourable Leader of the Opposition drew an analysis that spoke to lease payments, and painted a picture based on lease payments as to the driving force behind whether or not Government ought to build.

Madam Speaker, even after we're in GOAP there is much of Government that is going to be outside Glass House. There is much traffic, as in public traffic, that does not fit well in a central administration location. Let us use simple examples: Social Services Department. You don't put social service departments in a central location like the Glass House. They didn't propose it; we're not going to propose it.

The Education Department: That isn't one that . . . So, there's much of Government's operations that simply would not fit in one location.

Now, the whole argument on lease payments ought to have been one that caused the Government to think long term and try to look at the country and say, *Long term where do we see Cayman in 10, 20 years? Do we believe that creating a new building and going that magnitude in the centre of George Town is the wisest location and choice going forward?* If they went through this analysis . . . certainly, it was never brought to the public as options, so I can only assume that it was not done.

But, Madam Speaker, we have spoken for years in this country about the whole possibility of whether or not we ought to keep concentrating and compacting business and transactions into this very small area that does not have an adequate road network and that causes much inefficiency and much lost time. We would be surprised if we were to really get a tangible study done as to the millions of dollars, or productivity that is wasted and lost every year in this country because of the way in which this country has developed, and the way in which we have compacted everything into George Town.

Madam Speaker, to say that you looked at leases and said, *Well we're paying this much in leases so we might as well go now and take up all the ownership risks that have been disbursed throughout the community*, and the only solution (certainly the only solution I have heard thus far) is to build a huge building at a substantial cost in the middle of George Town. . . One of the reasons leading up to the 2005 election, the reason why that whole project had been put on the back burner at the time, was because—and I remember because I was a backbench supporter of the then government—of these same considerations.

We looked at the cost and said, *Hold on. Can we take the risk of trying to build something of this scale and magnitude given how fickle our economy can be? Can we, and should we, do it in the centre of George Town? Should we go to the private sector and say to the private sector, deliver us a building, here's*

*the specs, deliver us a building, we'll enter a lease-to-own arrangement, you'll make your money, we'll pay as though it was a normal loan transaction, we'll have a one dollar residual value, we take up ownership?*

No one has talked about what that building would have cost if the private sector had done it. It hasn't reached the discussion level. We refuse to think outside the box and accept as a community that if we see best practice, if we see people who can do something extremely well . . . And another point that I don't think any Member of this House will dispute, is the fact that Government is one of the most inefficient builders of assets as well. Almost always if Government builds it, it comes in multiples of percentage points higher than if private sector does it. And we know that.

Madam Speaker, at some point in time these hard conversations need to be had with the public to say we cannot expect to continue doing the same thing over, and over, and over, and not have adverse effects on the bottom line of the country. And as leaders we need to do that. If we can save \$20 million on a building, but go clearly to the public and say, *Look, this isn't the way you're normally used to seeing it done, here is the reason we're doing it and here is what the benefits are going to be*, something tells me the public is going to understand. But if we're going to have this political [to and fro motion] where one side decides oh yes we see a sign of weakness now and we need to jump on top of them. . .

Madam Speaker, we sat by as an Opposition and we watched. The Honourable Premier got up in this House and said to the country, the people have spoken and we're going to give the PPM an opportunity to govern. That we did. There were a lot of points along the way that we could have jumped and made all sorts of political noise, but the bottom line is we felt as though the country had a government, let the government govern, because at the end of the day we still had opportunities to come here and question in Finance Committee, and we felt as though they had to be taking their advice from their technocrats and making those decisions based on that.

Madam Speaker, when we speak to this whole issue of solving the immediate problem but causing long- to medium-term problems, [that is] flowery language. Pure flowery language aimed to cause political wins. We have never said that the use of assets was going to solve all of our immediate problems. What we have said is that it is a part of an overall solution to try and get us to the point until the budget becomes stable.

What we are saying to the country . . . let's go back to GOAP. We are saying it is going to take another \$24 million this year to complete. My understanding is C1 dollars. The project is going to be [approximately] an \$85 million project. What we are saying to the country is: If the Government is able to prove, has proven by an independent analysis and

evaluation from experts in this field—there are expert firms in this sphere. The firms that evaluate private financing initiatives are expert firms; that's what they do. There are a number of them. That's the only thing they do. If Government is able to come to the country with a deal and a structure that makes on one hand economic sense, on the other hand, yes it might not feel so comfortable because this isn't exactly the way we want to do things or are used to doing things, but it assists in getting the country to the point that we can get some cash in hand now . . . What the Opposition fails to tell this country—and sorry, let me just continue in that train, Madam Speaker. If we did that, it would therefore be the opportunity to help stave off the rapid rise of central government debt.

If the Government could do that, it gives the country possibility for assistance in this whole fiscal dilemma. If we do nothing, \$24 million more, central government debt for GOAP, if we do nothing we're back to the country again to complete the schools and what we do is continue to do what we have always done, which is have assets that we don't manage particularly well.

Our maintenance history is shoddy at best. The cost of our maintenance history is exorbitant, and the Opposition knows this. The Opposition well knows this.

The Ministry has received three unsolicited presentations on schools. Again, private sector coming to the table and saying, *Look, you have an asset, you have a transaction. We understand from looking at your budget where you're at. We believe that these highly complex and overly expensive buildings are going to be expensive to maintain.* The first cut that the team in the Ministry developed has said that their estimate on maintenance of the two new schools is going to range somewhere between \$2.4 million to \$4.2 million.

I'm no builder. When I saw it I thought they had gone mad. I said hold on, these are brand new buildings. Brand new buildings! But what they quickly said was, *Well, do you want to do what the private sector does in terms of a robust maintenance and preventative maintenance programme which allows you to have a well functioning efficient asset for a longer period of time, or do you want to skimp now, pay later by major pieces of the asset falling into disrepair?*

When they started to describe to me what type of science this is, this whole maintenance sphere, and what real preventative maintenance is and how you have maintenance audits and maintenance manuals and people go from building to building and they replace this, this, and this after X number of months, X number of years (depending on the particular piece of a component of the machinery), I quickly realised that I needed to take a hard look and listen, bounce it off some people who I trust in private sector and try to ascertain whether or not what was being described was reasonable. And certainly,

Madam Speaker, everyone I have spoken to has said to me, *given what is being built and the way it's constructed, wholly reasonable!*

Naturally, the Government is willing to listen to the private sector if it's able to come to Government and be able to respond to a solicitation and give a proposed solution. The Government would then ensure that a part of the process would be, again, their valuation. If that is the case and we see where we maintain and fund in a slightly different way than we used to, but we see there's a value proposition, we see we can save money. Why wouldn't we do it?

The *why*, Madam Speaker, is simply because at this stage we know what the Opposition is going to do. They are going to jump on the airwaves and say, *Oh no, no; they didn't explain this to us. If only the Government would explain it. If we could understand it maybe we could get behind the Government.* Madam Speaker, that has been the problem for these last ten months, the Opposition has been behind us, but they certainly haven't been patting us on the back. They certainly haven't been trying to be helpful. They been behind us, all right . . . but I'm not going to go any further with that point to say what I believe they have been doing.

Madam Speaker, all this Motion is, is pure unadulterated politics. That's all this is. Pure politics. The Member for East End said tit for tat. Madam Speaker, maybe we should have been more vociferous as an Opposition. Maybe we should have been more vociferous. Maybe if we had, the empire, that I understand has been built up at NRA which is unsustainable, would never have happened. Maybe, Madam Speaker, if we had they would have done things slightly different.

But, Madam Speaker, they governed and made their decisions. I think when all things become clear over the next few months and the public is able to remove the rhetoric of the Opposition from their minds and clearly look at where the country is and the options, and exactly what the Government is saying, I think the public is going to say, *You know what, this is the better way forward for the Cayman Islands.*

Now, Madam Speaker, the Honourable Leader of the Opposition, not questioning the need but the manner in which it was done given how this whole process unfolded between October and now, [asked] is the Government happy? No, we're not happy! We're not happy and we clearly recognise that if people had done what they should have done within the public service it would have given the country, all of us, even all Members of this House, a clear opportunity to really have a meaningful dialogue.

I know, Madam Speaker, that certainly there must be a couple on the Opposition Bench who would have listened to what the Government had to say in terms of how we see any use of assets unfolding, in particular GOAP, and really would have to admit the process needs to be given an opportunity. What we should be debating, when a series of deals come in, is

looking at the situation and saying, *You know what, the private sector has come with three options and we don't believe in any of them.* And the Government may agree and say, *You know what, at the end of the day what has come from the market simply is unacceptable.* That's what we should be debating.

But, Madam Speaker, the Opposition operates like water—wherever there's a little crack and a little weakness, they are just going to flood it with politics. And so the GOAP project has been flooded with politics. Flooded!

Now, I must say that the *honourable* Third [Elected] Member for George Town really creates a challenge for the House. He has developed an uncanny knack for getting up and speaking with great eloquence, but saying nothing. He said, had hard decisions been taken back in October we would not be in the position we're in. And, Madam Speaker, I have yet to hear him get up and clearly tell this country one of the hard decisions that should have been taken; any tangible hard decision.

Madam Speaker, I believe the Third [Elected] Member for George Town must suffer from amnesia, because he was a Minister of Government for four years and he could conveniently try to convince this country that by October he had no idea what was happening in the country and could never come up with any solution. *No, no, the solutions are for Government, we don't have access to the information.* Madam Speaker, he talks tough. He gives all these tough sound bytes, because that is how he ran that Ministry. It was the sound byte ministry, no substance, no real solutions. Let's get a lot of sound bytes out there the public can gravitate to so that we can get some support. A Brighter Future all right. He said that.

And then the one . . . and I heard them on the radio with this. And apparently they're going to go on next week to do an analysis of the Miller/Shaw Report. It is so convenient that they have picked a few points in the Report and said, *Ah, that's inaccurate; we don't agree with that.* But, of course, the one little point that they believe can be their saving grace . . . boy, they are playing that over and over; a stuck record! Page 17 of the Report! Page 57 of the Report!

Madam Speaker, the Third [Elected] Member for George Town has to come clean with the country. He has got to come clean and say what he means by these tough actions that need to be taken. He spews these little points and says, *Yes. There's no doubt we were the Government!* Okay, that one is kind of obvious. Then he says, yes, it was under their administration that the civil service grew by some 800. But, Madam Speaker, he then wants to blame the growth of the Civil Service on the issues and the problems we have. So, it's not the buildings!

Well, Madam Speaker, I strongly submit that the Member needs to understand the relationship [between] borrowing money to build a building and debt financing. The Member needs to clearly understand

that if you rack up around \$300-plus million of debt that you have to finance it. The Member needs to tell the truth about this point.

In my mind, all page 57 of the Miller/Shaw Report proves is that the PPM mismanaged the country in two different ways instead of one! Two, not one! They mismanaged the country because under their leadership they allowed the Civil Service to balloon and explode out of control.

Now he comes along and says, *Oh, (last October, a few months into our administration) you should have made the tough decisions.* Five months into our administration: *Make all the tough decisions in five months. We were reckless, irresponsible for four years now you come along, old boys, and in five months you make all these tough decisions.* What tough decisions he is talking about?

Look at the budget. How is it that you are going to reduce expenditure if it isn't through personnel emoluments?

But, oh no-o-o; I know what he wants to do. I know his game. For almost a decade I've been hearing that Member. What he wants to do now, any solution in that vein, which will be another opportunity for them to try to call a march, another opportunity—because they want to take advantage of every political opportunity—and he will stop at nothing to get back power! I saw it in 2001; I saw it in 2002, all the way through, and I'm seeing it again.

Madam Speaker, that Member had the audacity on the radio a few days ago to say that he wanted to remind the public that when they took over the reins of Government in March 2005 that we had been through hurricane Ivan and the previous administration had done nothing. Yet, they were the ones criticising us for having cruise ships in port in three weeks. They were the same ones criticizing us for concentrating on getting business up and running in the central business district in eight weeks. They were the same ones trying to spread rumours and innuendo of corruption when we were trying to assist people with \$15,000 a person to help rebuild houses.

Madam Speaker, you know I take pride in being an elected Member. And there is nothing wrong with good, solid public discourse. Nothing wrong with good solid, public debate so the public can listen carefully. Madam Speaker, members of the public can say a lot of things about Rolston Anglin. But one thing they can't say is that I don't call it as is, call people out with the facts and tell it as it is. I don't take history and try to twist it all up; ball it all up into one neat little ball.

Madam Speaker, he said the poor fiscal management by the PPM being the cause of the dilemma is simply not true. But, Madam Speaker, if we look at what has happened over the last four years, then who is responsible for it? Who is responsible for the growth in public expenditure? Who is responsible for the grandiose projects that are unsustainable in a conventional sense? Who is it?



Who is the mystery government? Who was it that mysteriously met every Tuesday up at the Glass House and made these decisions?

Was it all Mr. Clifford? Was he a government of one? Is that the reason it's only he that is not here?

Was it Mr. Jack? who is now gone. Madam Speaker, the last time I checked there were five Ministers. Five Ministers! And at the end of the day the previous Government has to take responsibility. We are where we are because they failed to heed the warnings that we gave them.

Look at this, Madam Speaker: In a rush to try to win the elections, the Third Member for George Town recklessly entered this country into two of the most ill-considered projects—those two school campuses—signed the contracts in May 2008! You know why? When the private sector contractor said, *Look, there's too much risk involved here. We're not going to bid these.* Oh no, no, no, no, we had to move forward. We had to get it done. Education is the most important thing. The sound-byte minister. Eight hundred plus people they hired.

Yet, they were the government of education, you know. Yet, Madam Speaker, UCCI is in the biggest mess you could imagine! Thank God for the stabilizing force that Mr. Bodden has now provided to that University.

But, Madam Speaker, I cannot wait, God willing, for the budget meeting when I can give the comprehensive update on exactly the state of education services in this country. Can't wait! Can't wait, Madam Speaker! Eight hundred plus people! Not one senior strategic adviser in Government in permanent post in the Ministry. Not one! Not one!

Madam Speaker, you inherit a ministry that has seven people hired at ministry level. Facilities they said. A facilities director, two facilities managers, four facilities coordinators and the school plant is in the worst shape it has ever been in. What the Third Member for George Town needs to tell this country is that not only did the previous administration rack up the most expensive four-year tab on capital and recurrent expenditure in the history of country, we have nothing to show for it. There's nothing to show for it in the Ministry of Education. Not a thing!

Madam Speaker, talk to the teachers about human resources management, a department that employs 900-plus people. That's one area, everyone on this side recognises, that when it comes to HR you can't manage centrally. There are some big pockets in government that need specific attention.

Madam Speaker, teachers have zero support from HR perspective. I inherited a system which has public school teachers getting Golden Apple Awards, yet that same minister didn't renew their contracts under his administration. Let me repeat that: Teachers getting Golden Apple Awards under his administration, contracts not renewed. Why? No attention, no care being paid to teachers.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** None!

None, Madam Speaker!

Glowing evaluation! Four and five I was shown, yet when we did the investigation the principal said, "Oh no, no, no, can't have that teacher back. Uh-uh, poor teacher."

Golden Apple Award winner, four or five evaluations, can't have him in the classroom, shouldn't be in front of our children. And then we are surprised that literacy levels are low, numeracy levels are low, when we are not paying attention to the fundamentals. All he ever came down here and bragged about for four years [was] that he was building this team. I am still looking for the team.

**The Premier, Hon. W. McKeever Bush:** Alnaschar!

**Hon. Rolston M. Anglin:** I think the only place that I need to look now is up in the ceiling on Royal Plaza. Maybe they are up there hiding because I haven't been able to find a single soul.

The fact of the matter is, Madam Speaker, we have gone through the most expensive period in the history of this country and we have nothing to show for it. I want the PPM to show us—show this country—what it is that we have to show. At least, Madam Speaker, if we could look at a system and say, *Well, yes, it was grandiose and they went overboard but boy look at the system. Look at the great system they left us!*

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Look at the system . . .

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Well the curriculum got pulled off the internet.

**The Premier, Hon. W. McKeever Bush:** Yeah. They say—

**Hon. Rolston M. Anglin:** But that's a story for another day!

**The Premier, Hon. W. McKeever Bush:** He said that wasn't true.

**Hon. Rolston M. Anglin:** Oh, wait until they see [how] the documents compare!

*[inaudible interjections]*

**Hon. Rolston M. Anglin:** Oh-oh.

Madam Speaker, "pretend" budget, vitriolic approach to the Motion.

Madam Speaker, yes, there are times (I will be honest) when I get downright angry because I cannot believe that you can sit there for four years in governance and all you concentrate on is PR and dressing things up. That's all you concentrate on. Pure PR, prettying things up, no attention to the fundamentals!

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Ho, ho!

Madam Speaker, I can tell the world this: God willing, at the end of these four years (if I am still alive), this Government will have produced real results for this country even in difficult, trying times. We would have produced real results, stabilised the most important systems in this country, given this country an opportunity to succeed, given this country a way forward.

Madam Speaker, I believe I am a fundamentalist when it comes to the principles of governance. I believe one of the most important things that I should do at the end of my four years, God willing, whoever steps foot in the Ministry (let's say we were to lose the elections and there is a new administration) can walk in and have a team that can move the country forward, whether the party that wins is blue, green, yellow, whatever their colour, whoever they are, they can move forward.

And at the end of the day, Madam Speaker . . . I don't know how long I'm going to last. But I can say this much, that, certainly, the Opposition can make all their little shouts and all their little pontifications, this Government is a government that is going to last because we're built around a caucus that is meaningful. We're built around fundamental principles that are robust. It is built around us proving to each other that what we want to do makes sense. Not some system where everything is flowery and as soon as they start to hear the problems, *Whew! Oh boy I didn't realise all that was happening.*

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Madam Speaker, this Motion, in my humble opinion, except a motion of apology—

*[laughter]*

**Hon. Rolston M. Anglin:** —except a motion of apology and every one of them should move it and the other one second it. Every one of them! They should move it and someone else second it so we should have four motions of apology every sitting of this House!

*[laughter]*

**Hon. Rolston M. Anglin:** Every sitting of this House. Vitriolic!

Madam Speaker, the reality is and the Members on the Opposition Bench know this: They are simply out for political gain.

**An Hon. Member:** That's all.

**Hon. Rolston M. Anglin:** They dress up in these cute little sheep's clothing, ready to pounce. But I can tell you this much, they can pounce on the Premier all they want; they can pounce on decisions all they want; they can talk about, well, you say one thing and you say the other thing! Madam Speaker, at the end of the day what the Government is going to do is make credible decisions and come to the public with decisions.

The sign of a government that is doing something is the fact that people are out there talking. And people are talking. And, yes, we are going to do a better job in the future at our PR. We are going to do a better job; we are going to do a better job at explaining every nook and cranny, every detail. But, at the end of the day, the Opposition well knows that unless we make some fundamental changes to the way we do business we will not get out of this problem we are in. We won't! There's no way that we are going to get out of this problem. But all they want to talk about is, make tough decisions.

When revenue is good everything is good and that is what we tried to tell them. We tried to tell them that. And what we also practise ourselves, irrespective of where revenue winds up at the end of this year or next year, is we are going to stick to the fundamental principles that we need to contain and reduce expenditure, and that we need to have a sensible prioritised capital programme. And that it is a good idea to also have the private sector involved with some of our major capital projects because they are more efficient than Government. Everybody knows this around the world. It seems that the Opposition are the only ones who don't get this point. Government, by nature, is the most expensive creator of assets.

Now, Madam Speaker, the Third [Elected] Member for George Town also brought up a very good point. Boy! He talked about picking and choosing the assets you want to divest carefully. So, he wants the House to believe that what Government can do is take the assets that are most challenged, those are the ones to privatise, and the ones that are really good you keep.

Now, Madam Speaker, come see Foster's trying to sell all the spoilt milk and keeping the good one in the back. Come see Foster's Food Fair or Kirk's or Hurley's trying to put all the spoilt milk on the shelf and say, *Come buy this, let's keep the good one in the back, let's get rid of that spoilt milk first.* Madam Speaker, here is the bottom line: We're all drinking the spoilt milk now because we have a lot of spoilt milk left behind by the PPM.

Madam Speaker, let us use the example he said. Let us think about the Water Authority. What the country should be having a debate about is whether or not Government should be in the utilities business. That's what the debate should be about. We should be looking at ourselves, looking at the world, looking at private sector and saying to ourselves let's have a meaningful debate, let's talk about the pros and cons of privatisation across the sphere of Government. Let us look at pieces of Computer Services, programming et cetera. Let us look at those. Should Government be doing it?

Right. We need to look . . . and I agree, of course we need to look at all assets. If we can get a good strategic partner for Cayman Airways, a challenged asset; Boatswain's Beach, a challenged asset; if we can get a strategic partner that can help us, why should we not entertain that? Do it in a clear transparent way, show the country the benefits, make the decision, you move forward.

Let's use the Water Authority. For the Opposition to get up on the floor of the House and simply pander to the crowd by giving the easy answer . . . the easy answer is: *Oh well, the Water Authority makes money, don't sell it.* No analysis to say, *Look at what government carries the Water Authority for in its book. Look at what Cayman Water Company is worth. Should Government sit with an asset, cents on the dollar on its books and simply sit there and say, Oh yes, we don't subsidise it so do nothing.* Instead of having mature, modern dialogue with the public to say, *Public let us look at this whole big picture. Do you want to do an IPO, government maintain 51 per cent and we sell off the other 49 per cent so you, public, can do what we do up in West Bay?* (Which is to have some privatization of this very important asset).

We could raise money. The public could participate in dividends; we could bring even deeper private sector principals into the entity and have something that is actually on the books of government for real market value.

Madam Speaker, I'll repeat it again but I'm not sure, if I repeat it again, some Members are going to follow. And I say that, Madam Speaker, with the greatest of respect because the fact is, what we hear in this House is . . . When I hear that type of superficial analysis and I just hear the politics in it, instead of standing up and doing what the public wants, the public wants leadership. They don't want public politics as usual. They want leadership.

They want people to get up and say *here is something that is unpopular, but look at the pros and cons and make your minds up.* The best we can do is, *Oh yeah, we are going to sell off Boatswain's Beach.* But things like Water Authority you never ever touch? Come on. That's the level of debate, that's the level of thought, that's the level of leadership that the Opposition is capable of. Madam Speaker, you know there is one huge weakness in democracy, everybody can get elected.

Madam Speaker, at the end of the day we should be having meaningful debate and dialogue in the country. I hope that this debate clearly tells the country why it would be absolutely meaningless for the Government to try and engage in any discussions. I keep hearing this so-called olive branch of, *Oh we need to solve this together.* How can we possibly solve this together if the Government is looking at issues and trying to come up with modern credible solutions, solutions that challenge the status quo, solutions that challenge the way we've thought for all of these years; solutions to challenge the very way in which we've gotten in to this mess in the first place.

If that's what the Opposition would be willing to engage and stretch their minds and get creditable advice so that they too can start coming to the table with real modern solutions, then we could have a discussion. But we can't have a discussion when it is this level of debate and this level of politics, Madam Speaker. We cannot. And these types of motions! We can't!

So, the Government's view is very simple: Whatever we have to do down here, we will do. But at the end of the day the country needs leadership; it needs governance and we are going to provide it. Plain and simple! I have said to the Premier and my colleagues, I refuse to get into any wasting of time, any wasting of time. The country does not need any time wasted. We have a four-year mandate and in reality we know how government works six months out from elections. So, you might as well call your term three and a half years. We took five years to produce a budget so really we have 36 months of solid governance. And in these 36 months we are going to challenge, we're going to, as I said, do a better job at explaining to the public the pros, cons of a range of options, because, Madam Speaker, this is what this country needs. We can't be back in the 60s and 70s with this level of debate and politics and cutting and stabbing . . . we don't need that. Every motion, Madam Speaker!

Madam Speaker, this whole thing about tough decisions, solutions, and saying all of that with the right hand, and with the left hand they are coming to box you around the back of the head.

**The Premier, Hon. W. McKeeva Bush:** Yep.

**Hon. Rolston M. Anglin:** We can't do that. We are going to do what it takes. We have to do what it takes.

Madam Speaker, at the end of the day . . . I hear the Opposition saying, "he said it". Now, Madam Speaker, I think the Members well know, every one of them well know that if any of them had picked up the phone and called us and said, can you tell us from what you have seen in terms of unsolicited approaches, and what in your mind would be an acceptable solution—just as I got on the radio and said what was acceptable from three weeks ago—we would have always said that. So, this cute game of saying,

*Well we saw this little thing on the website so we need to revolve everything around that and we need to get ourselves balled up because of that and refuse to listen to anything else.*

That's all that ever matters! Instead of saying, simple question: *What would Government accept as a deal on GOAP? What would we accept on a deal on Turtle Farm?* The Premier has clearly said—and I know this will be the next one now—at least on about five occasions that I can remember, that if the Government can get a good strategic partner for Turtle Farm we would welcome the opportunity. Now I know as I am standing here and we are listening today, once it happens, look out for another motion coming!

**Hon. Cline A. Glidden, Jr.:** Or a march!

**Hon. Rolston M. Anglin:** Or a march.  
Madam Speaker, the truth is—

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** The truth is Mr. Clifford, the only march he should have, the only march . . . he should march every day—

*[inaudible interjection and laughter]*

**Hon. Rolston M. Anglin:** —to the steps of this Legislative Assembly and Mr. Eden should put his hand on his shoulder and make him pray.

*[laughter]*

**Hon. Rolston M. Anglin:** And I say that seriously, Madam Speaker. I believe that with every fiber of my being because he singly was in charge of one of the pillars of our economy. And if any of the Members here who survived the election were going to be completely honest, they would say very clearly, they made the biggest mistake of their political lives when they allowed him to be on their ticket.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** They know that.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** They know that.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** They know it a hundred like we do. About march? March! I know that they . . . Anyway . . .

Madam Speaker, the bottom line is this: The Opposition continues to move these sorts of motions. Look at all the motions they have moved. We go to

the UK, despite the Third [Elected] Member for George Town opposing the Leader of the Opposition being named a member of the Security Council. On a point of principle we fought for it and it wound up in the final document. Now, they want to move Private Member's Motions talking about National Strategic Policy on crime.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** He said we are doing nothing about it.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Madam Speaker—

**The Premier, Hon. W. McKeever Bush:** Ask him what they did.

**Hon. Rolston M. Anglin:** —what is it that they did?

And at the end of the day the Security Council, as far as I understand, has now met and we are now going to have the possibility to do something about it.

This is that style of politics that really, really irks me. They know as well as we do that given this whole situation we have to grapple with, that at the end of the day the call of the Premier for a special task force serious crimes unit is one of the key things that has to happen.

Look, we can see with our eyes wide open, or closed. We can draw the parallel between this country and other countries that have reacted to say, if we spend this amount on policing, here is what we need to spend on addressing these serious issues.

So, Madam Speaker, all I can say is this, they continue to move all these motions that they want to tie up the House; they want to spread confusion; they want to say to the public, *You see, we're doing something.* All politics! That's all this is. It's that old brand of politics. All I can say is this, Madam Speaker, the Government is going to continue to produce results. We are going to continue to push as it relates to policy on the crime issue. And I know, I am confident that certainly the public is going to look on and say this Government inherited the worst of hands, but we've seen what steady, hard work produces.

Madam Speaker, I could have rolled out with all kinds of halos and silhouettes and logos and catch groans and moans phrases and catch this and catch that. That's not what I'm about. I'm an old, boring accountant. But guess what, we get it right. We don't run around with all the fanciful fanfare. Pay attention to the details and get it right. Pay attention to the details and get it right, and at the end of the day the public will be better served. We're here to serve the long-term good of the country, not short-term political interests and gain.

Madam Speaker, I hear them, but all I can say is: [they are the ones] who came with this Motion.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** [They are the ones] who came with this Motion. And, Madam Speaker, at the end, 16<sup>th</sup> February . . .

*[Much laughter and talking in background between both sides]*

**Hon. Rolston M. Anglin:** And, Madam Speaker, they have heard us. They have heard us explain this on the radio; they have heard us explain what is on and what is off. They have heard us clearly articulate what types of transactions we would not accept. And even at that, instead of being good statesmen, get up, withdraw the Motion and say, *Madam Speaker, what we've heard from the Government tells us that they are not going to go down this particular path. They are not going to pay for it twice* (as the Leader of the Opposition likes to say). *They are not going to do that.*

*So, what we are going to do is be a vigilant Opposition. If they continue down this path we demand that they clearly articulate what their options are from the private sector, what direction they are minded to go, and why, and if we are not satisfied we will try to incite a march and come to this House and debate the matter.*

But no, no, no, they thought they had a little gain, a little traction, so we could have said anything. In fact, Madam Speaker, I am convinced we could have given them a crystal ball that showed this to be a good transaction [and] they would have still moved this Motion today. They would have still moved it today because they wanted this debate and this division to be created so they could get up and say, *You see, we wanted to work with the Government but they would not support our motion so we can't work with the Government.* Creating a platform for this type of division. That's all this is, creating the platform.

Madam Speaker, I know this much, the Government is going to move forward. We are going to explain to the public where we want to go. We're going to ensure that the country gets value for money. We're going to ensure that any transaction has to have a value proposition, otherwise how could we then come here and defend it? How could we come here in the Finance Committee and defend it? How could we?

Do you think that we are going to be part of a transaction that they can get up on the other side in the Finance Committee and say, *You know what folks, you failed?*

Madam Speaker, we are going to do the work necessary. We are going to ensure that anything done has clear financial and economic merit. It has to. But, Madam Speaker, we disagree fundamentally with the Opposition on the notion that they have that the

schools are affordable, GOAP is affordable, and that we must do nothing and everything will turn out nice and rosy. We need to use some of our assets strategically. We need to be wise about how we administer governance to this country. We need to ensure that Cayman Islands Inc. is a going concern.

We cannot wait on the eleventh hour and see things are going awry and then try to say, *Oops, we thought we'd stay the course for three years, but now we see it is not working and now we want to just try and turn this big ship on a dime.*

Change is never easy. But at the end of the day I'm hopeful that the public will continue to listen to all sides, as they have, and they have the right to do. And I can honestly and truly say that over the last few weeks more and more people have said this use of asset concept makes sense. It is a key part of our way forward. And all the UK has said about it the Government is in agreement with. Plain and simple! We have to get value for money.

Madam Speaker, what would be most useful at this late hour is if the mover of the Motion withdrew the Motion.

**The Speaker:** Thank you Minister for Education, [Training and Employment].

Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

If not, I call on the mover of the Motion to conclude the debate.

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, bim, bam and clover. Who is who, I don't know.

Madam Speaker, I must tell you the truth. I have been struggling for at least the past hour [on] where to start in the windup.

*[inaudible interjections]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** A few things were said which are not worth talking about; not at this stage anyway. But there were a few things, Madam Speaker, said that certainly I think I need to make some response to before I sum up the Motion itself. First of all, Madam Speaker, it is not going to be in any necessary order because that's not how they came.

Madam Speaker, I'm going by my memory here. The Minister of Education spouted with vehemence about a particular situation—and I am going to tell you why I'm saying this, Madam Speaker, because he just spoke for an hour and forty-five minutes talking about politics. Pure politics, he said, coming from the Opposition. And I am going to show you, because he talks about us being smart at it. Madam Speaker, let

me tell you something, that parrot taught him plenty when he was small.

*[laughter]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:**

Madam Speaker, he spoke and made a big issue about the teacher, and I really don't know who it is, thank God so I don't have to feel funny. [It was] about the teacher who got this Golden Apple Award, which I believe is a Chamber of Commerce award, and that his or her contract was not renewed for non-performance. And he proceeds to point directly—I know the Minister can defend himself, but he can't say it right now—and immediately blame the former Minister of Education because of that. But then, Madam Speaker, in any public forum that they get an opportunity to speak, they are very clear—that's the entire Government, from the Premier right down—

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** — they are very clear in making statements about having nothing to do with the hiring and firing of civil servants.

So, Madam Speaker, the now Minister of Education, knowing that full well . . . why would he choose to use an example like that when he knew that very likely, as was the case, the Minister at the time knew nothing about this whole affair when it was happening. I don't know if the situation, now that he is the Minister, would be different. Truthfully, I suspect not. I suspect not.

Madam Speaker, they go back to talk about this excess 800 and odd people that were hired. And they know that that is not something which the elected Government is involved with on a day to day basis.

Madam Speaker, there are a few other issues, one of them being the Premier when he mentioned that I made such a big to-do about the road works to be added which would be complementary to the new Government Administration Building. And that I said I understood there was some \$3 million estimate in costs. And he then came back and said in various ways that it was going to be . . . and he hoped that it did not exceed \$15 million, and why would I try to make it sound like he was not telling the truth.

Madam Speaker, I was able to go back into when we got the estimates (I have the specific estimates of the road works that needed to be done at the time), and it spoke to the repair upgrade of Elgin Avenue being \$1.68 million; to build the road from Elgin Avenue to Shedden Road, \$1.03 million; to build from Elgin Avenue to Smith Road, \$0.77 million, and the repair and upgrades of Smith Road, \$0.87 million, which came up to \$4.36 million. Now, Madam Speaker, I'm not going to tell half the tale. That total \$4.36 million did not include land acquisition, but we did not have an estimate of that at the time. So, I only

want to clarify very quickly where the figures came from and those were figures given to us.

Madam Speaker, the Premier reminded me of when I spoke to what it was going to cost Government if those companies attached to Lehman Brothers were to leave, and what it would mean by way of loss of revenue to the Government. And, of course, I don't know who jerked on it or who grabbed it for him or whether he grabbed it himself, but the statement is taken totally out of context.

That \$244,000 was a figure that I was given by the Honourable then Third Official Member, simply saying what the loss in direct revenue to Government by way of company fees and bank licences and everything else would be on an annual basis. I certainly was not using that figure at any point in time to reflect any other potential loss by way of salaries, employees, accommodations, them going to the supermarket and what it would mean to the domestic economy. I was not trying to quantify that. Yet, still we always hear about the politics of the Opposition.

Madam Speaker, let me tell you something: This Motion was brought by me because up until when we tabled this Motion there was nothing (and that was done by 16<sup>th</sup> February), there was nothing, nothing that I heard from any one of them which gave any indication to me as to how the Government was looking at any disposal of the assets, especially the Government Office Accommodation Project.

I've listened to what has been said thus far, and if I am to be as fair as I possibly can, I have heard several things here this evening and tonight that I had not heard before, but even then I haven't heard all of it coming out consistently.

And I hear the Minister of Education killing himself laughing, and if he were to admit to himself he would know that this is the first time that he has taken the opportunity to give any explanation of the depth he has given tonight. Whether it is only now that he is able to form those thoughts in his mind why he is saying it now, or whether he hasn't said before for other reasons, I don't know!

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:**

Madam Speaker, he is saying it was said on the radio three weeks ago. All I heard him doing three weeks ago was threatening. Maybe I did not hear it all; that's possible. That's possible.

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:**

But anyway, Madam Speaker, be that as it may, the Government will defeat the Motion. They have suggested for us to withdraw the Motion, but you see, Madam Speaker, losing a vote in a motion is not necessarily losing the intended battle at any point in time.

So what we have heard this evening and tonight is a direct result of the Motion.

Madam Speaker, the Minister for Education, gets a bit exuberant. I know that. He made it a point to say that we were doing everything that we could and this whole attempt with this Motion and everything else was to get back power, that this is the beginning of the campaign. And he said in the second breath (he hardly took a breath in between) that this was my idea of getting into a good fight.

Now, Madam Speaker, that one I know he knows better. Me look a good fight in this place, Madam Speaker? Those days are long gone. Long, long gone! When I see it happening with the younger ones who are coming, I understand because I have good memory. But as you grow into it and continue to serve your constituents and your country, other things become more important. No longer are you grabbing on to letting anyone know who you are. And so some of those things I accept as par for the course.

But, Madam Speaker, getting back to the Motion: The Motion speaks to divesting of the Government Administration Building, and I want to speak to that specifically. I don't want to be too repetitive. But, Madam Speaker, the genesis, the objective of the Motion was simply to ensure that the Government was not thinking of disposing of that asset and engaging back into a simple lease.

And you see they refer to the ad on the website that I called upon, which I have done more than once. The same way that they say that we could have called . . . That's the beauty of it. That one is really, really, the best. The Minister of Education is saying that we should have picked up the phone and called to find out. So, why you didn't pick up the phone and call and tell me?!!!

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Ah ha!

*[inaudible interjection by the Premier]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, all is well. And regardless of the back and forth I can assure you there is no animosity at this point in time.

*[inaudible interjections]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** But you see, Madam Speaker—

*[inaudible interjections]*

**The Speaker:** Order! I want to hear the debate please.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** — when the Minister of Education talks like that, he and I know that if it is going beyond both sides of the mouth . . . I haven't come up with a description yet for what's beyond that, so I won't try to describe that. But it is certainly beyond both sides of the mouth when he speaks in that manner! And he knows full well, Madam Speaker, that what has been explained this evening by him, which I can't stand here and say that that's the Government's position either.

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Because what has come forth this evening has not been in unison.

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** So, Madam Speaker, we are not going to withdraw the Motion.

They are going to vote the Motion down. There has been, regardless of the little in between pickings, some fairly healthy debate and some facts (I shouldn't say some facts, what I hope to be facts, which we will see in the future if that is how it works out) have come out, which we haven't heard before, or I haven't heard before.

Madam Speaker, let me say this: They know that if they had created a very clear picture which was totally different from what the Motion is saying, and that we knew different—

**The Speaker:** Order please!

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** — that we would not have reason for a motion. I am led to believe that as time has gone on and attention has continued to surround this business of to sell or not to sell, that some more thought may have gone into it, and understanding other public utterances that we have made, now is why we're hearing what we're hearing. And if that is the case, then we have done our job. And we have!

I didn't bring this Motion to waste the time of the House, especially not you, Madam Speaker. But what is, I hope, imminent, what we haven't seen yet, is the plan—the one they say we have nothing to contribute to; the one that they say they are not prepared to sit and talk with us is because all we want to do is waste time with. So, Madam Speaker, we are anxious to hear the plan.

I just heard somebody saying about us wasting their time at 10.30 in the night. If they checked the time of who spoke for how long—

*[inaudible interjection]*

**An Hon. Member:** Substance! Substance!

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** — and who said the same thing so many times in so many different ways, there is actually but one culprit and that's the one that the parrot taught, Madam Speaker.

*[laughter]*

**Mr. V. Arden McLean:** Nine and a half years—

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker—

*[laughter]*

**The Speaker:** Order!

*[laughter and inaudible interjections]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** We still commend this Motion. The Government can vote whichever way it does. We will still be vigilant and be watchful to see how it plays out.

I thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Leader of the Opposition.

*[inaudible interjections]*

**The Speaker:** Are we ready for the question?

[The question is:] NOW BE IT THEREFORE RESOLVED THAT the Government do reconsider its proposal to balance the budget by the divestment of government assets and in particular, the new Government Administration Building;

AND BE IT FURTHER RESOLVED THAT the Government considers entering into discussions with the United Kingdom Foreign and Commonwealth Office with the objective of agreeing a plan by which the operational deficit of the Cayman Islands Government will be eliminated over the course of the following 3 years without the need to dispose of key Government assets.

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

**Ayes and Noes.**

**The Speaker:** The Noes have it.

**The Premier, Hon. W. McKeever Bush:** Divide.

**An Hon. Member:** Divide?

**The Premier, Hon. W. McKeever Bush:** Yes. Divide please.

*[laughter]*

**The Speaker:** Madam Clerk.

**The Deputy Clerk:**

**Division No. 15/09-10**

**Ayes: 5**

Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden  
Mr. V. Arden McLean

**Noes: 9**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. Juliana Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Elvio A. Solomon  
Mr. Dwayne S. Seymour

**Abstention: 1**

Mr. D. Ezzard Miller

*[Much background chatter and laughter]*

**The Speaker:** Order!

The result of the Division is: 9 Noes, 5 Ayes and 1 Abstention. The Noes have it.

**Private Member's Motion No. 7/09-10 negatived.**

**The Speaker:** Member for North Side.

**Private Member's Motion No. 11/09-10—To review and repeal sections of the Public Management and Finance Law (2005 Revision)**

**Mr. D. Ezzard Miller:** Madam Speaker, I wonder if the Honourable Premier would be mindful to adjourning now since we can also, you know, go home and protect our families from the tragedy that just occurred.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I would like to entertain the request from the Member for North Side but we're going to finish business tonight. We said that earlier.

*[inaudible interjections and laughter]*

**The Speaker:** I'm not sure if we're going to do business or if we're going to party. It is a lot of party spirit here right now.

Member for North Side, will you continue please?

**Mr. D. Ezzard Miller:** Madam Speaker, I beg to move Private Motion No. 11/09-10 to review and repeal sections of the Public Management and Finance Law (2005 Revision):

**WHEREAS the Government introduced the Public Management and Finance Law in 2003 as**



an improvement to the methods used for accounting and reporting Government's expenditure;

**AND WHEREAS** this Law has in some instances increased the numbers of Civil Servants and the cost to provide these intended improvements, which has contributed to the ongoing operation deficit of the Cayman Islands Government;

**AND WHEREAS** a strong component of this Law enabled the devolution of the financial reporting and controls from a central unit in Government to multiple units, which may have contributed to a reduction in these controls and the monitoring and reporting functions;

**AND WHEREAS** no audited accounts of core Government's revenue and expenditure have been produced since the enactment of this Law;

**BE IT THEREFORE RESOLVED THAT** Government appoint a Select Committee of this Honourable House to review this legislation and report back to this House at the start of the Budget Meeting to allow any changes recommended to take effect for the financial year 2010/11;

**AND BE IT FURTHER RESOLVED THAT** this review in particular include the return to a centralized accounting and reporting function while retaining the accrual method of accounting.

**The Speaker:** Is there a seconder?

The [Second] Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker. I beg to second this important Motion.

**The Speaker:** The Motion is opened for debate. Does the Member wish to speak thereto?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Madam Speaker, the Public Management and Finance Law (PMFL) was introduced as a financial management and reporting system which, in my view, a view which I have held from the time I heard of the conception of this Law (all through the drafting of the legislation and any public discussion that occurred on this Law for the last seven to eight years) that it is far too sophisticated and onerous for a national budget the size of this country.

The Law has cost, we have been told here the last couple of days, some \$16-plus million in training and implementation. It has added some 73 people to the establishment of the Civil Service. And I believe that that number is greater because I also believe that in answering my question the people who are producing the answers are duty-bound to keep that number as low as possible.

In these new positions the salaries alone are \$16.8 million, and that does not include all of the benefits, the consumables, the utilities, the office space, the trucks and cars that we buy for these peo-

ple to drive up and down all the time. Somewhere in the region (I would hazard a guess) close to \$40 million over the life of this Law has been spent. And what does this country have to show for this expenditure other than failure, failure, failure?

Not a single year of audited accounts have come forward since the implementation of this Law. Not a single quarterly report from core government. I asked a question in this meeting and it was answered. And while they identified several reports, none of those were related to what this Law was intended to produce. Most of those are related to statutory bodies that have their own statute, and government corporations that have their own laws which mandate those kinds of reports to be laid in this House over a period of time.

This Law has some eight sections and some 83 clauses to establish these financial controls. It introduces purchase agreements, ownership agreements, outputs, inputs, transfer payments, equity investments. Somewhere, if we dig deep enough in that 2,100 pages that were presented here in October in the National Budget, we actually find some dollars and cents of real money that the people and the Members of this House can identify with.

One of the great triumphs of this Law, Madam Speaker, when it was being introduced, was section 26 that deals with the report, the pre-election economic and financial update. The whole country was told that never again would any politician campaign on false numbers as related to government expenditure. Madam Speaker, I would suggest that in the two elections held under this Law there has been more false numbers thrown around than ever in the history of this country.

We were told that the Financial Secretary would make a pre-election statement "[26(1)] . . . not more than forty-two days, nor less than twenty-eight days before the day specified in a writ issued by the Governor under the Elections Law [(2004 Revision)] as the date for a general election, the Financial Secretary shall gazette a pre-election economic and financial update."

Madam Speaker, I would propose to this honourable House that is failure number 1 in the Law.

Responsible: This law purports to introduce responsible financial management. Principles of financial management laid out in section 14. That's where we find the things about . . . It says:

**"14(3) The principles of responsible financial management referred in subsection (2) are—**

**(a) total core government revenue less total core government expenses (measured using general accounting [practice]) should be positive;**

**(b) total core government assets less total core government liabilities (measured using general accounting [practice]) should be positive;**

- (c) borrowing should not exceed an amount for which the sum of interest, other debt servicing expenses and principal repayments for a financial year are more than ten per cent of core government revenue (calculated using generally accepted accounting practice) for that financial year, where, for the purposes of this principle, borrowing is defined as all borrowing that is in the name of the Government regardless of whether it is serviced directly by the core government, a statutory authority or government company;
- (d) net debt should be no more than [eighty] per cent of core government revenue where, for the purposes of this principle, net debt is defined as—
- (i) core government borrowing, less core government liquid assets;
  - (ii) borrowing that is serviced directly by a statutory authority or government company but is in the name of the Government;
  - (iii) the percentage of statutory authority and government company debt guaranteed by the Government that regulations made under this Law specify is to be included in the net debt calculation;
- (e) cash reserves should be maintained at a level no less than the estimated executive expenses (measured using general accepted accounting [practices]) for the following ninety days . . . including any amounts held for restrictive funds and reserve purposes;
- (f) the financial risks, including contingent liabilities facing the core government should be managed prudently so as to minimise the likelihood of any such risk resulting in an expense or liability.”

But, Madam Speaker, all of that is all sound and good principles of responsible financial management. And then we get to subsection (4) of the same section. The Law says: “**14(4) Governor in Cabinet decisions may depart from the principles of responsible financial [management] for a limited period if the Governor in Cabinet specifies in a paper laid before the Legislative Assembly for its information (which may be included in any relevant document required by this Law)— (a) the reasons for the departure; (b) the approach that the Governor in Cabinet intends to take to order to return to those principles; and (c) the period of time that the Governor in Cabinet expects to take to return to those principles.**”

So, Madam Speaker, with that caveat the rest of it is meaningless. Failure No. 2

Government Budgeting: Sections 17 through 22 lay out a very complicated process for preparing government budgets, so complicated that it takes the Civil Service and the Cabinet six months—1 October to 30 April—to complete.

Section 17—Budgeting Process: We have a strategic phase, we have a detailed planning and budgeting phase, we have a Governor in Cabinet collective review phase, we have a Legislative Assembly review phase, we have a Documentation phase, we have a Strategic Policy Statement, and, finally, in section 24 we come up with an Annual Plan and Estimates which is supposed to be tabled before 1 May in each year.

Madam Speaker, we have seen over the most recent times that this extended, complicated process is no more accurate than the simplistic process we used in all the years before. In fact, I would suggest that that system was more accurate than what actually came to parliament and what was passed by parliament. Failure No. 3.

Government Reporting: This requires a lot of reporting by the civil servants. A lot of paper shuffling, a lot of administration, quarterly reports—none done during the life of the Law. Annual reports, the same—none done during the life of the Law. Failure No. 4.

Agreeing Output and Ownership Performance: Not worth the paper that they put it on when they brought it to this House. They presented to the Legislative Assembly (LA) for “information only” the Law says. And I would hazard a guess, Madam Speaker, that during the life of this Law very few Members of this House have taken the time to read those 1,500 to 1,800 pages of outputs and ownership agreements, because none of us who have read these documents in any detail can place any confidence in the reliance of these agreeing outputs and ownership performances, regardless of how voluminous they may be, in making our decisions as to how to vote on the annual budget of estimates and expenditure for this country. Failure No. 5—a very expensive failure because, Madam Speaker, as you are aware I believe if we looked under most of the desks here now you can see the copies that have been there since October last year, and are still there. They were not opened during the debate, during the finance committee and they haven’t been opened since. They haven’t even taken them home and put them into the library where they can review them because they don’t serve any real value. Failure No. 5.

Performance Specification and Reporting places a responsibility and accountability on the Chief Officers of a ministry or portfolio to produce an annual budget system, introduce outputs, ownership performance. A ministry or portfolio is, by law, required to do quarterly and annual reports on these activities. Again, none of these have come forward or have been

audited. In fact, Madam Speaker, the information I have been given as Chairman of the Public Accounts Committee (PAC) is that nobody has even figured out how they are going to audit them. Failure No. 6.

Madam Speaker, a very curious thing in the Law is that of economic forecasts. And this Law requires economic forecasting by the Financial Secretary and the Economics and Statistics Unit, I would suppose (although it does not specify them in the Law) on two things only—the Strategic Policy Statement and the Pre-election Economic and Financial Statement. It doesn't require any economic analysis on new revenue measures, revenue performance or lack thereof. None of that is included in the Law. Madam Speaker, failure No. 7.

Another big thing that everybody likes to tout about this Law is that it brings in accrual accounting. Madam Speaker, I'm not an accountant, and I have been told that in many forums. But I did a bit of financial management in school and, to the best of my knowledge, accrual accounting carries only three accounts that cash accounting does not deal with and that's accounts receivable, accounts payable and your asset value.

Now, Madam Speaker, again, I was told in Public Accounts Committee by the Lands Officer and by the person in government responsible for Risk Management that the assets of the Cayman Islands Government have not been valued since this Law has been put on the books. In fact, the proposal by the head of Lands and Survey, the best that he could promise was 25 per cent of the assets could be valued each year. The problem I have with that as expressed to him, is that we are 75 per cent wrong every year.

And, Madam Speaker, our 2009 Budget does not include accounts receivables, accounts payables or an accurate asset value. Neither are they carried forward in any budget in this country. So, what's the point of having accrual accounting in such a complicated and sophisticated and onerous piece of legislation if we're not going to use the three accounts that are important? So, Madam Speaker, failure No. 8.

Offences, Madam Speaker. You know this was such a good piece of legislation and it was going to be so good for this country. These reports and all of this forecasting were good. You would think that some of the offences would be in there so that these people—who we are paying to do this work and are not doing it—would be guilty of some offence. But that's not included in there. So, we have no recourse to the people who are not doing these reports. Madam Speaker, in my view, failure number 9.

Madam Speaker, there's a section in the Law that says this is not to affect the Governor. **“78 (2) Nothing in this Law shall be construed so as to define the Governor as a ministry or portfolio or to require him to comply with any of the provisions of Parts III, IV or V.**

**(3) The office of the Governor shall not be required to comply with sections 42, 43, and 44, but the outputs and ownership performance of the Office of the Governor shall be included in the annual budget statement and the quarterly and annual reports of the Portfolio of Internal and External Affairs prepared in accordance with these sections.**

**(4) Notwithstanding section 3, the chief officer of the Portfolio of Internal and External Affairs shall not be accountable, or deemed to be accountable, for the activities of the financial performance of the office of the Governor.”**

Madam Speaker, again, I would submit, if this Law is not good enough for the Governor, it is not good enough for the rest of us. Failure number 10.

Madam Speaker, some of the goals laid out in the legislation: We should have knowledge of total core government revenue less total core government expenses; should be positive. Not achieved last year and not likely to be achieved this year. Total core government assets less core government liabilities . . . again, you can't calculate that because we have not done an asset valuation. Madam Speaker, failure number 11 and failure number 12.

As I said earlier, Madam Speaker, I have had my concerns about this Law from the time it was conceived during the process of making the Law, implementation of the Law, and during the last four years of its use. I have talked to many civil servants who, although receiving some \$16 plus million in training, and having had the added support of some 73 additional persons at the cost of some \$16 plus million . . . Madam Speaker, this is \$32 million plus, to which I would suggest we can add at least another \$10 million in consumables, utilities, office space, pension, health benefits, et cetera. Some \$40 million in expenditure! [But] no audited accounts for five years!

When we look, Madam Speaker, at the performance of this Law over the last five years, my favourite phrase stands out: “Lots of wings flapping but no birds flying.” What the country needs is the accounts in a form that can be audited and we can have comfort when we are making decisions here, as legislators on behalf of the people who elected us, that the information we have before us is certified and likely to be accurate.

I beg the Government to accept this Motion, Madam Speaker, and let us work collectively as 15 Members elected of this honourable House in a select committee and repeal the onerous ineffective portions of this Law.

Madam Speaker, I have tried very diligently to find some good in this Law without much success. Many people in this country who work on a daily basis with this Law believe it is an onerous, ineffective Law that is costing the country millions of dollars annually

and we are getting nothing—zero, nothing—for that money. And, Madam Speaker, I think it is time that the 15 of us sat down for a week in this parliament in a select committee to review this Law with the chief officers, make the necessary corrections and put them in place before the start of the 2010-2011 Budget.

Madam Speaker, I thank you.

**The Speaker:** Does any other Member wish to speak?

Honourable Premier [Minister for Financial Services, Tourism, and Development]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Public Management and Finance Law (PMFL) came into full effect on 1 July, 2004, and was designed to advance the overall public financial management system of these Islands and promote sound financial management while increasing transparency and accountability for public financial decisions.

The legislation, Madam Speaker, introduced a wide range of financial management concepts for the Cayman Islands, including accrual accounting, output budgeting, comprehensive financial statement reporting, interim performance reporting, and the evolution of financial controls and responsibilities.

Madam Speaker, after months of discussion on the issue I wrote His Excellency the Governor last week requesting a review of the PMFL and its related procedures and policies. It is something that we had discussed in the UK amongst the discussions we had with them. Indeed, Madam Speaker, this is an issue that the Ministry of Finance has been contemplating for several months and increasingly in light of the Government's continuing fiscal challenges. While I agree in principle with the spirit of the Motion brought by the Member for North Side, I wish to make some observations and contributions to the suggestions being made in this Motion.

The first, Madam Speaker, is consistent with my letter to His Excellency the Governor, that I believe there are some key questions that must be addressed by any proposed review of the PMFL. These are as follows:

1. The extent to which the PMFL and its related procedures have contributed to the growth in the civil service.
2. The extent to which the stated objectives of the PMFL when it was originally introduced are actually being achieved.
3. The possibility of reforming the current procedures of and approach to implementing the PMFL.

And, Madam Speaker, while we may all have strong suspicions that the centralisation of certain controls may have contributed to rising expenditures, or that the PMFL has contributed to the increase in the number of civil servants, it is best to pose the

question to those carrying out the review objectively to prevent prejudicing the approach to such a review.

My reason for stating these questions as posed, Madam Speaker, is to contribute towards developing an objective term of reference for a review of the PMFL, and I have sought the support of His Excellency the Governor in this regard.

Madam Speaker, I also wish to address the proposal in the Motion that this review be carried out by a select committee of this honourable House. I do not wish to be taken as doubting the technical abilities of any individuals in this House, but I feel that a more prudent approach would be for the proposed review to be carried out by a professional team external to the Legislative Assembly. It is my considered opinion that a review of the PMFL will likely require some technical skills covering such areas as understanding accounting systems, understanding human resource functions, legal implications, risk management issues, approaches to cost control and other areas we may not even be able to identify at this early stage of this consideration, Madam Speaker.

Indeed, Madam Speaker, the need for such a professional review is precisely the motivation over the discussions by the UDP over the past months on the issue, culminating in my letter last week to His Excellency the Governor. I do hope that we can move in that direction. I believe that when such a review has been completed by a team of professionals it will then be more appropriate for Members of this honourable House to review that report and deliberate on its findings accordingly.

I realise that this alternative approach will result in some cost to the Government, Madam Speaker. But it is also important for us to recall that when this system was implemented it required some significant professional technical expertise to implement precisely because of its complexity. I seriously doubt, when we suspect now that this complex system may not be working, that we can avoid the use of a technical team to ask and answer all the right questions.

Madam Speaker, I'm not suggesting that we utilise the same team that implemented system. In fact, it would be prudent to avoid that to ensure utmost objectivity in the exercise.

Finally, Madam Speaker, a review of the PMFL, in my opinion, would place the focus correctly on the systems that civil servants work with in, rather than on the civil servants themselves. In fact, it is my strong view that the Civil Service consists of many systems and procedures in addition to the civil servants themselves. And when people point to Civil Service as part of the problem, we must bear in mind, all of us, that this does not imply faults on the civil servants themselves, as the issue often relates to the various systems within which civil servants have to work; the bureaucracy which has been built up in this country and which now is choking us.

As a general point not specific to the PMFL, Madam Speaker, I would wish to see a review of the Civil Service instilling the various policies and procedures because, frankly, I do not believe these systems and procedures are geared toward serving the needs of our economy.

Madam Speaker, if well intended systems and procedures result in failure to address inward investment needs, or the need for the Government to execute its policies, then it begs the question, What is the point of us having these systems and procedures in the first place? I also do recognise that such systems and procedures are there to assist in managing the Government's risk, controlling cost, and so on, that so clearly needs to be balanced.

Madam Speaker, my instinct, which I have publicly repeated on many occasions, is that this balance is too much in the wrong direction. Government must serve the people. And by this we mean not only that elected Members serve their constituencies, but also that the Government administration serves the needs of the economy, particularly in crucial times such as these, as well as to serve the wider community.

The Member for North Side, Madam Speaker, is correct when he states in the fourth "WHEREAS" paragraph of the Motion that no audited accounts of core government's revenue and expenditures have been produced since the enactment of the Law. Madam Speaker, this is an unacceptable situation for my Government, certainly, and every effort is being made to correct this situation. We believe that part of the solution may come from amendments to the PMFL. We are spending funds this year, probably one million dollars to get this done expeditiously, to be able to get the accounts to the House.

Madam Speaker, at this time, while I am supportive of the spirit of this Motion, we do not support the Private Member's Motion as currently presented, as I believe that the exercise should be approached differently. However, I wish to thank the Member for North Side for bringing the issues to the forefront as he has. I would also like to reassure him and the entire country that this Government is very aware of the challenges presented by the current PMFL, and that we are committed to reforming legislation and required business processes in order to improve the country's financial management systems once a full review has been carried out.

**The Speaker:** Does any other Member wish to speak?

Second Elected Member for Bodden Town.

**Mr. Anthony S. Eden:** Thank you, Madam Speaker, As we head to the midnight hour tonight I rise to offer my support to this Motion. Anyone who has been around me for the last few years will know the concerns I have expressed about the Public Management and Finance Law. Just about every budget

preparation that I attended in my own simple, *cowboy truck-driver* way not having the full understanding of the accounting principles . . . but one thing I could see, Madam Speaker, was that the requirements to fulfil the PMFL were going to be costly one of these days. I said it to the past Financial Secretary (Mr. George McCarthy, present Chairman of the Cayman Islands Monetary Authority), I said it to the present Financial Secretary, and reminded him again today.

I vividly remember talking to the Governor, Mr. Stuart Jack, about my feelings and what eventually would happen. I had to smile in one of the final budget preparations, when we were doing one of the last budgets, at that gentleman from the Budget office when we saw a figure in there of something like ninety-something million dollars extra in preparation. What was the name they called it for civil servants?

*[inaudible interjection]*

**Mr. Anthony S. Eden:** No, no.

Anyway, Madam Speaker, the name will come to me shortly. If not . . .

*[inaudible interjection]*

**Mr. Anthony S. Eden:** Anyway, Madam Speaker, that will come but if not, it's okay.

It was just to express my concern as I saw it coming. And as I was alluding to in one of the last budgets that I did, the admission came out from a very senior individual within the budget. And all I had to say, Madam Speaker, was "the chickens are coming home to roost."

As we talked about this morning during questions on the PMFL, that was just the tip of the iceberg. We still have to hear the HR component of that Public Management and Finance Law. And I will draw and leave this example, having served probably only less than the Honourable Premier in the Cabinet: When I left the Ministry in 2000, my Ministry was served by seven people. Four and a half years later, when I went back there, it had skyrocketed to over 30 people.

The way I saw it, it would have been simple, Madam Speaker, if we wanted to make some of these changes—and some of them make sense for transparency and trying to keep up with the outside world. We could have put 10, 15, \$20 million dollars in a central accounting system. But when we have a recurrent expenditure spending extra on the component of human resources and finance every year, the expense involved in this must come home, Madam Speaker. And there are so many other things involved to keep up with the management of the Public Management and Finance Law.

Madam Speaker, as we go forward I hope we can identify what needs to be done because this country cannot continue . . . and I am not surprised at the Miller/Shaw Report. The biggest component they

talk about is the amount and size of the personnel in our Civil Service.

Thank you.

**The Speaker:** Does any other Member wish to speak?

Leader of the Opposition [First Elected Member for George Town]

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, the mover and the seconder of the Motion are (not only obviously, but I know for a fact) very concerned about the running costs which seem to be excessive with regard to operating the accrual system under the existing Public Management and Finance Law.

Now, Madam Speaker, there are a few points I would like to make, the first one being that the Opposition would wish, after listening to the Premier's response on behalf of the Government, for there to be a marriage between the Motion and what the Premier has proposed. I think that can easily be achieved, because, obviously and with good reason, the Premier thinks that there needs to be an independent review.

But, Madam Speaker, while there is that independent review, this legislature consists of 15 elected Members who are going to have to deal with major, minor, or whatever level of amendments to that existing Law. I would not ever speak to repealing the Law, although I know how frustrating it can appear to be, for the simple reason that it all surrounds accrual accounting. And that principle I don't think we should ever want to change. We should be looking not at the principle, but at the systems in place which operate accrual accounting, and see what needs to be done with that.

So, Madam Speaker, I hope that the Government could see fit to marry their thoughts along with the Motion, which would allow what they are saying, which calls for an external review, that would allow for that. But the fact that this Legislature needs to make any changes to the Law to allow for that review, either periodically or on completion, to be presented to and examined by the select committee which the Member for North Side spoke about. So I hope that that can work. That's our position on the Motion, because there is merit to the Motion. Our colleague has seconded the Motion so we are going to support the Motion. But it's not just about us supporting the Motion.

In listening to the Honourable Premier there seems to be no real divide between the Motion and what is sought to be achieved by the Government. I think the only difference is the existence of that select committee, because the Motion itself did not mention any external review. But at the same point in time I think it is going to take both before it's all over (meaning the external review and the select committee) before we can bring amending legislation, because we all need to understand and appreciate where the diffi-

culties are so that we can know exactly what direction to go in.

Madam Speaker, let me speak for just a couple of minutes to one part of the history of this whole Financial Management Initiative (FMI) which, in my view, is what has caused the major failure in the systems to work.

You see, Madam Speaker, FMI had not only a systems component into it, but it had a human resource component. And because of a lot of politics which did not actually limit itself to elected politicians at the time but involved politics with those civil servants at the top at the time . . . I witnessed it. I watched it with my own two eyes. In those days I did not even need glasses.

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** No, I would never watch it with yours.

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:**

Anyway, Madam Speaker, the human resource element of this thing, when it was all to come together there was supposed to be performance agreements between chief officers and the elected Members of Cabinet, and also performance agreements with Cabinet itself and the official arm of Government, so that when there was a devolution of authority with regard to hiring, for instance, your budget would be prepared. You had your pie, or a slice of it, rather. It was given to you and you were told what policies were to be implemented, and you (meaning chief officers, for instance) would determine what quantity and level of human resources were needed to implement those policies.

But they were not able to come back and say, *Listen, I am going to do this and that so I am going to need more money.* It was for them to decide. And, Madam Speaker, that never happened.

So, we got everything else going and then there was no control over who decided how many bodies or at what level, and how many positions it took to get policies implemented, and the Government's day to day affairs accomplished. And that's where the runaway train started and that's where the runaway train is still going. That's where the problem lies, Madam Speaker.

Having said that, Madam Speaker, it would not be correct for me to say we need to do away with the system because I don't believe that that's true.

And, Madam Speaker, I have to totally agree with the Honourable Premier about the review, or part of the review, being an external review, because I have also witnessed internal reviews being ordered to be done on more than one occasion. And as red as I could get in the face, as hard as I would talk to that

little short man, nothing—nothing—happened. Forgive me when I say that, I say it with no disrespect but that's exactly what I thought at the time.

Madam Speaker, this is without passing the buck for a second. This is a big part of any solution that is to come about with regard to operational expenditure, being able to control it better, and being able to actually have a good handle on where it's at and not worry at the end of the year about how much supplementary you are going to find that you didn't know about. Some, that you have to do your cleanup exercise.

And you see, Madam Speaker, again, although he might think it strange, the Premier is correct, because many of the civil servants who are part and parcel of this system do not even have the training to see the bigger picture. They are just in their own little cocoon doing what they think they are supposed to be doing on a daily basis. And it doesn't lend to the smooth operation of the system. But, Madam Speaker, hindsight is 20/20. When the milk is spilled it's already spilled and most times the best you can do is to wipe it up, unless you are a cat. And I don't think any one of us is that.

So, Madam Speaker, I've stated the Opposition's position. I would request that the Government simply bring the whole thing to a good end by us agreeing on an external review, but for the select committee to be part and parcel of that final review, whether it be on a periodic basis or when the external review is completed.

Thank you, Madam Speaker.

**The Speaker:** Thank you Honourable Leader of the Opposition.

Does any other Member wish to speak?  
Minister of Education.

**Hon. Rolston M. Anglin:** Madam Speaker, this Motion before us, despite the late hour I am going to be as brief as I can possibly be.

Madam Speaker, the first observation that I would make is that I had hoped (and had mentioned this in passing to the Member) that he would have wrapped up in his Motion the Public Service Management Law (PSML), as well. For, Madam Speaker, this Motion speaks to the Public Management and Finance Law, which has to do with the accounting functions within Government, and the change in transformation that it underwent.

I took a quick look back, because I thought that my memory was going on me. I pulled the *Official Hansard Report* from 2005/2006 to take a quick look back at the Public Service Management Law. And Madam, Speaker, this whole exercise is a classic example of history clearly demonstrating to us that while the principles and the principal improvements that we were looking for [were good], the way in which we went about implementing that has simply been way too costly.

While the debate over the years around these two pieces of legislation would have caused many of us to have taken slightly varying positions, and some of us were more cautious about them than others, I think in general Members of the House at those respective points in time saw the necessity for changes to improve the system. However, I hope that these two experiences combined will be something that this body (the legislative body) will take a lesson from.

As I look back, one of the things that I asked at the time, was the cost benefit analysis and I questioned this change (the change that followed the PMFL which brought about the PSML) about whether or not the administration then was clear in their minds about the benefits weighed up against the costs.

In referring back to the debate at the time I clearly took the position that given the history of Public Management and Finance Law, I feared the same thing would happen with the PSML. Unfortunately, that is the case.

As legislators, we must acknowledge that in the future when we are talking about these sorts of changes we have to do a better job at containing what will happen legislatively. We must, because if we don't and we simply open these types of Pandora's boxes everything is going to go awry.

Let me give a classic example: I remember during the debate on the Public Service Management Law, having had the history of the PMFL, one of the things we asked was why it was that from the creation of PSML we were not looking at the system and making the Civil Service come to us with a concrete proposal of what the end product would look like and agree on that up front and set it in legislation. In other words, I clearly remember saying if we were going to open this box and all of a sudden this one would have an HR manager, that one would have an HR manager, then what would happen? So said so done!

In fact, Madam Speaker, I got some information today. And this is a best case scenario. PoCS did a quick search on their system (and in the email that I got from the permanent secretary of the Portfolio she said that she could not guarantee this to be accurate), but she did a quick search on her database just on "human resources" and . . . what's the other term I'm looking for? But she searched three terms in human resources. And she admits that there may be people in the HR [section] whose job title for whatever reason does not necessarily have any of those—

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Right!

So, this is a best case scenario.

I picked the mid point on the scale and the low point on the scale. Just on the headcount identified, we are ranging somewhere between \$2 million to \$2.2 million in raw salary alone—just in raw salary alone—annually, emanating from the Public Service Management Law.

As I looked at the debate where I asked about whether we had done a cost benefit analysis . . . it was funny, I had gone through Government and started to guess which entities would get. And at the time I said that it would probably have ranged, [for] professional accountants, somewhere in the region of \$1.5 million to \$1.75 million (and that's on page 492 of the *Official Hansard Report*).

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** No, professionals.

*[inaudible interjection]*

**Hon. Rolston M. Anglin:** Yes. Sorry.

Madam Speaker, we can't miss the boat this time and so the Government is committed to this review, not only looking at the Public Management and Finance Law, but we're also going to look at the Public Service Management Law. We must look at both of these elements together and review where we are at and what will best serve the needs of the country.

We can come up with all the best systems in the world, but if we don't ensure that we dictate how these initiatives and policies are going to be rolled out . . . history has now proven what will happen.

Madam Speaker, it is very important that we do this review, as the Honourable Premier said, external to Government. We need that independent review so that we can be assured that it is robust, thorough and independent. But, Madam Speaker, I certainly get concerned any time we start talking about committees. And I must say that in my time as a legislator, everything that we have seen go to a select committee has not made it out of a select committee to see the light of day. I can point to . . . It's ironic that today we talked about health insurance. My first time elected we had a select committee. Last time around we had a select committee to review our Standing Orders.

Madam Speaker, I think we go ahead and get the review done, then come back and report the findings to Members, meet with Members so Members can get it, it will be public, there's not going to be any secrets about it, and at that point the Government will have to come back here with legislation in any event. So, there would not be any information lag, there would not be any gap.

And the truth is, Madam Speaker, the Premier has been talking about this change for some time now and talking about us needing to go down this route. Certainly, I have heard a number of senior civil servants say that as Government is looking to reduce costs that this ought to be an area that we look to.

So, the Government is going to deliver on that promise and ensure that we have an independent thorough review done, come back to legislators and ensure that everyone is up to date, everyone gets to know the information and that we can move forward.

Madam Speaker, at the end of the day if we make the changes in legislation and we only vote certain posts, it is in our hands at that point. If we centralise the majority of these functions, that's in our hands, that's in our power to do; that's what we must do.

The last thing that I must also update the House on is this whole issue . . . the point was raised in here about accounts and audited accounts. One thing that we also have to be clear about is in the legislation, because cost is one piece of it, but another piece that's in there is this system which was built up about what needed to form [for] annual accounts to be audited, which had to be by output group. And that's another nightmare that, simply, theory sounded beautiful. Practice? Miserable failure.

So, the government is going to come back to the country with a robust reporting system, a monthly reporting system, quarterly reporting system that makes sense, because the fact is the general public doesn't necessarily care about output groups and those things. What they want is a standard set of accounts with notes that are thorough and audited. That's what the public ultimately wants. They want to know what the status of Government is.

Certainly, if you look at what is in there for the quarterly reporting and talk about having to report by output group, no wonder the system reacted by putting so many bodies at it. If that was the measure and the standard that was being set, you had to throw a lot of bodies at that daunting task. So, at the end of the day, we legislators have to be practical and reasonable about what we will accept as solid information for the country, for ourselves. Certainly, we'll still have the capacity to run our budget and do what we have to do.

The other thing that we need to think clearly about is this whole issue of outputs versus outcomes, and how weak a lot of those measurements are, how meaningless a lot of those measures are. And in truth and in fact, who really has paid attention to them in years? I know time after time we have come here during the budget session and each of us will pick up glaring mistakes. And then we will ask, *Why is this one having a quantity measure of this and quality measure of that?*

We tried to take the Titanic and fit it into a bathtub. That's the bottom line. What we need is a solid system that will work for our circumstances.

So, Madam Speaker, we really need to ensure that we get the review done (and it is PMFL, PSML, and the reporting under the Public Management and Finance Law), report back to Members of this House and ensure that we do this expeditiously. It's in all of our best interests to do it because it has real potential to save some significant sums of money.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak?



**The Premier, Hon. W. McKeeva Bush:** Not all the PPM, You know it's your fault.

**The Speaker:** If not, I will call on the Member for North Side to wind up the debate.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Madam Speaker, I'm a bit disappointed that the Government is not accepting the Motion in using a select committee.

I will agree with the need for some technocrat support. But, Madam Speaker, it is \$16 million worth of technocrats that got us in this mess. And what we need to apply to this technocratic mumbo jumbo is some good old fashion Caymanian common sense. And we've always had that in this Parliament.

I believe that if this was a select committee of the 15 Members, and we got the technocrats to do what we needed them to do and called in the witnesses and the Chief Officers and were allowed to examine and question them, that the product that the select committee would produce would be better than bringing in some experts from Timbuktu, or anywhere else across the pond, or using local ones and . . .

Madam Speaker, I also believe that we have to reach the point where we are involving all of the Members of the Legislative Assembly in finding more of the solutions that we need to find.

I am personally finding it increasingly difficult to come here and debate complicated legislation that I get hours before I'm expected to debate it intelligently. And I believe some of these things handled by a select committee, where we all have the opportunity to understand the pros and cons, the rationale and reasons for why things are done . . . we are going to have a better product.

And while I can agree with the Minister of Education that we need just as desperately to review the Public Service Management Law and get some control over it, Madam Speaker, it is those same people (if we go through the Governor and get him to authorise and help us put together a team of technocrats locally, overseas or anywhere else) who are going to control the output and what the final product is. And when it comes here we are going to be expected to accept what they want us to do. I think we need to be more involved in the process, Madam Speaker.

If you look, just with a cursory review, at an answer that was presented this morning and what the Leader of the Opposition was saying about how things got out of hand, if you look at the number of people who were added to the Ministry of District Administration, Works and Gender Affairs, it's 26. And to Education, Training and Employment, it's only 13, half as much. And if my memory serves me correct, the total budget to be managed by these finance people in Education, Training and Employment is larger than District Administration, Works and Gender Affairs. So, it is clear to see that there were never any proper controls put in place.

And in the supplementary questions this morning the Financial Secretary could not tell us what kind of formula they used to recruit these people. Was it based on a dollar value that one CFO could do it? Or would he need two assistants and three administrative staff? Or what?

So, Madam Speaker, I will watch with interest for two things: To see how long it takes to get it done; to see what it is going to cost us in the meantime while we are trying to get it done. And what it will cost us for these technocrats to come back and bail us out of this pond that they put us in.

Thank you, Madam Speaker.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED THAT Government appoint a Select Committee of this Honourable House to review this legislation and report back to this House at the start of the Budget Meeting to allow any changes recommended to take effect for the financial year 2010/11;

AND BE IT FURTHER RESOLVED THAT this review in particular include the return to a centralized accounting and reporting function while retaining the accrual method of accounting.

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

**Ayes and Noes.**

**The Speaker:** The Ayes have it.

*[laughter]*

**The Premier, Hon. W. McKeeva Bush:** Ayes? No. The Noes have it.

*[laughter]*

**The Speaker:** I called what I heard.

**The Premier, Hon. W. McKeeva Bush:** Well, Madam Speaker, it's easy to determine if you divide.

**The Speaker:** Go ahead, have a division.

**The Clerk:**

**Division No.16/09-10**

**Ayes: 6**

Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller

**Noes: 9**

Hon. W. McKeeva Bush  
Hon. Rolston M. Anglin  
Mr. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon

**The Speaker:** The results of the division, 9 Noes and 6 Ayes.

**Private Member's Motion No. 11/09-10 negatived.**

## GOVERNMENT BUSINESS

### MOTIONS

#### Government Motion No. 11/09-10—Approval of the Development and Planning (Amendment) Regulations, 2010

*(Continuation of debate thereon)*

**The Speaker:** Honourable Premier [Minister for Financial Services, Tourism, and Development].

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, yesterday when we took the adjournment we accepted there would be at least a change in the revised draft, which we tabled and marked revised, and it should have been in the hands of Members by now.

Madam Speaker, the relevant matter that was dealt with was the removal of the words “wild life reserves and natural buffers” which has been deleted from Regulation 28.

Madam Speaker, I think I explained yesterday that the rights of ways are not affected in this matter and I thought that the Members who were questioning were satisfied to that extent.

Also, Madam Speaker, I would like to say that the Regulations are intended to apply to very large commercial dredging, in that aspect. I think one Member had that query, but it applies to very large commercial dredging only. Homeowners would not be affected in that dredging aspect. They would not require Planning’s permission. So, the Regulation’s intention is for it to apply to large commercial developments only in that aspect. I know one Member had that.

Madam Speaker, the matter has been re-drafted and, as I said, I know Members have it. Changes were made, and I hope that the explanations given have satisfied Members’ queries.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED THAT the draft Development and Planning (Amendment) Regulations, 2010, be approved by the Legislative Assembly in accordance with the provisions of section 42(3) of the Development and Planning Law (2008 Revision).

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 11/2009-10 passed.**

**The Speaker:** Honourable Premier [Minister for Financial Services, Tourism, and Development].

#### <sup>1</sup> Government Motion No. 12/09-10—Tax Information Exchange Agreements between the Cayman Islands and various Jurisdictions, as of 12 March 2010

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to move Government Motion No. 12/09-10, which is entitled The Tax Information Exchange Agreements between the Cayman Islands and various Jurisdictions, as of 12 March 2010. The Motion reads:

**WHEREAS in 2000 the Government of the Cayman Islands entered into a commitment to the Organisation for Economic Cooperation and Development for the effective exchange of information on tax matters;**

**AND WHEREAS it is acknowledged that the Government of the Cayman Islands has the right under the relevant terms of Entrustment from Her Majesty’s Government of the United Kingdom to negotiate, conclude and perform tax exchange agreements;**

**AND WHEREAS the Government of the Cayman Islands has negotiated and concluded Tax Information Exchange Agreements with French Republic and the Kingdom of the Netherlands with respect to the Netherlands Antilles.**

**AND WHEREAS the Governor-in-Cabinet, pursuant to section 3(5) of The Tax Information Authority Law (2009 Revision) has approved, by way of an Order, the scheduling of the abovementioned agreements to the said Tax Information Authority Law;**

**AND WHEREAS section 3(5)(a) of The Tax Information Authority Law provides that an Order made under the said section is subject to an affirmative resolution of the Legislative Assembly;**

**AND WHEREAS the Government of the Cayman Islands pursuant to section 3(5) of The Tax Information Authority Law is seeking an approval of the Legislative Assembly for the attached agreements to be scheduled to the Tax Information Authority Law;**

**BE IT THEREFORE RESOLVED THAT the attached Tax Information Exchange Agreements be scheduled to The Tax Information Authority Law as follows:**

**Fourteenth Schedule** An exchange of letters between the Governments of the French Republic and the Cayman Islands concerning an arrangement for the exchange of information relating to tax matters;

<sup>1</sup> Also see GM No. 2/09-10, p. 112

**Fifteenth Schedule Agreement between the Cayman Islands as authorised under the Letter of Entrustment dated 1 September 2009 from the United Kingdom of Great Britain and Northern Ireland, and the Kingdom of the Netherlands, in respect of the Netherlands Antilles for the Exchange of Information with respect to taxes.**

**The Speaker:** The Motion has been duly moved and is open for debate.

Does the Honourable Premier wish to speak thereto?

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, the domestic legislative instructions for the provision of tax information by the Cayman Islands to other jurisdictions is the Tax Information Authority Law. This Law provides the necessary framework and procedures for the effective implementation and the administration of Cayman's international obligations in the area of cooperation in tax matters.

The Law, Madam Speaker, establishes the Tax Information Authority as the Cayman Islands' competent authority, which is the sole dedicated channel in the Cayman Islands for international cooperation in matters involving the provision of tax related information.

Madam Speaker, currently there are twelve bilateral tax information exchange agreements which appear as the Schedules to the Law; the United States, Denmark, the Farrow Islands, Finland, Greenland, Iceland, Norway, Sweden, the United Kingdom, Ireland, the Netherlands and New Zealand.

In addition, Madam Speaker, to allow for further agreements for the provision of tax information the Law provides a mechanism in section 3(5) that the Governor in Cabinet may make an order adding such further agreements of Schedules to the Law.

The technical language of section 3(5)(a) reads as follows: "**add a Schedule to this Law for the purpose of setting out and giving effect to an agreement for the provision of information in taxation matters;**".

Where the Governor in Cabinet makes such an order it is subject to an affirmative resolution of the Legislative Assembly.

Madam Speaker, by order of the Cabinet on 23 March 2010, two recently signed bilateral agreements for the provision of tax information were approved by Cabinet for addition as Schedules to the Law, namely, 1) with France (which was signed on 5 October 2009); and 2) with the Netherland, Antilles (which was signed on 29 October 2009).

I therefore commend this Motion to honourable Members for their support and passage. The ef-

fect of the House passing this Motion, Madam Speaker, is to add two tax information exchange agreements to the Tax Information Authority Law which is the last step required to permit the provisions of information under those agreements.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak?

If not, I call on the Honourable Premier to exercise his right of reply.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, it seems as though Members are in agreement. I thank them all for their support at this late hour. And I thank you for your indulgence, Madam Speaker.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED THAT the attached Tax Information Exchange Agreements be scheduled to The Tax Information Authority Law as follows: Fourteenth Schedule, an exchange of letters between the Governments of the French Republic and the Cayman Islands concerning an arrangement for the exchange of information relating to tax matters; Fifteenth Schedule agreement between the Cayman Islands as authorised under the letter of entrustment dated 1 September 2009 from the United Kingdom of Great Britain and Northern Ireland, and the Kingdom of the Netherlands, in respect of the Netherlands Antilles for the exchange of information with respect to taxes.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Government Motion No. 12/09-10 passed.**

**The Speaker:** I have a request from the Premier to make a short statement, tabling the Miller/Shaw Report. Honourable Premier.

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

### **Statement on the Miller/Shaw Report**

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, by now Members would have had a copy of the Miller Report, which was made public. And I believe that even at this late hour, as we are not meeting tomorrow, I should make a statement here on it.

As Members of this honourable House would be aware, Madam Speaker, last year the Cayman Islands Government, in agreement with the United Kingdom, commissioned an independent study to determine the possibility of implementing new revenue sources for the Government, including various types of direct taxation.

The full extent of the Commission's terms of reference also entailed examining the Government's short- and long-term debt obligations, as well as reviewing Government's spending policies and various other specific tasks, Madam Speaker.

As stated in the Report, it was written by Mr. James Miller and Mr. David Shaw who relied on information supplied by the Financial Secretary, Mr. Ken Jefferson. The three aforementioned are the members of the independent Commission.

Madam Speaker, on the tabling of this important Report, I wish to summarise the Government's overall position as to the value of the Report, summarise our views on the main recommendations contained in the Report, as well as to give some indication of the Government's plans going forward in relation to these recommendations.

Firstly, Madam Speaker, let me publicly thank each member of the Commission, which Government feels [is] substantially of great value to this country. It should be noted that the work of the Commission entailed substantial consultation with various senior stakeholders within the Cayman Islands' private and public sectors, including several industry associations, directors and chairpersons of various government authorities and boards, and some of our most senior public sector officials.

In addition, as the Commission stated, a number of important sections were written by three PhD level economists, namely Scott Hodge, President of the Tax Foundation, Daniel Mitchell, senior fellow of the Cato Institute, and Ronald Utt, who served previously as social director of the United States office of Management and Budget.

Madam Speaker, I have started a brief summary of the consultative and collaborative approach taken by the Commission because it highlights the high caliber of the individuals who provided expertise into the process. I have noted, with some concern, that there are those who have chosen to discredit the Report simply because it does not say what they wanted it to say. But, as you can see, Madam Speaker, this Report was produced by, and with assistance of, many high caliber individuals, both local and international.

The final point I wish to clarify in my introductory remarks, Madam Speaker, relates to the cost of this Report to the Government. There has been misleading information in the media and elsewhere that this Report (I heard this on one show a couple of days ago when the Opposition was on there grinning their heads off) cost the Government over \$300,000. No

such thing, Madam Speaker. I am not sure where those numbers came from, except for one scandal sheet called a newspaper, and whether this is a result of the rumour mill or just intentionally misleading. But this Report cost the Government \$160,000, not \$300,000.

I will now move on summarise the Government's position on the various recommendations of the Miller Report.

Let me start by saying that, generally, the Government is in agreement with many of the recommendations in the Report. In fact, it is our intention to implement quite a few of the recommendations, though certainly, we are not in agreement with all of them and we have communicated as much to the United Kingdom in our meeting there on 11 March.

1) No direct taxation: On the first recommendation that there should be no introduction of direct taxation in the Cayman Islands. It should be no surprise, based on my Government's position on taxation ever since being elected last May, for honourable Members of this House to hear that we agree with this general conclusion.

The subject of direct taxation has been a major source of debate since this Report was made public, Madam Speaker. And I wish to articulate my Government's position and rationale for that position on this issue. It is our view that there is a substantial flaw in the argument that this country should alter the fundamental basis of our approach to taxation in terms of the status of the country, which relies exclusively on indirect taxes, because we are facing fiscal challenges.

We are essentially being told, Madam Speaker, that despite the fact that virtually every other country around is experiencing fiscal difficulties, irrespective of the nature of their tax systems, and with many of those countries having a direct tax system, there is an assertion that the Cayman Islands is experiencing fiscal challenges because we do not have direct taxes. The argument being put to us persistently by the UK is that somehow the introduction of a series of direct taxes would be more sustainable than the current set of indirect taxes that we have in this country.

But, Madam Speaker, one does not require an abundance of technical expertise to ask the following simple question: If direct taxes were so much more sustainable, why is it that the vast majority of countries—most of which rely heavily on direct taxation—are facing such severe fiscal and economic crisis.

I for one have never been the kind to simply jump at a proposition just because of where it may come from. It is my belief that we must hold steadfast and consider our position very carefully before accepting such flawed propositions as the one I have just outlined.

It is the considered opinion of our Government that this country is facing its challenges primarily due

to three factors: First (and as the Miller Report shows with detail data and analysis), our expenditures have grown much faster than the growth of our economy and the growth of our revenues; Secondly, the previous Government embarked in an overly ambitious capital expenditure programme; and finally, the country was negatively impacted by the global economic downturn.

For the record let me state, Madam Speaker, that I am under no disillusion that the primary reason for this was the global economic downturn. Indeed, it is crystal clear to me and from the evidence in the Miller Report that the first two factors (namely, the rapid growth and expenditures and the ambitious capital expenditure programme) were the key factors contributing to this crisis, Madam Speaker. In fact, had we been more careful in these two areas we would have been in a better position to weather the economic storm.

2) To orchestrate substantial privatization and asset sales: The Miller Report recommends that the Government engage in privatisation and asset sales, and we agree with this proposal. However, contrary to what the Opposition and others may try to spread, Madam Speaker, we do not necessarily agree with all of the recommendations in this area. Instead, we will proceed to have the various opportunities assessed by the so-called big four professional service firms. And I have already announced this initiative publicly.

These firms will assess the option and provide us with their recommendations on what makes good business sense for the Government and the country. This Government will only embark on divestment initiatives that make sense, and it is our intention to ensure that where it makes sense, either commercially or for national security or other strategic reasons, we will keep those entities.

3) The restructuring of various operations: The Miller Commission recommends that certain government departments are considered for restructuring to help reduce costs and create efficiencies. Again, we agree that there may be opportunities to restructure several existing government departments and agencies and we will now look into those.

In this context, this honourable House should note that there is already a similar process being carried out via the review of various departments being led by the Deputy Governor.

4) The reduction of civil service pensions: The Miller Report also recommended a reduction of civil servants pension benefits. We agree that this is an area that needs to be examined but this exercise will obviously need to be carried out through the Governor as head of the Civil Service and only he can do it.

5) Civil Service Health Care: The Miller Report recommends adjustment to civil service health care benefits. And, again, while we agree that this is an area that needs to be examined, this will need to be carried out through the Governor as head of the Civil

Service, and cannot be done by this honourable House.

6) Civil servants' salary cuts: The Miller Report also recommends salary cuts as a means of getting back to more sustainable levels of expenditures.

Madam Speaker, several weeks ago the Government, in the interest of addressing the projected deficit, made various suggestions regarding salary cuts. Since then the Civil Service has made counter recommendations, and this matter is being dealt with by the Governor.

While the Government does not have constitutional responsibility for the Civil Service, it is important to note that as Minister of Finance I do have responsibility for the overall state of public finances. From that perspective, Madam Speaker, the Government is supportive of any initiative taken by the Governor to reduce the cost relating to the Civil Service.

The Cabinet agreed last week, for example, to limit personnel related costs to specify the amount for the 2010/2011 fiscal year. And, His Excellency the Governor will meet with the Civil Service to devise solutions to achieve that target. That had to be done because we had to set a three-year plan. And while you hear that this Government doesn't have a plan, they just have to wait to see the plan because there is one. So, while they will say here today, like a while ago, that there is no plan, they are whistling in the dark. They would like to think that there is no plan.

Madam Speaker, it is late, and I don't think I will be tempted by the interjections across the floor. But what I will tell the Member for George Town is, you were there for four years; we were just there for ten [months]. Look at how much we are getting done, and ask how much he has done to cause us to do what we are doing.

7) Reduction of civil service numbers: In relation to the recommendation by the Miller Report to reduce the Civil Service numbers over the next five years, we will support the Governor in the reduction of the number of civil servants on the basis that this is done in a responsible and compassionate manner. However, we believe that this should be achieved via the divestment of various authorities and government agencies, and by the recommended restructuring of government departments.

To be clear, Government does not believe that the Government should be aggressively laying off civil servants in the current economic climate of both economic and social reasons.

8) Increasing the Civil Service retirement age to 65: The Miller Report recommends increasing the retirement age to 65, and we believe that this is something that can be done. But, again, it has to be looked at most carefully.

9) Civil Service Investigative Committee: The Miller Report recommended establishing a special committee to oversee and monitor an initiative to reduce the number of civil servants. We agree that this initiative will need to be managed properly to achieve

success. In fact, we also feel that this approach should be taken with many of the recommendations and other medium-term plans of the Government.

On [point 10] of the reform of statutory authorities and government owned companies, the Government agrees that those bodies should be reformed.

Several of these organisations currently receive an annual subsidy from the Government, so it is indeed important that they are made to be more efficient to minimise, and we hope in some cases completely avoid the need for any subsidy from the Government. We must change the way we do things, Madam Speaker, to not only recover but be stronger in these times that may come upon us.

In my opinion, reform of the statutory bodies is one of the key measures to achieve our goals. In concluding my remarks, Madam Speaker, the Government is generally pleased with the value added by this significant exercise.

I have heard, for example, Madam Speaker, that some feel the Report does not add value because it does not suggest direct taxes. But, as I outlined in my introductory remarks, this is not a sensible suggestion in any event. What matters, Madam Speaker, is that the Report does make very useful suggestions in many other areas to improve fiscal sustainability in the Cayman Islands. And it should be appreciated for that very important contribution.

One last point, Madam Speaker: Let us all in this House and throughout this country recognise that there are other people who understand the situation. There are other people who know how Cayman works, not necessarily from overseas but in these Islands, and they can inform us and we should accept that.

Madam Speaker, I thank you for your indulgence.

The last thing I would like to do, Madam Speaker, because it was said that the Miller Commission only talked to UDP stalwarts (I think that is what was said), let me say who were the contributors and persons interviewed:

Ms. Deanna Bidwell, Managing Director of Caribbean Wealth Management, the Royal Bank of Canada; Mr. Stephen Broadbelt, President of the Cayman Islands Tourism Association; the honourable Samuel Bulgin, Attorney General, Cayman Islands Government; Mr. Paul Byles, Managing Director, Focus Corporate Services and Consulting; Mrs. Trina Christian, Executive Director, Cayman Islands Tourism Association; Dr. Warren Coats, member of the Cayman Islands Monetary Authority; the honourable (I don't know how he/they got that but anyhow they say it here) Anthony Duckworth, Charles Adams, Ritchie and Duckworth; Mr. Dan Duguay . . . and you know this for certain, Madam Speaker, that the honourable Anthony Duckworth is no UDP Stalwart but is the chairman of the PPM.

Mr. Dan Duguay, Auditor General of the Cayman Islands Government; [Hon.] Donovan Ebanks, Deputy Governor, Cayman Islands Government; Mr. Leonard N. Ebanks, JP, Director Public Service Pensions Board; Mr. John Hall, Chief Valuation Officer, Lands and Survey Department, CI Government; Mr. Jeremy Hurst, President of the Cayman Islands Real Estate Association; Mr. George McCarthy, Chairman of the Cayman Islands Monetary Authority; Dr. Andrew P. Morriss, Professor of Law, University of Illinois, and a member of the Editorial Board, Cayman Financial Review; Mrs. Gloria Myles, Treasury Department, Acting Deputy Accountant General, Cayman Islands Government; Mr. Raul Nicholson-Coe, Managing Director, RNC Consulting Limited, and board member from the Cayman Islands Monetary Authority; Mr. Uche Obi, Senior Valuation officer, Lands and Survey Department, Cayman Islands Government; Mr. Wil Pineau, Executive Director, Chamber of Commerce; Dr. Richard Rahn, Former Director of the Cayman Islands Monetary Authority and member of the Editorial Board of the Cayman Islands Financial Review; Mr. Timothy Ridley, Former Chairman of the Cayman Islands Monetary Board and member of the Editorial Board, Cayman Financial Review; Mr. Michael Ryan, owner of the Ritz Carlton, Grand Cayman; Mrs. Cindy Scotland, Managing Director of the Cayman Islands Monetary Authority; Mr. Mitchell Scott, special assistant to the Managing Director, Cayman Islands Monetary Authority, Mr. Don Seymour, President DMS Organisation Limited.

Mr. Langston R. M. Sibles, General Counsel, Deputy Managing Director of the Cayman Islands Monetary Authority; Mr. Eduardo D'Angelo P. Silver, Managing Director Sol American International Bank, Cayman Limited; Dan Szydlowski, General Manager, Westin Casuarina Resort and Spa; Mr. Anthony B. Travers, Head of the Cayman Financial Services Association; Mr. Mark Vandervelde, Managing Director, Chief Executive Officer of Dart Enterprises; Mr. David S. Walker, Chief Executive Officer, Caledonian Group of Companies; Mr. Canover Watson, Managing Director of Admiral Financial Group; Mrs. Deborah Welcome, Accountant General, Treasury Department, Cayman Islands Government.

These are the people who are noted here in Appendix C as contributors and persons interviewed. And I would like to know who amongst them are UDP stalwarts.

Madam Speaker, I want to thank the people responsible for the Report. As I said, we do not agree with everything, but there is useful information in here as a guideline and a guidepost for the Government. It says what many people do not want to say in this country, and that is the problem. And, of course, it is a problem for those persons who don't believe that anybody can tell them anything, and we have a lot of them here.

Madam Speaker, accordingly I do want to thank you for your indulgence. I certainly want to thank the staff and, of course, thank Members for their indulgence.

**The Speaker:** Are you laying the report on the Table?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, it was made public, but I will lay this Report on the Table of the honourable House.

**The Speaker:** So ordered.

**The Premier, Hon. W. McKeever Bush:** They have one.

### **ADJOURNMENT**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, having completed whatever business was on the Order Paper, we will adjourn this honourable House for a date to be fixed.

**The Speaker:** The question is that this honourable House adjourns for a date to be fixed. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**At 12.25 am on 26 March 2010, the House adjourned sine die.**

**APPENDIX TO PARLIAMENTARY QUESTION NO. 25**  
**25 MARCH 2010**

**PARLIAMENTARY QUESTION ASKED BY THE MEMBER OF THE LEGISLATIVE ASSEMBLY FROM NORTH SIDE TO THE HONOURABLE MINISTER RESPONSIBLE FOR FINANCE, TOURISM & DEVELOPMENT**

**QUESTION:** How many new positions were created in the Cayman Islands Civil Service to implement the Public Management and Finance Law; what each position is paid and what has been the total cost in salaries for the duration of the Law.

**ANSWER:** Based on information provided by the Ministries and Portfolios, 73 positions were created in order to implement the Public Management and Finance Law. These positions were paid CI\$16,823,867 between October 2003 and February 2010. The information is broken down as follows:

Agency	Position	Number of Positions	Current Salary Range	Cost CI\$
<b>Portfolio of Finance &amp; Economics</b>				
The Portfolio	Senior Chief Financial Officer	1	91,284 - 114,012	540,972
The Portfolio	Deputy Chief Financial Officer	1	63,192 - 84,996	89,262
The Portfolio	Senior Financial Administrators	2	49,044 - 65,964	216,672
Budget & Management Unit	Deputy Director/Entire Public Sector (EPS) Budget Accountant	1	80,208-107,880	399,308
Treasury Department	Director of Accrual Accounting	1	88,452 - 110,472	313,180
Treasury Department	Fund and Cash Flow Manager	1	77,712 - 104,532	705,630
Treasury Department	Manager, Entire Public Sector (EPS) Reporting	1	77,712 - 104,532	553,972
Treasury Department	Deputy Manager, Entire Public Sector (EPS) Reporting	2	69,456 - 93,432	595,869
Treasury Department	Senior Entire Public Sector (EPS) Reporting Accountant	2	61,224 - 82,356	478,766
Treasury Department	Bank Reconciliation Officers	2	47,520 - 63,912	397,270
Treasury Department	Cash and Fund Flow Officers	3	47,520 - 63,912	698,528
Treasury Department	Financial Administrator	1	47,520 - 63,912	282,310
	<b>Total</b>	<b>18</b>		<b>5,539,134</b>
<b>Ministry of Financial Services, Tourism and Development</b>				
The Ministry	Chief Financial Officer	1	80,208 - 107,880	599,719
The Ministry	Deputy Chief Financial Officer	1	63,192 - 84,996	318,050
The Ministry	Accounts Officer II	1	39,420 - 53,016	156,232
Department of Tourism	Budgeting and Reporting Manager	1	55,128 - 74,136	221,848
	<b>Total</b>	<b>4</b>		<b>1,295,849</b>
<b>Ministry of Community Affairs and Housing</b>				
The Ministry	Chief Financial Officer	1	80,208 - 107,880	358,842
The Ministry	Deputy Chief Financial Officer	1	63,192 - 84,996	318,137
Children and Family Services	Accounts Officer I	1	39-420 - 53,016	163,721
The Ministry	Financial Administrator	1	49,044 - 65,964	178,298
	<b>Total</b>	<b>4</b>		<b>1,018,998</b>
<b>Portfolio of Legal Affairs &amp; Judicial Administration</b>				



Agency	Position	Number of Positions	Current Salary Range	Cost C1\$
The Portfolio	Chief Financial Officer	1	80,208 - 107,880	680,000
The Portfolio	Financial Administrator	1	49,044 - 65,964	275,000
	<b>Total</b>	<b>2</b>		<b>955,000</b>
<b>Ministry of District Administration, Works and Gender Affairs</b>				
The Ministry	Chief Financial Officer	1	63,192 - 84,996	381,670
The Ministry	Deputy Chief Financial Officer	1	49,044 - 65,964	319,638
Dept. of Vehicle & Equipment Services	Finance Manager	1	55,128 - 74,136	302,793
Agriculture	Financial Administrator	1	49,044 - 65,964	82,433
District Administration, Sister Islands	Financial Administrator	1	49,044 - 65,964	76,229
District Administration, Sister Islands	Clerical Officer	1	22,656 – 30,468	46,054
Lands & Survey	Financial Administrator	1	49,044 - 65,964	470,219
Lands & Survey	Accounts Officer II (Vacant)	1	32,280 - 43,452	-
Mosquito Research & Control Unit	Assistant Director, Finance & Administration (Vacant)	1	71,688 - 96,432	-
Postal Services	Deputy Postmaster General, Finance & Human Resource	1	55,128 - 74,136	305,732
Radio Cayman	Financial Administrator (Vacant)	1	49,044 - 65,964	-
Telecommunications	Financial Administrator (Vacant)	1	49,044 - 65,964	-
Public Works Department	Deputy Director (Finance & Administration)	1	91,284 - 114,012	286,704
Public Works Department	Financial Accountant	1	63,192 - 84,996	127,266
Public Works Department	Accounts Officer III	1	39,420 - 53,016	53,173
Public Works Department	Junior Support Administrator	1	39,420 - 53,016	50,155
Public Works Department	Accounts Officer I	1	35,640 - 47,904	26,825
Public Works Department	Accounts Officer II	1	32,280 - 43,452	69,313
Public Works Department	Accounts Officer III	1	14.67 - 16.22 hourly	79,672
Public Works Department	Office Attendant I	1	12.85 - 14.19 hourly	2,180
Public Works Department	Senior Tally Clerk	1	11.03 - 12.18 hourly	83,719
Public Works Department	Student	1	49,044 - 65,964	49,104
Recreations Park & Cemeteries Unit	Financial Administrator	1	39,420 - 53,016	83,808
Recreations Park & Cemeteries Unit	Accounts Officer II	1	80,208 - 107,880	60,099
The Ministry	Financial Administrator	1	35,640 - 47,904	175,655
The Ministry	Accounts Officer	1	63,192 - 84,996	126,394
Department of Environmental Health	Accountant (Post upgraded / incremental cost reflected)	0	43,932 - 59,088	14,668
Department of Environmental Health	Accounts Officer –Payable (Post upgraded / incremental cost reflected)	0	43,932 - 59,088	6,017
Department of Environmental Health	Accounts Officer - Receivable.(Post upgraded / incremental cost reflected)	0	29,208 - 39,264	5,140
Department of Environmental Health	Customer Service - Representative ( Post upgraded / incremental cost reflected)	0	55,128 - 74,136	4,523
	<b>Total</b>	<b>26</b>		<b>3,289,183</b>

Agency	Position	Number of Positions	Current Salary Range	Cost C1\$
<b>Ministry of Education, Training and Employment</b>				
The Ministry	Chief Financial Officer	1	80,208 - 107,880	527,496
The Ministry	Deputy Chief Financial Officer	2	63,192 - 84,996	523,484
Archives	Executive Officer/Accounts Officer	2	39-420 - 53,016	141,949
Department of Employment Relations	Accounts Officer I	1	39-420 - 53,016	142,843
Education Department	Accounts Officer III	1	35,640 - 47,904	228,235
Education Standards & Assessment Unit	Budget and Admin. Officer	1	39-420 - 53,016	266,259
Libraries	Financial Administrator (Libraries)	1	43,932 - 59,088	113,491
The Ministry	Manager. Fixed Assets & Financial Administrator	1	49,044 - 65,964	188,028
The Ministry	Accounts Officer I	1	39-420 - 53,016	178,287
National Pensions Office	Financial & Administrative Officer	1	43,932 - 59,088	119,226
Sunrise Centre	Accounts & Office Administrator	1	39-420 - 53,016	150,771
	<b>Total</b>	<b>13</b>		<b>2,580,069</b>
<b>Ministry of Health, Environment, Youth, Sports &amp; Culture</b>				
The Ministry	Chief Financial Officer	1	80,208 - 107,880	791,911
The Ministry	Deputy Chief Financial Officer	1	63,192 - 84,996	282,109
Sports Office	Financial Administrator	1	49,044 - 65,964	94,697
	<b>Total</b>	<b>3</b>		<b>1,168,717</b>
<b>Portfolio of Internal &amp; External Affairs</b>				
The Portfolio	Chief Financial Officer	1	80,208 - 107,880	479,459
	<b>Total</b>	<b>1</b>		<b>479,459</b>
<b>Portfolio of the Civil Service and Cabinet</b>				
The Portfolio	Chief Financial Officer	1	80,208 - 107,880	385,522
The Portfolio	Deputy Chief Financial Officer	1	63,192 - 84,996	111,936
	<b>Total</b>	<b>2</b>		<b>497,458</b>
	<b>TOTAL</b>	<b>73</b>		<b>16,823,867</b>

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**28 APRIL 2010**  
**2.07 PM**  
*Third Sitting*

**The Speaker:** I will ask the Elected Member for East End to say Prayers.

There are no other messages or announcements.

**PRAYERS**

**Mr. V. Arden McLean:** Let us pray.

*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, honour 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.

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

**Apologies**

**The Speaker:** I have apologies for late arrival from the Deputy Premier, the Minister responsible for District Administration, Works and Gender Affairs, and from the Honourable Second Official Member responsible for Legal Affairs.

**PRESENTATION OF PAPERS  
 AND OF REPORTS**

**Report of the Standing Business Committee for  
 the Third Meeting of the 2009/2010 Session of the  
 Legislative Assembly**

**The Speaker:** Honourable Premier, Minister responsible for Finance, Tourism and Development, Chairman of the Standing Business Committee.

**The Premier, Hon. W. McKeever Bush:** I beg to lay on the Table of this honourable House the Report of the Standing Business Committee for the Third Meeting of the 2009/2010 Session of the Legislative Assembly.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** No, Madam Speaker, thank you kindly.

**Annual Report of the Cayman Islands Audit Office  
 for the 2007/2008 Financial Year**

**The Speaker:** Elected Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** I beg to lay on the Table of this honourable House the Annual Report of the Cayman Islands Audit Office for the 2007/2008 Financial Year.

**The Speaker:** So ordered.

Do you wish to speak on this Report?

**Mr. D. Ezzard Miller:** [no audible reply]

**Annual Report of the Office of the Auditor General  
 for the year ending 30 June 2009**

**The Speaker:** Elected Member for North Side, Chairman of the Public Accounts Committee.

**Mr. D. Ezzard Miller:** I beg to lay on the Table of this honourable House the Annual Report of the Office of the Auditor General for the year ending 30 June 2009.

**The Speaker:** So ordered.

Do you wish to speak thereon?

**Mr. D. Ezzard Miller:** Only to congratulate the office of the Auditor General and the Auditor General himself for being fully up to date and in compliance with the Public Management and Finance Law in tabling both the 2007/08 and 2009 Annual Report.

Both Reports are very comprehensive and clearly delineate and outline the work done by the Audit Office. I would certainly recommend that honourable Members read the Reports in detail.

Thank you.

## QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

### Suspension of Standing Order 23(7) and (8)

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move the suspension of Standing Order 23(7) and (8) to allow questions to be asked after 11 am.

**The Speaker:** The question is that Standing Order 23(7) and (8) be suspended to allow questions to be asked after the hour of 11 am.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 23(7) and (8) suspended.**

**The Speaker:** Elected Member for North Side.

### QUESTION NO. 26

**No. 26: Mr. D. Ezzard Miller** asked the Premier, the Honourable Minister responsible for Finance, Tourism and Development, if the Planning Department intends to pursue the three hundred foot buffer/protected zone that is proposed with the support of the Department of Environment around Malportas Pond in North Side.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** The answer is that the Central Planning Authority (CPA) does not intend to pursue the proposed zoning of a 300 ft. Public Open Space (POS) buffer around Malportas Pond in North Side at this time.

**The Speaker:** Supplementaries?  
Leader of the Opposition.

## Supplementaries

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

Can the Honourable Premier state if there is any other agency, department, ministry or portfolio of government that might wish to pursue?

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, unless the Member has information otherwise, I am not aware of any other movement to that end.

**The Speaker:** Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

No, I do not have any information otherwise; it was just that I knew that the original pursuit was not necessarily emanating from the Central Planning Authority.

**The Speaker:** That is a statement, not a question.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** [inaudible]

**The Speaker:** Any other supplementaries?  
Member for North Side.

**Mr. D. Ezzard Miller:** Just to ask the Honourable Premier, because this has been a very contentious issue and I hope that . . . I would prefer if he would delete "at this time" from his answer, and give me an assurance that it will not be done at all.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Because it . . . and, Madam Speaker, just as a . . . can the Minister state whether the Department of Environment has discovered any scientific reason why such a large section of property in non-porous rock should be sterilised because of fears of contamination of the pond?

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

[pause]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I apologise, I had to inquire of the Planning Department for the answer.

As I understand it, the 300-foot buffer was suggested by the Department of Environment based

on their research to protect the pond from run-off from subdivisions.

**The Speaker:** Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, [I would like] to ask the Minister if land privately owned in this area that has been denied development permission will now be released and approved for development.

[pause]

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, as the Member for North Side said, this goes back a long way. It was quite contentious, if I remember correctly.

The first subdivision in 2007 was required to have that buffer. Now that that decision has been made not to move forward, the developer can apply to the Board to modify, or to remove, or to redefine. So that is up to them at this time. I suspect they would find a willing ear from the Board.

**The Speaker:** Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, I believe the original intention of that buffer was to create what is called a Ramsar site. Can the Honourable Premier explain the procedures which allow for private property to be declared a Ramsar site?

**The Speaker:** That's a little off the subject, but if the Premier wishes to explain. . .

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, whatever your ruling is, I certainly will bow to it, but the question asked by the Member for North Side, [even though he] did not mention "Ramsar site" the purpose of that 300-foot buffer was to create a Ramsar site. So that is why I thought the question was relevant—and I have to tell you, I still do—but whatever your ruling is, Ma'am.

**The Speaker:** The Premier is getting ready to make an answer.

[pause]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I hear what the Leader of the Opposition is asking, but I think that is a question that should be put down as a substantial question. Ramsar sites are created by treaty and usually done through the Department of Environment. As the Member knows, I would

not have that with me. And the officer answering is from Planning.

**The Speaker:** Thank you.

Any further supplementaries? If not, can we move on?

Elected Member for East End.

#### QUESTION NO. 27

**No. 27: Mr. V. Arden McLean** asked the Premier, the Honourable Minister responsible for Finance, Tourism and Development, what are the lending guidelines of the Cayman Islands Development Bank (CIDB)?

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, before I answer the question, these are matters that are publicly known already. Nevertheless, I will give the answer at this time:

The CIDB's lending guidelines are similar to those of commercial banks in the Cayman Islands with the exception being the financing of start-up businesses, which the commercial banks do not normally offer due to the high-risk nature. The CIDB's objective is to serve the Cayman Islands by facilitating economic development in sectors such as agriculture, industry and tourism.

The CIDB recognises the importance of the role of Caymanians in the continuous building of our economy and encourages Caymanian entrepreneurs with their businesses. Mortgages, business and student portfolios have been identified as key areas for lending.

Mortgages: Home construction/purchase, land purchase and renovations. Maximum financing is \$300,000 with borrower's equity contribution of 10 per cent, (that is a form of cash or collateral). Maximum total debt service ratio is 45 per cent. All Mortgage applicants are subject to a satisfactory credit history and the bank must be in receipt of all other documentation as detailed in the mortgage application form.

Business: The area of business lending includes Micro, Agricultural and Small Business. Maximum financing available for business loans is currently \$500,000 with borrower's equity contribution between 5 per cent up to 20 per cent (that is, 5 per cent micro loans form of cash or collateral). CIDB's consideration of a bank loan is subject to receipt of business plan and receipt of all other documentation as detailed in business loan application form.

Student: CIDB offers student loans for both local and overseas students. Maximum financing available is \$50,000 and no equity contribution is required. Student loan applicants require two sureties with some form of collateral acceptable to the bank. CIDB's consideration of a student loan is subject to

receipt of acceptance letter from the school and receipt of all other documentation as detailed in the student loan application form.

Students can choose a variety of repayment plans and can even capitalise their interest payments so that no repayments are necessary until completion of studies.

In order to be eligible to borrow funds from CIBD, you must be a Caymanian or provide proof of Caymanian Status. As customary with any bank, the borrower will be expected to produce all due diligence documents necessary to open an account with CIBD such as employment letters, credit references from their existing bank and two (2) forms of identification.

Madam Speaker, while I have given a succinct overview of these guidelines, I would like to remind honourable Members that the lending guidelines of the CIBD are public information and contained in brochures and information pamphlets at the bank's headquarters on Dr. Roy's Drive.

**The Speaker:** [Any supplementaries?]  
Elected Member for East End.

### Supplementaries

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

Let me thank the Honourable Premier, especially for the last paragraph, but we know that too.

I would like to ask the Premier if CIBD will also refinance loans on existing mortgages.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, yes, the bank provides facilities for the refinancing.

**The Speaker:** Elected Member for East End.

**Mr. V. Arden McLean:** Thank you, Madam Speaker.  
I wonder if the Minister can say if that includes foreclosures.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, in the years when . . . let's say 2001 and up to 2005, that I know about (I think the programme was stopped after that), there was a facility that we had put in place which was to help people who were going to lose their homes for small amounts, where they could get a second loan to pay off. Let's say they owed the bank \$3,000 or \$4,000 in back mortgage payments. They could borrow that from the Development Bank and pay that over a longer period of time. In other

words, you pay back \$5,000, \$6,000, \$7,000 over a longer period of time which allowed people to save on their homes.

That was stopped. Since May last year and the stimulus that they put in, that allowed for the refinancing and addresses what the Member asked.

**The Speaker:** Elected Member for East End.

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

I wonder if the Minister would be so kind as to explain . . . in his substantive answer under mortgages, he said "all mortgage applicants are subject to a satisfactory credit history." Can he say if, with the new guidelines, it is going outside of those requirements by the bank, including if this also requires employment letters?

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the stimulus addressed a very bad period of time for people. So I would think that when they said that all mortgage applicants are subject to a satisfactory credit history and the bank must have various documentation, that they took all those matters into consideration.

As to the last part of the question, I would like him to repeat that.

**The Speaker:** Elected Member for East End.

**Mr. V. Arden McLean:** Yes, Madam Speaker, what I was asking . . . and also under there, ". . . the receipt of all documentation as detailed in the mortgage application form." I went on to ask if the Minister could say if that documentation also had a requirement for [employment] letter and that the person must be in an established job.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, as I understand it, the requirement for an [employment] letter would be standard, yes. In the stimulus the bank had the wherewithal, the authority, to look at any applicant to assist and to waive that requirement.

**The Speaker:** Elected Member for East End.

**Mr. V. Arden McLean:** Madam Speaker, I wonder if the Minister can tell us (maybe he has the information maybe he does not, but . . .) how much of these mortgages that were foreclosed mortgages, or facing foreclosure, turned to CIBD since May of last year?

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, in the stimulus provided last year there would have been many people assisted in that situation. I do not have numbers with me, but I am told by the staff here that there would have been many people who were assisted. And there is still a new grant or assistance from Government that will allow a further stimulus. That has not been started to be drawn down on as yet. I think at the last meeting we gave that permission.

**The Speaker:** Any further supplementaries?  
If not, let's move on to the next question.  
Leader of the Opposition?

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, my understanding is that the First Elected Member for Cayman Brac and Little Cayman was coming on the 2.00 flight, but he has not arrived here yet. So I would ask that the question be deferred.

**<sup>1</sup>QUESTION NO. 28**  
(Deferred)

**No. 28: Mr. Moses I. Kirkconnell** asked the Premier, the Honourable Member responsible for Finance, Tourism and Development to give an update on the required upgrades necessary at the Gerrard Smith International Airport to facilitate outgoing international flights from Cayman Brac.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I am willing to take that on board. When the Member comes and we are at a point that the Chair can return to that, I certainly will. Outside of that, if they want it answered publicly, I can hold it back to the next meeting and make provision for that; or, I can answer it in writing, whichever one they prefer.

**The Speaker:** Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, I understand the options, and I want to thank the Honourable Premier. But, out of an abundance of caution, I seek your guidance. Do we need to have a motion to that effect? Or . . . Can you just let me know exactly how we best handle it.

**The Speaker:** A motion to the effect that you are postponing the question until he arrives, or until the next Order Paper. What are you asking for?

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, I would crave your indulgence to

move a motion to defer the question until the most convenient time when it can be answered, understanding what the options are.

**The Speaker:** Are you going to propose a motion, sir?

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** I just did.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I second the motion.

**The Speaker:** The Third Elected Member for George Town has seconded the motion.  
Those in favour please say Aye.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, can I hear what the motion is so that I know how to deal with it? I do have—

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** [inaudible]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, the problem is I have . . . while the Member was talking, a colleague was informing me that the staff who need to be here when this question is asked are here. So I never quite heard all of it.

**The Speaker:** Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker, if I am allowed to elucidate.

The motion was simply asking for the question to be deferred and to be answered at the most convenient time.

**The Premier, Hon. W. McKeeva Bush:** Okay, Madam Speaker.

I think when the Member comes, whenever that is, then we will answer at that particular point. Or, if he does not get here, then we will answer it in due course, or provide the answer in writing, whichever one they want.

**The Speaker:** Thank you, Honourable Premier.

Out of an abundance of caution, I will put the question again.

The Honourable Leader of the Opposition has proposed that question 28 be moved to a convenient time to allow the Member for Cayman Brac to be present or for it to be answered in due course. The Third Elected Member for George Town, I presume, the seconder, will hold for that as well. And now I would like to put the question again.

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

**Ayes.**

<sup>1</sup> See page 629

**The Speaker:** The Ayes have it.

**Agreed: Question No. 28 deferred until a convenient time in this sitting.**

**The Speaker:** Now will we move on to the next item on the [Order] Paper.

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

**The Speaker:** I have given permission for the Honourable Premier to give a statement in the House today.

### **Update on the status of Government Financial Reporting**

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Since the 20 April release of the Special Report of the Auditor General on the State of Financial Accountability Reporting, the country has seen the matter played out in the local press with many headlines, such as "Government Accounts a National Crisis."

Madam Speaker, this report paints a dismal picture of our financial management systems and highlights areas of concern to us all. However, I do find that it falls far short in some regards. It is easy to criticise and hint at some form of inadequacy; but it is far more productive for someone to take the time to really drill down and understand what the real issues are and then make meaningful and practical recommendations to overcome some of the deficiencies identified.

Having read the Auditor General's Report, I find that it is significantly lacking in its usefulness to help guide the Government out of this current backlog. It is a fact that the Cayman Islands Government, since 2005 when a report was to have been made, has not been able to comply with all of the financial reporting requirements of the Public Management and Finance Law (PMFL). And I am not here today to make excuses for that situation, as that . . . in fact, sometimes the people criticising are the people that should have gotten the work done. But anyway, Madam Speaker, I will provide the background needed to fully understand what has brought us to the situation and what the Government is doing to address the matter.

You do not want a situation where any auditor, or anybody else in the public who does not understand the situation, believes that this is something that is caused by this administration. That does not help in any event. But the point has to be made absolutely clear. And some people for their own purpose would like to paint this administration as black as they can.

The introduction of the Public Management and Finance Law was the cornerstone of a comprehensive reform of the public financial management systems of the Cayman Islands. This reform was known as the Financial Management Initiative (FMI). The Public Management and Finance Law gave effect to the FMI and established requirements for a new and extremely ambitious framework for an advanced public financial management system.

The Public Management and Finance Law specified clearly defined standards for public sector financial performance, accountability and transparency, all of which are noble and desirable goals for advancing the development of our public service. The Public Management and Finance Law came into full effect in the 2004/05 financial year (which began on 1 July 2004) and introduced a number of changes which were designed to improve our financial management systems.

Some of the key concepts and changes outlined in the Law were: change from cash to accrual accounting; entire public sector accounting and reporting; output budgeting and reporting; decentralisation of accounting and budgetary control; and comprehensive performance based reporting.

The change to accrual accounting was a fundamental change which affected the entire culture of government. Accrual accounting was to provide the government and the people a more thorough tool to assess the true financial health of the Cayman Islands.

Up until 30 June 2004, Government operated its accounts on a cash basis. The main difference between these two is that under cash accounting expenses are recorded when payment is made, and revenues are recognised when the cash is received. Whereas, under accrual accounting expenses are recognised when they are incurred (that is, when the commitment is made) and revenues are recognised when they are due to the Government.

In addition, the switch to accrual accounting requires that there be proper recognition of all assets and liabilities, both tangible and intangible. From a financial performance perspective, accrual accounting would allow for a more robust assessment of the financials of a government agency.

At first glance, this change may seem to be simple. However, Madam Speaker, it required major changes to the accounting information systems and significant investment in the training and monitoring of both management and accounting staff.

The Public Management and Finance Law also established for the first time a requirement for the government to record and report its financial transactions on an entire public sector basis. This was significant in that up until the introduction of the Public Management and Finance Law, the financial performance of statutory authorities and government-owned companies was tracked and reported separately from that of central government ministries and portfolios which,



under the PMFL were referred to as “core government.”

The PMFL changed the basis of how government budgets were to be prepared and managed. In the pre-PMFL environment, government budgets were prepared and managed at the line-item, individual account level. Under PMFL, it was moved to preparing and reporting budgets on an output level. This meant that government agencies had to take their individual line-item budgets and spread them out across the various services provided by that agency. These services are referred to as “outputs.” Providing budget information in this manner allows for evaluation of the cost of providing specific services as well as monitoring and gauging the efficiency and effectiveness of these services, setting the stage for more wholesome performance management.

Output budgeting and reporting is an extremely complex undertaking requiring extensive resources in terms of compliance and staff in order to produce meaningful and useful results.

Under the PMFL the financial management functions were decentralised and each ministry and portfolio was responsible for the operation of their finances within the rules and policies set out in the PMFL and its regulations, and in accordance with the accounting policies and procedures established by the Treasury Department. This meant, among other things, that ministries and portfolios had to establish multiple bank accounts and be held fully responsible for the proper authorisation and execution of all payments.

Prior to the PMFL, all payment authorisations were reviewed by the Treasury for accuracy and validity prior to payment. In terms of the budget execution, in the pre-PMFL environment, once a budget had been approved by the Legislative Assembly, the respective ministry and portfolio had to apply to the Financial Secretary for permission to draw down a portion of their approved budget which, in the case of operating budgets, was approved for release on a quarterly basis subject to need and ability of the government to finance the approved budget. The introduction of the PMFL eliminated the need for this central oversight and each minister or official member was empowered to release budgets to their respective agencies based on the agency’s monthly delivery of its outputs.

The PMFL also radically changed the financial reporting requirements for government agencies that it requires all ministries, portfolios, statutory authorities and government companies to provide detailed end-year reporting on their overall performance. In addition, the PMFL also requires interim reporting on the consolidated core government financial and overall output delivery performance.

Prior to the introduction of the Public Management and Finance Law, the government reported its financial performance on an annual basis by way of the Annual Report of the Accountant General, which

was audited and presented to the Legislative Assembly. There was no requirement for any within-year financial reporting, and the statutory authorities and government companies were not included in this report. They each reported separately to the Legislative Assembly via their respective minister or official member of cabinet.

The overall public reporting requirements of the PMFL are substantial and onerous, requiring the full dedication of significant resources in order to fully comply with the requirements. Members will be familiar with the tons of documentation associated with the presentation of the annual budget. The PMFL reporting requirements resulted in basically four times that amount of documentation over the course of the financial year.

The following is a summary of the reporting requirements of the Public Management and Finance Law, the ministry and portfolio reports: In the case of core government, ministries and portfolios are required to prepare quarterly reports highlighting the agencies actual year-to-date performance against their approved budgets in terms of their financials and outputs. These quarterly reports are quite detailed and are required by the PMFL to be prepared and presented to the Cabinet not later than four weeks after the end of each of the first three quarters of each financial year.

The quarterly report is then required to be presented to the Legislative Assembly by the relevant minister or official member for review at the same time as the consolidated core government quarterly report. These quarterly reports are meant to provide information to the wider public and are not subject to audit by the Auditor General. Ministries and portfolios are also required under the PMFL to produce an annual report which is similar in content to their quarterly reports providing details of their financial and output performance for the financial year. These annual reports are to be prepared within two months of the end of the financial year and presented to the Auditor General for auditing, and the Auditor General then has two months to perform an audit and express an opinion on the financial statements in the annual report.

After the auditing process is completed, the annual report is then required to be presented to the Legislative Assembly by the relevant minister or official member for review at the same time as the consolidated core government annual report.

Statutory authority and government owned company reports: Statutory authorities and government owned companies are required to provide half-yearly reports on the financial and ownership performance specified in their approved ownership agreement. These half-yearly reports are to be presented to the Cabinet within four weeks of the end of the half-year and are then presented to the Legislative Assembly by the respective minister or official member at the same time as the next core government quarterly report.

Core government: The government is required to produce a quarterly report on the consolidated financial and output performance of the core government and the entire public sector. This government quarterly report is to be presented to the Cabinet and gazetted not later than eight weeks after the end of each of the first three quarters of the financial year. Once the report has been gazetted, it shall be presented by a member of Cabinet to the Legislative Assembly for a review. These government quarterly reports are meant to provide information to the wider public and are not subject to audit by the Auditor General.

The core government is also required to produce an annual report on the consolidated financial and output performance of the core government and the entire public sector. This report is required to be gazetted by cabinet not later than five months and two weeks after the end of each financial year and must include audited financial statements for core government and entire public sector. Once the report has been gazetted, it shall be presented by a member of Cabinet to the Legislative Assembly for review.

The accounting task force: Madam Speaker, there has been a lot of talk and rhetoric about the lack of effort on the part of the government to address the issue of outstanding audits and PMFL required reports. In fact, I see one headline on the front page (as they like to get on) saying that it is not worth it. On the other hand, they were saying that it needs to be done. It is a significant issue, though, which our Government acknowledges and is actively addressing.

In December 2008, the then Portfolio of Finance and Economics established an accounting review team in order to determine the status of the required PMFL financial reports for ministries and portfolios for the 2004/05, 2005/06, 2006/07, 2007/08 financial years. The accounting review team conducted a series of meetings and interviews with representatives of all ministries and portfolios and determined, following these consultations, that there were a series of deficiencies, issues and challenges that significantly impacted the ability of government agencies to produce the required PMFL financial reports.

The team determined that the best way to overcome these challenges would be to establish a 9 to 12 member accounting task force that would be dedicated and focused on producing the required financial reports for all ministries and portfolios.

The accounting task force began operation on July 1, 2009, with a mandate to substantiate the general ledger balances and prepare financial statements for each ministry and portfolio that had not submitted financial statements and/or an audit support binder to the Cayman Islands Audit Office for the fiscal years 2004/05 through 2007/08. The timeframe for the completion of these tasks was 18 months, July 1, 2009 through December 2010.

Given the timing of this initiative, along with the fact that chief financial officers from each ministry

and portfolio were not included in the task force, it was intended that chief officers and their respective CFOs would be responsible for the timely submission of their 2008/09 and subsequent years financial statements and audit support binders.

Task force members and cost: The task force created after the general elections—which our government did—included contracted KPMG staff as well as existing government employees. At its peak, there were 12 contracted KPMG staff and 6 existing government employees. Currently, there are 8 contracted KPMG staff and 4 existing government employees. The cost of this initiative for the period from 1 July 2009 through 31 March 2010, is \$1.4 million (\$1,480,000). The approved budget in the 2009/10 fiscal year for this function is \$1.8 million (\$1,890,000).

The draft 2010/11 Budget will include a request of \$814,000 to cover the period from 1 July 2010 through 31 December 2010.

What the task force has accomplished: The task force is expected to complete its work in respect of the government financial statements for the 2004/05, 2005/06, 2006/07 and 2007/08 financial years by 31 December 2010. The work of the task force has been broken down in two major categories, entity and executive financial statements. Entity financial statements report in detail the financial transactions that a ministry and portfolio undertakes to produce the outputs that Cabinet purchases from them. Whereas, executive financial statements capture a summary of the entity financial activity along with details of Cabinet controlled financial activity which has been delegated to a respective ministry and portfolio. This includes such things as coercive revenue, transfer payments, capital investments and borrowings.

The 2004/05 fiscal year: Now this would have begun on July 2005. That is when that audit should have begun. For the financial year 2004/05, the task force has completed the preparation of six ministry and portfolio executive financial statements and audit support binders. The task force was not involved in the review of any of the entity financials for the 2004/05 fiscal year.

In the 2005/06 fiscal year, executive transactions, the task force was assigned to work with six ministries and portfolios and has completed and submitted executive financial statements for three of these agencies and expects to complete the remaining three agencies by the end of June this year, one by the end of April, one by the end of May, and one by the end of June. The remaining seven ministries and portfolios have represented to the task force that their submissions have been completed.

In terms of entity transactions, the task force is working with six ministries and portfolios and has completed submissions for two agencies and expects the remaining four agencies to be completed by the end of June 2010, one by the end of April, two by the end of May, and one by the end of June. The remaining

seven agencies have represented that their submissions have been completed.

The 2006/07 fiscal year, the executive: The task force is working with six ministries and portfolios and has completed submissions for two agencies and expects one of the remaining four agencies to be completed by the end of June 2010. Three agencies have yet to be started. The remaining seven agencies have represented that their submissions are completed.

In terms of entity transactions, the task force is working with five ministries and portfolios. It has completed submissions for one agency and expects one of the remaining four agencies to be completed by the end of June 2010. Three agencies have yet to be started. The remaining eight agencies have represented that their submissions are complete.

The 2007/08 fiscal year, the executive: The task force is working with six ministries and portfolios and has completed submissions for two agencies and expects one of the remaining four agencies to be completed by the end of June 2010. Three agencies have yet to be started. The remaining seven agencies have represented that their submissions are complete.

In terms of entity transactions, the task force is working with six ministries and portfolios. It has completed submissions for one agency and work is actively underway with one of the agencies. Work is yet to commence on four agencies. The remaining seven agencies have represented that their submissions are complete.

Madam Speaker, as of 24 February, there have been several reports tabled, which were required to have been tabled to the Legislative Assembly by various members going back to University College, financial statement for the Port, the Stock Exchange, various reports were tabled by various people—and quite a large number of them.

In conclusion, Madam Speaker, the current backlog of audited financial reports is an undesirable situation for my government. And we will continue to work to bring the government's financials current as quickly as possible without taking undesirable short-cuts.

Madam Speaker, I see that some criticism was leveled at us. But as this report tells you, we have done our part as a Government in moving these things forward. I wonder what the song would have been if we had done nothing. What would they have said?

Do you know what they were going to do? They were going to say that it should have been done; now they are saying they do not know if it is any good. Madam Speaker, it is difficult to put a firm date as to when all the government's accounting backlog will be completely cleared. But I assure everyone that every effort is being made to correct the situation. The task force will continue its work in respect of the 2004/05, 2007/08 financial years and aims to have that completed no later than 31 December 2010.

Overall, the Public Management and Finance Law established a very advanced system of public financial accountability for the Cayman Islands and contained some excellent aspirations which cannot be dismissed lightly. After some six years of operating under the legislation it is clear that the Cayman Islands still has some distance to travel to get up to the stage where it can fulfill all of its obligations under this Law. So, Madam Speaker, that is why I have called for a review of the situation. And at that point we will tell what we can pull back and what we can go forward with.

It is very important that I make clear that the accounting task force is not producing output statement information. Its concentration is purely on providing data that will support the audit of financial statements in their traditional or orthodox monetary form, which is typically an income statement, a balance sheet, a cash flow statement and explanatory notes thereto. It is equally important that I strongly voice my Government's position that it is grossly inaccurate of anyone—including the Auditor General—and disingenuous to state that the Government does not know what expenditure it has incurred over many years. It is more accurate to say that those expenditures have not all been audited.

Madam Speaker, my Government also believes that a review of the PMFL is necessary and we will bring appropriate amendments to the Law, such as the removal of the need to have quarterly reports done in the early years of the Law's operation, and, such as, looking at how we can bring back the financial year to one [that] counts when we get revenue as soon as possible.

I saw a slew of amendments by the Elected Member for North Side [Mr. D. Ezzard Miller], today, [which are] dealing with just one area. It is my Government's view that quarterly or half-yearly reporting should only commence when the traditional or orthodox financial statements of government are current. Moreover, the public needs to be given a balanced view and people have to take their hard feelings elsewhere.

Individual ministry and portfolio financial statements have been prepared, audited, and tabled in this House. Ministries and portfolios are at various stages in being up to date in respect of fiscal years beyond 2004/05 (July 2005 when that report should have been started).

It also needs to be understood that beyond the preparation, audit and tabling of individual ministry and portfolio financial statements, there are two additional stages to complete the reporting on that year. Consolidated financial statements must be prepared from the individual ministry or portfolio financial statements and the financial statements of all statutory authorities and government-owned companies must also be included along with those of central government to produce an entire public sector position.

Madam Speaker, the fundamentals of the PMFL are sound to that extent and should be retained in some areas. Its peripheries certainly need changing. And some other fundamental changes, as I said. The public should also not be alarmed when qualified audit positions are produced on government's financial statements. Even the Auditor General's office financial statements receive a qualified audit opinion when examined by a private sector accounting firm.

Madam Speaker, not because you can on the radio and get the headlines . . . because the newspapers here will do that. They want somebody to blow everything up and make everybody look at bad as possible. But not because you do that are you right, and everybody else is wrong. Uh-uh. There was only one man who did not make a mistake. Only one. And we know who that man is.

The truth is, too, Madam Speaker, that the audit office of this country has 20 staff. It is not just the Auditor General sitting down by himself with a pen and all the work has to be done by him. He has 20 staff. And I think he got it cut down to 20. I think when he found it it might have been a little bit more. So let no one believe that anybody is sitting down there, poor fellow, all by himself, and no help. It does not work that way.

Anyway, Madam Speaker, I thought it important after hearing some of what was being said on the radio and reading what was in the papers. I note that the Auditor General in the United Kingdom never goes to the newspapers. And that, as we know, is supposed to be the cradle of democracy.

My Government will continue to demand and drive progress on this important matter. As I said, I see where it was said that they do not know if the reports will be of any use, on the one hand. And on the other hand, they need to be done. I wonder if we had not done them what would have been said of my Government. I know what they will say of me. Liars, and also figures sometimes, lie.

Madam Speaker, thank you very kindly.

**The Speaker:** Yes, honourable Premier. I have told you before, please calm down your comments to your written text when you are presenting them.

**The Premier, Hon. W. McKeever Bush:** That is what I was saying. You might not have read that page, but I had it.

*[laughter]*

**The Speaker:** You should have given that to me as well.

*[Laughter]*

**The Speaker:** Can we proceed?

## GOVERNMENT BUSINESS

### BILLS

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

#### Suspension of Standing Orders 45, 46(1) and (2)

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to suspend Standing Orders 45 and 46(1) and (2) to enable the Bills on the Order Paper to be read a first time.

**The Speaker:** The question is Standing Orders 45 and 46(1) and (2) be suspended to enable the Bills on the Order Paper to be read a first time.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Orders 45 and 46(1) and (2) suspended.**

### FIRST READINGS

#### Public Management and Finance (Amendment) Bill, 2010

**The Clerk:** The Public Management and Finance (Amendment) Bill, 2010.

**The Speaker:** The Bill has been read a first time and is set down for Second Reading.

#### Immigration (Amendment) Bill, 2010

**The Clerk:** The Immigration (Amendment) Bill, 2010.

**The Speaker:** The Bill has been read a first time and is set down for Second Reading.

#### Suspension of Standing Order 46(4)

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move the suspension of Suspension of Standing Order 46(4) to enable the Bills on the Order Paper to be read a second time.

**The Speaker:** The question is that Standing Order 46(4) be suspended.

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

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Standing Order 46(4) suspended.**

## SECOND READINGS

### Public Management and Finance (Amendment) Bill, 2010

**The Clerk:** The Public Management and Finance (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeewa Bush:** Thank you, Madam Speaker.

I beg to move the Second Reading of a Bill shortly entitled, Public Management and Finance (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeewa Bush:** Thank you, Madam Speaker.

I rise to put two issues to the Legislative Assembly which are related and really require one amendment. The first issue has to do with pushing the timing of the upcoming 2010/11 Budget presentation beyond the deadline of 1 May. The second issue pertains to the timing of budget presentations in respect of fiscal years subsequent to the 2010/11 year.

The Bill before the House seeks to amend section 24(1) of the Public Management and Finance Law, which is in respect to the first of May date. The Bill also seeks to recognise the independence of the Officer of Information Commissioner and the Information Commissioner as a chief officer.

If the Bill is passed into law, the timing of the upcoming 2010/11 and subsequent years' budgets will be resolved, although I will argue in my presentation that it would have been possible to push back the timing of the 2010/11 Budget without changing the existing section 24(1) of the Public Management and Finance Law because of exceptional circumstances that presently exist.

Madam Speaker, as we know, the United Kingdom's Foreign and Commonwealth Office observes strict rules that are in place on the decisions that UK Ministers make during the general election campaign in the United Kingdom. As a result, Ministers are required to observe discretion and avoid undertaking any decisions or policies of a continuing or

long-term character on which a new government might take a different view.

The United Kingdom Government's agreement to a request for new borrowing falls into this category and, therefore, cannot be given at this time. This has implications for the timing of the delivery of any Overseas Territory's budget where additional borrowing is required. I do not expect approval for such borrowing to be possible before the week beginning 24 May 2010 at the earliest.

Without regard to any other issue, the timing of the UK general election delays consideration of approval of the public sector borrowing requirement which will undoubtedly be included in this year's budget. As a consequence, an exceptional circumstance allows the Government to delay the presentation of this year's Budget. The circumstance gives my Government valuable time to consider a wider range of options and to resolve some issues which threaten meeting the principles of responsible financial management.

These principles are specified in section 14 of the Public Management and Finance Law. According to section 14(1) of the Public Management and Finance Law, "**The Governor in Cabinet shall manage the financial performance and financial position of the core government in accordance with the principles set out in this section.**"

The principles of responsible financial management are outlined in subsection (3). The existing Law certainly makes provision for a set of management principles used in the fiscal affairs of the Caymanian economy. This has served us well over the years and will continue to do so in the coming years but the better way forward demands a set of leadership principles to buttress the process of governing our social, political and economic progress.

A set of leadership principles focuses on the wellbeing of the people, the character of the business community and the reputation of the country. Of course, Madam Speaker, household incomes, business profits and Gross Domestic Product are important indicators of worth. But the better way forward recognises the synergy between managing net worth and leading to create change and inspire a new hope in our people. This is the essence of the proposed amendment to the legislation.

In previous years, when the budget speech was delivered by the Financial Secretary, the focus, understandably, was on meeting the principles outlined in the Public Management and Finance Law. Now that the budget speech is to be delivered by the Minister of Finance, it is equally understandable that the focus would be broader than in previous years. This change in focus represents concerns that go beyond issues of management only, to issues of leadership as well.

The reality of the change in focus is more marked in a very difficult economic environment that creates challenges not evident in times of plenty. A-

part from inheriting a troubled economy, the worldwide economic recession is still present and challenging. The January 2010 IMF Report indicates that in most advanced economies the recovery is expected to remain sluggish by past standards, whereas in many emerging and developing economies activity is expected to be relatively vigorous, largely driven by buoyant internal demand. In advanced economies the beginning of a turn in the inventory cycle and the unexpected strength in the US consumption contributed to positive developments. Domestic demand was very strong in key emerging and developing economies, although the turn in the inventory cycle and the normalisation of global trade also played an important role.

The IMF forecast implies that another important risk is that impaired financial systems and housing markets, or rising unemployment in key advanced economies, may hold back the recovery in households spending more than expected. The IMF forecast added that rallying commodity prices may constrain the recovery in advanced economies.

On the local front, the economic report as at 1 April 2010 by the Economics and Statistics Office indicates that the estimated real growth of GDP in 2010 for the Cayman Islands is placed at a negative 3.1 per cent due to the deficit reduction policy and a shrinking population size pointing to a continuing recession in 2010. Inflation is expected to reach 2 per cent in 2010, compared to a deflation rate of 1.3 per cent in 2009, due mainly to the impact of new revenue measures in 2010 which includes an increase in import duty by 2 per cent, rising prices on gas and other imported items, and the unemployment rate is forecast at 4.3 per cent for 2010, lower than the 5.5 per cent forecast for 2009.

A return to the labour force size recorded in 2008 is not expected to occur within the medium term as key industries (that is, construction and financial services) are not projected to stage strong recoveries, except for tourism related services beginning in 2011. The report for this states that while most of the advanced economies are on their way to recovery in 2010, mainly due to unprecedented fiscal stimulus programmes, this is not the case for us.

In non-recessionary times, and, therefore, easier economic times, the previous administration delivered the required annual budget presentation and speeches on 28 April 2006, 27 April 2007, and 30 April 2008. This year the deadline of 1 May was going to be difficult to meet, primarily because of the protracted discussions and deliberations associated with getting the Civil Service to decrease personnel costs for the 2010/11 financial year. In the exceptional circumstances confronting the Caymanian economy the Government does not have the liberty or luxury of using a whole heap, or plenty, fiscal stimuli.

In fact, in concert with our principles of responsible financial management and in pursuit of a better way forward, we first have to stabilise the econ-

omy in the short term to ensure that a common vision for the common good is achieved in the medium term.

As we look forward, it is evident that we will need some flexibility to pursue public policy, that is 1), consistent with our vision; 2) certain in its incidence; and 3) cost effective. Consistency has to do with adhering to a given set of principles, and this does not mean that an exceptional circumstance may not cause a deviation, but it must be temporary in nature. Furthermore, Madam Speaker, the aberration should not compromise the medium- to long-term vision around which the principles are set.

The process of managing the deviation demands leadership. At all times there must be clarity of purpose in setting public policy. And once there is need to deviate from our preferred path, the lines of clarity could become blurred. And this has to do with the sharing of the burden or effort that is required to bring us back in line with our common vision.

The challenge of allocating the burden is one of leadership. In other words, we have to pursue certainty in the incidence of public policy. And this demands more planning. In the face of economic challenges, issues of deficiency and productivity really come to the forefront. That is the relationship between our inputs and our outputs. This is especially true in the public sector where these issues are not easy to quantify. If the current recession is an aberration, then we have to consider sharing the burden across a wider cross-section of workers. This will reduce the relative share of the burden and not compromise our medium term vision that sees an efficient and productive public sector as indispensable.

A better way forward, therefore, implies that the economy has to return to growth as quickly as possible with a minimum of burden to our people. It is only through growth that Government will be able to deliver the social entitlements Caymanians deserve. As we know, Madam Speaker, real development is about sustainable economic growth accompanied by desirable social change. And social change in pursuit of social justice requires that public policy is certain in its incidence with those least able to pay, paying the least.

The vulnerable groups in the society must be guaranteed the benefits of a meaningful existence as a measure of social justice. The common good to which we all aspire must be conducted within a common vision that is achieved in the most cost-effective way possible. This demands effective management of our limited resources and effective leadership of our common vision.

It is in this context that we aim to amend section 24(1) of the Public Management and Finance Law. As the Law now stands the Minister of Finance would have had to appeal to an exceptional circumstance as defined in the existing Law to push the budget presentation beyond 1 May. According to section 24(1), **“Unless authorisation has been provided in advance of appropriation in accordance**

**with section 12, the annual plan and estimates for the next financial year shall be presented by the Financial Secretary on behalf of the Governor in Cabinet to the Legislative Assembly, not later than the 1<sup>st</sup> May in each year, for review.”**

Section 12(2) states: **“Before an executive expense is incurred, an executive asset acquired or created or a loan or equity investment made in accordance with an authority granted under subsection (1), the approval of the Finance Committee of the Legislative Assembly is to be obtained.”**

The authority granted under section 12 requires the approval of the Finance Committee of the Legislative Assembly in order to change the legal deadline of 1 May. The Finance Committee must appeal to some exceptional circumstance, which means an event that occurs during a financial year and which, (a) is beyond the control of the Governor in Cabinet; (b) could not have been reasonably anticipated at the time of enactment of the Appropriation Law for the financial year; (c) has an economic or social impact that is significant enough to necessitate executive financial transactions different from those planned for that financial year; and (d) requires the executive financial transactions to be entered into in a timescale that makes compliance with the procedure established by section 12 impractical.

Given the history of budget presentations with respect to timing, it is evident that the 1 May deadline has, for the most part, been consistently challenging to meet in the best of times. Now that the economic challenges are greater, there is justification for allowing the analysis and measurement of Government's policies to go deeper into the fiscal year.

This will not in any way compromise the pursuit of responsible financial management principles identified in the Law. If anything, Madam Speaker, the pushing back of the deadline gives the Government more flexibility in light of more data to make more informed decisions. This view is consistent with that expressed by the Foreign and Commonwealth Office which stated that postponing the budget would give Government valuable time to consider the full range of options more thoroughly and to provide the details needed to ensure that proposals are deliverable. If this is true for 2010, then it is also true for all subsequent years.

The proposed amendment to section 24(1) of the Public Management and Finance Law is to remove the statutory requirement of 1 May, and replace it with a requirement for the budget to be presented to the Legislative Assembly prior to the start of the coming financial year. This amendment is an example of the need for leadership, as well as management of the budgetary process.

A critical principle in the amendment, Madam Speaker, requires the Public Management and Finance Law to recognise the independence of the office of Information Commissioner and to recognise the Information Commissioner as a chief officer. It is

therefore proposed to amend the Public Management and Finance Law to provide such independence from a financial management perspective along the same lines as the office of the Complaints Commissioner. This again speaks to the issue of leadership that is inextricably linked to the management process.

Madam Speaker, clause 5 of the Bill seeks to remove the present budget presentation date of 1 May each year with a more pragmatic provision that the Government must present the annual budget to the Legislative Assembly before the start of an upcoming financial year.

The remainder of the clauses in the Bill seek to give due recognition to the office of Information Commissioner and to recognise the Information Commissioner as a chief officer.

Madam Speaker, I respectfully urge all honourable Members of the House to support this sensible and practical Bill. Thank you kindly.

**The Speaker:** Thank you, Honourable Premier.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, my position on the Public Management and Finance Law is well known. I think the most recent (and, Madam Speaker, I am not going to revive the debate, so nobody needs to get up on a point of order) was the tabling of a motion seeking to send this Bill to a select committee of the House.

Madam Speaker, in keeping with my convictions about the problems that this legislation has created for this country, I have taken the opportunity to submit a number of amendments to the present Bill to achieve certain of the objectives that I would like to see surrounding the Public Management and Finance Law.

I guess they could be summarised in three main areas. I can certainly sympathise and empathise with the Government in its desire to move the date for presentation of the budget for review from 1 May, given the exceptional circumstances that exist in Cayman and the world today. But, Madam Speaker, I would prefer to see a date that I believe will give me and other Members of parliament ample opportunity to review the budget when it is presented. I have suggested that that date to table the budget for review be 1 June as opposed to any date prior to 1 July.

The second set of amendments that I have proposed to table surround trying to provide . . . because I believe that it is time that parliament was separated from the executive as an autonomous body. What I am seeking to do is provide an office of the Speaker with similar privileges under the Law that the office of the Information Commissioner and the Complaints Commissioner and others enjoy under the Law.

And the third area concerns amendments to delete the particular sections of the existing Law that I believe are the problem areas within the Law. Madam Speaker, again there are three main areas: the sections that relate to the Government reporting, other than the financial numbers; the sections that require statutory authorities of government [owned] companies to comply with these, what, in my view, are onerous, provisions in the Public Management and Finance Law; and to allow statutory authorities and government owned companies to present their accounts in accordance with the enabling legislation under which they are established and generally internationally accepted accounting principles.

Madam Speaker, when it comes to committee stage on the Bill I will table a number of amendments to the Law. Thank you.

**The Speaker:** Does any other Member wish to speak?

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I wish to offer a short contribution to this very critical proposal by Government to alter the deadline by which Government ought to present its budget, the annual plan and estimates as it is fully known.

Madam Speaker, I listened carefully to what the Premier has said, and the reasons he has put forward for the delay. I hear all of that, Madam Speaker. But the reality is that this delay is simply inexcusable.

The Government has been aware from the start that we were in difficult times. They spent most of their campaign talking about government accounts in the red, laying reasons for all of the problems on the then administration. And the argument carried the day. They then took office and have since been haunted by the statements they made and the basis they used to say that all of this ought to be taken or laid to the account of the Government.

Now, Madam Speaker, they have had since 27 May to come to grips with how we manage what is, without a doubt, a very challenging financial situation. As I have said elsewhere, they wasted most of that year spending a great deal of time and rhetoric laying blame—but, seemingly, doing very little to actually address the issues so that we could on the anniversary of their assuming the helm be in a position where the country would know what the financial position of the country is and what its prospects are going forward.

Madam Speaker, the budget for last year came five months late. Perhaps . . . and, in fact, that is not that unusual given the fact that there had been a change of administration. But the Government then, having changed tack from their pronouncements over the previous five months about the country being bankrupt (or words to that effect) produced a balanced

budget, a budget that actually projected an operational surplus of some \$5 million.

We said back then that the approach was completely wrong, that the Government ought to accept the realities of the world's economic situation, that they ought to propose a three-year plan to get us through this situation, one that would have the support and approval of the Foreign and Commonwealth Office. We were shouted down. And, lo and behold, in January the Government acknowledged that they were facing a significant operational deficit at the end of this fiscal year.

Throughout the course of all of that, Madam Speaker, there were announcements about the need to rein in operational expenditure. There were going to be cuts in benefits and salaries to public servants and Members of the Legislative Assembly. All sorts of measures were proposed as to how we address this whole issue of operational expenditure.

But the reality is that we hear at the end of April nothing; no significant decision has yet been taken which will have the effect of reducing operational expenditure. Here we are, a full 10 months, 11 months almost, since the Government assumed office and they cannot even produce a budget on time as required by a law which has been around and which, actually, was ushered in by their administration back in 2004.

Madam Speaker, with all of the reasons put forward, it comes down to this: It is an absence of leadership. It is an unwillingness to make hard decisions that has brought us to this point. And if we believe that we are going to get this country through the difficult times by simply moving deadlines and amending laws that create problems for us when we cannot comply, then I am afraid the Government is greatly mistaken.

Whatever the decisions are that need to be taken must be taken, and simply ought not to be rolled back because there is some public outcry or furor. If the decisions are based on sound reasoning and analysis, and they are required to achieve the results, the Government is there to govern. That is why, Madam Speaker, we are where we are at today.

Now, what the Government is asking for in this amendment to the Public Management and Finance Law is to do away entirely with any requirement that they are to produce a budget document in advance of the budget actually being approved. What that does is reduce the period for examination and analysis and, God forbid, criticism by anybody about what it is the Government is proposing. The whole reason why the Public Management and Finance Law has been developed and structured as it has is to create greater opportunities for examination and analysis, to give the Government a chance to take on board those observations and perhaps make the necessary adjustments.

What is being proposed in this amendment is to remove any requirement that the Government is to



present a budget to this House in advance of the date on which it is to come into effect. If we look at this amendment, it is clause 5, I believe, on page 7, it reads: **“The principal Law is amended in section 24(1) by deleting the words ‘not later than the 1st May in each year, for review’ [in reference to the annual plan and estimates] and substituting the words ‘for review prior to the start of the coming financial year.’”**

That means that the Government could present the budget to this House on 30 June, run the House late and pass the budget so that it comes into effect on 1 July, limiting—if not entirely ruling out—any real debate or analysis or examination by the Members on the other side of the House, let alone any opportunity for the broader public to be engaged in any discussion about what the Government is proposing. There is a very good reason why the Law, as it currently stands, gives a two-month window before the Appropriation Law actually comes into effect and the new budget actually comes into place.

Now, Madam Speaker, let me concede, for the purposes of today, that because of the long and winding road that the Government has taken over this past year we are where we are, and the Government is incapable of producing a budget in compliance with the Law. I think we all understand that is where we are. With the many public statements that have been made over the course of many months, I think everyone in the country knows that the Government is nowhere near where it needs to be in terms of settling a budget. So let's concede that.

Why is it necessary, Madam Speaker, for us, even with that concession, to amend the Law in a way which does not impose upon the Government any deadline at all for the presentation of the budget, save that it has to get it through in time for the start of the next fiscal year? Why not treat this (to borrow a word from the Premier's presentation) as an *aberration*, and say we need whatever additional time we need to present the budget this year, but that henceforth and hereafter we will revert to what the Public Management and Finance Law currently says—which is, that there will be a two-month period for consideration by the country of what it is the Government is actually proposing (the new budget to be).

That, Madam Speaker, is the bit that truly worries me about this. I thought I could take some reassurance from the lengthy statement the Premier read just a short while ago, and his, at some points, staunch defence of the principles which under-gird the Public Management and Finance Law. But this amendment in its present form will significantly erode one of the fundamental principles of that legislation, which is that there must be time so that the Government can be held to account in relation to what it proposes as its budget.

And so, Madam Speaker, I am suggesting to the Government that they give consideration to amending clause 5 so that the extension (if I may use

that word) of time sought and granted relates only to the 2010/11 financial year and that thereafter the original provisions of the legislation resume. And, Madam Speaker, with your permission, I am proposing to move a committee stage amendment to that effect when we get to that point in this process.

Madam Speaker, a great deal of criticism about the Public Management and Finance Law is thrown about, even from certain Members in this House. And I think that all of us who have worked with the Law know that there are inherent problems in the way that it is actually applied. Particularly some of the requirements that relate to reporting are unduly onerous and cumbersome and create all sorts of delays and difficulties and tediousness and time consumption.

But I think it would be most unfortunate, perhaps even tragic if, because of the frustrations created now and because of the inability of the public service to comply with particularly the accounting requirements of the Law now, we were to throw the whole thing out on that basis. The reality is that this is an extraordinarily good piece of legislation which does hold the public service, the executive and, indeed, Members of the Legislative Assembly, to really high standards of transparency and accountability if the Law is properly implemented and if its requirements are met.

In my experience, having worked with both the previous system and this system, I believe what is being confused in many instances is that the Law actually does not call for details of how many letters this officer has written or not written, how many TRS hours are put in, and so forth. Those are procedures which have been developed by the technocrats as their view about how the requirements of the Law are actually met. What we really need to examine very carefully is whether or not all of these myriad of requirements and procedures that are actually asked for are necessary; whether they actually further the objectives of the Law.

[Over the] four years as a Minister I often felt that a lot of this was just heavily overdone in the amount of time spent recording what we did for this and what we did for that. In many instances it is a lot of wasted time. But I believe it would be one of the worst things we could do, certainly a very backward step, if we were to say that the principles of responsible financial management were all thrown out of the window. Indeed, Madam Speaker, if we see what has happened over the course of the past years, and particularly over the course of the last two years, we need to work on enhancing—or increasing, perhaps—some of those principles.

Indeed, Madam Speaker, one of the criticisms contained in the Miller/Shaw Report about that system actually relates to bits that it omits rather than the six principles that are actually set out in the Law, which the Report regards as exemplary and the authors of the Report are very complimentary of.

I have heard from some quarters, I have heard from some public servants, I have heard otherwise that there is a view that this system is just too sophisticated for a small country like the Cayman Islands, and that we ought not to have such a complicated system, that this was designed (they believe) for countries with much bigger economies and much bigger government. Madam Speaker, I do not believe that that is the case at all.

The country that actually pioneered this particular system of budget management is well known to be New Zealand. That is a country that has made huge improvements in the way it manages its resources, particularly government resources, since the introduction of the system. Madam Speaker, with your permission I would like to read an excerpt from the Miller/Shaw Report as it relates to this particular area that I have been focusing on, and to start on page 36 of the Report.

Madam Speaker, do you have a copy of the Report?

**The Speaker:** I do not have a copy of the Report here.

**Mr. Alden M. McLaughlin, Jr.:** I believe it was laid on the Table of the House, so it should be—

**The Speaker:** Yes it was in the last sitting.

**Mr. Alden M. McLaughlin, Jr.:** —generally available.

I'm sorry, Madam Speaker, I do not have another copy with me. I know you like to follow along. Maybe the Financial Secretary can help us. I see him looking.

I will pause, Madam Speaker.

**The Speaker:** Thank you.

[pause]

**The Speaker:** If the Member wishes to proceed, I will note the pages, if you will give me the pages you are reading from, until the Report comes in.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

On page 36 of the Report, the authors discussed what they called the sustainability standard for public debt. I am going to read from the Report now, quoting directly from the document:

**“The ‘gold standard’ for smaller countries’ public debt is considered to be New Zealand, which is followed by a number of British Commonwealth countries. Our attention has been drawn to a comparison with New Zealand in part because the Government’s finance department studied that country’s financial management reforms, and the Principles of Responsible Financial Management incorporated into Cayman law are**

**based on their experience and systems. It is also useful to consider New Zealand in the context of debt sustainability.**

**“At the start of the 1990s, New Zealand was considered to have unsustainable debt, with a Debt-to-GDP ratio of 50 percent, which was still rising. A change of government, together with the appointment of a determined finance minister, resulted in substantial improvements which have been widely followed and adopted:**

**“New Zealand ran large deficits through most of the 1980s, with the ratio of debt-to-GDP increasing from 14% in 1980 to 50% in 1992. Beginning in the early 1990s, fiscal restraint policies helped to eliminate the deficit.**

**“Government expenditures were reduced from 43% of GDP in 1990 to 32% of GDP in 1996. In 1994, New Zealand reported its first surplus in more than a decade. As a result, New Zealand was able to decrease its debt-to-GDP ratio to 14% by 2000, a 36-percentage point decrease from 1992.**

**“The benefits of this past fiscal prudence are apparent. In the just-published Budget Report of December 15, 2009, New Zealand is shown to have held gross debt down to 24.1 percent in 2009, with a projected rise to 36.0 percent in 2014. The same figures for net debt are 9.5 percent and 29.0 percent respectively. It should be noted that New Zealand has a larger public sector, with an extensive welfare support program and that it has not been immune from global financial problems. Nevertheless, New Zealand’s debt ratio is well below many policy norms in large countries, and Cayman is only just below it. Without the benefit of its financial services industry, Cayman would have a debt ratio considerably higher than New Zealand’s.**

**“Based on the above analysis of compliance with the Principles of Responsible Financial Management and the Debt-to-GDP ratio comparisons, we would have concluded that Cayman’s debt position is satisfactory albeit somewhat stretched towards the maximum that is prudent. However, the situation we have found in relation to contingent liabilities and which we consider further in the next chapter is sufficiently serious as to require urgent consideration of further steps.”**

So, the point of that quotation is to say that New Zealand, who has actually pioneered this system with the Law implemented the way that it was meant to, has actually set what is being called the “gold standard” in relation to the management of public finances.

Madam Speaker, I want to refer also to what the authors said directly about our legislation and particularly these six principles of responsible financial management. On page 66, about one-third down the page:

**“The Cayman's Public Management and Finance Law is the statute adopted by the Cayman Islands to manage its revenues and to control its expenditures. The law is common to many jurisdictions.”**

And I read that bit, Madam Speaker, because there are those who say Cayman is the only place in the world, outside of New Zealand, that is actually trying to implement this piece of legislation or its concept.

**“The law is common to many jurisdictions. It is impressive and almost comprehensive in terms of financial management. It, and its incorporation of six Principles of Responsible Financial Management, follow the standard developed by New Zealand, where Debt-to-GDP ratios were reduced from over 50 percent in 1992 to 25 percent in 2008.**

**“In recent years, problems with the law have surfaced. First, the law is not being followed by various Ministries in terms of producing financial statements and other financial information on a timely basis. Second, the Legislative Assembly has not enforced its own law, according to the Auditor General and statements in the recent Bond Offering Memorandum (September 2009). And third, constitutional powers are not being utilized to ensure adherence to the law.”**

So, Madam Speaker, the authors have identified the three fundamental problems with the Law, which have resulted in much of the debate and controversy that has arisen over the course of these past years, one of which we are dealing with right now, one which the Premier dealt with extensively in his statement a little earlier, the latter relating to the whole situation about accounting and this one, compliance with various deadlines.

**“The six Principles contained in the law can be summarized as follows:**

- 1. Annual debt servicing costs should not exceed 10 percent of core Government revenues;**
- 2. Total core Government revenues should exceed total core Government expenses;**
- 3. Total core Government assets should exceed total core Government liabilities;**
- 4. Net debt should be no more than 80 percent of core Government revenues;**
- 5. Cash reserves should be no less than the value of estimated executive expenses for 90 days; and**
- 6. Financial risks facing the core Government should be managed prudently to minimize risk of a related expense or liability.”**

And then, Madam Speaker, and I think this is what we need to pay attention to, they go on:

**“In actual application, the weaknesses of the Principles are that:**

- There is no specific requirement to monitor Debt-to-GDP ratios, the usual**

- metric relied upon to determine fiscal sustainability;**
- Contingent liabilities are not specifically addressed and by leaving them out entirely, Principles 1 through 4 above can be said to be met when a considerable problem is building up for the future;**
- It encourages a false sense of confidence when Members of the Legislative Assembly are informed that a budget is in compliance;**
- It does not address medium-term affordability issues by ensuring that a sufficient surplus is achieved at the high point of the economic cycle, so that low-point problems can be managed; and**
- Compliance and control can be weakened by the inclusion of unintentional and intentional errors in the accounting for accruals and provisions at the levels of core Government, Statutory Authorities, and State Owned Enterprises.**

**Consequently, it is incumbent on policy-makers in the Caymans to be aware of such shortcomings and to regulate Government finances accordingly.”**

So, Madam Speaker, those persons who are engaged by the Government to actually do a report and to address the challenges of fiscal sustainability of the Cayman Islands, which included the Financial Secretary, have identified these as issues with the present Law. But they have said categorically that the principles which undergird the legislation are sound.

I believe our challenge as a legislature is to find ways to improve the legislation that exists, particularly to address why it is that certain key aspects of the Law are not being implemented, and to find ways to make sure that that happens.

Madam Speaker, I am not for a moment going to say that we should not look again at timelines and see whether or not they are realistic, whether we should not look again to see whether the amount of reporting that is required is actually necessary. But what I am adamant about, Madam Speaker, is that we must allow sufficient time for consideration and examination of the Government's budget, otherwise this becomes down here nothing short of a . . . I do not want to call it a farce. But it will be simply going through the motions. The Government decides on its budget, there is little opportunity for consideration by anybody else, there is little or no opportunity for debate, or informed debate, because informed debate can only come if you have had a chance to examine what the Government's budget is.

Under this system, Madam Speaker, we are talking about almost two feet of paper that has to be considered. So there must be adequate time for that

examination and analysis to occur. And if those who are not part of the Government are to offer anything in terms of their views and criticisms or, indeed, suggestions, alternatives, they have to have a chance to consider all of this.

As I said, Madam Speaker, we know and we acknowledge that the Government is in a jam—a jam I believe largely of their own making because they have had plenty of time to prepare for all of this. But let's accept that that is the case. So, this time around there will be a shortened period for consideration by the Opposition of whatever it is that the Government is proposing, or anyone, for that matter. Let's hope, and I urge the Government to do everything that it can so that that period is not so short as to make the exercise by this House meaningless. But let's accept that.

I have heard no argument, other than the fact that in previous years the budget was presented pretty much close to the last day possible. Madam Speaker, whatever deadline . . . the nature of things is such, and human nature is such, that whatever the deadline is, you can believe that you are going to be pushing up against it to deliver whatever it is that you have to deliver. I have been alive long enough and around the process long enough to understand that.

So, if you extend it by a month, you can believe that we are going to be pushing against the outer end of that extension as well. So I don't think that that of itself is a sufficient basis to change the present provision which requires that the budget be delivered by May 1 and leave it open-ended so that it could possibly be delivered on 30 June.

Madam Speaker, from 2004 until 2009 (a part of which was actually the present Government's . . . the end of their last term) it was possible to produce and present the budget by 1 May. There is, in my respective view, no reason whatsoever why we need to change that on a permanent basis, accepting that this year is different. Let us not make Government less accountable, less transparent in the long term in our efforts to resolve what is an immediate problem. Let the vision extend beyond this particular budget cycle.

So, Madam Speaker, I believe I will end my contribution there and wait to hear what the Government has to say, some of which will no doubt be less than complimentary of me.

**The Speaker:** Thank you Third Elected Member for George Town.

We are coming to the hour of 4.30 and I need someone from the Government Bench . . .

### **Suspension of Standing Order 10(2)**

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move suspension of the relevant Standing Order to allow the business of the House to carry on beyond the hour of 4.30 pm.

**The Speaker:** Can I ask what the Standing Order is that we are moving this suspension under?

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move the suspension of Standing Order 10(2) to allow the business of the House to carry on beyond the standard working hour of 10 am to 4.30 pm.

**The Speaker:** Thank you, Honourable Minister of Education.

The question is that Standing Order 10(2) be suspended to allow the House to continue beyond the hour of 4.30. All those in favour please say Aye, those against No.

**Ayes:** The Ayes have it.

**Agreed: Standing Order 10(2) suspended.**

**Proceedings suspended at 4.27 pm**

**Proceedings resumed at 5.00 pm**

**The Speaker:** Proceedings are resumed. Please be seated.

We were in the process of debating the Public Management and Finance (Amendment) Bill, 2010, when we took the break. Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause]

Honourable Minister of Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

The Bill before the House is one that the Government takes no joy in bringing. But we recognise that coming to the Legislative Assembly to change this important piece of legislation was something that ought to be done after deep consideration to ensure that whatever we do puts the financial accounting and budgetary reporting system in a stronger position than it was and that we leave the system stronger and more practical than exists. Certainly, as the Government caucused and debated the options, and, given the circumstances that exist in the United Kingdom as outlined by the Honourable Premier in introducing this Bill, there was no other option for the Government.

Madam Speaker, when Members of this House rise to debate the Bill and take the line that this was all caused by (and I quote the Third Elected Member for George Town) "a lack of leadership," . . . then later he admitted that Government is (to coin a good Caymanian phrase) "in a jam," but followed that up hastily by saying, "but largely of their own making" . . . Madam Speaker, I believe the state of public finances is well known to the entire country. In the small world in which we live, where everything is carried via the Internet, the state of public finances in the Cayman Islands is known to everyone in the world

who wants to know. So, I am not going to rehash that particular dilemma.

We know that we have a large deficit from year end 2009. We know that we are projecting a deficit for year end 2010. We also know that we have to continue to fund a number of capital projects. I stick a pin there, Madam Speaker, because this question has been raised. And I think it ought to be explained again.

Some people in the public have said, *Well, why don't you stop GOAP? Why don't you stop and not recommence construction on the new schools? If it is going to entail further borrowing at this stage, why not stop, allow the country to come out of the recession, allow Government's finances to be in a better position, and then pick them back up?*

Madam Speaker, I think even on this point the Opposition would agree that that, given the state of the two projects, is simply not feasible. Why is it not feasible? Take the investment that has already been made in the GOAP. Given the state of that project, and given the dollar investment, if you simply walked away and did nothing at this stage, that building would go into degradation. There is no doubt about that. And buildings that are partially completed are much more costly and difficult to maintain than a completed building.

The amount of money that we would have to spend to actually secure it, in other words fix it in such a way as to minimise natural degradation, would still cost us substantial sums of money. So it would make no sense to abandon that project at this stage and spend millions of dollars just to secure it. We still have to try to maintain it and keep it in some semblance of condition so that when we pick it up in 12, 24, 36 months, we are not then spending even more money to repair degradation than we would have spent to simply complete and maintain it as a completed project. Madam Speaker, I think the evidence before us is quite clear. The most cost effective thing to do over the short term is to complete the project.

As it relates to the schools, Madam Speaker, many persons have asked—including Her Majesty's Government—*why is it that we have to complete the schools at this stage? Could we not simply temporarily abandon the projects and pick them up at a later time when we can better afford them?*

Madam Speaker, the advice the Government has been given thus far is that due to the fact that the general contractor, Tom Jones, abandoned the project, but their stated reason for abandoning the project was that Government did not have the funds to complete the project in the first place, even though we could try to paint the best of pictures as to why it made sense and that, yes, we could have still finished them right now but we were simply delaying it on purpose, and it was an act of the owner to do it this way . . . the preliminary assessment, but informed, is that to do that would play directly into their hands and, from what I can understand as a layman, would pretty

much make their case against the Government a slam-dunk in their favour.

So we are now caught in that quagmire. Do we walk away and have to pay them out for whatever their damages would be and still at some point have to complete the projects in any event?

Madam Speaker, obviously on that point the lawyers have said that the Government needs to be extremely careful about everything that we say because, of course, everything that we say can be used by the former contractor, Tom Jones International. So I will leave that there.

But the bottom line is that at this stage, in our minds there is no evidence that supports the contractor's claim. From what I understand, his claim can only be crystallised if, for example, the Cayman Islands Government was in such a state that we could not find a lending institution to lend us the money to complete the projects. And that is not the case.

What causes us difficulty right now is that we are breaching certain principles under the Public Management and Finance Law and the rules in which we have to operate as an Overseas Territory [require] that we have to go to the United Kingdom to get permission to continue to break those rules—which are self imposed by our domestic legislation. So, Madam Speaker, the Government not only knows how the country, like the entire world, is in a difficult economic situation, but we also recognise that there are a number of things that we simply have to do. We have to fund these two years' deficits. From all of the information and advice we have been given, we have to continue these projects.

Given all of that, and given the fact that the UK has also stated in writing to the Cayman Islands Government that we must show a credible commitment to reduce expenditure, and given the fact that every Member of this House, Government and Opposition (because the Opposition 10 short months ago was the Government), well knows that given our budget and how our budget is made up there are not a lot of places to look to cut. There just simply are not.

It is not like we have \$70 million of pork barrel projects, like [those] in big countries, and all of a sudden we can pick them off to save money because they were projects that were part of our culture in terms of our budgeting and were always a built-in factor. I do not think the public of this country clearly recognise that other countries have special projects for their districts, for their counties, et cetera, built into their budgetary framework. We do not have that luxury. Hence the reason we have had the second very difficult conversation about the cost of the Civil Service.

It is very clear, given our constitutional framework, that the elected Government does not have the constitutional authority to cut payroll, to cut salaries or positions. We have the authority as a Legislative Assembly to simply talk about how much money we are willing to vote to cover certain expenditure within the Government. We can say, for example, that we are

going to spend \$219 million on personnel costs. It is up to the Deputy Governor, as Head of the Civil Service, the Governor, who has delegated that authority, and the hierarchy of the Civil Service, to actually come up with the way and the mechanics in which that happens.

Madam Speaker, we certainly cannot expect that we should not allow them the time to come up with the best possible outcome. We cannot simply say to them, *Look, this has to be done by tomorrow*, if tomorrow is not feasible or practical. So, for the Third Elected Member for George Town to say that all of the delay and the reason we are at this stage is due to lack of leadership by the Government, that the jam that we are in is largely of our own making, is really taking the circumstances that he very much knows exist in the country and spinning it, in my opinion, for political gain.

I know that that Member and the Opposition Bench know better than that. I know that they know that that is not the fact. Now, they may get up when a budget is presented and say that they do not agree with what the budget looks like, but to say that it is due to lack of leadership . . .

The second thing that I found very curious was that the Third Elected Member for George Town said that we will not make the hard decisions; that we have to ignore public criticism and take the decisions if they are properly thought through. Well, Madam Speaker, that is all well and fine for him to say today, but we well know how this works. Every decision that we make, even if it is well-thought through, even if it is logical, he is the first one on the talk show riling up the public, getting Mr. Clifford (his former colleague) to organise a march.

So, come on now, let's not play games with this. That is what has happened thus far, and that is what is going to happen again.

Yes, the Government has to ensure that it takes the time necessary to put in place a budget that is going to be agreeable to the UK and one that we believe is sustainable. I am surprised he did not get into the whole other thing that he mentioned a few weeks or months ago—a pretend budget (that being the current budget). If there is one thing that I can look back to October last year, when we finally did get a budget to this House, [and] if there is one thing that we can hold up our hands and say we are guilty as charged, it is the fact that we tried every possible way to draw up a scenario that we felt would have the least impact on the smallest number of people in the country.

Perhaps the tough decision he is talking about, and I have not heard him or the Opposition Bench get up and say it . . . perhaps they are saying that if they were the Government they would have insisted on a salary cut from last October. Is that what they are saying? Because if that is what they are saying, then they should say it to the public. They should say, *Here is what we would have done*.

They should also come out and say in precise terms, *Here are the points, or actions, that we, the Opposition, believe should be taken*. None of this wishy/washy, non-specific stuff. Specifics! They should be very specific and say, *Here are the issues that we see at hand . . .* Without access to certain information they would not necessarily be able to come up all of the small details, but from a broad policy standpoint they could easily . . . they know the situation. They can say what they stand for and what they do not stand for.

But what we see is that theme of hitting the Government over the head with one hand, saying we lack leadership; and then on the other hand saying we need to take tough decisions. But each time we make a proposal, they say, *That's the wrong decision. That one is wrong, that one is wrong, that one is wrong . . .*

That's quite an easy life. That is a unique and good position to be in, in these very challenging and difficult times. But it would be helpful if the Opposition would take that high road, that sort of mature approach to the process. At that stage I think the country could then benefit from seeing the legislature close in terms of any differences we might have and be able to produce a budget that would not necessarily cause a whole lot of political upheaval and turmoil.

But, I must say, that even with the pleasant-ries this morning of the Parliamentary Prayer Breakfast, I am not waiting for that to happen. The Government has to work through and get to the stage where we can produce the budget.

Now, I need to clear up a couple of points that the [Third Elected] Member for George Town made. Whether or not we have cash accounting, accrual accounting, a Public Management and Finance Law or whatever legal framework we have, responsible governance is not going to happen without responsible decision making. So this whole leap that he made to try and convince this Legislative Assembly to not listen to the criticisms of the Public Management and Finance Law, because look at what it did to New Zealand . . . New Zealand benefited from governments making sound decisions and taking tough choices, plain and simple.

I will agree, and I think we would all agree, that going to accrual accounting was the right decision. Having a system that gets meaningful information to the public and the Legislative Assembly is of great assistance because that forces government to be more transparent, therefore more accountable. A system that is opaque, that you cannot see clearly through, will allow Government to be irresponsible, and we do not want to have systemic issues that cause that. So I agree with that point.

But the leap to say that because we follow that model means that here are the benefits we will derive is a leap that I am struggling to make at this point. I think he is right in saying that we built up a legal infrastructure that is solid. But, Madam Speaker, it is the Government's submission that a lot of the

budgetary issues we face are due to decisions made by the previous administration. If the system is so good, and if the system causes governments to be better off financially, what happened when they were the Government?

Proof positive, Madam Speaker, that irrespective of the system, irrespective of the legal framework, if government does not make the right decisions at the right time you still wind up in a bad position. That is the state, as I see it, right now.

He went on to say that when he was Minister he saw a myriad of procedures that were unnecessary, and that those procedures are not driven by law. Madam Speaker, that needs to be cleared up. If you look at the Regulations that underpin the Public Management and Finance Law, in particular Regulation 33, Output Costing (and I quote from the legislation): **“The Chief Officer of a prescribed entity, statutory authority or government company is responsible for ensuring that the entity has a reliable and appropriate system for allocating input costs to the entity’s outputs.”**

I heard him make a veiled reference to the time reporting system. Madam Speaker, I do not know how a chief officer is going to achieve Regulation 33 without having to build up systems.

**“The cost of all resources consumed in the production of outputs shall be allocated to the output to which it relates. Personnel costs shall be allocated on the basis of the proportion of the person’s time spent producing the output. Time spent on overhead (non-output) activities, shall be treated as an indirect cost. Indirect costs that relate to a single cost centre shall be allocated to that cost centre.”**

Madam Speaker, that, in essence, is the substance of Regulations 33 and 34.

Go to Regulation 35: **“Entities may use alternative allocation policies provided that the alternative policy provides more accurate costs and has prior approval of the Accountant General.”**

That is the “get out” clause that basically says if you are doing something today, and if the system has promulgated doing things a certain way, if, for your entity and for a specific output you have come up with a better way to do it, you can. But you have to get prior approval. So, Madam Speaker, just looking at that section alone clearly tells you that to be compliant bureaucracy is going to exist.

Madam Speaker, if we turn to Regulation 44(1), Financial Recordkeeping. **“A prescribed entity, statutory authority or government company is required to retain records pertaining to output reporting, entity financial transactions and executive financial transactions (including revenue expenses, assets and liabilities) in such a matter that such records can be readily produced for operational and audit purposes.”**

Regulation 44 (2), **“A prescribed entity shall comply with any government recordkeeping re-**

**quirements established by the Director of the National Archives and notified in writing to chief officers.”**

Again, Madam Speaker, that regulation drives a lot of the bureaucracy within the system. So, I do not believe that you necessarily have people in the Civil Service who simply dreamed up a lot of bureaucracy and are executing a lot of bureaucracy, but they are doing it just because, and it is not underpinned by the legislative framework in which they are asked to comply. They are not asked, they are *told* to comply, because it’s the legislation.

So, Madam Speaker, we need to have a hard look at the system, the sophistication of the system and the way it was built. That claim and charge is one that, in my opinion, is valid. If you look at the theory applied to drive the system, the theory of decentralisation . . . for example, entities as small as the National Pensions Office and the Department of Employment Relations—just in my ministry—want and have had access to finance officers. Just that, alone, in my humble opinion and in the opinion of the Government, is too sophisticated, too expensive for the Cayman Islands to afford. We do not have the size and capacity to take the system and put it in practice the way it should be from a theoretical standpoint. And we have tried.

One of the proposals my ministry has put forward, for example, as the first step in the Premier’s call for re-centralisation of finance, is to have all finance staff at ministry level. It is going to cut down on posts and it is going to allow us to get the same amount of work done as quickly, because all of a sudden you do not have to try to find a post and have someone do some of this and some of that. Because that is another thing that has happened. Some of these entities are so small that when they hire a finance officer they are struggling to also have them do some other function because they recognise that they are too small to support having a finance officer full time.

If you at least pull it up to that level, the ministry level, you are still able to record financial transactions on a timely basis, have feedback given to managers on a timely basis, but at the same time you are pooling the resources in a more centralised way to allow the system to run, but then be able to save. That is what we have to drive towards, in my submission. We must drive toward taking the good principles of the system, but execute it in a way that is relevant and most affordable for Cayman, for our circumstances. We have to do that, Madam Speaker. We have to take a look at the entire arrangement and rationalise everything.

The Government has never said to compromise everything. We cannot compromise the good that comes with accrual accounting and being able to provide valid and solid financial information to the Cabinet and the country. It is crucially important be-

cause it drives decision-making and allows us to do our job better.

Madam Speaker, the one thing that we do need to do that could also cut down some of the bureaucracy, that I believe the Third Elected Member for George Town spoke to, is to start looking at Government more on an outcome basis versus output basis. If you look at some of the outputs in the budget, and you start saying to yourself, *Okay it's good to start trying to measure the number of Cabinet papers, number of press statements, press releases . . .* all of that is great and fine. But, Madam Speaker, really, when you look at every ministry, it should be about saying what we said in the budget we are going to deliver in terms of service and whether or not we delivered it. That is what it should be all about.

Are the outcomes (because of government policy and decision making) making the country better off or worse off? The mission of every government ought to be that their outcomes, the results of their policy decisions, make the country and the people better off. So, when you see just how the budget document has grown and you look at some of the details . . . and we all have to admit, even as legislators—the people closest to the system—that we do not look at much of that information, even if we have the time. We could have a year to go through the budget; much of it we are not going to look at in any great detail.

The budget process is information overload in large measure. We get thousands and thousands and thousands of pages. How many of us drill down into the output agreements? We are very interested in the Annual Plan and Estimates, what Government is saying they are going to try to achieve and how they are going to fund those activities. That is what we are interested in. That is what we debate and drill down to in Finance Committee.

If we look at the financial reporting regime . . . and I give credit. The Third Elected Member for George Town did acknowledge that perhaps that was an area we needed to look at, and the Government agrees with him. Which member of the public is going to look at these output financial statements by ministry on a quarterly basis? Who is going to look at it? Who is going to review it? Who is going to understand it?

Madam Speaker, from everything that I have heard people say, the country would like to see, whether monthly or quarterly, un-audited accounts of Government so that between year ends they can at least know what is going on. They want to see how much money Government made and how much money Government spent. They want to see a cash flow statement and how that cash was used. They want to see the balance sheet. That is what an ordinary company does in between audits, they produce un-audited management accounts that are high level but give you the detail you need. That is what the country needs; that is what the country wants. Not all

this other fancy stuff all over the place—output statements.

The one thing that vexes me about this whole issue with the Auditor General and all the noise that he makes about it publicly . . . I challenged the Chairman and his Public Accounts Committee (PAC) to actually find out how many output statements some ministries have submitted to the Audit Office and have been in the Audit Office in excess of one year and have not been audited.

*[Inaudible interjections]*

**Hon. Rolston M. Anglin:** Because I can tell you that they certainly have statements from the Ministry of Education that have not been audited, and you don't hear him talking about that. Okay?

So the public needs to understand very clearly, you know. Legislators' criticism of the current holder of that office, certainly from where I sit and from what I have heard all Members say, has nothing to do about accountability and whether he holds people to account. He makes a lot of noise. He is in the press a whole lot, with a lot of bombastic headlines—"Government Accounts in a National Crisis."

We have been talking about this crisis for six years! Yet the other day he issued a report that says they are in crisis. I think that the Chairman of the PAC should make the office that produced it pay for it themselves. That was an utter waste of the public's money, an utter waste of this country's resources, to come and tell us something that we knew existed for six years and that we are working to try and correct.

But the truth is we were all so scared, as politicians, because we told the public that this Law was the greatest thing since sliced bread. In fact, this thing was so good it buttered the bread on both sides and ate it for you. We didn't want to change it. The fact is that we need to change it. The fact is that it is a system that is not equipped to do what the public simply needs—to have information, to know what is going on in their Government and to try and hold their Government to account . . . that's what financial reporting should be about, plain and simple.

Because we did such a good job of convincing ourselves that this was the greatest thing, we then did not want to touch it. It became a sacred cow, let's not touch it. We have to reform the Public Management and Finance Law and make it rational. We have to rationalise it. We have to rationalise how we go about the budget process. We have to rationalise how we go about asking civil servants and demanding in law how they report their activities.

Now, I will be the first to say that we do not want to create a system, as used to exist, where it is impossible to hold civil servants to account. I think all of us would agree with that. But the bureaucracy that is built up because of these regulations is really, really too much, Madam Speaker.



But let me turn back to this whole thing about the Auditor General . . . and a newspaper ran this thing about public perception. Listen, if you get up and make enough noise and have an office that is protected constitutionally, we are all going to look like we are unearthing this and unearthing that. What we have to do is take a big step back and look at the quality of the reporting.

The other thing the Chairman of the PAC and his committee need to report to this House on is whether or not the delay in auditing some of the current output statements the Auditor General has in his office is because they themselves are incapable of auditing some of it.

*[Inaudible interjections]*

**Hon. Rolston M. Anglin:** They have lots of staff.

And so, Madam Speaker, the fact of the matter is that we created a system by legislation that is extremely cumbersome. It is so cumbersome now that, from what I can understand in my time, and my recollection of being on the PAC, the Audit Office itself cannot audit it.

*[Inaudible interjections]*

**Hon. Rolston M. Anglin:** But, Madam Speaker, I must say on a personal level that I have no issue with the current holder of the office. I have said this publicly, I will say it from the floor of this House; I have said it in a press briefing, and I have said it in this House before. Having had the benefit of working with two Auditor Generals in my time in this Legislative Assembly, thus far, I do have an issue with an Auditor General who is not focused on quality delivery of audit services to the country, but more interested in publicity.

The bottom line is, yes, that office is very necessary. That office should be held in such esteem and regard that if someone hears that they are going to do a value-for-money audit of a programme or project they have, that they know they had better have every i dotted and every T crossed, shaking in their boots because the auditor is coming. That is what it should be all about. He has to have that kind of fear because that is what will cause people to ensure that they always do the right thing when they are administering public resources. No doubt about that, Madam Speaker.

You cannot have a system where the holder of the office is so interested in coming out and firing from the hip shooting all over the place—everything is a crisis, everything is this and that, headline grabbing—[yet] not really drilling down and giving the country what the country needs.

I saw the press release of the new person being appointed. I hope that this person will restore what I, and what I think most, if not all legislators here, believe ought to be the quality and standard of audits

and execution of the important function and role of the Auditor General, but more widely the Audit Office.

This Government, previous governments . . . I don't know of any government that has touched their budget. So the press ought not to run around and try to stir anything up saying the legislators want in some way to not have a strong audit function. This country has proven that we want a strong audit function. Look at the millions of dollars we have spent over the last years on the audit function. We give them the money. We give them the resources.

They are like everybody else. They cannot get every staff member they want. No area of government ever gets that. Right?

**The Premier, Hon. W. McKeever Bush:** But you know he's saying he does not want it. *[inaudible]*

**Hon. Rolston M. Anglin:** That's right. But we give and we have funded—

*[inaudible interjections]*

**Hon. Rolston M. Anglin:** Madam Speaker, I am getting plenty of cheering from the sidelines!

*[laughter]*

**Hon. Rolston M. Anglin:** But, Madam Speaker, I believe that whilst—

*[Inaudible interjections]*

**The Speaker:** Order. Let's not get acrimonious now.

**The Premier, Hon. W. McKeever Bush:** *[inaudible]* it hasn't been done.

**Hon. Rolston M. Anglin:** Madam Speaker, we were going pretty good. I had my fingers crossed. It seemed like the Parliamentary Prayer Breakfast had kind of—

*[Inaudible interjections]*

**Hon. Rolston M. Anglin:** Almost finished.

Madam Speaker, let's get back to mainstream here and talk about this whole issue of why this Bill is necessary now.

I heard the references to the Miller/Shaw Report and talking about "gold standard" and all that good stuff. But, Madam Speaker, we can have a gold standard system here and radical reform. I do not think the two of those are things that cannot co-exist. I think we have principles that we do need to strengthen and underpin. But reform we must. We must reform the system.

Now, the Third Elected Member for George Town made a very interesting argument in regard to the timing of the budget. If I heard the Member cor-

rectly, his logic was that we continue to have in law a named date by which a budget should be presented because that will force a government to give the entire legislature and wider country an opportunity to consider their budget and give feedback.

Now, Madam Speaker, that is good theory. But I challenge the Third Elected Member for George Town, and any Member of this House, to show us where any budget that has been delivered on time (by 1 May) has had any fundamental reform because of input. I repeat: Tell us the time that there was any budget delivered by 1 May that after debate and consideration underwent any fundamental reform. It has not happened. Our system is not built to allow it to happen.

If we want to have that, then we ought to look very differently and radically at the way in which we govern ourselves. If we want to govern ourselves differently, if we want to go to a committee form of government, you can start drilling down and getting that type of reform and change at the budget stage. But, Madam Speaker, when a budget comes down, yes, it may be on 1 May, but there is no fundamental reform. So, the truth is, whether the budget comes on 1 May, 1 June or 15 June, it does not get changed anyway.

Now, the argument was made that what this Bill should have done was to change it for this year only, not leave it open. Reference was made that a government could, in theory, bring a budget on the last day of the fiscal year, call the vote at one minute to midnight and pass the budget on that same day. Therefore, the House and country would have had one single day to consider a budget.

Madam Speaker, quite frankly, I think the public ought to see who is going to be mature at governance. Putting arbitrary dates does what? What does it really, really do? What do these arbitrary dates do? What this country, and in my mind the system, always needed . . . and I agree with the Member on this. We need to bring the budget in enough time to debate it, go into Finance Committee so that Members can ask the detailed questions, and have the detailed analysis. But I do not believe having any date in the law is what will drive or achieve that.

What will drive or achieve that is government respecting the role of the legislature and respecting that the public ought to have time and access to their budget. I do not believe that the new Cayman that we are in—this is not the 1970s—is going to tolerate any government coming down to the Legislative Assembly at the eleventh hour with a budget, simply hurrying to rush it through. I do not believe that there will be any government that would then be able to go back to the polls, have an opposition that could use that against them, and I believe would use that substantially . . . this community is maturing a lot more than we are probably giving them credit for and they are looking on at what we do. And they are going to hold us to account.

Let's look at the electoral history. Two-term governments were the norm. For how long? Mr. Premier.

Two-term governments were the norm in this country for decades. Decades! It certainly has not been the case in the last two elections. The public of this country told us—and any of us that do not get it better wise up quickly—the public in this country told us that they want performance and they want it now! If they do not get it, they are going to kick us out of office in terms of our majority. Plain and simple.

I do not buy that whole argument. Any sensible government is going to bring their budget in a reasonable timeframe; otherwise they will pay for it at the polls. They will.

The other thing in regard to dates. . . we have said to the country that, given the fact that we are in a May election cycle, we now have to re-think what the fiscal year end is, the financial year end. The previous Governor said that if the two sides could come to an agreement we could move the elections back to November. Elections in November mean that a June year end makes sense. However, Madam Speaker, I do not hold out any prospects of us as a legislature being able to come up with an agreed date for a new election. As far as I am concerned, we are stuck with May. If we are stuck with May, then we need to look at the year end. That is the one thing we can change.

The truth is that this, in an ironic sort of way, might very well be the best thing long term for the country in the sense that we all knew a December year end was most desired. It is the one used by the vast majority of governments around the world; it is the one most common in the corporate world. So, 31 December as a year end is always desired.

We changed it originally because it was just too difficult, given the fact that we had a November election cycle. But now that we have a May election cycle, perhaps the best answer is to go to December. Therefore, if we are going to December . . . that is when we will have a complete look at the Public Management and Finance Law and the Regulations. We need to do all of that, come back with a sensible approach and a sensible package to the House and to the country and then let us set where we are going for the way forward.

That is the way we need to do it, Madam Speaker. This whole tactic of trying to scare the public by saying, *Oh well, we will have a shortened period for consideration*. I do not necessarily buy that. Suppose we had brought the budget this Friday, as originally planned, 30 April. And suppose we had finished debate in Finance Committee by 15 May. That is 15 days; 21 May, 21 days, whatever the date is. At the end of the day, if we come back 27 May and finish on 28 June, we are still talking about the same number of days for consideration. So, Madam Speaker, I do not know that automatically we are going to have less time for consideration. I am not sure.

Madam Speaker, the truth is, the way we waste time around this Legislative Assembly and with the way in which you call a 15 minute break and it always turns into 45 minutes, maybe giving us less time may actually be a good thing. We have to be honest. The truth is we know that we kill time. And the Member for East End knows it.

Madam Speaker, whether or not that Member thinks that I am wasting time standing up and talking, I hope he's listening; I hope he's learning something.

*[laughter]*

**Hon. Rolston M. Anglin:** Madam Speaker, at the end of the day, I think the Bill is supportable. I think it is the best way for us to go at this stage. We need to get on with the business of coming up with what the HR expenditure is going to look like. The Civil Service has work to do and, Madam Speaker, this country needs to be given the best opportunity to survive. Ensuring that we have a sensible budget proposal is a key to the way forward.

Madam Speaker, the Premier has worked tirelessly as Minister of Finance. The number of meetings that he's called, the amount of consideration that is given to these important topics is highly commendable. So, I do not believe it is fair for the public to be left with the impression that tough decisions are not being made and that we are in a jam of our own making.

Madam Speaker, the fact of the matter is, if we did not have the scenario before us . . . of course, we could have come with a budget. The fact of the matter is that we recognise that whilst we tried our very best in October to see if we could make it through this storm and not have to make some of the more radical decisions, like cuts in the Civil Service, we are now getting slapped in the face to say we had a pretend budget. We did our endeavour best to protect people and people's interests.

I do not know what the Opposition would have done. We certainly tried. We put the time in, we consulted with the private sector. We tried as hard as we could to cause the least amount of pain to our people. Look at where the fees were. We tried to have the least amount of pain on our people. That is the role of Government. Coming straight out of the elections with ministries to run, with all sorts of issues and problems to face, we did not have any load of time. We did not have time to lollygag and waste and just happen [to be] down here in October. But at the end, Madam Speaker, we—

*[Inaudible interjection]*

**Hon. Rolston M. Anglin:** Madam Speaker, that one might be unparliamentary. It probably isn't even English! Nevertheless it's Nor'west Point!

We are not lollygagging. We are not wasting time. We are working hard and the public knows that. The public knows it.

So I hope that the Opposition will search their souls, find it in their hearts to support the Bill.

**The Speaker:** Thank you, Honourable Minister of Education.

Does any other Member wish to speak?  
[pause]

Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

I will do my very best, first of all, to not repeat the same thing in a different way 20 times, and secondly, to try to stay with the issue at hand. I will do my best.

In fact, up until the last 15 minutes I was very anxious to get up and say what a wonderful and rare occasion, on the heels of our Parliamentary Prayer Breakfast, when I was able to agree with at least 90 per cent of what the Minister of Education said. I was at that point. Madam Speaker, with regard to the Public Management and Finance Law I have to say that I agree with him in just about every point that he made.

So, let the Opposition's position be made known very clearly. We are supportive of reform with the Public Management and Finance Law. Let it also be understood very clearly . . . and if the Financial Secretary and the Deputy Governor (former Chief Secretary) were present and called upon to give their positions they, too, would tell you that the last Government battled through the same process trying to get reform with the Public Management and Finance Law.

In fact, there were several committees set up to examine it. And every time one would not come back with a report we would say, *This is not making sense. We need to make meaningful strides.* And by the time we looked, there was a general election looming. And what we left to be done had really not been accomplished. And I am not crying anyone down. Many times it takes something serious to happen for good things to come out of it. No argument about that. I have been there. I have lived long enough to know it happened to me. And, I am sure, any one of us could examine ourselves and recognise that, on many occasions, that is how life it. That is God's way.

Having said that, Madam Speaker, let me make the Opposition's position on the Bill itself clear.

The amendments being sought, consequential and otherwise, with regard to the Information Commissioner . . . we understand all of that, and we are in agreement with that, generally speaking. We understand that the Information Commissioner needs to be recognised as a chief officer and also needs to hold the same or similar status to the Complaints Commis-

sioner and that the independence of the office must be recognised. Fine, I have no problem with that.

Madam Speaker, without going into a million details, I want to say that we understand and full well accept . . . I will go a little bit further to say that perhaps the possibility existed that we may have faced the same circumstance given everything that has occurred. It is not impossible. So we understand why 1 May is not practical, not achievable for this fiscal year. But, Madam Speaker, no argument has been put forth to convince me . . . we part ways with the amendment being forever and ever, amen.

Madam Speaker, there was a purpose to the whole exercise of fixed dates, understanding the law needs to be reformed. But there was a purpose and a rationale with the dates being fixed. And in his statement before introducing the Bill, the Premier said, **“Madam Speaker, the fundamentals of the PMFL are sound and should be retained. Its peripheries need changing.”** We also agree with that. No problem.

Madam Speaker, in introducing the Bill the Premier spoke to why the Bill was necessary. He outlined the reasons about what is happening in the UK, and we understand that. That is part of the reason why I said we may well have found ourselves in similar circumstances if we were the Government. There is no argument that that possibility might have existed. But the Premier went on to say that if this is true for 2010, then it is true for all subsequent years. Madam Speaker, we disagree with that.

The Minister of Education, after realising he was not ready to sit down yet, had to find something else to talk about. He came on with a last going off and realised he needed to say something about the actual Bill. That's when he started to speak about this timeline, the 1 May magic date, and that there is really no need to have any timeline by which the budget needs to be presented, understanding that as of now, 1 July is the beginning of the next fiscal year. He started to take the line that the public is more mature, legislators are more mature, so nobody is going to bring a budget . . . Well, my colleague used the example of “on the eve of the next fiscal year.” Of course, he would use the most extreme example to show the possibilities. And that is the reason why he used that example.

I am sure that is why the Minister of Education pounced on it and started to speak about reasonable approach and we do not have to have any deadline, and the Government will know that if you do not bring it in time to allow for debate and scrutiny through Finance Committee that you would be called to task for the next election.

Madam Speaker, everyone in this Chamber knows that legislation is made to make airtight the kind of situations the Minister of Education is talking about. If he were going to present that argument . . . and with his professional background what he should have done was simply go back the last five years, no

further, or since we moved to the accrual system, and check from the time the budget was delivered what period of time it took to have debate, to have Finance Committee, and have the budget approved within that two month window. Because there was a two month window to ensure that debate was allowed.

And if history proves that over the last five years it really did not need two months, but needed one month or six weeks, and he used that and said that is the period of time we think is acceptable after we get through this year, then I could have understood his line of argument. But his line of argument is flawed, in my view, because it is totally open-ended. You cannot say that people are going to be responsible enough and just leave it to them. And it is not just this Government.

Remember, we are not talking about the Government of the day; we are talking about any government that is there, because that is how the legislation will apply. As time goes on, that is what is going to happen. On this line of argument is where we part company. No argument about the fiscal year 2010/11. Madam Speaker, we cannot in good conscience accept the arguments that have been put forward to say that it must stay as it is.

Now, my colleague proposed a committee stage amendment which limits the date being opened to this year. We totally accept that, and we do not have a problem with that. But it is a stretch to expect us to support the Bill in its entirety when, fundamentally, in principle we do not agree with that. So we cannot support it as it is, Madam Speaker, and it certainly will have to have some type of window.

As I said, Madam Speaker, if, historically, a full two months has not been needed, then that's something we need to talk about. I really have not checked it myself to be honest with you. But I do not think we can simply say “whenever.”

Madam Speaker, I am not quite through yet. Let me tell you something else. When that timeline was structured I was not in Government then and there. But I have always followed budgets very closely, from my first one in this place, simply because I considered it an integral part of my responsibility as a representative of the people. And the logic that was applied with the two-month window was not just about the end result of the budget being approved before 1 July; it was also about the timeline for preparation of all the things that had to be done before to get it there.

Madam Speaker, it would take somebody else that I can see in this room or in the gallery, or even visualise, to convince me that if those who are responsible for preparing all of the other stuff know that there is not this ax line, if that's not going to cause a lapse in that too. So why take the chance? I do not want to go into any more detail about that, Madam Speaker, but I am sure that the people understand what I am saying. And it is difficult to expect that it will not happen, because it is human nature.

If you have a test tomorrow, you are going to do everything possible to study tonight for that test before you have it. But if the test is not until next week, you will still wait until the night before, or shall I say the vast majority of us. I went to school. I know how it is, and I am sure you do too. You used to teach them, on top of it. I only use that example to make my point. So the Government must understand that this is not just about finding something wrong. But, Madam Speaker, the Opposition genuinely believes that the Government should reconsider its position and we totally accept this year regardless of the to and fro and the usual thrust of debate.

Madam Speaker, I would ask the Government to reconsider the rationale for leaving it wide open expecting it to be done in that manner from here on in, because the Opposition knows that we are in the minority. But we cannot support this Bill if that is going to be the fixed position of the Government.

Thank you.

**The Speaker:** Thank you, Leader of the Opposition.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause]

If not, I will call on the mover of the Bill to wind up the debate.

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Well, Madam Speaker, thank you very much.

I listened with some amusement at how big grown men can stand up, as was done by the Opposition, and say nothing. And now they are going to leave when I want to tell them where they were wrong.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Usually their tactic, Madam Speaker.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker—

**The Speaker:** Order please.

**The Premier, Hon. W. McKeever Bush:** If the Member for East End wanted to get in competition with his other two colleagues, he should have done so.

I listened, Madam Speaker, and I had to think, *What are these people offering this country except to play with words?* That's all.

Madam Speaker, do the two Members for George Town realise the mess that they left this country in? I hear them talking—and they have some of their followers parroting it—about not blaming them.

Madam Speaker, for the past four years we have to blame them. And they blamed me for everything and sundry, and are still blaming me now for what went on during their time. They did more than that. But there is a God above, and He rules over everything. And He does not sleep, nor does He slumber.

I listened to the Leader of the Opposition. I wondered what he was going to say once he got up after the Third Elected Member for George Town had spoken. He disagreed with the timing. And I hear them saying that they support this, that, and the other, but give nothing of substance to help the country out of this situation.

I hear the Leader of the Opposition talking about some test, some vague test. Well, what I would rather do is plan for possibilities or try to plan for things that could happen which we might not have any control over. And that is what I am trying to do in this Bill.

Madam Speaker, I am not going to tie the process of our budget to a date, except that it must be done before the beginning of the new financial year. For years this country planned on a budgetary process. We had a January to December year. And we all knew that the budget was expected in November. And that is when the Budget was brought—in November—for years. If we need to move back to a January to December calendar year, we would have to bring the budget by November so that we could have Finance Committee, so that we could have the speeches, so that we could finish by the end of December. We had all that time.

The mess that we are in . . . And let me say this, Madam Speaker: The Third Elected Member for George Town likes to get up and talk, as he did in *Cayman Net News*—which seems to give him as much coverage as they have paper—that McKeever Bush started his time in office creating panic by telling the world that the country was bankrupt. And he comes back here today saying the same thing. Well, if you had not left it in a bankrupt position, I would not tell the country so!

Madam Speaker, we got a budget five months later because we put two projects in there that we said we were going to try to deal with to balance the budget and to get money to work and pay off the things that that Member left this country in debt with.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Failed miserably, Madam Speaker?

No, we did not fail miserably! Because what is evident, Madam Speaker, we went, as the Minister of Education said, and we took our people into consideration and we raised the fees elsewhere, on business—not on the backs of the poor people of this country. And if you watch the timing and the timeline of our revenue measures you will see that they are working.

What has not worked, Madam Speaker, is because we put GOAP (Government Office Administration Project) in the budget and we put the sewerage system in the budget—none of that has come about. Now, if you take \$100 million for GOAP and you take whatever you were going to get for licensing and the sewerage, \$135 million, \$145 million, \$150 million, where would our budget be today with that?

No, they could not cover operations. No, of course not!

Are you mad? The country is still receiving good revenue!

What they would have done . . . we would have a surplus . . . the only thing we would have had to worry about is that monstrosity that you—the former Minister of Education—left us with, where you went out and started projects without the funding! That is where we are, that is where we would have been if we could have dealt in a sensible way with GOAP, as I said, utilise our assets, get the money and still own the building in 15 years' time. And if we could, have dealt with the sewerage.

No. Because the fact is, and I say it without any fear of successful contradiction, that we had some civil servants who were aligned with the former government, still are aligned, and threw every stumbling block in the way of the present Government getting through. It is a fact of life.

Every excuse that could be found was found. Every accusation that could have been made was made. Marches planned, disruption looming. And I said, No! I am not going to put the country through this. Let us take it right down to the wire. Let them see that no one is playing just for the sake of playing. We have a tough, hard, bad situation in this country financial-wise. And we sit here and complain because the Minister of Education makes a longer speech than they did? And because he points out the fault of what they did?

Have they brought anything here of substance to fix the problem, as much yabber as they carry on with? As much as they say on the radio? And as much as they say on CNS and the this, and the next one? As much as they come here and talk? Week after week they have gone to the radio station, and where is the benefit of what they have been suggesting, except to try to shift the blame for people to grin-up and skin-up with them and think that this is some sort of joke when we have to sit down and we cannot find the revenue to do the things that we need to do in this country.

The former Minister of Education, now the Third Elected Member for George Town, debated as if he left this country in a good position. As I said, Madam Speaker, we could have easily produced a budget if we did not have the three large projects now to deal with. And to top all of that off, I do not need—and I hope the newspapers are writing so that they do not give out just what one side says, but what the next side says, because I see a lot of that happening. If we

did not have those three large projects to deal with, if we did not have a huge emoluments bill to face, and if we had had some revenue, if they had created the business . . . somehow he now has the answer to the problems, but he hasn't given any solution.

What does the Third Elected Member for George Town stand for? What does he stand for except to deride and criticise McKeeva Bush? And I cannot understand, Madam Speaker, why he pitches the way he does all the time. It must really be eating him up. It must really be eating that young man up that he did not succeed.

Where would he cut? Tell me!

Where would the Third Elected Member for George Town cut to bring the budget in line? Where? I ask.

The delay is inexcusable? He's lucky we got this far.

Listen, Madam Speaker, I had to go to London and sit down and nearly wash their feet to get this far, because when they preach that London was going to come in and take us over, London could have easily done it if I had not done anything. This is the first time . . . and why we are here now—which he says is inexcusable—is because we now have to depend on the United Kingdom to tell us come or go. Why does he not tell that to the constituents of George Town? Why does he not say that to the country? And the Leader of the Opposition knows what I am saying is true.

We had to go cap-in-hand and beg please give us time, help us. They are not giving us any money, they are just holding us tight baby; we can't move! Because of their irresponsibility and mismanagement, because nobody starts one school for \$84 million and another one for \$85 million without the wherewithal to pay for it. Nobody does that! Nobody with any good management, whether or not they have a law degree. And I don't have any, so they call me ignorant and they call me uneducated.

Ah, but I know what it takes to balance the books. I know you can't start projects like that. We did that, we started a project. We built a school. Fifteen million dollars.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** Yes, I can talk about Boatswain's Beach because that is another one of their mess ups, Madam Speaker.

Had they set the dock in West Bay, Boatswain's Beach would have survived and [been] better than it is today. That is the problem with Boatswain's Beach. Boatswain's Beach was built on the precept . . . and that's not the worst thing for this country.

The worst thing for this country . . . if I only had to face and deal with Boatswain's Beach, I would have 100 and odd people employed. But we have two schools there with nobody employed. And where has

all the money gone? And you want to talk about investigations?

If I were of the mind that they are, Madam Speaker, if I did not respect people and respect people's families, I would call an investigation. I would take off my glasses too and sit down and make believe that I was going to cry when I said "investigate them." I would do that. But no, that is not getting us anywhere. No matter what they did, I am not going to call any investigation.

I will find out certain things, and we will come back here and talk about it; but I am not calling any police investigation. For what? To hurt people's families?

And they get up and talk about people?

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** We called one on the Community College—the \$350,000 and more, we don't know yet. I wonder who hired him?

And where is he?

And how much did he get?

And how much did he pay back?

And did the Minister have anything to do with that?

No, Madam Speaker. We easily could have been well ahead in this country—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Former Minister I am talking about. They know who I am talking about.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** We could have been far ahead, Madam Speaker, if we did not have to run cap-in-hand to the UK now to tell us yes or no.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Doing nothing? Me?

This Government? Doing nothing?

Madam Speaker, I am not going to waste time. Do you know what the truth is? The truth is in the tasting of the pudding. And they can say those things now, but three years from now we are going to be in a better position with the help of Almighty God.

What is he going to say then? He is going to find something else to rake up, as he did between 2001 and 2005. He could win. You never know. Maybe.

By then I will be 58, 59, ready to go home and go fishing and plant cassava!

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** And pick breadfruit.

*[laughter and inaudible comments]*

**The Premier, Hon. W. McKeever Bush:** No, you wouldn't have to leave because while you were all there you took it and carried it North Sound and up to the bar rooms.

*[Inaudible interjections]*

**The Speaker:** Order please.

**The Premier, Hon. W. McKeever Bush:** Thousands of dollars worth of it, \$34,000-odd there. Talk that as being uneducated.

*[Inaudible interjections]*

**The Speaker:** Order.

**The Premier, Hon. W. McKeever Bush:** No significant decisions made, Madam Speaker.

Madam Speaker, as I said, there is another bill for them to beat up their gums on. But I am not going to go down the road that they have access to because we do not know what lies ahead. We live in a world of uncertainty. As sure as we got to this point, there are possibilities. Anything could happen.

So I put a date next year, if I come back, and change it? No. I am not going to tie our budget process any more to that day. The date that we tie ourselves to must be finished before the start of the new [financial] year. For generations we went from January to December. You started your budget process in November and you knew you had to be finished by December. By 1 January you had to have a new budget. Did anything go wrong in the country in those times? We had our battles to fight, political see-sawing. It didn't kill us. Now they are carrying on like the whole world is going to be turned upside down if I don't fix a date that he is saying I must fix.

What they need to do is stop talking about dates and bring substance and tell me where to cut. You ought to know, you left it 9 months ago, 10 months ago, 11 months ago—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** We got the job. The people kicked them out.

So, Madam Speaker, I know the Member for East End is hot. I hear him grumbling out there.

You're going to have to burn up!

**The Speaker:** Direct your comments—

**The Premier, Hon. W. McKeever Bush:** And you have three more years to stew!

**The Speaker:** Direct your comments through the Chair, please.

**The Premier, Hon. W. McKeever Bush:** You tell them what I'm saying.

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I have heard what they said. We must produce the upcoming—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** No, you have to take a little bit of beating because you don't understand.

—upcoming fiscal year budget by 1 June. And I say that the Government would prefer to have much more flexibility to produce its annual budget than agreeing to a deadline of 1 June.

For example, for the upcoming budget, that is, 2010/2011, the earliest we can hope to get a budget or get a reply from the United Kingdom (because of the timing of their general elections) on what we would need for financing would be, at the very earliest, the week of 24 May. Given the closeness of 24 May and 1 June the Government should strive for more flexibility than 1 June. I do not see us getting back down here until around the 28<sup>th</sup> by the time we talk to the new minister and get their agreement. And, again, we have to get their agreement because of what the Third Elected Member for George Town did—put us in their clutches.

The 28<sup>th</sup> of May. I do not see us getting any answer back and getting a budget here. Remember this, the tons of paper alone that has to be produced takes practically two weeks. So imagine we do not get an answer back, yet we have to produce the budget—because you have to produce it. It's not that you can bring just one tablet down here. You have to produce all those tons and tons of paper to bring here.

They know this. So I cannot accept that and I will not accept them saying that this is the worst thing in the world that could happen. So I can't agree with a date of 1 June. But I accept that we will have a lot of work to do in that time between the end of May and 30 June. But if we all do what we have to do, four weeks, we should be able to get through it. There won't be anybody curtailing anybody unless they get outlandish and misbehave and then the Speaker will have to throw them out. I can't do that.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Well, bad children get beat at times.

Madam Speaker, let me tell one and all that I do not know what is in the future. But I know this, hard work does pay off. And they can talk about me as

much as they like. They can talk about me traveling; they can talk about me whatever they want. But I work hard and this Government works hard, all of us, including the councils I have created. The problems are there for us to work at.

What I can tell him, in fact one and all, is that in 2005 I left the country in a healthy financial position, just about \$165 million in central government loans, and over \$90 million in Government accounts and a healthy, robust economy. They took over, business left, over \$80 million to government expenditure for staffing, hardly any new business, therefore very little new revenue. And people voted them out.

We took over and what did we find? A huge deficit, nearly \$350 million added to our loans. Large projects to pay for, the largest ever. Not saying we don't need schools. Our position was always that we needed some school buildings—not what he was doing. We still maintain that.

All this, with no money to pay for them.

Unemployment? Rising.

So, what have we done? he asks. What have we done? At the appropriate time I will, I can, give a line by line result of the gains we made in this first and most difficult year. Time not for that yet; I might not do that until the end of the second year. But I will be able to give a line by line. But taking this country through last year off the OECD black list—when he had done nothing but run around George Town dressed up like a mosquito.

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** We kept us afloat and we are still afloat, and we are still a country where people want to come in.

And I want to say to the bloggers—this is just for the bloggers—the Government is not paying for the GOAP. And Government [is] not paying for the hospital. That is not Government money, we don't have it. That is investment. And other investment will come. But it takes time to get blocks in the ground. It takes time for us to do the right things, create a different environment for investment. That is what is going to take us out of this dross.

And when they put something on the table that I can say this is good for the country, this can help pay this bill, this can help cut back that interest, this can help put the Cayman Islands back on a sustainable revenue footing, then, Madam Speaker, I will listen to them. But I am not going to pay them much attention because they have nothing to offer.

Now, let me tell you some of what we have to do. We have to have a sustainable revenue base. What are you going to offer?

Gaming is in front of us. What are you going to say?

Madam Speaker, they are not listening. It does not behave them at this point to listen. Those are



the things that they need to be considering. See? That is where we are.

This Bill is needed. We cannot go ahead because we cannot get the okay from the United Kingdom.

As far as them saying that we should have been further ahead, I agree. Had they been reasonable, had they been not so political in these last nine months, and had they done in their nine months in Opposition what I did in my nine months—allow them a free flow—but, no, the Third Elected Member for George Town has that hatred built up in him that he has to get at you. Angry and mean spirited.

So, Madam Speaker, no, I am not going to take their advice on this. The Government is doing the right thing. And, again, had they done the right thing, had they managed properly, had they paid attention, had they on the kindest of mornings listened to me, [they] would have been better off.

**The Speaker:** Thank you honourable Premier.

The question is that a Bill shortly entitled, The Public Management and Finance (Amendment) Bill, 2010, be given a second reading.

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

**Ayes and one audible No.**

**The Speaker:** The Ayes have it.

**The Premier, Hon. W. McKeeva Bush:** Can I have a division, Madam Speaker?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 17/09-10**

**Ayes: 9**

Hon. W. McKeeva Bush  
 Hon. Rolston M. Anglin  
 Hon. J. Y. O'Connor-Connolly  
 Hon. Michael T. Adam  
 Hon. J. Mark P. Scotland  
 Mr. Cline A. Glidden, Jr.  
 Capt. A. Eugene Ebanks  
 Mr. Elio A. Solomon  
 Mr. D. Ezzard Miller

**Noes: 4**

Hon. D. Kurt Tibbetts  
 Mr. Alden M. McLaughlin, Jr.  
 Mr. Moses I. Kirkconnell  
 Mr. V. Arden McLean

**The Speaker:** The result of the division is 9 Ayes, 4 Noes.

The Public Management and Finance (Amendment) Bill, 2010, has been given a second reading.

**Agreed by majority: Public Management and Finance (Amendment) Bill, 2010, given a second reading.**

**The Speaker:** I am not sure how long this sitting is going to be tonight, but if we are going to go on and on, I am going to break at 7.00.

Do you want to break now?

Break now and return at 7.00.

**Proceedings suspended at 6.51 pm**

**Proceedings resumed at 7.24 pm**

**The Speaker:** Please be seated.

Proceedings are resumed.

In keeping with the decision made earlier this afternoon, that we would hear the question from the Member for Cayman Brac and Little Cayman when he arrived at a convenient time, I would ask the Member to present his question now.

First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker. And let me thank you for allowing me to ask this question late. And I apologise to the honourable House for the late arrival.

## QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

### QUESTION NO. 28

**No. 28: Mr. Moses I. Kirkconnell** asked the Honourable Premier, the Minister responsible for Finance Services, Tourism, and Development to give an update on the required upgrades necessary at the Gerrard Smith International Airport to facilitate outgoing international flights from Cayman Brac.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

In 2008 the Cayman Islands Airports Authority (CIAA) carried out a study of the upgrades that would be necessary to facilitate outgoing international commercial flights from the Gerrard Smith International Airport (GSIA) Cayman Brac. The study determined that implementation of outgoing international flights would result in significant expenditure by the CIAA and Cayman Airways Limited (CAL); there would be a need for infrastructure, equipment and staffing enhancements at GSIA in order to comply with international civil aviation requirements.

The Cayman Islands Airports Authority would be responsible for provision of passenger screening staff, building infrastructure and Hold Baggage Screening (HBS) machines; And Cayman Airways

would be responsible for provision of staff to carry out the HBS screening function. Two alternative approaches were identified:

### Costs to CIAA:

#### OPTION A

1. Building expansion to house the HBS X-ray machine, increase check-in area, and employ additional passenger screening staff.

1.2 Infrastructure: (includes HBS room and alterations to checkpoint and check-in areas) CI\$200,000.00.

Equipment: Cost of hold baggage screening (HBS) machine = CI\$150,000.00.

Total investment for infrastructure and HBS equipment = CI\$350,000.00.

Staffing: 7 additional staff to man passenger screening machine = CI\$180,000

Total investment = CI\$530,000.00.

#### OPTION B

2. Purchase HBS X-ray Machine "scan van" vehicle which would negate the need to build a purpose built HBS room.

2.1 Infrastructure (includes alterations to check point and check-in areas) = CI\$135,000.

Equipment: Cost of HBS Scan Van = CI\$250,000.00.

Total investment for infrastructure and HBS equipment = CI\$385,000.

Staffing: 7 additional staff to man passenger screening machine = CI\$180,000

Total investment = CI\$565,000

#### COSTS TO CAL

The estimated cost for required minimum of [six] trained CAL personnel plus a supervisor = CI\$225,000.00.

**The Speaker:** First Elected Member for Cayman Brac and Little Cayman.

#### **Supplementaries**

**Mr. Moses I. Kirkconnell:** thank you, Madam Speaker.

I would like to thank the Premier for that answer. I am sure under the budget constraints that it is

extremely important that things like this are prioritised. I see that there are different organisations that are involved in how the funding would actually come.

Mr. Premier, who would lead this initiative? And I would be so bold to maybe ask if he would consider that the Deputy Premier take it and lead the initiative.

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism, and Development.]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, both entities affected (that is, the Gerrard Smith Airport in Cayman Brac and Cayman Airways) fall under my Ministry. And certainly since it is in Cayman Brac and the Deputy Premier is the Honourable Minister responsible for the Sister Islands, certainly she would take the lead here with the involvement of my Ministry and, of course, the Airports Authority and somebody from CAL.

**The Speaker:** First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker.

Again, I thank you for that answer. Could you just indicate a timing of when this would actually be able to be looked at?

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism and Development.]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I think earlier the Member said some operative words, that is, financial constraints. And certainly, Madam Speaker, one thing I recognise is that, with Cayman Airways going into Cayman Brac from at least the Miami gateway, we now have to do something about it if we are going to keep that flight, if we want Cayman Brac to expand the way that we believe it can. And I have not had any feedback or no time, in fact, to get any feedback on this from the Airports Authority, the Board or the staffing Director there. Certainly, I would have to take advice. But I would try to move as quickly as possible with it.

Talking to the Deputy Premier, of course, she is always eager to get whatever she can get for Cayman Brac and Little Cayman. And we would now have to sit down with those entities, as I said, to see how it can be done, whether that [\$]100 . . . or [\$]200. . . whatever it is for Cayman Airways, [\$]225. . . whether they would be able to afford that; whether out of Cayman Brac's funding we can look at some of the things we plan to spend in Cayman Brac and we could utilise some of that money to put there to . . . Those are the kind of things that we now have to think about.

But I certainly believe that we need to go in the direction that the study said, and I would do everything I can to ensure . . .

The whole exercise amounts to . . . If we take option B, which is the most out of the two options, \$565,000, and [\$]225 . . . [\$]785 . . . it behoves, under \$1 million, to make it operational as an international airport. I don't know if that is all the cost though. I know that is what has been given to me in an answer. I don't know if any other cost factors would impact. But I certainly believe that when we talked with the Minister responsible, the Deputy Premier, seven people means a lot if they have to be hired in Cayman Brac, which I suspect that is where they would come from. That alone in a small community, seven people being hired, means a lot. So, just the employment factor alone would assist.

So, as I said, I am going to talk with her about some of the things they plan to do to see how we can shift around some money. And, of course, we will include (as she always includes, I think) the Member asking the question. He should give the Government a little more support though.

**The Speaker:** Thank you Honourable Premier.

First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell:** I thank the Premier for that answer. I can assure him that I will support everything I possibly can to get that piece of equipment and open up the airport, through the Government, and will work with the Deputy Premier and the Premier on this initiative.

I would also like to tell him that the flight he came on, which was a second direct flight from Miami into Cayman Brac, actually hubbed in Cayman Brac and most of the passengers who came in took the Express planes into Little Cayman. So the importance of this piece of equipment is that it turns the Cayman Brac Airport into a hub for Little Cayman and makes the Express planes even more useable for the Little Cayman area. So thank you for the answer.

**The Speaker:** Are there any other supplementaries?

If not, let us move on to the next item of business on the Order Paper.

## BILLS

### SECOND READINGS

#### Immigration (Amendment) Bill, 2010

**The Clerk:** The Immigration (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism, and Development.]

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to move a bill for a law to amend the Immigration Law (2009 Revision) to provide immigration and employment incentives to certain investors and their dependents and for incidental and connected purposes.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

Honourable Premier [Minister responsible for Financial Services, Tourism, and Development.]

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, before I speak to the matter before us I want to thank the Director of the Airports Authority, Mr. Jackson, for sitting here a long time until we got to this matter.

Madam Speaker, Government has been undertaking an incentive campaign to attract inward investment as a means of stimulating economic growth. Although much of the focus has been on the financial services sector, the Government is seeking to attract and retain high net-worth individuals in all areas of business and enterprises to the Cayman Islands.

These wealthy investors in our Islands will, in return for investing significant amounts of at least \$2.4 million in a local business or businesses, be granted a Certificate of Direct Investment, which will give them the right to reside here, and the applicant the right to work in that business (or businesses) for a renewable period of 25 years. The business may either exist in the Islands or be a new enterprise, provided they can prove that they have made investments in the required amounts.

The ability for wealthy persons who invested large amounts in local businesses to reside in the Cayman Islands was previously introduced into the immigration legislation by the Government back in November 2003. That Immigration Review Team, comprised of Members from both the UDP and the PPM, as well as immigration officials, recommended the introduction of a 25-year certificate for entrepreneurs and investors. At the time the requisite investment was \$1 million.

Madam Speaker, this Government remains firmly of the view that important economic benefits can be derived from private individuals investing significant amounts in local businesses such as new developments, new industries, hotels for the tourism industry and others. The boost that such direct financial investment would give to our economy cannot be overlooked and incentives must be provided for them also as part of the overall package currently being promoted to encourage investment.

The new Immigration Review Team has recommended that the Immigration Law (2009 Revision), and the Immigration Regulations (2009 Revision), be amended to allow persons with a personal net worth

of \$6 million who invest a minimum of \$2.4 million in a licensed, employment-generating business in the Cayman Islands to apply to the Chief Immigration Officer for a Certificate of Direct Investment (known under the earlier legislation as a Residential Certificate for Entrepreneurs and Investors).

This certificate, which would be granted for a renewable period of 25 years, would afford the holder, his or her spouse and any dependant children, the right to reside in the Cayman Islands and, in the case of the holder, to work in the business in which the investment has been made.

Madam Speaker, the other proposed requirements for the grant of this certificate are as follows:

- That the applicant and his or her spouse would have to have a clean criminal record.
- That the applicant would have to have a substantial business track record and/or an entrepreneurial background, including specific professional technical and other knowledge relevant and necessary to carry on successfully the business or venture proposed.
- That the business must be an employment generating business, meaning a business or businesses in which at least 50 per cent of the total employees are Caymanian (I know the bill says 30 per cent, but I have an amendment to propose at committee stage).
- That substantial management control of the business or businesses must be exercised by the applicant, meaning that the applicant is a director on the board of directors for each of the businesses in which he has invested or will be investing.
- That the applicant and his or her spouse must be in good health and possess adequate health insurance coverage and the investment must be likely to make a significant contribution to the economic life of the Islands.

Madam Speaker, it is important to note that this certificate will not entitle the holder to a Trade and Business Licence, a Local Companies Control Licence, or any other business licence in the Cayman Islands. Rather, the applicant must have already applied for and obtained from the relevant board his business licences. In some instances that would undoubtedly mean that he will invest in a Caymanian business with Caymanians as business partners, unless it is considered appropriate that he should be issued with an LCCL or a Monetary Authority Licence.

The fee payable upon the issue of the Certificate of Direct Investment would be set at \$20,000 with the holder also required to pay an annual fee equivalent to the work permit fee he would pay if he were working in the same occupation under a work permit. There will, therefore, be no loss of work permit fee revenue to the Government, and there will be a sig-

nificant direct payment of \$20,000 every time one of these certificates is issued.

It is envisioned, Madam Speaker, that a newly created Department of Commerce and Investment will play a significant role in scrutinising and recommending the approval of any application made. This is consistent with the department's overall responsibility for promoting inward investment. The considerable business expertise within that department will enable it to make a proper assessment as to whether the evidence offered by an applicant is sufficient to demonstrate that they meet the financial standing and investment criteria. This department will then make a recommendation to the Chief Immigration Officer, who will have the final discussion on the issue of the certificate.

Madam Speaker, I must emphasise that these certificates will only be issued to individuals who have demonstrated a high standard of business ethic, personal experience, continued involvement in the business, and commitment to providing opportunities to Caymanians through employment.

There are already examples of individual investors who have invested in these Islands, and through their businesses have created jobs in the construction industry, the services of the hospitality industry. And at a time when we are endeavouring to diversify our economy in medical tourism and other types of industry, encouraging such wealthy individuals, Madam Speaker, can only allow our economy to grow further.

In conclusion, Madam Speaker, given the current financial crisis, it is critical that incentives be offered to companies to move to the Cayman Islands, and for these high net-worth individuals to invest and continue to invest in a business or businesses here.

Madam Speaker, I want to commend this Bill to honourable Members. Hopefully they will find it in their hearts to support what I believe is an important step in giving an incentive to certain investors in this country.

**The Speaker:** Thank you, Honourable Premier.  
Does any other Member wish to speak?  
Third Elected Member for George Town.  
Honourable Leader of the Opposition?

**Hon. D. Kurt Tibbetts:** Madam Speaker, I crave your indulgence. I do understand that there are accompanying regulations. I heard some figures mentioned by the Premier in his presentation. And I'm pretty sure that that would be coming from the regulations.

I am wondering, Madam Speaker, because the Bill itself is a bit vague for us in the Opposition to get a full grasp, if the Honourable Premier would be kind enough to allow us sight of the regulations and perhaps we would be better poised to make our contribution and take a position on it. But as it is with just the Bill itself, it is extremely difficult for us to fully envisage exactly what the Bill means without sight of

those regulations. So, I would hope that we would be able to get sight of them.

**The Speaker:** Does any other Member wish to speak?  
[pause]

*[inaudible interjection]*

**The Speaker:** Well he will reply when he winds up.

**The Premier, Hon. W. McKeeva Bush:** Yeah, that's the only time I'm going to reply.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, the Leader of the Opposition was expressing the hope of the Opposition that we would be able to see these regulations so that we could take a firm position in relation to this matter because we start with the fact that this Bill was handed to us this morning. We don't have the regulations, and the Bill refers at some length to the regulations.

We are really at a significant disadvantage in trying to debate this Bill without the benefit of the regulations.

We are all, Madam Speaker, in favour of suitable provisions and amendments that do something positive to encourage more investment and more economic activity. So, in principle, we don't have a difficulty with the objective; but we do worry a lot about being asked to take a position in relation to such an important matter without knowing really the true extent or the true character of what it is that we are being asked to support.

Madam Speaker, we are very conscious that measures such as this, while aimed at increasing economic activity, if proper care is not taken they may have the effect of significantly damaging or eroding local businesses—our own local established businesses—and, Madam Speaker (and I'm going to speak about this to some extent), concerns about whether or not these provisions may actually encourage more fronting than has been the case over these many past years.

So, let me try to make a start, Madam Speaker, understanding (I hope you will) the constraints under which we labour in relation to this particular Bill.

Madam Speaker, the Bill is entitled "A Bill for a law to amend the Immigration Law to provide immigration and employment incentives to certain investors and their dependents; and for incidental and connected purposes."

The Law, Madam Speaker, defines these incentives as they relate to "employment generating businesses." And "employment generating business" is defined in the Bill as a "**business in which at least**

**thirty per cent of the total number of employees are Caymanians.**" The Premier has circulated a proposed committee amendment which will amend that definition so that it means businesses in which at least fifty per cent of the total number of employees are Caymanians.

And then there's a curious provision "unless overriding circumstances dictate a lower percentage", whatever that means. Madam Speaker, clause 4 states, "37A. (1) **A person who has a personal net worth in the prescribed amount** [but the amount is not prescribed]. Presumably it is to be prescribed by regulations. We've heard the Premier mention a figure of \$6 million, but we have not seen the regulation so we have to take his word for it I suppose] **and who— (a) has made or proposes to make, an investment equal to or greater than the minimum prescribed amount . . .**" But we don't know what the minimum prescribed amount is either because that is in the regulations somewhere, although I thought I heard the Premier say a figure of \$2.4 million.

How that sum has been arrived at, on what basis it has been calculated, and on what premise it is based, I don't know because the Premier has not explained. That, Madam Speaker, I think is about 40 per cent of their net worth. So that is truly a substantial investment in Cayman.

**"37A(1) A person who has a personal net worth in the prescribed amount and who— (a) has made or proposes to make, an investment equal to or greater than the minimum prescribed amount in any licensed employment generating business . . ."** So, that is any business in which there is at least 50 per cent Caymanian employees, which has a licence, and in which he does or will exercise substantial management control.

**"(b) Has a substantial business track record or an entrepreneurial background, including specific professional, technical, and other knowledge relevant and necessary to carry on the pertinent business or businesses;**

**"(c) can prove that his personal net worth meets the minimum prescribed requirements . . ."** Again, we have to refer to the regulations for that which we have not seen.

**"(d) can prove— (i) that he has available to him and under his personal control funds to the value of the proposed investment amount; or (ii) that he has already invested the minimum prescribed sum of money in a licensed employment generating business in the Islands,**

**"May apply to the Chief Immigration Officer for a Certificate of Direct Investment but such Certificate shall not confer any right to a licence under the Local Companies (Control) Law (2007 Revision) or the Trade and Business Licensing Law (2007 Revision)."**

Now, Madam Speaker, the question which immediately comes to my mind which I haven't been able to answer is: Why is this necessary? Why do we

need this complex set of provisions to achieve what it seems to me the Government is trying to achieve, which is the ability for someone who has made a substantial investment in a business in Cayman to be able to live and work here—to live and work in that particular business? That's all this is seeking to achieve.

If, in fact, it is true that having been granted this Certificate of Direct Investment does not entitle the individual concerned, and presumably the companies in which he is involved or proposes to become involved, a Trade and Business licence, or a right to a Local Companies [Control] Law licence . . . what is the benefit and why is all of this necessary in the first place?

If it is good PR, then say so. But unless there are some particular instances, some specific cases for which this legislation is being brought, and there are circumstances which are not being divulged to this honourable House, we struggle on this side to understand why all of this is necessary. What is set out as the objective of this particular set of provisions is attainable, is achievable under the present law and regulations. All that is being asked, or all that would be required, or all that the recipient would be entitled to, is the right to live and work in the Cayman Islands. And that work would be limited to the business or businesses in which he or she has invested.

I don't know, Madam Speaker, why we need all of this. Presumably, some thought has gone into it otherwise we would not have gotten to this stage; but whatever that is certainly has not been revealed to this House in the Premier's presentation. And, Madam Speaker, given the absence of the regulations which perhaps would give us some better glimpse into the thinking behind these provisions . . . I'm not going to say now that I am not going to support this. I may well come around to the view that it is something that I can support.

Certainly, the Opposition has taken no position on it because we can't. We don't understand what it is that is trying to be achieved. But as it is with these things we know this just hasn't come out of the blue. There is something fuelling it, and it is something apparently that must have some degree of urgency, otherwise the Government, as bad as they are at these things, would not have brought it down here today, presented it to us and expected us to pass it, go through committee stage and through all of the stages of the legislative process in one evening.

I believe that this calls—if not cries out—for some better explanation of the thinking of the Government and the reasons for this legislation at this point with the indecent haste with which it is being rushed through the House.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Third Elected Member for George Town.

Does any other Member wish to speak?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I have a couple of questions just to make sure I understand.

In the definition of "substantial management control," Madam Speaker (and I note that it says, "management control" as opposed to "ownership control" of the business) . . . and I'm not so sure how a person owning a single directorship in a company that has multiple directors is going to exercise substantial management control. Whether there's criteria that say if there are three directors he must have one or he must have two to have substantial management control or whether it is ten, he must have six. Maybe we can get a better explanation of that.

And just to make sure I understand the process and the person's entitlement to the certificate. If the person is investing in an already established business we can understand that it would have to be with Caymanian partnership, and he would be one of the directors. If the person wants to apply for an LCCL, where he or other non-Caymanians will be the majority shareholders, does he have to have those licences approved prior to being able to make an application for the 25-year certificate?

It might be a little risky to an investor that we are trying to entice to come here if he has to have the necessary local business licence in place before he can apply. As I read the Bill I don't understand that the temporary licence granted by the Chief Immigration Officer is intended to allow him to apply for those licences in that three-month period. And then once he gets all of the local business licences then he can apply for the 25-year certificate.

If I can get a better understanding of those things I can support the Bill, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak?

Elected Member for East End.

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

Madam Speaker, I rise to make a short contribution to the Bill before us.

Madam Speaker, the Government continues to accuse us of not making any worthwhile contribution to the dilemma from an economic and financial perspective that the Government finds itself in. Nevertheless, here we are with a bill without proper explanation. So it leaves us with no alternative but to stab at the air and try to ask questions and make some assumptions in the hopes that we are touching on things they have considered whilst considering this amendment.

Now, Madam Speaker, like the Third Elected Member for George Town said, we will have to take the Premier's word that the numbers he threw out whilst introducing this Bill are going into the regulations. I see no reason why we could not get those

regulations so we could make a proper contribution to this amendment.

Madam Speaker, the Bill before us is extremely confusing. When we looked at a new clause in here, which is 37A.(1)(d) and it reads, “**A person who has a personal net worth in the prescribed amount and who- [under (d)] can prove (i) that he has available to him and under his personal control funds to the value of the proposed investment amount; or (ii) that he has already invested the minimum prescribed sum of money in a licensed employment generating business in the Islands, may apply to the [Chief] Immigration Officer for a Certificate of Direct Investment but such Certificate shall not confer any right to a licence under the Local Companies (Control) Law . . .**”

This is more than inward investment; it is investment that has already been made in this country. So when the Premier introduces this Bill and says that the Government has been on a campaign to attract investors, it appears like they are also carving out for certain individuals, provisions for certain individuals who have already invested in this country and are currently operating businesses with that minimum investment. Therefore, I have my suspicions about whether this is only for inward investment. If those companies are currently here then there is no need to give them incentives to come.

The other problem I have, Madam Speaker, is when you're talking \$2.4 million, if that is correct. [That amount] \$2.4 million can buy quite a bit in a business, so I would venture to say that that is a medium size business. It is certainly not the Mom and Pop business.

Let me explain, Madam Speaker. For instance, we have Stingray City where we have more tours out there and there are a number of Caymanians in that, many from the district of West Bay—primarily from the district of West Bay. With [\$]2.4 million you probably could buy five good size tour boats. The Fourth Elected Member for West Bay will probably confirm that. Here we have us opening the floodgates to allow a foreign investor to come in here free, uninhibited, to spend \$2.5 million, have five 80- to 100-seater boats and wipe those small businesses out. Kill them! *Wipe um out!* And they legitimately did it with the approval of this legislature. I wonder if the Government thought about that, because that is a real possibility.

We could do it with the charter fishing as well. Many places thorough the Caribbean. You have fleets of boats in charter fishing. One company has eight to ten cabin cruisers. I recently went to Hemingway's and saw it there. One company, one fleet of boats—charter boats, that is. You could buy six, eight, 36-footers; you could buy 10 and you're close to your \$2.4 million. And you wipe out the charter fishing in this country.

Madam Speaker, I know the Fourth Elected Member for West Bay knows what I'm saying. Maybe

others don't, or some others don't understand it but because of my and his experiences in this type of business in this country, fishing and the likes [I know] it is a serious matter that needs to be considered.

Madam Speaker, the Premier spoke of . . . now that we're looking at medical tourism, which I should publicly state that I support. And when you see someone coming here, and could possibly come here with our approval, and build 30 or 40 apartments which he or she intends to manage and wipe out those Caymanians who are capable of doing it. . . It could happen. Those are my concerns surrounding, if I may term it, opening of the floodgates.

Madam Speaker, this country was built to a great extent, on inward investment. We have never had to give them any incentives. However, if it is necessary, this is not the way to do it. The beginning of this (I hope this is the same thing) was announced some time ago by the Government saying that they were going to charge \$1 million to the investor and they had to have a net worth of some \$10 million for investment.

Now, Madam Speaker, during the campaign I specifically remember the Premier saying that the PPM was anti-business and we were not encouraging business and, as the Leader of the Opposition, investors was knocking down his door but we were turning them away, and that's what the Cayman Islands needed. Madam Speaker, my question is: Where are they now?

The Premier came to this honourable House and announced his travels. He updated us on his travels throughout the Middle East, throughout Europe, throughout North America wining and dining prospective investors. Where are they? Is this for them? Tell us how many have expressed an interest, and not only expressed an interest, but have committed to coming to this country and investing. How many? So that is an add-up of the whole world tour at the expense of the country and those who were knocking down his door in West Bay to invest in—

### Point of Order

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, on a point of order.

The Member is misleading the House. Madam Speaker, I have never stood on any platform or anywhere else to say that any investor was knocking down my door. I said I would try to find investors because I believed they were there. And that's what I'm trying to do. I have never said it. The Member can't say he heard me say it, because I didn't.

**The Speaker:** Member for East End, please confine your comments to facts.

**Mr. V. Arden McLean:** Madam Speaker, that's a fact and I can prove it! I'm not withdrawing it. Now I know that today.

**The Speaker:** Ah—

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, at this point in time I'm not going to get into any fight; all I want to state for the record is that that is not so and he can't prove it. And if he can, I would like him to bring it at any time to this honourable House. Not now, any time.

**Mr. V. Arden McLean:** But I haven't sat down so you can't stand up.

**The Speaker:** I don't want to have to stand and then you both will have to sit.

Member for East End, you cannot impute motives or statements of a person unless you can prove it. Unless you are going to bring proof to the House to me that this person said this, and you have it in writing or you have it somehow else, you cannot make those kind of statements. Thank you very much.

Now you may proceed.

**Mr. V. Arden McLean:** Madam Speaker, that is public knowledge. But, anyway, let it slide. There are many Caymanians out there who know that what I'm saying is true. And I don't want to get into any argument with the Premier, Madam Speaker. We had a nice Prayer Breakfast and I want us to all live in harmony.

*[inaudible interjection and laughter]*

**The Speaker:** That would require something in writing for me to see too. Please do not make statements like that across the floor of the House.

Member for East End, please continue, and restrain yourself. The hour is late and we have a lot of work to get through tonight.

**Mr. V. Arden McLean:** Madam Speaker, yes, I'm going to go on.

The one thing about me, Madam Speaker, is that I don't dress up every Sunday morning knocking down the church door.

**The Speaker:** Member for East End, I just said . . .

We should be dressing up every Sunday morning and going to Church, but never mind that for now. Let's proceed with the debate before the House. Thank you.

*[inaudible interjection]*

**The Speaker:** Member for George Town, please restrain yourself too.

*[inaudible interjections]*

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

Madam Speaker, I will go to Church. I need that.

Madam Speaker, my concerns I believe are legitimate ones. I am not going to come . . . I have a responsibility. I have been in this honourable House nine years plus. I have a responsibility to the people I represent. Not only those in East End, but the people in general in this country, and I can't in good conscience now, or have I ever put my John Henry on anything here that I have doubts about; that I have such grave concerns about that would take and destroy some of the possibilities, the rights that they have to survive in their own country. I am not going to do that, Madam Speaker. I refuse to do that.

And I am extremely concerned about this amendment. It reeks of problems. It says to me, Madam Speaker, that my people are going to suffer as a result of this amendment. It is a serious matter.

Madam Speaker, we are talking about \$2.4 million, minimum investment. But \$2.4 [million] it is. Here we have Doctor Shetty [who] just signed an agreement with the Government, and according to all reports going to be spending somewhere in the region of \$2 billion on this investment. What incentives did we give him to come here?

After he gets here he is given incentives. And rightly or wrongly, Madam Speaker, I agree with the concept of giving incentives after people are here. But we didn't have to go out there to attract people. In all the investments in this country we did not have to. We have the Dart family along West Bay road who has invested probably nearly \$1 billion on that development there. There were no incentives.

I understand the dilemma we are in. I understand that this is a global thing, and if it is that this was going to bring major investments, like hotels and the likes, there may not be Caymanians who want to do hotels like three or four hundred rooms, but there are Caymanians who can afford it. Oh, of course, there are Caymanians who can afford it, Madam Speaker. Maybe they do not want to go into it. If he wants to attract those types of people, then fine. But this is not the category of investments that this country needs right now.

Madam Speaker, I have some serious concerns about it. What are we going to get? I heard the Premier say that the fee will be some \$20,000 and an annual fee equal to what the investor would have been paying for a work permit. Is that all? How many people do we anticipate coming here and doing this? How many people have put their names on the dotted line and given this Government a commitment that they are going to come? Why has it taken so long?

Madam Speaker, these are all the questions that the Premier should have given this honourable House in his introduction. I don't know if the Government is trying to hide something. I hope that is not the case. But they need to explain this to the country, not only to this House. They need to explain it to the country to the same Caymanian investors who are here now, whether they are 6 per cent, 40 per cent ownership in the companies, or 60 per cent ownership



in the companies, they need to explain it to the Caymanians how this will probably wipe their business out. It has the potential of wiping out their own businesses.

Madam Speaker, I thank you.

**The Speaker:** Does any other Member wish to speak?

Minister for Education, Training, and Development.

**Hon. Rolston M. Anglin:** Madam Speaker, thank you very much.

Madam Speaker, one thing predictable about the Opposition is that no matter how much they dress up in their sheep's clothing they do show the House clearly their motives.

Now, Madam Speaker, the continual theme and undercurrent of the contribution from the Members of the Opposition is: "Who is this for? Why are they doing this? Do they have something to hide?"

Now, Madam Speaker, we had a provision trying to achieve something like this in the original Immigration Law. They said at the time that no one had applied under that provision so they removed it. Madam Speaker, if you look at many countries' immigration regime—and I know the Third Elected Member for George Town knows this because both of us sat on the IRT (Immigration Review Team)—they have carve-outs to try to have framework for persons coming into your country invests which clearly shows their rights and what the country is trying to offer.

What would we rather have? A system that is not underpinned by any detail that any of us can come and see the framework of what we are trying to do and how persons come in. For the life of me, I cannot see why it is so necessary to try to spread doubt about people's motives on the floor of our Legislative Assembly.

Madam Speaker, I really don't think that the Members of the Opposition clearly understand how they are viewed generally by the business sector in this country. Nor, do I think they clearly understand how they are viewed by the business world globally. I really believe that they still think that the Cayman Islands is this little small speck on the globe that is cordoned off, they can say and do anything and no one picks up on it. No one thinks, listens, or says to himself, *Is this the type of leadership? Is this the type of representation that is going to foster economic growth?*

I cannot believe that a Member of this House is going to say that we have made it this far because directive investment does not have incentives.

Madam Speaker, I am befuddled as to who all these Caymanians are in our private sector who the Member for East End claims can afford to build these 300 and 400 room hotels. What I would ask him, since he knows all of this, is maybe he should have shared with the House why it is that the economy is slow and

they are not investing. Perhaps he should also say for any Caymanian who has ever been involved substantially in hotel development what their real involvement was in terms of large scale hotels like this.

Madam Speaker, listen, the fact of the matter is that the Government is putting forward a framework to try to attract foreign direct investment in the country. Now, I could understand if the Opposition said, *Look, we see your framework. We really don't think it is going to work. That's our view. Let's wait, let's see, if you were right or we are right.* But, Madam Speaker, to always have the inferences to, *Oh well, who is this to benefit? Who's that to benefit?*

Madam Speaker, the rhetoric of the PPM is one of the single biggest reasons a lot of people in this country, our own Caymanians, have lost confidence in the economy and the desire to invest. Because everything that is spewed out is talking about anti this—it has to be some anti investor; it has to be some anti foreigner, or it has to always be some hidden agenda. Everyone around is dishonest, but they are the White Knights.

Madam Speaker, this country is in dire straits. I don't know the last time that they talked to owners of small businesses, long established, small businesses in this country; Caymanians who have been in business from the 70s, some of them continuing to struggle because the economy is slow. Yet, here we are as legislators, instead of talking about what they believe the Government could do to improve the proposition, everything is to try to spread some form of dissent, some propaganda, to talk about some hidden agenda and there is some doubt, instead of coming to this Legislative Assembly and saying, *Look, something like this was there. If you are going to do this, here are some of the things we think you should add that could make this better and make it work.*

No-o-o that's not the MO (*modus operandi*).

The Honourable Premier is going to speak to the whole issue to deal with section 4 subsection (3) of the Bill as it relates to what the Department of Commerce and Investment will look for in terms of giving guidance to the Chief Immigration Officer. And they can't say that he did not stand on the floor of this House to talk about some of the things that we are looking to do in terms of how we see the maturity of this economy and who should have access to what industries. They cannot say that the Premier has not said and made known publicly that that is a part of what the Government is going to do.

Apparently, the Member for East End must have missed all of that as he toiled and laboured and talked about certain industries (as he called it) that medium-size investor could invest in and wipe out Caymanians. He must have completely missed that when it was discussed in the Legislative Assembly.

But, Madam Speaker, in my mind, if we are not going to try to continue to push policies that will give incentives for people to invest in the country and try to have it in an established framework so that you

don't have disparity of treatment, and then all of a sudden we are coming here to question why was this one treated this way, why was that one treated the other way, and there's all sorts of argument about that . . . We are trying to be consistent, trying to put a framework in place. We really need to talk about how the framework is best put together and what they believe should be a part of the way in which we look to attract foreign investment.

But no, Madam Speaker, it's all about 2013. And so because the eye is on 2013 we need to spread doubt, rumour, innuendo, because we need to ensure that Caymanians become distrustful of this Government, distrustful of any policy, while all we are doing is continuing to put out there and feed that whole notion that a lot of people have about this country. After they listen to talk shows, watch political campaigns and listen to what politicians say they come to this conclusion and say, *Hmm! Is this a place that really is a part of the small global village? Or do they see themselves as these eliteous who really don't need foreign direct investment?*

Now, Madam Speaker, it is amazing how apparently the Dart family is now the best thing since sliced bread. Madam Speaker, I will say this here and will say this to anyone at Dart Management Limited or any of their companies: As far as I am concerned, I want framework where we can get more investors in the country. No community is best served by having single big players. You want to have more people investing in the country. You run too much risk when it is one.

What happens when that one entity suffers? What happens? You cannot put all your eggs in one basket. That can never be the way in which we see development in this country being best served.

Madam Speaker, this whole notion about seeing the regulations beforehand, we've had many instances where this Legislative Assembly has passed bills without regulations; many important pieces of legislation too. The Education Modernisation Bill came—no regulations. We debated the Bill. Immigration regulations are dealt with in Cabinet.

Now, Madam Speaker, what would be helpful is if the Opposition has or will formulate a specific position and make that position known. I believe the Government will obviously look at the position. Do they believe it should be \$6 million or \$2.4 million? Do they believe the fee should be \$20,000? Should it be \$100,000? Should it be \$50,000?

We need to be talking positively about how to make whatever it is that we are attempting to do, or [that is] already in existence, better. How will we ensure that the country has the best opportunity to survive, should be the mandate of the membership of this Legislative Assembly.

I say at this hour, shame on the Members of the Opposition for not coming to this House and saying what they believe and simply trying to spread ru-

mour and innuendo: *Who is this for? Whose names have been signed on the dotted line?*

Madam Speaker, we are trying to put in place a framework that the public can see—they can see, the country can see, anyone from the outside can see. So when a person who is thinking about investing in Cayman can call up his attorney who they usually enter the country through and ask what is available in the Cayman Islands. It can be clear. Transparent. It's not about, *Oh well, I'll try to negotiate this, that or the other.* It's up front, black and white, here are the rules, here is what you need to do.

Madam Speaker, all I can say is, we are not going to get sidelined by the rumour and innuendo, but the one thing that we are going to do is continue to proactively defend our policies. And what's the challenge tonight? Since their eyes are already on 2013, the challenge I lay to the PPM between now and 2013 is: Show the country one single policy that they promulgated in the four years that had any tangible economic value. Show the country one project that they managed and that under their stewardship was reasonable, wasn't grandiose and didn't strangle the country. Show the country how they made tough decisions. Show the country why, or explain to the country why it was that they could not heed the warning that everything they were building their projections and spending on was the hurricane Ivan rebuilt. But oh no, they had to go headlong. Show the country what it is that they are bringing to the table.

I say, Madam Speaker, this country has a lot of politicking, and the country is suffering because there is no credible alternative coming from the other side. None! None whatsoever!

Madam Speaker, whether or not they want to support this legislation will be up to them. The Government is trying to create a framework for solid investment. How in the world can that be so bad?

Madam Speaker, this Bill is the way to go. We need to create a framework, have it clear, have it transparent, show the country that we are not going to continue to have what exists, which is, everything being in this grey area. This is the way the country needs to build, so that we can be first rate, so that when an investor is looking around the globe and they inquire about Cayman, it is not some *[Anancy]* story; it is clear, upfront, here's what you do, here's what you need to invest, here are the areas that are available, here's what the fee is. Again, how can that possibly be the wrong way to go?

Thank you, Madam Speaker.

**The Speaker:** Thank you, Minister for Education [Training, Training, and Employment].

Does any other Member wish to speak?

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

Madam Speaker, I wish to make a short contribution to this Bill. I don't think I will take too much time.

Madam Speaker—

*[inaudible interjection]*

**Mr. Ellio A. Solomon:** Yeah.

—when I listened to the Member for East End talking it reminded me of his comment that he made at the Parliamentary Breakfast this morning, and that was where I think he drew similarity between preachers and politicians. I think his comments were (not necessarily verbatim) to win souls, Madam Speaker, was what he said both individuals were trying to do. And, Madam Speaker, as I heard him speaking I think perhaps he was trying to win some souls. And I believe it needs some clarification because apparently the methodology by which to win those souls is statements of fear; statements that, when our Caymanian people hear them, they are supposed to be scared; they are supposed to be fearful. As a result, they are probably supposed to draw the conclusion that the United Democratic Party is not good and the PPM is good and they are looking out for Caymanian people.

So, I want to try to set the record straight because if there is one thing that can ruin a good argument it is the facts. I would like to submit a few facts because I notice now that the Third Elected Member for George Town has walked out. He does not want to hear what is coming. But let me deal a bit with the Member for George Town and the Member for East End.

When they stand up in this honourable House and talk about *could it be this, what could happen with this? What could happen with that?* That is a lot of “could haves,” Madam Speaker. *Could have, would have, should have.* If they had done something we would not be in this position we are in today, because they could have done it. Now they say they would have done it and I know everyone in the country is saying they should have done it, but they did not do it and they had the chance to do it. And now all they can do is to sit on that side and cry *Chicken Little, fear the world is coming down on top of us. Cayman we are going to lose our country.* The people of this country who are intelligent made the right decision in 2009 because they did not want to lose their country. They were tired of seeing the country going into the red.

So, let's talk about the Opposition now, who is pointing at this side of the House, suggesting that for a second they may have a solution. The Member for East End:—look at the Matrix situation. He is talking about someone with \$2.4 million can go and purchase boats and take away all of the work that is up there in Stingray City.. All of that fear.

What did they do when they were there? They were looking out for Caymanian people then with the Matrix contract? And how much money left the coun-

try? Or when he was up in East End building walls for \$3,000 a linear foot?

Madam Speaker, what about the ex-minister for Education? It never ceases to amaze me . . . I'm almost to the point now [where] I don't want to get up and talk, but I have to.

**The Speaker:** We are discussing the Immigration [(Amendment) Bill] you know.

**Mr. Ellio A. Solomon:** Absolutely, Madam Speaker. Absolutely! But they raised an issue and I believe it has to be addressed.

And, Madam Speaker, when we talk about the projects . . . because if persons are going to try to win souls, I think it is important in this honourable House that we learn the facts. Do not come down to this House and try to suggest that the United Democratic Party has some bad motives that we are trying to hurt Caymanian people. No!

When the PPM was in office the same ex-minister for Education, even down to the job of Director of Labour, when I was arguing to see if we could get a Caymanian in there, do you know what his statements were? He could not do it; he did not have the power to do it. That's what his statements were. And on the issue of the schools, down to the paperwork on printing, did they put that in Caymanian hands? When they talk now about \$2.4 million, *oh it could have, would have and should have.* Did they put that money here? They sent it to Chicago! The printing! That's the people now on the other side, my good Caymanian people, who are crying that this Government has some ill-motive.

That is why we are in the position that we are in now, having to bring forward these sorts of Bills, because when they had a chance they did not do anything. And then when they came to the work, what did they do? Stand in a press briefing on top of the schools saying, *Oh yeah, I think we overlooked that,* trying to address it once the horse went out the gate. But crying today, 11 months later, that they care about Caymanians and the UDP is bad . . . People have not forgotten, Madam Speaker.

I want to assure on the immigration side, because I believe it is efficient enough in terms of their *could have, would have, should have,* Madam Speaker, that this Government is working on a daily basis to ensure that we can help Caymanians. Whether it is a cleanup project, whether it is down in the situation of saying that we are going to ensure . . . And again, not requiring large amounts of construction because the other side seems [to think] that you can only help Caymanians if you build a building.

Pension holiday!

The Member for East End talked about Doctor Shetty's hospital. I heard a PPM Member call a talk show and praise the Premier. He said that, regardless of what side you are on you have to say that the Leader has a knack for attracting investors. That was

one of their Members saying that. That is why the people of this country voted in the United Democratic Party. That is why they chose the Premier that we have, because as one of their own member's stated, he has the knack for attracting investors. That's \$2 billion investment.

They cursed him as well when he was dealing with the Ritz Carlton. And then, when they were in office whatever photograph was taken was down at the Ritz Carlton. No!

So, Doctor Shetty's Hospital . . . [And] we are getting the housing project going. That sat around for four years, nothing was being done. We are doing it! We are not talking about it! Legal Aid working on that too! Port project, whether it is in George Town or the one that the East End Member wants to lay down on the street and have a bulldozer run over him, that again, working towards doing.

So, Madam Speaker, on all of these issues I want to ensure persons that in this case, and perhaps a scenario where we talk about immigration, someone has to spend money if we are going to create an opportunity for our people to make money. And that can be someone who is already here, whether they are an expatriate or a local, you have to give them some incentive.

Let's take a pause. Let's pretend for a moment that foreigners never existed (that's the PPM world, but let's go there for a minute) and you only had local investors. You would still be in the situation that here you are in tough economic times—and I speak to my people, tough economic times—what are you going to do for your born and bred local Caymanian investor? What's the incentive for them to reach in their pocket and spend the money? You have to offer an incentive. Because right now he or she says, I have \$50 million in the bank, I'm secure. But this Government says we have to help our people. And if we are going to get it we have to get that local investor to reach into his or her pocket and spend a little dough so that the little gentleman down there (that they say they care about but that this party cares about) can get a chance to mow the lawn and grow some flowers and build some apartments, and sell some tubs.

Even down to the supply of material. What they did? They were here about Government giving a concession and the . . . Oh Lord!

Madam Speaker, so I want to ensure my people that you have to . . . and that's the amazing thing. God created a wonderful world. And, here it is, you have to inject a degree of energy to get more energy. That's how it is. These are just some scientific rules and financial rules and economic rules that the other side simply does not understand, and that's why they are on the other side.

So, we have to do something if we were dealing strictly with local investors to say, *How do I get the gentleman or the lady to reach into their pocket and spend a bit of that \$50 million?* And it requires an in-

centive. And when we get up and offer that incentive to local investors it does not mean that someone is corrupt. It does not mean anything like that. You have to create an incentive.

And if I could, Madam Speaker, while on the issue of local investors, say to our Caymanian people that whether it is going to be perhaps the island of Jamaica that is saying come to Jamaica, buy some land, or, it is one of our neighbours in Honduras, if they were in a scenario tomorrow, regardless of how small their investment was, whether it was \$5,000, \$10,000 or \$1 million, what would make them go and spend their money there? [Comes] down to the same thing, and that is what I want people to picture. They just got a \$5,000 paycheck and now they see a little ad somewhere in one of our neighbouring countries that says, *Look at this incentive*. And, because of that, whether they are the \$5,000 investor from the Cayman Islands or a \$5 million one, it is the incentive that is going to make them say, *You know, I could probably take a trip to Jamaica, or Honduras, or I could take a trip to country X and invest my \$5,000 because there is an incentive and someone wants me to spend that money with them*. We're in a global market. In the same way we have to be able to create some incentives.

The good United States of America did not get where it is today by having a PPM fence-building policy. No! Whether it was immigration, in terms of what can we do to attract persons who are skilled in IT, or skilled in that area, or skilled in another one, or someone with funds to spend, that is what works to make a country great. If someone is going to suggest that we should sit here while all the countries in the world are trying to create incentives—and why? To create opportunities for their people!—and that we should sit and build a fence around it and paint it red . . . Madam Speaker, that is not our approach. The United Democratic Party has proof, again, whether it is the Ritz Carlton, whether it is St. Matthews.

Look at St. Matthews. Share that with our Caymanian people. Somebody comes in and makes a simple investment. You have a university, and, as a result of that, you have hundreds of persons coming and going, a transient population that is buying real estate, buying food, buying clothes, buying drinks, buying other services; billions of dollars coming into this economy because of one action. And it does not happen when you build a \$3,000 per-linear-foot wall. It does not happen when you spend \$12,000 per linear foot on a road. It doesn't happen then. It happens because you are giving someone an opportunity and it spreads within the private sector.

I want to encourage our Caymanian people and remind, where necessary (although I don't really believe it is) that the, *could have, would have, should have*, is on the other side. And with all due respect, they have had their chance. And let not their fear-mongering prevent the people of this country from taking the bold steps that are necessary just as we

had done before. I hear them talking about incentives. It is the incentives that have always brought people to the Cayman Islands. And depending on what the circumstances are, it depends on what the incentives have to be—but always reasonable and tempered.

This Government takes all of the steps, all of the actions, and has a proven track record that we are going to attract the investors. And by attracting those investors we are creating opportunities for our Caymanian people—not spending and putting the country into red and at the end of the day Caymanians are not getting anything as a result of it and the UDP simply has the job to come along, and whether it is Matrix or otherwise, pay somebody else's bill. No, Madam Speaker—bringing true investment.

And that's what I want to assure our Caymanian people [about]. This policy (forget about the fear mongering) is about saying how can I attract decent, reputable investors who are going to come here, inject the necessary capital and, just like St. Matthews and just like the Ritz Carlton—which they cursed at one point—will create opportunities for our Caymanian people; some small, some medium and some large. And one moment at a time, one day at a time, and one Caymanian at a time, we are creating opportunities for them and building wealth, opportunities for ownership for those Caymanians, and not debt, but opportunity.

Thank you very much, Madam Speaker.

**The Speaker:** Thank you Fourth Elected Member for George Town.

Does any other Member wish to speak?

[First Elected] Member for Cayman Brac [and Little Cayman]

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker.

Madam Speaker, I rise for a few short comments. I like the idea of foreign investment in this country and I support the spirit of this Bill. I really want to know a little bit more about it, and I believe that my questions are fair and will be understood by the Premier.

Number one, it has always been hard in this country to raise the necessary capital for young entrepreneurs and business people who want to start their own business. One of the reasons is that we had to look for inward investment. That is one of the reasons that you have so many people who have been involved with the development of this young country. And the way I understand it, as explained by the Minister for Education, is that they are trying to set up a framework, which I believe is fair comment, and the way it was explained is important for how we go forward.

There are a couple of issues: 1) The idea of bringing in capital investment to build our economy is a very good thing. 2) The protected industries have been talked about on the floor of this House. And I

would just ask—maybe that could be—if there have been more than the ones that have been mentioned before, or if there is still some of the policy that is being thought through to be put in place. Where are we exactly on that? Are those the only industries that we are looking at, at this point in time?

Madam Speaker, on the other side of it I would assume that in their caucus they have looked at investors that they want to target, and the investors that they believe we need in the short term, medium term basis to build the economy in the right direction, to create the jobs that are important to the Caymanian people.

On the Bill itself, Madam Speaker, there is a part in section 6 that says that one of the requirements is that the investor was physically present in the Islands for a minimum of 90 days in aggregate in the preceding calendar year. I'm taking that to mean that if he invests the only requirement for residency is that he has to be here 90 days of the previous year. And if I'm understanding that correctly, I would just ask if that is something we want a little more residency out of for somebody who is going to invest.

Madam Speaker, the other short comment is: There is in this Bill an area which speaks about the Department of Commerce and Investment and how it would interact with the Chief Immigration Officer. If we could just get a short vision of how they see that working. Is this targeted through the Department of Commerce with recommendations to the Chief Immigration Officer?

I guess what I would want to understand is how much actual involvement the Department of Commerce would have, and how thorough they would be, and how would we satisfy ourselves that these are who we want investing here?

With those short comments, Madam Speaker, I will wait for the Premier's windup.

**The Speaker:** Thank you, First Elected Member for Cayman Brac [and Little Cayman].

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?

If not, I call on the mover of the Bill to wind up his debate.

Honourable Premier [Minister for Financial Services, Tourism, and Development.]

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I listened to the trend of the contributions of the Opposition and I had to think, again. Why is it, Madam Speaker, that this particular Opposition has to be the way they are? Why is it that every time the Third Elected Member for George Town . . . and, of course, he can't do anything unless the Member for East End joins him or comes behind him, because the two are so jealous of one another.

Why do they always have to try to create this impression that there is all this wrongdoing? Why?

They well understand that this country is a small country. We are a small island. And every minute they jump up and say, *I'm lilywhite and nobody can point a finger at me! But why are you doing those things? Why is this? And, Why is that?* And you don't think that is so and that people understand?

That's all done to create bad impressions of people. And I warned the Member for East End. I'll do that here. If they believe that this term is going to be like the term between 2001 and 2005, they won't get away with it. They have come back with the same old bag of tricks, creating doubt by suggesting wrongdoing whilst screaming that they are 'lilywhite'. Honest "Joe Blow".

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Well, you know what I think about the Member for East End. He doesn't know any better and he has a long way to go before he gets to a place that I'm going to really pay him any serious mind to that extent. Really!

The Member for George Town likes to do the same thing but we know where he is coming from. I wasn't born this size, Madam Speaker. I've been fighting this political fight for a long time and I know where they come from. I know that the people *who burn down the fire station are the same people who sit on the sideline and cry about government not doing anything about it.* We know who burned down the fire station; we have always known it. We know who the arsonists are. We know where they come from, where they sit. I was not born this size. I've been in this political battle a long time now.

And I want to let him know this, before I get to answering them, that they are no more honest than any other man or woman in this House. And they never have been and never will be! It is not in them to be! And if they want to ask questions, ask questions about the roadways that were built and the asphalt that was put down and who bought up the land next to it, and who got the house lots and the big tracks of land next to it.

They can search McKeever. They can search my bank account from now until eternity. They will find a huge mortgage and the only land I got is what is around my yard. And, I'm buying a piece in Cayman Brac. That's on the record.

Madam Speaker, the Leader of the Opposition, true to form, just did not have anything to say. He wants to find out about the regulations and why are they not seeing the regulation. He full well knows that no regulations are tabled down here when bills are being passed. The only one is the Planning Regulation. The Leader of the Opposition knows that because he was the Minister of Planning! He knows that! But he didn't have anything else.

You see he's gone. He wouldn't sit there. That's their modus operandi all the time. He well

knows, Madam Speaker that regulations for laws only come afterwards, made by Cabinet. And only Planning Regulations come here for affirmative votes. They want to see the regulations now. You mean that big old man who sits over there doesn't understand that? He understands it, Madam Speaker.

They know! Creating the doubt again, and yet they sit here and get on the radio and on the television and on the blogs and in the newspapers and tell Caymanians they want to help them out of the dross and the morass that we find ourselves in. And they want to work together. Yet they come here, full well knowing, Madam Speaker, what I'm trying to do, because while they say they have only seen the Bill this morning—true, they are only seeing the written Bill this morning—this has been around a long time. This was causing the march. This has not been around today. Months, we have talked about this! We've talked about it, we have announced it, we've answered every question.

In fact, some of the things that my good friend, the [First Elected] Member for Cayman Brac and Little Cayman, from the Opposition, is asking I answered in my opening. Where were they? Were they not listening? I know he wanted to try on one hand to support it and on the hand to support his colleagues. But, come on man, give us a break! Give the Caymanian people a chance because while they come and sit here and talk about cooperation, they are tearing down everything every day, and getting assistance by certain areas of the media to tear this country apart. Tear our guts out! We are fighting our fire ants while elephants are trampling us!

And those people who write in the newspapers and who write on the blogs, and who control them, have no love for this country! They have no love for this country because they can walk around in baggy pants and a pair of slippers, and they might not have to pay the kind of mortgage that you and I have to pay, that we have to make the money, so the money can run elsewhere, Madam Speaker. And they love this country? They have no love for it! None! Because they are helping to tear us apart!

And the Opposition who are already set up and some of the hugest conglomerate land owners in this country [are] telling the Caymanian people they are helping them? They are not helping them. You're not helping them, man! You are set for life and the poor people are suffering and we are trying to get money and investment to help them.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Who am I talking about? Every one of them on the Opposition! Everyone who spells his name with five letters or four! So, let [there be] no mistake of who I am talking about.

*[inaudible interjection and laughter]*

**The Premier, Hon. W. McKeeva Bush:** You don't know any difference.

*[inaudible interjection]*

**The Speaker:** Order.

**The Premier, Hon. W. McKeeva Bush:** They know about what we are trying to do here and I explained it in my opening. I am going to go back through it again. I'm going to go right back through it again, Madam Speaker, since they want to know, because I explained it but they were not listening.

*If proper care is not taken, damage to local business.* (That is the know-it-all, who has a law degree). *Why is this necessary? Are there circumstances that are not being divulged to this House? Something fueling this Bill.* Is that the language of people who want to cooperate? Is that the language of all people? Is that the mindset of people who stood this morning at the Prayer Breakfast and talked about they are going to pray for me? Lord help me!

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** You never say it as Leader of the Opposition! You always get somebody to say it. You don't have the guts to say it!

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Nah no easy! Rest me man! Rest Me!

**The Speaker:** Please direct your statements through the Chair; both sides of the House.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Opening the floodgates; expect them to stab at the air.

Madam Speaker, I'm not vexed, I'm just in good form. We only get down *yah* now and then; let *um* hear us!

I have to wonder about these people who say . . . The Member for East End—see he has gone out. See, he is standing up there looking. Come back and sit down man! He *nah* gone, no way, Madam Speaker!

They want to tell me that they did not know that this country had incentives that have been given out nearly every year of our life? I am 54!

**An Hon. Member:** Uh-uh.

**The Premier, Hon. W. McKeeva Bush:** You're right. Fifty-five! Sorry. Fifty-five.

*[laughter]*

**The Premier, Hon. W. McKeeva Bush:** Born in 1955.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, the only person who can't tell the truth in this House is that *li-ah!*

**The Speaker:** Excuse me?

**The Premier, Hon. W. McKeeva Bush:** Law-yer!

*[inaudible interjection and laughter]*

**The Speaker:** If we are going to party we can go outside and do it, but if we are going to conduct the House in a reasonable manner . . . please, we have a lot of business and it's quarter past nine.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I am 55 years old. I happen to know (read about it) when . . . I don't know about before then, but certainly from the days of Benson Greenall we gave away the whole of Seven Mile Beach. For what? For what? A pittance to get investment to come to Cayman!

Was it the best thing? Well, for those dear souls at that time, that's what they saw that could help this country. We look at it today and say it was a mistake. But for then, think of what it was back then to try to get a hotel—Galleon Beach Hotel. To get that they gave all and the Member for East End is going to stand here being 40-odd years old and says he doesn't know and this country has not given any investment or incentives?

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** You don't know! Where you went to school?

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, true to form, they have a way of trying to throw cold water on what Government is attempting to do, and they haven't relented and given this Government the opportunity to try to get anything done unless they can pounce on it, throw doubt on it. And no matter what we try to do that's what . . . and they say, *Well, that's our job.*

Is it their job, Madam Speaker? Is it? There comes a time when the country needs some understanding. As the Bible says, "Come let us reason together."

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** There's not that time?

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** No time?

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** But yet, get up and say that's what you are doing? Come, come, come, my friends. Politics can be one thing, but there comes a time when there's business. We don't have to give incentives?

You know, Madam Speaker, really, when I listened just now—sitting taking notes and trying to listen with the other ear, that this country doesn't have to give incentives, this country gave a bunch of incentives to the Dragon Bay Development. Nobody knew about it. Didn't hear *quehey*—

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** —until after I got elected and there was the Cabinet paper and Cabinet document.

Good? Oh! But it wasn't incentives?

Madam Speaker, he says it's good.

The Ritz Carlton was good too. Back then it was bad according to them. Now Dart is a good thing! Now the Ritz Carlton is a good thing! All of them got incentives and they stand here today, this evening late in the night, to throw cold water and attempt to besmirch people's character by saying, in the questions they have asked, because they know that their friends in the media will pick it up and run with it. They know that. And once it gets out there some of our gullible people will say, See this? *True!* That's what they want. Damage your character for the balance of your life. Perhaps they have done so with mine. I sleep good at night.

Madam Speaker, extremely confusing? Huh! Madam Speaker, the biggest one that I listened to was this thing from the Member for East End who talked about taking away Caymanian business. He has the gall, the audacity, and the barefaced temerity to talk about taking away Caymanian business. What did he do to protect local transportation? What did you do to protect the North Sound boat operators, whom he says the majority of them come from West Bay – mom and pop operators? What did this Government do?

I have one case of a young man who had a contract, Madam Speaker. Went and borrowed \$80,000 because they gave him a contract from the Turtle Farm, and then took the contract back from the young man and now nothing but tears for that family. Eighty thousand dollars! They are working hard to try to pay it off. But he has a genuine case against it because he has a contract.

And they talk about what they did with the Turtle Farm. They should be ashamed. They should

be tarred and feathered, that's what they should be, Madam Speaker.

Some of the atrocities that have been committed by the last administration on the people of this country . . . and all they can ever talk about this Government is to try to besmirch our character and talk about Caymanian status. That's all they can do. But the atrocities that have been committed against Caymanians, small business operators! Now I'm trying to fix it and they come here. . . Sometimes I don't feel like answering them anything, Madam Speaker. Sometimes I don't. Sometimes I just say we got the votes to pass it because they are just trying to create trouble.

They got the gall to ask about Caymanians and trying to say that this Government is not trying to help Caymanian business and that we are going to destroy Caymanian small business.

It could happen. It happened with Matrix. I got out there and paid Caymanians hundreds and thousands of dollars because of the Matrix contract. And he has the temerity to come here and make those kinds of accusations? His own party should flog him for raising it.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Had nothing to do with the Government.

That's just it, Madam Speaker. The Government must go and get a contract, make sure that they get paid a little bit. Mind you, they never got what they were supposed to get you know. The Auditor General Report says that. *Unnah frien!*

Government must do it? Well, what are you here rowing about then? So, Government can just do anything and not pay those local people any mind? But you can come here tonight and say that we are taking away from the local people. You can't talk out of both corners of your mouth.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, you have to take advice. You have technocrats that you have to take advice from. You have to wonder sometimes if you are getting the right advice.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** But when you find out though, you do something about it. But for four years he sat there and refused to do anything about it when he was warned. So don't come here and talk about trying to harm Caymanians and trying to besmirch people's characters.

Who was connected there, Madam Speaker? Ah? Was there a connection between the persons and the Department of Environment or Environmental Health Services and the people who got the contract



from overseas? Was there? Were they school buddies? Came from the same town? Same school?

And you have the audacity to want to point your finger at people and accuse people. Go do your homework. Let them go and check out all the atrocity that they committed against the people of this country.

Madam Speaker, I just want to say for the record in my campaign I never said that I had investors knocking down my door. I said that in 2004/05 I had gone to the Far East, that there were people who were willing to do business; that I had set up offices in London, I had set up offices in New York, I had set up offices in Hong Kong; but that their Government came and closed them down, that I do believe that there were investments to get from those places. And I believe that Cayman still has the capacity to take that investment if we do the right things. That's the message I fed the people of this country. I believe that.

And yes, I had to travel. He said that I travelled at the expense of the country. Well, maybe they don't like the idea that I have to travel. But if I travel it's got to be [for] the country. But I travel at times on my own and I pay. Government doesn't pay. And I state this tonight: When my wife goes with me, Government does not pay for one thing for her. I have to trust it and then pay it—the airline tickets. Because I would rather have my wife with me when I go so I can be a nice little boy!

*[inaudible interjection and laughter]*

**The Premier, Hon. W. McKeever Bush:** No, I'm honest with myself. "To thine own self be true."

Madam Speaker, let me just deal with this because the PPM's modus operandi is to feed people all of this stuff. And now they have this big thing called Freedom of Information that they can come and inquire about anything and then take it and use it the way they want to use it. I travel—I have to travel.

Madam Speaker, in our small Government I am responsible for Tourism, Development and Financial Services. I had to do a tremendous amount of traveling between May and the 1<sup>st</sup> of this year for Finance. We had to rush to get to London, to get to Paris, to make sure that this little country was not going to get swamped and get killed by the G-20 and go with our cap in hand. They say we shouldn't have done it. But they would not tell this country how much business we lost by being on the Black List.

*[inaudible comment]*

**The Premier, Hon. W. McKeever Bush:** Wasn't on the Black List? Yeah, it was so close between grey and black that it was black.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** And, Madam Speaker, that took up a tremendous amount of time. And then I had to go to the world to get finance.

You can say what you like. I would rather come and tell the people of this country the situation we were facing, because if I didn't do that he would have been here today saying that we created it. So I came out and said this is what we found, and that is why you hear him moaning and crying about me saying that the country was bankrupt.

The man who said the country was bankrupt at any given time was his Leader. I have it on the front page. That's what he used to kill Tru Tru [Truman Bodden] with—that the country was broke.

Madam Speaker, there comes a time when you have to state what the true situation is. There comes a time that you have to balance that, temper that. But we could not hide it because we just didn't have money. If we didn't do certain things we would not have had the money to pay the Civil Service. Let that go in the record.

Our creditors, to the tune or to the fact that he has some of his people now can say in certain editorials that we were not . . . They say so now, that is not true. Back then after we took over? Yeah. We had to spread out, stagger payments.

The mess of this country? We created it? No! Was it created before? No!

Was it created during Vassel [Johnson's] time? No! The late Captain Charles [Kirkconnell's] time? No! Benson [Ebanks'] time? No! Kurt Tibbetts' time? Yes. PPM time? Yes.

That's when we got in a mess and might as well tell the world that and admit that. But as long as you refuse to let the people know and think that I am going to bear the blame, I am going to continue to say the truth, Madam Speaker. I learnt that from Sunday School. *Speak the truth and speak it ever, cost it what it will; He who hides the wrong he did, does the wrong things still.*

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, Madam Speaker, the physician ought to heal himself, you hear.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** I will do what I have to do in the face of my responsibilities. I have had to have five or six meetings now with the FCCA (Florida Caribbean Cruise Association) because there was such a bad blood built up. We stood to lose the cruise industry further. But I sat there in Miami, time after time. They even came here twice. I've had at least two conference meetings. I had other meetings that I was demanded to be at.

CARICOM (Caribbean Community and Common Market), I sent one of my officers, Mr. Kenneth

Ebanks, to one of those meetings. The Minister of Health represented me at one of them. I can't get to everything. But the country has to be represented. And we are not 200 Members where when one goes you don't miss. When I am gone I know that their sources make them know that I am gone so they go and say I'm wasting the country's money when they ought to have been there taking us off the Black List, meeting with them, sitting and facing the ambassadors and the Ministers of Finance from the various countries. They didn't do so.

They took the responsibility from Ken Jefferson, the Financial Secretary. They took it into the political realm, but did they do anything with it? No. Tremendous problems for that industry! Now he comes back trying to get them back on his side by saying we are charging too much. Charging too much? To pay his bills! That's not what he is saying. Pay the bills that he left! And if they were not running up and down, then they were doing something else, because, boy, their bills were there too.

So, when the Member for East End carries on about spending the country's money, he ought to face the facts, Madam Speaker. Face the truth; the atrocities that they have put this country through!

Madam Speaker, the ability for wealthy persons who have invested large amounts in local businesses to reside in the Cayman Islands was previously introduced into immigration legislation by the Government led by me, and the bill was introduced by me in November 2003. The original Immigration Review Team comprised Members of both the UDP and the Third Elected Member for George Town, who is now still a Member for George Town, as well as immigration officials. And they recommended the introduction of a 25-year certificate for entrepreneurs and investors.

At the time the requisite investment was \$1 million, for reasons that are still not clear to us. The last government—the same government questioning it today—removed those provisions.

The only excuse I have heard for removing such a significant investment incentive from our immigration legislation by them was that no one was applying for it. Madam Speaker, they did not say that it was hurting or damaging the Cayman Islands in any way. What they said was that no one was applying for it, that's why they were removing it from the books.

Well, Madam Speaker, if you don't want to encourage investment and you wish to send a message to the rest of the world that we don't want any new investors, or to retain those who have already invested, I guess that would be a good way of going about it, by removing their right to apply.

We remain firmly of the view that important economic benefits can be derived, and that we have to do what we are doing to try to garner it in.

Madam Speaker, we do have an Immigration Review Team. They have made these recommendations. One Member, the Member for Cayman Brac

[and Little Cayman], I think, asked about implementation. Madam Speaker, it is envisioned that the newly created Department of Commerce and Investment will play a significant role in scrutinising and recommending the approval of any application made. This is consistent with the department's overall responsibility for promoting inward investment.

The considerable business expertise within that department will enable it to make a proper assessment as to whether the evidence offered by an applicant is sufficient to demonstrate that they meet the financial standing and investment criteria. This department will then make a recommendation to the Chief Immigration Officer, who will have the final discussion on the issue of the Certificate. And, Madam Speaker, I have pointed out what the criteria are. And they are no different than before.

I'm going to lay this on the Table of the House because what I am putting back in is what they took out of the Bill, except some additions to it; same principles.

Madam Speaker, I think the same Member wanted to find out whether there are other areas that would be set up for protection. I gave a long list of various industries that we have said to the Trade and Business Licensing Board must be left for Caymanians. Now there has to be regulations and certain documentation made for it, but we have given them those instructions. And there are other areas, and I would suggest to the Member who asked the question, the First [Elected] Member for Cayman Brac, that if he has any other ideas of other areas that we can protect that Caymanians can get into, that he would let us know. But there are areas.

The Member for East End talked about small apartments for Caymanians, one of the areas that we said must be left for Caymanians. He talked about charter boat operations, one of the areas that we said must be left for Caymanians. Transportation—I think those were the three areas he mentioned—must be left for Caymanians. We have said this, Madam Speaker. Now they come here and think they can fool us at this late hour of the night? They can't do that.

Thank God it's not like how it was in 2001 and 2005 when I said, *Listen, this has to be done for the good of the country*. Therefore, I don't need to explain it to them and I don't need to get on the radio and carry on and let people curse and insult you, so I'm not going to do so. No.

At this age now they can't say much more about me than they have said. So I can take it. In other words, Madam Speaker, I've gotten to that age. Fifteen years ago, maybe even 10 years ago it was a word and a blow. Not so today. There's a maturing process, and that comes with age. I will be going to the talk show on Friday, so set up your friends to call me. I, and our group, go as often as we can, so that we can talk and get the facts out to people, and people will listen. I am confident of that. Caymanians have good common sense.

So, Madam Speaker, it is the duty of Government to make available opportunity to get revenue, and to get revenue we must make way for business. And if we get business Caymanians will benefit. And we have presented a framework; it's what we have. The regulations will be made. That's no different than what we normally do here. We have presented a framework that I believe can help build more decent and reputable investment. That is our duty as a government.

Madam Speaker, Education Modernisation Law? What does it say? "The Governor in Cabinet may make regulations." Any regulations with it? No. Who piloted it? The same Member questioning. What did I say about the people who burn down the fire station, Madam Speaker?

Madam Speaker, the Immigration Law (2009 Revision), what does it say and who made it? Clerk of Cabinet. The Labour Tribunals? Just a few to say. Remuneration? Clerk of Cabinet. Regulation? The Clerk of Cabinet. Who it was? Well, in 2006 they know who it was. It wasn't this Government.

Madam Speaker, *Speak the truth . . . cost it what it will. He who hides the wrong he did does the wrong thing still.*

**The Speaker:** The question is that a Bill shortly entitled, The Immigration (Amendment) Bill, 2010, be given a second reading. All those in favour, please say Aye. Those against, No.

**Ayes and Noes.**

**The Speaker:** The Ayes have it.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, can we have a division please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 18–09/10**

**Ayes: 11**

Hon. W. McKeeva Bush  
 Hon. Rolston M. Anglin  
 Hon. Juliana Y. O'Connor-Connolly  
 Hon. Michael T. Adam  
 Hon. J. Mark P. Scotland  
 Hon. Cline A. Glidden, Jr.  
 Capt. A. Eugene Ebanks  
 Mr. Ellio A. Solomon  
 Mr. Dwayne S. Seymour  
 Mr. D. Ezzard Miller  
 Mr. Moses I. Kirkconnell

**Noes: 2**

Mr. Alden M. McLaughlin  
 Mr. V. Arden McLean

**The Speaker:** The result of the Division, 11 Ayes, 2 Noes.

The Immigration Amendment Bill, 2010, has been given a second reading.

**Agreed by the Majority: The Immigration (Amendment) Bill, 2010, given a second reading.**

**The Speaker:** The House will go into Committee to consider the Bills.

**Proceedings suspended at 9.46 pm**

**Proceedings resumed at 10.25 pm**

**House in Committee at 10.25 pm**

## **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member, who's not here . . .

*[Inaudible interjections]*

**The Chairman:** Oh.

We should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills.

Would the Clerk please state the Bill and read the clauses?

### **Public Management and Finance (Amendment) Bill, 2010**

**The Clerk:**

Clause 1	Short title
Clause 2	Amendment of section 2 of the Public Management and Finance Law (2005 Revision)—definitions

*[Inaudible interjections]*

**The Chairman:** The question is that clauses 1 and 2 stand part of the Bill.

**Mr. D. Ezzard Miller:** Madam Chair, I had given notice of several amendments to the Bill. What I would propose to do, in the interest of time, if the Government will indicate which of these amendments they are likely to support, and, as you suggested, rely on the Honourable Second Official Member to do the proper drafting . . .

Madam Chair, I would just like to make a point for the future. I wonder if the House would agree that when the bills are sent down here if somebody from the Legal Drafting or the Legislative Drafting Department (whatever the correct name for it is) would be available to Members, like me, who wished to table amendments and bills. I am not a lawyer, and I try to do the best I can by following what's in the law and what's there, but I think it would certainly make my life a lot easier.

The Opposition has a lawyer in their camp so they are quite . . .

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Well, the price of that I couldn't afford.

*[laughter]*

**Mr. D. Ezzard Miller:** So, Madam Chair, as I said, in the interest of time, if the Government would indicate . . . because the amendments really revolve around three things. [Number] one is setting up the office of the Speaker with similar privileges as they are providing for the Office of the Information Commissioner.

The second one is to do with the Ministries and Portfolios and what I regard as onerous reports, which I was asking for [sections] to be deleted.

The other one is to do with Government statutory bodies and companies where I was also seeking to delete [sections] of the law.

So, if we get an indication I think that might be a more expedient way to move forward, and actually try to go through each of the individual amendments that are being tabled.

**The Chairman:** You're asking the Government to indicate which amendments they will support out of the amendments that you have tabled?

**Mr. D. Ezzard Miller:** Yes Ma'am.

**The Premier, Hon. W. McKeever Bush:** Madam Chair.

**The Chairman:** Yes, Mr. Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you very much.

**Mr. D. Ezzard Miller:** If any, I don't know . . .

**The Premier, Hon. W. McKeever Bush:** The majority of the amendments proposed by the Member for North Side would have the effect of recognising the Office of the Speaker as its own agency for budgeting purposes, and it would recognise the Honourable Speaker as a Chief Officer.

Madam Chair, this has not gone through Cabinet. But all Cabinet is here, the voting Cabinet. They have taken some legal advice and, barring any unforeseen constitutional hiccup, we could support that amendment.

There are others that the Member has put forward, [but], as everyone knows, we have announced a review of the law and I would prefer to deal with those other ones in that review.

**Mr. D. Ezzard Miller:** Madam Chair, if an undertaking is given that these [sections] that I have identified as being deleted will be considered in the review of the law, then I'm happy to withdraw those amendments

and just leave the amendments that deal with the office of the Speaker.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, what I have said is that there's a full review of the law and the various effects it has on reporting and so on. And that would be ongoing. And the review will include the budget year and all of that sort of . . . and Government's financial year. And, certainly, the various matters which the Member raised in this particular amendment would be addressed at that time.

**The Chairman:** So—

**The Premier, Hon. W. McKeever Bush:** I would say, Madam Chair, that the Bill carries an amendment that affords the Information Commissioner to be the Chief Officer. So, the amendment that the Member is offering at this time will more or less do the same thing with the Office of the Speaker.

So, as I said, barring any unforeseen constitutional hiccup, we could support that amendment.

**The Chairman:** That is the first one on the list, that the Bill be amended as follows: (1) In clause 2 wherever the words "Office of the Information Commissioner" appears, to insert the words "Office of the Speaker"? Is that the amendment you're talking about?

I need to know which amendments, because if we are putting the clauses out, they either stand as they are or they stand amended.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, it would have to be all of those which deal with the matter of the Speaker. (Number) one is more substantial than the rest, because from what I can see, (1) creates what we are trying to do and the rest of them are consequential to that. So, I would think (1), and maybe the AG, if he has it with him, can say whether that is correct or not. But I would think at least (1) through (4).

**The Chairman:** Second Official Member.

**Hon. Samuel W. Bulgin:** Thank you.

I will just confer with the legislative drafting counsel. From what I've been told, the relevant ones would be (1), (2) and (4) in this—

**Mr. D. Ezzard Miller:** Yes, not (3)—

**Hon. Samuel W. Bulgin:** —unsigned proposed amendment.

**The Premier, Hon. W. McKeever Bush:** (1), (2), and (4).

**Hon. Samuel W. Bulgin:** Right.

**The Chairman:** Mm-hmm.

**Hon. Samuel W. Bulgin:** So those would collapse into the other proposed amendments here. And the effect of it, as I understand from this document, is that it would put the Office of the Speaker in the same standing as that being proposed for the Information Commissioner.

Is that correct?

**Mr. D. Ezzard Miller:** Yes.

**Hon. Samuel W. Bulgin:** Thank you.

So that is the effect of what is being proposed here, Madam Chair.

Having said that, the Honourable Premier quite rightly pointed out that he has had a word with us . . . I'm seeing these for the first time so, I haven't had a chance to consider the full legal implications of it. But our position is subject to anything unforeseen which we plan to look at in more detail when we do the legal report for the Governor. We will be able to say whether there are any other sorts of legal difficulties with this. So, we undertake to do that during that stage.

And, Madam Chair, with your permission, just one other matter raised by the Member for North Side, the Constitution provides that the Attorney General is the principal legal advisor to Government and the Legislative Assembly, which includes all the Members of the Legislative Assembly. So if there are issues that can be discussed, we can advise to the extent that it does not conflict with other advice that we provided, then clearly we are happy to make our services available to all Members, as the Constitution contemplates.

**Mr. D. Ezzard Miller:** I would never aspire to create a conflict for you, sir.

**The Chairman:** I find it difficult to understand how we will pass [clauses] of a bill and add amendments that are left in the air. We're not sure how they are going to fit into the Bill. We need to have—

**Mr. D. Ezzard Miller:** No, no, no.

**The Premier, Hon. W. McKeever Bush:** No, no, no.

The other one would be withdrawn, Madam Chair.

*[inaudible interjections]*

**Mr. D. Ezzard Miller:** Basically, Madam Chair, everywhere that the words "Office of the Information Commissioner" appear in this Bill, we would add "Office of the Speaker" in the clauses.

**The Chairman:** But I just understood from the [Honourable] Second Official Member that this has to be

discussed with the Governor and there might be Constitutional implications. Is that it?

**The Premier, Hon. W. McKeever Bush:** No.

**Mr. D. Ezzard Miller:** No, no, no, no.

**The Chairman:** No?

**Mr. D. Ezzard Miller:** No, no, no.

**The Chairman:** I'm just trying to find out exactly what is going on with all—

**Hon. Samuel W. Bulgin:** No, I didn't say that.

What I said, Madam Chair, is that the Premier quite rightly added the caveat that, subject to any constitutional impediment unforeseen, that we are not aware of . . . and my position on that is that he is correct in that we are seeing this for the first time, so we are unable to say on the face of it whether there are any other sort of unforeseen constitutional impediments. But we undertake to do that exercise assuming that these amendments are passed. When the law is going to be assented to by the Governor, I am required to do what is called a legal report—

*[inaudible interjection]*

**Hon. Samuel W. Bulgin:** Right.

So, during that exercise we will be able to advise the Governor whether there are any other sort of legal impediments to what has been proposed, or what has been passed. That's all I'm saying.

**Mr. V. Arden McLean:** Madam Chair, if I may . . .

**The Chairman:** Yes, Member for East End.

**Mr. V. Arden McLean:** Madam Chair, just to the Attorney General. I'm wondering what is going to happen if we approve the amendments here and there is some impediment, because the legislature would have approved these amendments to form part of a law which is instructions to the Attorney General to put it in place for assent.

*[inaudible interjections]*

**Mr. V. Arden McLean:** No, but he can't take it out then. The Attorney General cannot take it out if there is an impediment.

**The Chairman:** This is what I'm asking.

**Hon. Samuel W. Bulgin:** Madam—

**Mr. V. Arden McLean:** The purpose of this whole Bill was to get this in place prior to the 30<sup>th</sup> of this month—

which is two days away. And we would have to come back here to change that.

**Hon. Samuel W. Bulgin:** Madam Chair, all that would happen is that His Excellency the Governor would return the Bill with a suggestion that it be amended and that provision be taken out.

*[inaudible interjection]*

**Hon. Samuel W. Bulgin:** Right.

But that only arises if there is a constitutional problem. If it is a policy issue, then, clearly, it is probably much easier for the Governor to deal with. So, barring any constitutional problems, which, on the face of it as we sit here subject to that caveat, we don't foresee at the moment.

**Mr. V. Arden McLean:** Yes, but, Madam Chair, maybe the Attorney General can say [because] my concern is that if there is . . . and we don't expect you right off of the top of your head, nor the drafts people to know, because you have to do your research. If there is, we put this Government in a quagmire because they now have to come back to change it through the legislative process. I don't know. You're the Attorney General and—

**Hon. D. Kurt Tibbetts:** Before the amendment can be assented to and the—

**Mr. V. Arden McLean:** Yes.

**Hon. D. Kurt Tibbetts:** —which needs to be done by the 30<sup>th</sup>.

**Mr. V. Arden McLean:** It's either we change this or we change whatever that consequential effect is. And if it is constitutional, we can't change that.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:**  
*[inaudible, microphone not turned on]*

**The Chairman:** Honourable Leader of the Opposition, speak into the microphone so that this can be recorded, please. Thank you.

**Hon. D. Kurt Tibbetts:** Yes, Madam Chair. Sorry.

So if the changes that the Member for North Side is proposing are accepted by the Government, as the Government has indicated it is minded to do, and if it is found that by way of some constitutional impediment it cannot be assented to after this Committee has approved those amendments along with the main amending Bill, then the Bill cannot be approved but would have to be sent back here, assented to, which would cause the difficulty of the 30<sup>th</sup> coming and going without the amendment being approved.

**Mr. V. Arden McLean:** Government being in breach of that period.

**Hon. D. Kurt Tibbetts:** Right. That's the point.

**Mr. V. Arden McLean:** Madam Chair, that is exactly what I am saying—

**The Chairman:** That's what I'm asking.

**Mr. V. Arden McLean:** —because we have to do the Third Reading on this. It is not so much the Committee stage, it is the Third Reading, which is an approval by the legislature instructing the Attorney General to review it, put that in place and send it on to the Governor for assent. And if there is some constitutional impediment he is obligated not to sign it, and [to] send it back to this legislature. And the Government is going to be in an awkward position with the 1<sup>st</sup> of May, which is what the law currently calls for. We cannot do it by the 1<sup>st</sup> May.

**Mr. Alden M. McLaughlin, Jr.:** Madam Chair, may I just say this? We have no . . . in fact we pushed while we were in office for the establishment of the Office of Speaker and this Legislative Department as sort of autonomous from Government, because we think there are fundamental problems with this falling under the Deputy Governor. We did not have the constitutional basis to make it, said the last Governor, essentially. There is now, I think, the constitutional basis to do so; but I must say that I have some disquiet at doing it like this when it is clear to me that nobody, save perhaps for the Elected Member for North Side, has given this the careful consideration that I think it needs, for the implications of this are great.

I am, and I think all of my colleagues are totally in favour of us getting to this point. But I believe the rush to do so now may well come back to haunt us, and I certainly don't want to be on record as being supportive of us pressing for it in this way at this time without the benefit of adequate legal analysis and advice. I know I, myself, have not had an opportunity to look at it because this was just handed to us this morning.

**Hon. D. Kurt Tibbetts:** Madam Chair, if I may.

**The Chairman:** Yes.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Chair, maybe a reasonable compromise would be the commitment, which all of us have witnessed. Maybe the Member for North Side might consider the commitment given, and not expect to actually have it approved by this Committee. Once they research it, the commitment given by the Government, that that amendment will come at the very next meeting of the Legislative Assembly . . . I don't know if he will be satisfied with that.

**Mr. D. Ezzard Miller:** But, Madam Chair, this Law that we are amending today, and this amendment, is no different from any other amendment that has ever been passed in this House. It is subject to review by the [Attorney] General and if there's a constitutional conflict it does not go forward. The only fly in the ointment here seems to be that everybody is worried about this one magical date in the Public Management and Finance Law, the 1<sup>st</sup> of May. We are in so much conflict with the Public Management and Finance Law that this one date, for a week or two, Madam Chair, really is not going to make much of a difference. And I would really like to get the amendment passed today.

**The Chairman:** Member for North Side, I would love to see the Parliament autonomous, but I'm also aware that two wrongs don't make a right. And while we have had many infringements of the Public Management and Finance Law we don't need to add another one by not being ready by the 1<sup>st</sup> May to carry the Bill forward. And I am not sure (and maybe the Attorney General, since I'm involved in this) if this should not be a separate piece of legislation for the Parliament alone—and not including us in some department change that is taking place.

**Mr. D. Ezzard Miller:** Madam Chair, unless we amend the PMFL we can't achieve what we want. Writing a separate law to create this . . . you are going to be subject to the provisions of the PMFL.

**The Chairman:** I'm just asking.

**Mr. D. Ezzard Miller:** So, I remain convinced that this is the most expedient and the best way to do it. And the Attorney General has said that at this point in time he does not see any conflict with the Constitution. But he is being a good lawyer and is saying that, you know, subject to further research. But at this point in time I didn't understand [from] him that there was any conflict with the Constitution and that we should have any great fear of making this amendment other than any other amendment we have ever passed for any law down here.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly:** Madam Chair, just on a matter of clarity, perhaps we could ask the Honourable Attorney General to indicate whether or not there is a particular section or sections that are in contravention of the constitution or any other relevant law; or whether that, in itself, would cause the Governor to negate or throw out the entire Bill; or whether he would still assent to the part that is not in contravention thereof, because I think that would resolve the issues we are now discussing.

*[inaudible interjections]*

**Hon. Samuel W. Bulgin:** Madam Chair.

**The Chairman:** [Honourable] Second Official Member.

**Hon. Samuel W. Bulgin:** I am conscious of the hour and the time that we are operating under.

The best I can say at this stage is that with a cursory look at the Constitution there is nothing that jumps out at me, at us, that tells me that this transgresses any provision of the Constitution. The only caveat, of course, is that between now and doing a legal report we undertake to review that position to confirm what our view is.

*[inaudible interjections]*

**Hon. Samuel W. Bulgin:** You see it is a question of what a Governor might be more prepared to do. But I figure, well, you may—

*[inaudible interjection]*

**Hon. Samuel W. Bulgin:** Yes.  
But I am not so sure—

*[Inaudible interjections]*

**Hon. Samuel W. Bulgin:** —Governor's assent.

**Mr. Alden M. McLaughlin, Jr.:** Madam Chairman, in response to the question raised by the Deputy Premier, I think the relevant sections of the Constitution are sections 78 and 79, which deal with the return of bills to the Assembly by the Governor. And my reading of section 78(2) suggests to me that the Governor is not entitled to assent to bits and pieces of any bill—but to assent, or not, as the case may be.

And where he has difficulties he is required to explain to the Members of the Legislative Assembly why he proposes not to assent to it, and to give the House the opportunity to fix whatever it is that he has a problem with. So, I think we will all take whatever we would take about the importance of meeting this date (that is, 1<sup>st</sup> May), and I am not going to offer any view about that. But I don't think that it is possible for the Governor to say, *Well, I don't like section so and so, and therefore I'm not going to assent to that bit of it, but I will assent to the rest of the Bill.* I think he is going to have to send the whole thing back.

**The Chairman:** It has to come back.

*[inaudible interjections]*

**The Chairman:** Well, where are we at now?

Clauses 1 and 2 are before the Committee.

*[inaudible interjections]*

**The Chairman:** Let me put the question on clause 1.

The question is that clause 1 stands part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1 passed.**

**The Chairman:** Clause 2.

**Hon. Cline A. Glidden, Jr.:** Madam Chair.

**The Chairman:** Yes, [Third Elected Member for West Bay.]

*[inaudible interjection]*

**The Chairman:** I don't know. I'm waiting to find out from everybody.

**Hon. Cline A. Glidden, Jr.:** Madam Chair, maybe—

**Hon. D. Kurt Tibbetts:** But the amendments are in (1), (2) and (4).

**Hon. Cline A. Glidden, Jr.:** —because the amendments are outstanding, the Member might want to withdraw those amendments; otherwise we are going to have to put a vote on the amendments. So, I think the Government has given a commitment. If it is satisfactory, then it would make sense for him to withdraw those, otherwise we need to go through the process to vote them down then.

**Mr. Ellio A. Solomon:** You would only have to withdraw (3) and (5).

*[inaudible interjections]*

**Mr. Ellio A. Solomon:** He just has to withdraw (3) and (5).

*[inaudible interjection]*

**The Clerk:** He needs to—

**The Chairman:** One minute.

**Hon. Rolston M. Anglin:** Madam Chair, just a very quick look at 77 through 79 of the Constitution. Certainly, it seems to anticipate the Governor deals with bills. I don't see any reference to "part thereof." And typically you would see that sort of language if it anticipates splitting something apart. So, it certainly looks as though its "bill" and, therefore, if it's "bill" the Government can't compromise the substantive bill that we have brought to the House. I have heard a single

Member say that they are not supportive of the principles of the amendment so . . .

I think at this hour the most accommodating thing to do, after he has been stroked more than enough now, would be for the Member to agree to withdraw.

*[inaudible interjection]*

**Mr. V. Arden McLean:** But, Madam Chair, if I may.

It may not necessarily be a reason written here in the Constitution why the Governor would not want to assent to it. The Secretary of State may not necessarily want it to be done, and it still has to come back here, and then we can talk about the legality of that. But there are other reasons too because if it . . .

And, Madam Chair, like you said, it may be better to bring a substantive bill, and then this becomes consequential changes as a result of that. So, if the Government can give an undertaking to have that down by the next meeting, then maybe the Member for North Side will be amenable to that.

**The Premier, Hon. W. McKeewa Bush:** Madam Chair, I can't give a commitment that I am going to have the full revision done by then.

*[inaudible interjection]*

**The Premier, Hon. W. McKeewa Bush:** Not the full revision that we are doing.

**The Chairman:** The Member for East End says a substantial bill for the Parliament and then these would be consequential amendments in this Law when you do the revision, is what he is saying.

**The Premier, Hon. W. McKeewa Bush:** Well, Madam Chair, I am in Members' hands. I don't usually want to put myself in that direction, but right now that's where I'm at.

*[laughter and inaudible interjections]*

**Mr. D. Ezzard Miller:** Madam Chair, I've been trying to say something for the last half hour.

**The Chairman:** [Elected] Member for North Side, I have never found you short of words.

**Mr. D. Ezzard Miller:** I don't have a problem with what is being suggested, that the Government would bring an amending bill ASAP to set up the Office of the Speaker similar to that of the Office of the Information Commissioner and the Complaints Commissioner.

*[inaudible interjection]*



**Mr. D. Ezzard Miller:** That's what is being said. I don't have a problem with that. I just want to make sure that we understand that that's what it is. Therefore, I will withdraw all of the amendments.

*[inaudible interjection]*

**The Chairman:** The question is that—

**Mr. D. Ezzard Miller:** *[inaudible]*

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** Madam Chair, I can tell you . . . I mean, people can do and have their feelings in regard to what can happen. My personal feeling is that we would have been okay to do it. But if Members feel like they want a substantive bill, then we will certainly ask for one. And we can give a commitment and ask for one in that direction. I don't know whether we need a substantive bill, but if Members don't want to vote, and they don't want to vote it down because Members are in support, then I guess the best thing to do is to withdraw it and . . .

But I am in support of moving forward with it because I don't see . . . I've looked at it and I can't see where it can be of any disruption to what we are trying to achieve. But if the Member is withdrawing, then, Madam Chair, you move on.

**The Chairman:** *[Addressing the Elected Member for North Side]* Are you withdrawing all of the amendments or just those particular amendments?

**Mr. D. Ezzard Miller:** *[inaudible reply]*

**The Chairman:** All of them?

**The Premier, Hon. W. McKeever Bush:** Yeah.

*[inaudible interjection]*

**The Chairman:** *[Addressing the Elected Member for North Side]* Do I need a motion from you to withdraw them?

**The Clerk:** Yes.

**The Chairman:** Yes.

**Motion to withdraw proposed amendments to the Public Management and Finance Law (2005 Revision)**

**Mr. D. Ezzard Miller:** *[Microphone not turned on 33:47]* I so move that the amendments standing in my name for the Public Management and Finance Law *[inaudible]* be withdrawn.

**The Chairman:** I'll put it to a vote.

Is there a seconder for that?

*[inaudible interjection]*

**The Chairman:** No?

All right.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: All proposed amendments moved by the Elected Member for North Side to the Public Management and Finance Law (2005 Revision) withdrawn.**

**The Chairman:** Should we move on then with the main text of the Bill?

**The Chairman:** The question is that clause 2 stands part of the Bill. All those in favour, please say Aye.

*[Two audible Ayes]*

**The Chairman:** If I hear more Noes, I will take the Noes. The question is that clause 2 stands part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 2 passed.**

**The Clerk:**

- Clause 3 Amendment of section 9—appropriations
- Clause 4 Amendment of section 23—strategic policy statement
- Clause 5 Amendment of section 24—annual plan and estimates
- Clause 6 Amendment of section—

**Mr. Alden M. McLaughlin, Jr.:** Madam Chair. Sorry.

**The Chairman:** Yes.

**Mr. Alden M. McLaughlin, Jr.:** Madam Chair, I gave notice that I proposed to move an amendment to clause 5.

**The Chairman:** We will do clause 3 and 4 and then go back to 5.

The question is that clauses 3 and 4 stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 3 and 4 passed.**

**The Clerk:** Clause 5 Amendment of section 24—annual plan and estimates.

**The Chairman:** I've given permission for the Third Elected Member for George Town to move an amendment to that section.

**Mr. Alden M. McLaughlin, Jr.:** Madam Chair, clause 5 of the Bill provides that the principal Law is amended in section 24(1) by deleting the words “not later than the 1<sup>st</sup> May in each year, for review” and substituting the words “for review prior to the start of the coming financial year.”

Madam Chair, I move the following amendment: That the Bill be amended as follows: In clause 5 by deleting the words “for review prior to the start of the coming financial year” and substituting therefor the words “for review prior to the start of the 2010/2011 financial year and thereafter not later than the 1<sup>st</sup> May in each year.”

**The Chairman:** The amendment has been duly moved. Does the mover wish to speak thereto?

**Mr. Alden M. McLaughlin, Jr.:** Madam Chair, just shortly.

This proposed amendment was indicated by me during my debate on the Second Reading of this Bill, and its purpose is to limit the proposed change by the Government as to the date by which a government is to bring its budget—which in their proposal will mean that they can bring the budget right up until the last day of the current financial year.

Appreciating and acknowledging the difficulties that the Government is encountering in the preparation of this year's budget, this amendment will allow that to occur in this financial year, or [in the] preparation of this coming budget, but, thereafter, that the law and the requirements of the law will revert to what currently exists under the Public Management and Finance Law, which is that the Government is required to present its budget no later than 1<sup>st</sup> May in each year.

So, that, Madam Chair, is the basis for the proposed amendment.

**The Chairman:** Does any other Member wish to speak?

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, the Government has already given reasons why we can't accept this proposed amendment to clause 5.

As I said, Madam Chair, the upcoming budget (that is, the 2010-2011 budget) . . . for instance, because of the timing of their general elections, the earliest we can hope to get a reply from the UK to Government's financing needs will be, at the very earliest, sometime during the week of the 24<sup>th</sup>, if we get it then.

To do what the Member is asking would tie Government's hands again. So, I am not going to accede to that request because that would only put the Government in jeopardy, and I think that is what they are seeking to do anyway.

**Mr. V. Arden McLean:** That *nah* what he is saying.

**The Chairman:** Does . . .

**The Premier, Hon. W. McKeever Bush:** I understand what he is saying.

**The Chairman:** Does any other Member wish to speak? Is that the Government's reply?

I will put the question. The question is that the amendment stand part of the clause. All those in favour, please say Aye. Those against, No.

**Ayes and very soft Noes.**

**The Premier, Hon. W. McKeever Bush:** No!

**Mr. Alden M. McLaughlin, Jr.:** The Ayes sounded louder than the Noes actually.

*[inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Take the Division, Madam Chair.

**The Chairman:** Madam Clerk.

**The Clerk:**

**Division No. 19—09/10**

**Ayes: 4**

Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Moses I. Kirkconnell  
Mr. V. Arden McLean

**Noes: 8**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. Juliana Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour

**Abstention: 1**

Mr. D. Ezzard Miller

*[laughter and interjections]*

**The Chairman:** Be nice, it's late.

*[laughter and inaudible interjections]*

**The Chairman:** The result of the Division is 8 Noes, 4 Ayes, and 1 abstention.

**Amendment to clause 5 negatived.**

**The Chairman:** The question now is that clause 5 stands part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 5 passed.**

**The Clerk:**  
 Clause 6 Amendment of section 35—power to make regulations  
 Clause 7 Amendment of section 36—power to direct over ownership matters  
 Clause 8 Insertion of section 45A—application of Part IV to Office of the Information Commissioner

**The Chairman:** The question is that clauses 6 through 8 stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 6 through 8 passed.**

**The Clerk:**  
 Clause 9 Amendment of section 54—duties of ministry responsible for finance  
 Clause 10 Amendment of section 55—executive bank account  
 Clause 11 Amendment of section 56—power to request information for Government reporting  
 Clause 12 Amendment of section 57—powers of Internal Audit Unit  
 Clause 13 Amendment of section 60—powers and duties of Auditor General  
 Clause 14 Amendment of section 64—investigatory powers of Auditor General  
 Clause 15 Amendment of section 70—trust assets to be separately accounted for

**The Chairman:** The question is that clauses 9 through 15 stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 9 through 15 passed.**

**The Clerk:** Clause 16 Insertion of section 81A—Law not to affect independence of Information Commissioner

**The Chairman:** The question is that clause 16 stands part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 16 passed.**

**The Clerk:**  
 Clause 17 Amendment of Second Schedule—forecast financial statements  
 Clause 18 Amendment of Third Schedule—quarterly financial statements  
 Clause 19 Amendment of Fourth Schedule—annual financial statements  
 Clause 20 Amendment of Fifth Schedule—ownership performance measures

**The Chairman:** The question is that clauses 17 through 20 stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 17 through 20 passed.**

**Hon. Samuel W. Bulgin:** Madam Chair, out of an abundance of caution, I am just inquiring whether clause 16 is a new clause and should have been taken at the end of the exercise. And, if so, whether you want to just regularise that. It's the insertion of a new clause.

*[inaudible interjection]*

**The Chairman:** Would you repeat the question sir?

**Hon. Samuel W. Bulgin:** Clause 16, it seems to me to be a new clause. And if it is, then it is usually taken at the end of the exercise rather than . . .

*[pause and inaudible interjections]*

**The Chairman:** There is no amendment to that clause, so it is not a new clause.  
 Clause 16?

*[inaudible interjection]*

**The Chairman:** It is in the Bill as a regular clause, the Deputy Clerk is telling me. And it would only be if

there was an amendment to it [that] it would be regarded as new.

**Hon. Samuel W. Bulgin:** I stand corrected; I thought it was an insertion of a new clause.

**The Deputy Clerk:** It is a new clause, but it is into the regular clauses so if there was an amendment brought saying that a new clause was being inserted [inaudible]

**Hon. Samuel W. Bulgin:** Is that the same position with clause 8?

*[inaudible reply]*

**Hon. Samuel W. Bulgin:** Thank you.

**The Chairman:** Okay. All right.

**Hon. Samuel W. Bulgin:** I stand corrected.

**The Chairman:** We've got it straight now then.  
It is not a new clause in the law; it is a new clause in the Bill.

**The Clerk:** The reverse.

**The Chairman:** The reverse? I'm sorry.  
It is a new [section] in the law but not a new clause in the Bill.  
Is that it?

**The Deputy Clerk:** Right.

**The Chairman:** And therefore it was handled correctly.

**The Clerk:** A Bill for a Law to amend the Public Management and Finance Law (2005 Revision) to extend the Law to the Information Commissioner; to require that the Annual Plan and Estimates for a financial year be presented for review prior to the start of that financial year; and to make provision for incidental and connected purposes.

**The Chairman:** The question is that the Title stands part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### Immigration (Amendment) Bill, 2010

**The Clerk:** Clause 1 Short title

**The Chairman:** The question is that clause 1 stands part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1 passed.**

**The Clerk:** Clause 2 Amendment of section 2 of the Immigration Law (2009 Revision)—definitions.

**The Chairman:** I have given leave for the Honourable Premier to bring an amendment to that section.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Chair.

Madam Chair, in accordance with the provisions of Standing Order 52(1) and (2), I give notice to move the following amendment to the Immigration (Amendment) Bill: That the Bill be amended in clause 2 by deleting the definition of "employment generating business" and substituting the following: "employment generating business" means business in which at least fifty per cent of the total number of employees are Caymanians unless overriding circumstances dictate a lower percentage."

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If no Member wishes to speak, the question is that the amendment stand part of the clause. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 2 passed.**

**The Chairman:** The question now is that clause 2, as amended, stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 2, as amended, passed.**

**The Clerk:**  
Clause 3 Amendment of section 30—persons legally and ordinarily resident in the Islands for at least eight years  
Clause 4 Insertion of sections 37A and 37B—acquisition of Certificate of Direct Investment; revocation of Certificate of Direct Investment

**The Chairman:** The question is that clauses 3 and 4 stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: Clauses 3 and 4 passed.**

**The Clerk:** New clause 5.

**The Chairman:** I've given permission to the Member for North Side to bring an amendment.

**Mr. D. Ezzard Miller:** Thank you, Madam Chair.

I propose an amendment to the Bill to introduce a new clause 5 which in effect will amend the principal Law by inserting after section 44(4)(c) the following subsection: "(d) that the salary or wages which the worker shall receive is not less than six dollars per hour."

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto? [pause] If no Member wishes—

**Hon. Rolston M. Anglin:** Madam . . .

**The Chairman:** Yes.

[Honourable Minister for Education, training and Employment.]

**Hon. Rolston M. Anglin:** Madam Chair, I must say that some of these fly-by-the-seat-of-your-pants amendments have some attraction, but having looked at the proposed amendment, and all of the work that needs to go into ensuring that any such change is one that receives wide consultation and feedback, I cannot recommend that the Government undertake it at this point.

Madam Chair, if you look at the history of any form of setting of wages, the research must be there. They are typically not introduced, certainly, during an economic downturn.

Madam Chair, the other thing that we would need to do is ensure that we put together a regime, if Government was minded to move in this direction that potentially incorporates some of the tenets of many other jurisdictions where we specifically speak to certain types of employment and certain categories of employees. For example, Ireland introduced minimum wage and, in doing so, it carved out certain specific categories of employees and stated what rate would apply to them.

I mean, I would be more than happy to share this and share the source with the mover of the amendment.

Also, Madam Chair, if we look to the United States, all we ever hear about is their national mini-

mum wage and nothing to do with State minimum wages, nor what specific carve-outs are provided for there.

Madam Chair, long and short, any move in this direction is something that we have to ensure we give all sides of the equation adequate opportunity to have input and widespread consultation. And, Madam Chair, we would need to think very carefully about this.

Madam Chair, let me just give one example. If we go this route, where this minimum wage would potentially apply to non-Caymanians, and someone, let's say, in the service industry, and we looked at tips and gratuities and averaged their income over a twelve-month period, we might very well find that their compensation is more than CI\$6 an hour. However, once you introduce a number into the equation, one might find that employers start paying persons closer to that number and employees might wind up in a potentially worse situation.

Madam Chair, the other real risk we run is creating differentials in the marketplace, which, again, might cause one group to be more attractive as employees than another—in this instance, non-Caymanians more attractive than Caymanians.

So, Madam Chair, I think that, certainly . . . and it is not lost to me that before this term is out this is going to be an issue that the Government is going to have to have dialogue and discussion with the public on. But, as I said, we have to be awfully careful during these slow economic times not to make matters a little worse than they currently are; not intentionally, of course. Madam Chair, I cannot say any more on this point.

**Mr. D. Ezzard Miller:** Madam Chair, just to respond to the Minister of Education, who I assume is speaking on behalf of the Government.

This has nothing to do with a minimum wage. And I understand all of his arguments, and I've heard them. We have been consulting from the time I was a little boy about the introduction of a minimum wage in Cayman. And here is an opportunity, probably for the first time in the history of the Cayman Islands, to amend the Immigration Law to favour Caymanians, because they would not be able to bring in people for less than \$6 an hour in any position on any work permit. And, therefore, Caymanians would at least be able to compete with the jobs that are \$6 per hour instead of being offered \$3.75 on Seven Mile Beach as a bartender today.

So, Madam Chair, I understand the rationale that the . . . And it's just a matter that the board has to consider under the general provisions of granting a work permit. So I ask the Government to consider . . . unless the Minister was giving an undertaking to bring a minimum wage law in a very short period of time.

**The Clerk:** New clause 5: Principal Law amended by inserting sections 44(4)(c) that the salary in wages

which a worker shall receive is not less than six dollars per hour.

**The Chairman:** The question now is that this clause be read a second time. All those in favour, please say Aye. Those against, No.

**Ayes and Noes.**

**The Chairman:** The Noes have it.

**Second reading of New clause 5 negatived.**

*[inaudible interjections]*

**The Clerk:** A Bill for a Law to amend the Immigration Law (2009 Revision) to provide immigration and employment incentives to certain investors and their dependants; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question is that the Bills be reported to the House. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**The Chairman:** The House will resume.

**House Resumed at 11.30 pm**

**The Speaker:** Proceedings are resumed.  
Please be seated.  
[Report on Bills]

## **REPORTS ON BILLS**

### **Public Management and Finance (Amendment) Bill, 2010**

**The Clerk:** The Public Management and Finance (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier [Minister for Financial Services, Tourism, and Development.]

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I beg to report that a Bill entitled, The Public Management and Finance (Amendment) Bill, 2010, was examined by a committee of the whole House.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Immigration (Amendment) Bill, 2010**

**The Clerk:** The Immigration (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier [Minister for Financial Services, Tourism, and Development.]

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I beg to report that a Bill entitled, The Immigration (Amendment) Bill, 2010, was examined by a committee of the whole House [and passed] with amendments.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Suspension of Standing Order 47**

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I beg to move that Standing Order 47 be suspended to enable the Bills on the Order Paper to be read a third time.

**The Speaker:** The question is that Standing Order 47 be suspended to enable the Bills on the Order Paper to be read a third time. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** Standing Order 47 is accordingly suspended.

**Agreed: Standing Order 47 suspended.**

## **THIRD READINGS**

### **Public Management and Finance (Amendment) Bill, 2010**

**The Clerk:** The Public Management and Finance (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier [Minister for Financial Services, Tourism, and Development.]

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I beg to move that a Bill entitled, The Public Management and Finance (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that the Public Management and Finance (Amendment) Bill, 2010, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Public Management and Finance (Amendment) Bill, 2010, given a third reading and passed.**

### **Immigration (Amendment) Bill, 2010**

**The Clerk:** The Immigration (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier [Minister for Financial Services, Tourism, and Development.]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move that a Bill entitled the Immigration (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that the Immigration (Amendment) Bill, 2010, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it.

**Agreed: The Immigration (Amendment) Bill, 2010, given a third reading and passed.**

**The Speaker:** That brings us to the end of today's agenda.

Honourable Premier, can I have a motion for the adjournment?

## **ADJOURNMENT**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I want to thank you, the Clerk and other members of staff, the Serjeant, and honourable Members for agreeing to sit this late in order to dispense with the matters before the House.

Madam Speaker, we don't like to sit this late. I do find that we get as much done this late, though, as we get done in the day. But the fact is that tomorrow is a very big day in the launching of the census and some other important duties that would not have enabled us to reach here, and, therefore, we thought that we should finish business. And I do what to thank everyone, especially the staff here and, you, Madam Speaker, for your indulgence and assistance in getting the business through.

I want to thank the Honourable Attorney General as well, and, Madam Speaker, the staff of the Legislative Drafting Department. I certainly want to add them in because they stay here and are here as late as us to ensure that we are on all fours with what we are trying to accomplish in law.

Madam Speaker, having done that, I move the adjournment of this honourable House sine die.

**The Speaker:** The question is that the House adjourns sine die. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The House is accordingly adjourned sine die.

**At 11.38 pm the House stood adjourned sine die.**





**CAYMAN ISLANDS**

**LEGISLATIVE ASSEMBLY**

**PARLIAMENTARY QUESTION**

**TO THE HONOURABLE FIRST OFFICIAL MEMBER  
FROM THE THIRD ELECTED MEMBER FOR THE  
CONSTITUENCY OF GEORGE TOWN**

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**QUESTION:** Does the Government intend to make any amendments to the provisions in the Immigration Law (2007 Revision) relating to term limits on work permits, commonly referred to as the Roll Over Policy?

**ANSWER:** Madam Speaker, on Thursday, 23<sup>rd</sup> July, 2009, the Honourable Leader of Government Business announced that a comprehensive review of immigration legislation, policies and procedures would be undertaken by an Immigration Review Team headed by Mrs. Sherri Bodden-Cowan. The wide-ranging scope of the review is reflected in Paragraph 1 of the Terms of Reference (copy on reverse):

*“(1) To undertake a comprehensive review of immigration policies, procedures and practices, and make recommendations for any possible changes to the Immigration Law, Directions and Regulations in light of the economic issues now facing the Cayman Islands as a consequence of the global financial crisis”.*

It is therefore reasonable to conclude that this will include a review of the provisions of the Immigration Law relating to term limits.

# Immigration Review Team 2009

## TERMS OF REFERENCE

- (1) To undertake a comprehensive review of immigration policies, procedures and practices, and make possible recommendations for changes to the Immigration Law, directions, and Regulations in light of the economic issues now facing the Cayman Islands as a consequence of the global financial crisis.
- (2) To provide detailed solutions for the streamlining of the entire work permit application process to ensure that both temporary work permits and annual work permits are processed in a fair and efficient manner.
- (3) To re-examine and highlight any additional issues related to the application and enforcement of the Immigration Law, (2009 Revision) which warrant attention and to advise on appropriate courses of action to address those issues.
- (4) To address a number of anomalies and technical deficiencies that have come to light since the coming into effect of the Immigration Law (2009 Revision) or prior to that, and have not been adequately addressed before.
- (5) To identify areas of omission and the removal of certain previously existing provisions in the Law by the previous Government such as the right to appeal a refusal of key employee status and the removal of the Residency Provisions for Entrepreneurs and Investors, and to consider their reintroduction into the Law in an amended form.
- (6) To re-examine the implementation of the Business Staffing Plan provisions to ensure that employers are receiving an adequate degree of certainty in relation to their future staffing needs whilst at the same time safeguarding the employment, training and upward mobility of Caymanians within the work force
- (7) To consult with stakeholders when necessary to obtain their views or suggestions on particular matters.
- (8) To produce a report on the team's findings and recommendations for Cabinet within a reasonable timeframe.
- (9) To liaise with Legislative Drafting in the preparation of draft amending Legislation (where necessary).

**PARLIAMENTARY QUESTION ASKED BY THE 3<sup>rd</sup> ELECTED MEMBER  
FOR THE CONSTITUENCY OF GEORGE TOWN TO THE HONOURABLE,  
MINISTER RESPONSIBLE FOR EDUCATION, TRAINING AND  
EMPLOYMENT**

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**Question:** To provide a progress report on the resumption of construction on the John Gray and Clifton Hunter sites

**Answer:**

The submission deadline to the Central Tenders Committee for Construction Management Services for the John Gray and Clifton Hunter sites was March 19, 2010.

The Government has received 7 bids. Evaluations of the bids are ongoing.

**Once the Construction Manager contract is awarded and signed the subcontractor contracts will also be awarded. At that stage work will fully commence.**

**PARLIAMENTARY QUESTION ASKED BY  
MR. D. EZZARD MILLER, JP, MLA MEMBER FOR THE  
ELECTORAL DISTRICT OF NORTH SIDE  
TO  
THE HONOURABLE MINISTER RESPONSIBLE FOR  
HEALTH, ENVIRONMENT, YOUTH, SPORTS AND CULTURE**

**QUESTION:** What is the protocol for patients arriving at the Emergency door of the Health Services Authority, in particular the protocol that determines when and where the doctor meets the patient.

**ANSWER:** Madam Speaker, on the arrival of patients at the Accident and Emergency Department of the Health Services Authority, the patients are Triageed using the Manchester Triage System. This Triage system is an international protocol used by the Health Services Authority physicians' to determine order of evaluation. This system is also used by the United Kingdom to assess a patient and assign a priority based on clinical need. The colour coded Manchester Triage System sets the following waiting time goals: Red 0 minutes; Yellow 5-30 minutes; Green 30 minutes – 3 hours; Blue 90minutes- 5hours

Patients who present themselves at A&E are triaged and coded appropriately by the triage nurse, and then wait in the A&E waiting area to be seen. Patients arriving by ambulance are taken directly into Accident and Emergency via the ambulance entrance, where triage is done immediately at the bedside.

In certain trauma or mass casualty incidents the Emergency Medical Team (EMT) will communicate with the physician who may choose to meet a patient at the entrance to A&E to expedite assessment and treatment.

**Parliamentary Question asked by**  
**The First Elected Member from**  
**The Electoral District of East End**  
**To**  
**The Honourable Minister**  
**of**  
**Financial Services, Tourism and Development**

**QUESTION:**

Has the Government changed the policy with respect to the development of new cruise and cargo facilities in George Town Harbour; and if yes, what are the new plans?

**ANSWER:**

The Port Authority did not have a formal written policy for the development for cruise and cargo facilities in George Town. You will be aware of this having been one of the Minister's of the previous Government, wanted to develop cruise and cargo facilities together in George Town. The Port Authority was exploring how, if at all, this could be accomplished.

After having taken office and re-establishing our relationship with the Florida Caribbean Cruise Association (FCCA) that had through extreme neglect and arrogance, fallen into a state of despair, this Government set about consulting with these industry experts. As a result of these extensive consultations we are convinced that the most beneficial way to develop Cruise Tourism in the Cayman Islands is to construct cruise ship berthing facilities in George Town and to relocate the cargo facilities elsewhere.

We have decided that this course of action is the most appropriate for a number of reasons which I will outline below.

Cruise ship tendering having served us well in the past has now become an impediment to the further development of Cruise Tourism in the Cayman Islands, and this is not just our opinion but that of the FCCA and its constituent cruise lines. Our regional competitors for example St. Martin

which some fifteen years ago was using ships tenders was a dubious destination, has constructed berthing facilities and has been dubbed “very user friendly and highly competitive”. Furthermore, Cruise Tourism is now a globally competitive industry and a global family vacation experience. It is not just regional, and as we are here, engaged in debating the intricacies of governance and how we govern. Today new routes and competitors such as Brazil and Belize are being established. The Cuban tourism product is not a fantasy. It is real and the region will soon feel its powerful draw. Our beloved Cayman Islands are popular but we must continually raise our standards if we are to advance our competitiveness. We are falling short and if we do not separate our cruise facilities from our cargo facilities, we will fall further and further behind.

We need action guided by vision. We need to understand that the Panama Canal upgrades are slated for completion in 2014. We need to understand that the Oasis type ships will not visit here if they cannot berth. We need to be able to accommodate ships that will be built during the next twenty-five years. We cannot have our cruise visitors battle traffic, and disembark through an industrial type facility that is filled with containers and heavy equipment and cranes. Cayman must stand out in the region, in quality of customer service, in quality of our attractions and in quality of our tourist accommodations and support services.

In the interim we will have to share the facility between the cargo and the cruise guests, but we have to relocate the cargo facilities to enable us to provide the quality and ambience of a cruise facility that we need in order to be to be competitive in a global market. Mediocrity is not an option, mediocrity is not what we are known for, and mediocrity is not a legacy which we wish to leave behind for our children to own and operate. We must build first class, purpose built cruise berthing facilities. We must build first class purpose built cargo facilities, and we must build them separately, because the government does not have the funds nor does that Port Authority. We will do this through public private partnerships to better serve our valued visitors, to better serve our industries and hard working Caymanians and to better serve the economy of these islands....now and in the future.

The government supports a new cargo facility in Half Moon Bay, on the eastern end of the island as that by all indications is the most appropriate and least disruptive location. When plans are drafted and government has them

in hand they will be made available for public scrutiny and input. But the government policy is for a new cargo facility to be built out of central George Town and at the location spoken to above. Special legislation will be passed to accommodate such a development.

**PARLIAMENTARY QUESTION ASKED BY  
MR. D. EZZARD MILLER, JP, MLA MEMBER FOR THE  
ELECTORAL DISTRICT OF NORTH SIDE  
TO  
THE HONOURABLE MINISTER RESPONSIBLE FOR  
HEALTH, ENVIRONMENT, YOUTH, SPORTS AND CULTURE**

**QUESTION:** What are the benefit plans offered by CINICO and what is the cost of each plan.

**ANSWER:** Madam Speaker, the benefit plans offered by CINICO and the cost of each plan is as follows:

<b>Benefit Plan</b>	<b>Monthly Premium Rate</b>
Civil Servants	
Single	\$358.00
Family	\$1,071.00
Enrolee and Spouse	\$714.00
Enrolee and Children	\$714.00
Civil Service Pensioners	
Single	\$785.00
Family	\$1,962.00
Enrolee and Spouse	\$1,570.00
Enrolee and Children	\$1,177.00
Seamen and Veterans	
Single	Ministry of Health pays \$393.00 for each member.
Family	
Enrolee and Spouse	
Enrolee and Children	
Standard Health Insurance Contract Plan 1	
Elderly Single	\$192.00
Health Impaired Single	\$164.00
Health Impaired with dependents (Couple)	\$253.00
Health Impaired with dependents (Family)	\$348.00
Low Income Single	\$67.00
Low Income with dependents (Couple)	\$134.00
Low Income with dependents (Couple)	\$201.00
Standard Health Insurance Contract Plan 2	
Elderly Single	\$363.00
Health Impaired Single	\$344.00
Health Impaired with dependents (Couple)	\$530.00
Health Impaired with dependents (Family)	\$729.00
Low Income Single	\$115.00
Low Income with dependents (Couple)	\$230.00
Low Income with dependents (Couple)	\$345.00



**PARLIAMENTARY QUESTION ASKED BY  
MR. D. EZZARD MILLER, JP, MLA MEMBER FOR THE  
ELECTORAL DISTRICT OF NORTH SIDE  
TO  
THE HONOURABLE MINISTER RESPONSIBLE FOR  
HEALTH, ENVIRONMENT, YOUTH, SPORTS AND CULTURE**

**QUESTION:** If the Health Services Authority has or is considering retaining a marketing company and if so what is the rationale for this decision.

**ANSWER:** Madam Speaker, the Health Services Authority has contracted with Tower Marketing. The rationale for this decision is as follows:

Lack of effective communications has consistently been ranked among the top three issues internally and externally which have impacted on the public's perception of the Health Services Authority (HSA). Effective communications requires a multidimensional approach to achieving best results including advertising, speech writing, public relations, desktop publishing material, crisis communication, market research, public relations and publicity. The Management of the HSA explored several options and agreed that the most suitable choice would be to engage in a contractual relationship with an external agency with the range of professional skills and expertise required to enhance the organization's communications and public image. The recommendation was endorsed by the Board and a Request for Proposal (RFP) was developed. In October 2009, the RFP was placed in both local newspapers and on the organization's website requesting bids to provide Public Relations/Advertising and Communications support services.

upon a review of the bids by the Procurement Officer, Public Relations Officer and the Acting Director of Support Services; it was decided to award the one year contract to Tower Marketing. Tower Marketing was hired for the broad range of expertise among its professional team as well as its track record of performance and understanding of government. Additionally the team has extensive experience in managing highly effective healthcare campaigns in other jurisdictions.

**PARLIAMENTARY QUESTION ASKED BY  
MR. D. EZZARD MILLER, JP, MLA MEMBER FOR THE  
ELECTORAL DISTRICT OF NORTH SIDE  
TO  
THE HONOURABLE MINISTER RESPONSIBLE FOR  
HEALTH, ENVIRONMENT, YOUTH, SPORTS AND CULTURE**

**QUESTION:** Why is it necessary to post a sign in the waiting room of The Urgent Care area of the hospital that warns patients the waiting time is three hours, and what is being done by the Medical Director of the Health Services Authority to reduce this waiting period.

**ANSWER:** Madam Speaker, the waiting time has been posted as a direct response to patient feedback to give non-urgent patients an expectation of waiting time. Waiting time can vary greatly within a 24 hour period and can change very quickly. As the only facility providing 24 hour emergency services on the island, waiting times for physician consultation may vary depending on the number of patients seeking treatment and the severity of their injuries. Thus, the staff members do their best to keep the wait time sign accurate and change the posted waiting time as conditions warrant.

As part of the on-going efforts to reduce the waiting period, the Medical Director has worked in collaboration with the Physician Manager of A&E, the lead nurse in A&E, and the A&E staff. With the support of the entire Senior Management Team, they have worked to implement changes that have improved the environment for both patients and staff.

Some of these changes include:

- hiring more physicians with full A&E qualifications;
- the use of staggered shifts to provide increased staff during historically peak times;
- increasing physician double coverage during peak times;
- change to the appointment system in outpatient General Practice clinic to increase access and patient satisfaction to draw patients away from A&E; and
- increased collaboration between GP and A&E to facilitate cross department appointing during unusually busy times in A&E.

With the proposed changes fully implemented there will be a significant reduction in the waiting time and ultimately the sign should be removed with only the need for staff to communicate verbally the waiting time.

**QUESTION #**

**CAYMAN ISLANDS**

**LEGISLATIVE ASSEMBLY**

**PARLIAMENTARY QUESTION**

**PARLIAMENTARY QUESTION ASKED BY THE MEMBER OF THE LEGISLATIVE ASSEMBLY FROM NORTH SIDE TO THE HONOURABLE OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND ECONOMICS**

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**QUESTION:**

Can the Honourable Member give the total number of positions added to the Civil Service as a result of the implementation of the Public Management and Finance Law (2005 Revision), broken down by positions.

**ANSWER:**

Based on information received from Government Ministries and Portfolios, from approximately January 2003 to 8<sup>th</sup> July 2009 when the information was gathered, a total of 86 positions were added to the Civil Service as a result of the implementation of the Public Management and Finance Law (2005 Revision). These positions are broken down as follows:

<b>POSITION</b>	<b>Number of Positions</b>
Account Officer I	6
Accounts Officer III Receivable	4
Accounts & Office Administrator	1
Accounts Officer III Payable	3
Accounts Officer II	2
Accounts Officer III	1
Accounts Financial Controller	1
Administrative Manager	1
Assistant Director, Finance & Administration	1
Bank Reconciliation Officers	3
Budget and Administrative Officer	1
Cash and Fund Flow Officer	3
Chief Financial Officer	7
Clerical Officer	1
Deputy Chief Financial Officer	10
Deputy Director / Entire Public Sector Budget Accountant	1
Deputy Fund and Cash Flow Manager	1
Deputy Manager, Entire Public Sector Reporting	1

<b>POSITION</b>	<b>Number of Positions</b>
Deputy Postmaster General, Finance & Human Resource	1
Director of Accrual Accountant	1
Director of Finance	1
Executive Officer/Accounts Officer	2
Finance Administration Manager	1
Finance & Benefits Manager	1
Finance Manager	1
Financial & Administrative Officer	1
Financial Accountant	3
Financial Administrator	9
Financial Administrator (Libraries)	1
Fund and Cash Flow Manager	1
Manager Accounts Payable	1
Manager Accounts Receivable	1
Manager, Entire Public Sector Reporting	1
Mgr. Fixed Assets & Financial Administrator	1
Senior Chief Financial Officer	1
Senior Deputy Chief Financial Officer	1
Senior Entire Public Sector Reporting Accountant	3
Senior Financial Administrators	2
Senior Statistician	2
Statistical Officer	1
Statistician 1	1
<b>TOTAL NUMBER OF POSITIONS ADDED TO THE CIVIL SERVICE</b>	<b>86</b>