



**CAYMAN ISLANDS
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT
ELECTRONIC VERSION**

2016/17 SESSION

8 June 2016

*Sixth Sitting of the First Meeting
(Pages 181-218)*

**Hon Juliana Y O'Connor-Connolly, JP, MLA,
Speaker**

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PRESENT WERE:

SPEAKER

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

MINISTERS OF THE CABINET

Hon Alden McLaughlin, MBE, JP, MLA	<i>The Premier</i> , Minister of Home Affairs, Health and Culture
Hon Moses I Kirkconnell, JP, MLA	<i>Deputy Premier</i> , Minister of District Administration, Tourism and Transport
Hon D Kurt Tibbetts, OBE, JP, MLA	Minister of Planning, Lands, Agriculture, Housing and Infrastructure
Hon Marco S Archer, MLA	Minister of Finance and Economic Development
Hon G Wayne Panton, MLA	Financial Services, Commerce and Environment
Hon Tara A Rivers, MLA	Minister of Education, Employment and Gender Affairs

EX OFFICIO MEMBERS OF THE CABINET

Hon Franz I Manderson Cert. Hon., JP	Deputy Governor, ex officio Member responsible for the Portfolio of the Civil Service
Hon. Jacqueline Wilson	Acting Attorney General, ex officio Member responsible for the Portfolio of Legal Affairs

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

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

OPPOSITION MEMBERS

Hon. W. McKeeva Bush, OBE, JP, MLA	<i>Leader of the Opposition</i> , First Elected Member for West Bay
Mr Bernie A Bush, MLA	Third Elected Member for West Bay
Capt A Eugene Ebanks, JP, MLA	Fourth Elected Member for West Bay

INDEPENDENT MEMBERS

Mr Anthony S Eden, OBE, JP, MLA	<i>Deputy Speaker</i> , First Elected Member for Bodden Town
Mr Alva H Suckoo, MLA	Fourth Elected Member for Bodden Town
Mr Winston C Connolly, Jr, MLA	Fifth Elected Member for George Town
Mr D Ezzard Miller, MLA	Elected Member for North Side
Mr V Arden McLean, JP, MLA	Elected Member for East End

APOLOGIES

Hon. Osbourne V. Bodden, MLA	Minister of Community Affairs, Youth and Sports
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**OFFICIAL HANSARD REPORT
THRONE SPEECH AND BUDGET ADDRESS
FIRST MEETING OF THE 2016/17 SESSION
WEDNESDAY
8 JUNE 2016
10:40 AM
Sixth Sitting**

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

The Speaker: Good morning.

I will invite the Sixth Elected Member for the District of George Town to say prayers this morning.

PRAYERS

Mr. Joseph X. Hew, Sixth Elected Member for George Town: Good morning. 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 Premier, the Speaker of the Legislative Assembly, the Leader of the Opposition, Ministers of the Cabinet, ex-officio Members 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

The Speaker: None.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: I have apologies from the Honourable Minister of Sports who will be away today for medical reasons. I have also notice from the Member for North Side who had to step away for a short moment. Those are the notifications for this time.

PRESENTATION OF PETITIONS

The Speaker: None.

PRESENTATION OF PAPERS AND OF REPORTS

The Speaker: None.

Sorry, I am in a hurry to get through today. Madam Clerk, please proceed.

REPORT AND RECOMMENDATION OF THE MINISTER RESPONSIBLE FOR LANDS AND THE VESTMENT OF CROWN LAND AT REGISTRATION SECTION WEST BAY BEACH NORTH, BLOCK 17A, PARCELS 5 AND 262, TO DRAGON BAY, LTD.

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

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

Madam Speaker, in laying this report and recommendation for the vesting of Crown Land block 17A, Parcels 5 and 262 to Dragon Bay, Ltd., this is the report of the Chief Officer.

Block 17A Parcel 262 comprises 279 acres of partly developed land zoned hotel, tourism, and neighbourhood/commercial, located immediately to the North of SafeHaven Drive. It includes the North

Sound Golf Club. The parcel is subject to a ground lease to Dragon Bay, Ltd. that expires on the 10th of August 2090—that is some 74 years away. This leasehold interest derives from a premium ground lease at nominal rental granted by the Crown to Benson Greenall originally of 606 acres of undeveloped land for a term of 99 years from April of 1950.

Block 17A Parcel 5 comprises a 1.25 acre undeveloped island in the North Sound, zoned mangrove buffer, located approximately 65 feet east of Block 17A Parcel 262. Dragon Bay, Ltd. is a Dart affiliated company. It proposed to the Government that its leasehold interest in Block 17A Parcel 262 be converted to a freehold interest and that it acquired a freehold interest in Block 17A Parcel 5, and extensive negotiations took place between the parties. A report on this matter was considered by Cabinet. After careful analysis and consideration of the reports provided by the Lands and Survey Department, it was resolved on the 16th of December 2015 that Cabinet advised Her Excellency the Governor to approve the vesting of Crown land Block 17A Parcels 5 and 262 to Dragon Bay, Ltd., an affiliate company of Dart Realty (Cayman), Ltd. in return for a consideration of US\$14,574,000 plus stamp duty and registration fees.

In accordance with section 10(2) of the Governor (Vesting of Lands) Law (2005 Revision), three valuations were commissioned to determine the premium payable for the Crown's interest in the land. One from Government's Lands and Survey Department and two from private sector property valuation companies. The following table outlines the three valuations:

Lands and Survey	US\$16,686,001
DDL	US\$15,068,000
IRR	US\$12,448,001

Following negotiations, the vesting of Crown land Block 17A Parcel 5 and 276 [sic] to Dragon Bay, Ltd. is recommended as per the following terms which has a consideration of US\$14,574,000 plus stamp duty and each party is to bear its own costs.

Thank you, Madam Speaker.

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker—

The Speaker: So ordered.

I recognise the Honourable Leader of the Opposition.

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker, I recognise and understand that there are not questions after presentation of reports but seeing that this one is very contentious, seeing that it is controversial, I am wondering whether the Minister intends to answer any of the questions I posed in my budget debate.

[Inaudible interjection]

The Speaker: Madam Clerk—

Hon. D. Kurt Tibbetts: Madam Speaker, I am—

The Speaker: One minute, Honourable Minister.

Hon. D. Kurt Tibbetts: So sorry.

The Speaker: Perhaps the Minister can assist. Have you been instructed that this has to be by negative resolution? I am trying to respond to the Member for East End.

Hon. D. Kurt Tibbetts: Madam Speaker, I only know that my duty is to lay the report on the Table of the House, but I could certainly determine that in fairly short order.

The Speaker: Member for East End, are you saying as a matter of fact it has to be or are you making an inquiry? If you are saying as a matter of fact, then we will have to obviously take another step. If you are just inquiring, then the Minister will have an opportunity to find out and respond.

Mr. V. Arden McLean, Member for East End: Madam Speaker, I was merely trying to request if this is . . . because I know all other lands are negative resolution, and if this is going to be laid on that basis, that the 21 days have to expire for it to be authenticated.

The Speaker: Perhaps if I could ask the Serjeant to supply the Honourable Minister with a copy of the Land Vesting Law and the Member for East End—

Hon. D. Kurt Tibbetts: The Governor (Vesting of Lands) Law. And, Madam Speaker, if you would just allow me just for a second—

The Speaker: Please proceed.

Hon. D. Kurt Tibbetts:—with regard to what the Leader of the Opposition said, while the Serjeant makes that determination, the agreement—the NRA 3rd Amendment Agreement—is going to be tabled in short order by the Honourable Premier, who will speak to the entire situation and the questions that were asked will be answered in his report. Just so that everybody will understand that the agreement itself will be tabled and if there are any questions they can be answered at that time.

The Speaker: Member for East End.

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

Madam Speaker, the Minister said that questions will be answered then, when the report is laid. There is no Question Time for reports.

[Inaudible interjection]

Mr. V. Arden McLean: About the whole deal. But the specific questions that we are asking, because I have some questions on the table about part of that deal as well, and I will not get the opportunity on the Premier laying that report to ask supplementary questions or, for that matter, my substantive question.

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker, I think what the concern is on this side is if the Premier lays it as a report, then we would have to suspend Standing Orders, but if he makes a statement, then it is a statement and we can ask questions.

[Inaudible interjections]

The Speaker: While we await the Serjeant to bring back the piece of legislation, we can move on to Item 6.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: None.

STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

The Speaker: I recognise the Honourable Premier.

After the Honourable Premier has made his statements, he will be followed by the Honourable Minister of Environment and the Honourable Deputy Governor.

MARTIN BRIDGER

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

Madam Speaker, I have approval to make a statement with respect to Project Future, the promised update. But, Madam Speaker, certain matters have arisen over the course of yesterday and this morning that, with your permission, I would like to address specifically, Madam Speaker, the issue of this letter sent to me by Martin Bridger, which has been discussed on the talk show this morning, and even in advance of that, I received three requests from the media for comment on.

Madam Speaker, for those who may not remember, Martin Bridger was in charge of the ill-fated

and highly damaging investigations conducted on behalf of the United Kingdom Government termed "Operation Tempura" and "Operation Cealt." And now, Madam Speaker, some 12 years later in 2016, we are still being haunted by the ghosts of these two fiascos.

Bridger has been attempting to, what I will term, extort and blackmail the Cayman Islands Government over the course of quite some time. Quite why he has addressed his most recent correspondence to me, I am not certain, but I suspect it is because Her Excellency the Governor has ceased to respond to his many missives.

Madam Speaker, if I live to be as old as Methuselah, I will never forget that fateful morning, the Tuesday after Easter Monday, in the year of our Lord 2008, when I received a phone call from the then Leader of Government Business, the Honourable Kurt Tibbetts, at about nine o'clock in the morning saying His Excellency the Governor Stuart Jack had summoned the Cabinet to a meeting at his office. Madam Speaker, his office at the time was temporarily housed in the old Aall Building (known locally as the Aall Building).

Madam Speaker, the entire elected Members of Cabinet sat there and listened to what was the most fantastical tale that I certainly had ever heard. I was completely spellbound. It was like something out of a John Grisham novel. I could not believe what was being said to us about this investigation into all sorts of people in Cayman. I know we were all in a state of shock and left there just shaking our heads that this sort of thing could occur in Cayman.

Madam Speaker, the Cabinet of which I was a part, like I believe any Cabinet we have ever had and will ever have, was concerned to ensure that if wrongdoing had been done, that we supported the police in their efforts to get to the bottom of the matter. Initially, we could not say anything publicly, and we could not say anything to anybody else, so we quietly supported the exercise that was underway.

Madam Speaker, within about three weeks of this, after the shock had worn off, and after my lawyer instincts and training tripped in, I believe, alarm bells started ringing in my head that there is something very wrong about all of this. And I actually said so publicly at a press briefing some time later. (Of course the dates have now . . . without going back and looking, I can't quite remember all of the dates.) But, Madam Speaker, when we wound up with this situation where they arrested a sitting judge of the Grand Court without a warrant, and took him down to the police station . . . I watched it. We all watched it from the fourth floor of the Glass House. We were in the old Cabinet meeting room in the Glass House. We looked out of the windows with our mouths wide open. Anybody, little children, would have understood that there was something very wrong about all that was going on.

Anyhow, Madam Speaker, we refused as a Cabinet to approve further payments with respect to

this matter. That was overridden by Stuart Jack, Governor at the time—

Hon. D. Kurt Tibbetts: [INAUDIBLE]

[Laughter]

The Premier, Hon. Alden McLaughlin: We had . . . let me be diplomatic. We had very, very strong words with the establishment. But, of course, particularly under the old Constitution, the Governor had pretty much full leeway to override the decisions of Cabinet and essentially instruct the Treasury to pay the cheques. So they continued this ill-fated set of operations which have cost this country upward of \$15 million so far.

Now, all of this time down the road, not satisfied with all of that, we have Martin Bridger, who, quite frankly, Madam Speaker, in my view, should be jailed for what he has done to people in this country of law abiding, upstanding citizens and police officers, to a judge of the Grand Court who we wound up having to pay over a million dollars in compensation to, and he deserved every penny of it—it just shouldn't have been us, the Cayman Islands Government and people who had to pay it—he has the audacity to write to me in terms which I regard as blackmail. And I will read some parts of the letter, of his email to me, which was not public because the letter was received by me on the 1st of June, but he has obviously now disseminated it to the media, because he wrote me on (what is today?) . . . he wrote me on . . . today's the 8th. Let me not misquote. His first letter was the 1st of June. And then he wrote me an email which I will pull up here. He sent me an email on the 6th.

The general theme, Madam Speaker, is that he has in his possession loads and loads of evidence which show corruption on a massive scale amongst police officers, the judiciary, Members of Parliament, anybody in any position of authority, and unless we sit down and arrive at what he calls a "negotiated settlement" he is going to bring proceedings and disclose all of this to the world so that the world will know, you know, what a corrupt place . . . the inference is that the world will know what a corrupt place these Cayman Islands are.

So, Madam Speaker, not content at the damage that he has already done . . . Madam Speaker, you know, were it not such a serious matter that has already had such serious consequences, one could look at what transpired with Operation Tempura, in particular, as an episode of the Keystone Cops, because how in the Lord's name could anybody who claims to be a police officer and anybody who claims to have been a lawyer, a UK trained and admitted lawyer, make the basic mistakes that they made, is beyond me.

But, Madam Speaker, this is not a comedy. This is not something that we can laugh about. And I

did not dignify Martin Bridger's letter of the 1st of June with a response because I didn't think it deserved one. But obviously, he is not letting this go. So I just wish to say to Mr. Bridger, here is your sign. While I hold this office as Premier you will not receive one red cent of my people's money in settlement of any claim you may bring, and you may sue until the good Lord comes. So you can write, you can threaten. All I have to say about that is if you or anybody else has evidence of wrongdoing by anybody in these Islands, particularly people in positions of authority, please bring it, to us so that we can conduct the proper investigation and, if it warrants it, the prosecution. But Lord knows we don't need you and your assistance. We have had enough of that already.

So, Madam Speaker, just for the sake of completeness I am going to read the bit from his original letter which I regard as being tantamount to blackmail and an attempt at extortion and then his follow-up email. I know the letter has been discussed on the talk show, so I needn't read the whole thing (which is rather long). But this is the bit:

"I now have evidence" (this is from Mr. Bridger) **"I now have new evidence in my possession which has come into my possession since I left the Cayman Islands. That evidence has now been corroborated/supported by another source in the Cayman Islands. I am now collaborating with and working closely with that other source and his legal team and sharing of material has commenced.**

"All of the evidence considered together clearly supports the assertion I made earlier in this letter, that there has been deliberate concealment of evidence, misrepresentation of the facts, and that individuals holding high public office have behaved unethically in their individual and collective desire to have matters swept under the carpet.

"I wish to make you aware that the Attorney General and the Director of Public Prosecutions are in my humble submission conflicted in providing any advice to you in these issues.

"Ironically, although the criminal investigation against me is still ongoing," (because there is one against him) "the Commissioner David Baines has recently written to me and stated that he has no intention of affording me with the opportunity to answer my accusers (who to date still remain unknown to me) in accordance with my rights under the Cayman Islands Constitution and in accordance with my rights under the [European Convention in Human Rights]."

And then, Madam Speaker, he goes on to say, **"I am sure you can understand that I want to put all of these matters behind me and move on with my life and, if possible, avoid the significant damage that exposure of all of the evidence I hold would bring to senior officials both in the Cayman Islands and the UK and the significant reputational**

damage to the Cayman Islands at the global level as to how they *'in reality'* deal with issues of wrongdoing.

"I now invite the Cayman Islands government to immediately enter into without prejudice discussions with me to resolve all of these matters amicably in the best interests of all those who would be adversely affected by the revelation of all the facts. If such a course of action were agreed upon, I would be willing to be part of a negotiated settlement which included comprehensive and without prejudice discussions whereby 'learning for the future' to assist in moving away from a culture of 'brushing matters under the carpet' is achieved.

"Finally, I ask you to keep in mind that you should not underestimate mine and others resolve to have these very serious matters dealt with and unless matters are resolved amicably, I reserve the right and will 'not flinch' from addressing the matters in the best interests of myself and my family.

"You have my assurance that at this stage I have not shared this letter with any other person, but reserve the right to do so.

"If you agree to 'without prejudice discussions' it would be at that stage that I would instruct Counsel to represent me in those discussions.

"I ask that you immediately acknowledge receipt of this letter and I look forward to receiving your response to my suggested way forward by the close of business on the 3rd of June 2016. (Cayman time)" [As printed in 8 June 2016 [Caymannewsservice.](#)]

So, Madam Speaker, what appears to have happened is, because I did not respond to that letter, Mr. Bridger has now shared that letter with certain people in the media. And so, he then wrote to me, as I have indicated earlier, on the 6th of June in the following terms:

"Mr. McLaughlin, as you have failed even to show the courtesy of acknowledging the receipt of my recent letter sent to you, let alone responding to its content, I shall now proceed in the manner as I and my advisors consider to be most appropriate we have, exposing the unethical behaviour of senior public officials.

"To ensure that matters are put in their proper context, my action will include the revelation of previously unknown facts both in relation to Operation Tempura and Operation Cealt.

"To date, Operation Cealt and the serious allegations of corruption that were made have never reached the public domain, as to date I have refused to talk about what was reported to us. I will make it clear in the actions I take, that as the leader of your country, you have totally ignored my attempts to deal

with these matters amicably. So be it." [UNVERIFIED QUOTE]

So, Madam Speaker, I have no doubt that that constitutes an attempt at extortion, an attempt at blackmail of the Government, generally, that unless we enter into these negotiations on a without prejudice basis, all sorts of disclosures are going to be made.

Madam Speaker, both are criminal offences here and in the United Kingdom. And, Madam Speaker, I really do hope that Martin Bridger should come back to these Islands so that he can be dealt with appropriately with respect to these most grave instances of (shall I be careful?) impropriety on his part. But he should never, Madam Speaker, believe for a moment that he is going to be allowed to extort any more money from the Cayman Islands Government, certainly not on my watch.

Thank you, Madam Speaker.

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

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

I believe I discussed this on the radio this morning. That may be the radio station that the Premier is referring to. And I said then that the Alden McLaughlin I know ain't going to bend to Bridger. However, may I, Madam Speaker, just make one last suggestion to the Premier?

As leader of this country, I implore this Premier to pursue this behaviour to the extent of international law regarding bribery, extortion and blackmail of a leader of another country, that being the Premier of this country, the Honourable Alden McLaughlin.

I further support the Premier insisting to this Governor that the FCO take this as a matter of urgency.

The Speaker: I recognise the Honourable Premier for his second statement.

The Premier, Hon. Alden McLaughlin: Thank you, Madam Speaker, and I thank you for your indulgence and the indulgence of the House, but I just did not believe I could let that matter continue to slide and I did not have the opportunity to prepare a written statement in respect of it.

Madam Speaker, I promised this House when I delivered the Policy Statement on behalf of the Government that I would speak in detailed terms to the Government's efforts with respect to Project Future and to provide an update statement. And this I now wish to do.

Madam Speaker, I also have to be laid on the Table of this honourable House, the Project Future Update Report May 2016 which contains a detailed explanation of the efforts and the achievement so far

with respect to this project. So, I would like to lay this on the Table of this honourable House.

The Speaker: So ordered.

The Premier, Hon. Alden McLaughlin: And, Madam Speaker, I dedicate it to Mr. David Legge and his people at the *Cayman Compass*.

[Inaudible interjection]

PROJECT FUTURE UPDATE REPORT

The Premier, Hon. Alden McLaughlin: Madam Speaker, in November, 2015, the Deputy Governor and I launched the “Programme Brief” for Project Future, establishing a comprehensive and far-reaching programme of public sector reform. Project Future is made up of 50 potential projects, which will drive efficiency, improve the effectiveness of public services and ensure a sustainable future for the Cayman Islands.

The potential for Project Future to impact on Government and the services it provides is huge. The programme cuts across the Public Service spanning, for example:

- Large, complex capital projects, such as the Cruise Berthing Facility;
- Projects that will transform the way Government does its business, such as the creation of a Utilities Commission, and the transformation of IT services within Government;
- Projects that will improve the efficiency and effectiveness of departments or particular services such as Vehicle Safety Inspections; and
- Projects that deliver key policy priorities such as tackling unemployment and implementing E-Government.

As I have explained before and most recently in an update to this honourable House in May, 2016, Project Future is not designed as a short-term, quick-fix programme. This Government is determined to deliver lasting change which achieves the ambitious goals this country needs. Therefore, we have designed Project Future as a programme to be implemented over the next five years. Therefore, some projects will be completed before the 2017 Elections, while others are not expected to be delivered until after the elections.

This is a bold move—but it is the right move—if we are to put the needs of our country before political expediency. As I reminded members of this honourable House, it is right for the Government to take a long term view and to put in place the delivery of the reforms the country needs. If we remain bound to electoral cycles, we remain bound to short-term action that will not tackle some of the fundamental issues we

face. However, taking the long term view that our country needs cannot become an excuse for inaction and we need to ensure that progress toward our ambitious goals is maintained.

Today, I am pleased to have been able to place on the Table of this honourable House the first “Project Future Update Report”, which demonstrates our progress over the first six months of the programme.

I encourage the Members of this honourable House and the public and the media to read this important report. I especially recommend that they take the time to review the project overviews to get a sense of the extraordinary scope, scale and complexity of what the Government is determined to achieve. I think they will be struck by the contribution these projects can make to the future of our country and the Public Service.

In my recent statement on Project Future to this honourable House, I was pleased to report that over 30 of the 51 projects from the “Programme Brief” had been progressed. I promised further details.

As the Project Future Update Report indicates, as at 25 May, 2016, 57 projects were being monitored by the Strategic Reforms Implementation Unit, on behalf of Cabinet and the Deputy Governor (the number of projects has increased as some of the original 51 have been broken down into sub-projects). Two-thirds of these projects (38/57) are already being progressed by the Civil Service. This means they are active, and fall within one of the project phases being utilised for Project Future, as follows:

- 16 projects are in the initial phase and strategic assessments are under way;
- For nine projects, formal Outline Business Cases are being prepared;
- Seven projects are in the project initiation or project planning phases;
- Six projects are in the project execution or closing phases; and
- One small project, the transfer of the London Office to the Cabinet Portfolio, has been completed.

Approval of business case documents is a key milestone for projects and Project Future overall. These documents are the results of analysis and research undertaken by the civil service on the projects assigned by Cabinet. They provide Cabinet with recommendations on the options available to achieve our policy priorities and to achieve value for money for any investments that are required.

As the Project Future Update Reports points out, since November, 2015, one Outline Business Case and two Strategic Assessments and have been finalised and approved by Cabinet:

- The business case for the creation of the Office of the Ombudsman has been approved;

- A strategic assessment to explore options to improve the efficiency and effectiveness of land surveying services has been agreed; and
- The project to explore the potential to commercialise the national mail service has also had strategic assessment approved by Cabinet.

In addition, the following projects have recently been submitted for approval by Cabinet and will be dealt with shortly:

- Implementing E-Government;
- Options for improving the efficiency and effectiveness of prisoner transport;
- Options to improve the efficiency and effectiveness of vehicle safety inspections.

A significant number of the other strategic assessment and business case documents are at an advanced stage and are expected to be ready for submission in the upcoming weeks.

Once considered and approved by Cabinet or the Deputy Governor, Project Future Strategic Assessments and Outline Business Case documents will be published. Already the first Outline Business Case to be approved has been published, for the creation of a new Office of the Ombudsman, and is available on the website of the Office of the Deputy Governor. Going forward, it is my expectation that these business case documents will be published, both on the websites of the Ministries and Portfolios responsible for their delivery and, centrally, on the Project Future website www.projectfuturecayman.com. Accordingly, the two completed strategic assessments that I mentioned earlier will be published shortly.

Madam Speaker, this continues this Government's commitment to openness and transparency, and our desire to keep the people of the Cayman Islands informed about the efforts the Government is making on their behalf, through the Project Future programme.

This Government has resisted calls for the blanket implementation of EY's 2014 report. In November (last year) we were able, after careful analysis, to rule out 16 of those recommendations because they ran counter to Government policy or because our work demonstrated they were not right for Cayman at this time. These are things our critics would have had us wasting time and resources to rush to implement.

Still though, Madam Speaker, the lesson has not been learned and we still hear calls for the EY [Ernst & Young] report to be implemented regardless—principally, Madam Speaker, from the *Cayman Compass*. Last month in May, I had to come to this House to make a statement to correct the errors of the latest *[Cayman] Compass* editorial on the subject. Madam Speaker, I am not sure of their agenda, but they are wrong in principle, they are wrong in policy and they are wrong in practice.

They are wrong in principle because I and this Government believe in democracy. As such, we believe it is for the Government, not a group of consultants, to determine what is right for our country. Yes, we are willing to listen to EY. Yes, we respect their advice or we would not have hired them in the first place. But as EY themselves said, it is for Government itself to weigh that advice along with further work and evidence in order to determine what action is needed.

We have considered EY's report properly against our objectives. We will implement the overwhelming majority of the recommendations, though many of them in a modified form, appropriate for Cayman. We have also identified significant areas of reform that EY did not look at. If we followed the advice of our critics we would not now be working with business leaders and implementing Ready2Work KY to create jobs for our people because EY did not consider projects to promote employment. Instead, we would be dedicating our efforts to merging the Animal Welfare Advisory Committee and Veterinary Board, which EY did recommend. Forgive me, Madam Speaker, if I think that would be a very strange set of priorities for the Government.

Madam Speaker, the *[Cayman] Compass* is wrong as a matter of policy because their dogmatic belief in the privatisation of public services as the panacea for every problem is misguided and flies in the face of both the wisdom of experts in the field and international practise. There are many Project Future undertakings that will require chief officers to consider outsourcing as one of a range of available options to improve the delivery of services provided by the public sector, and it is already apparent that Project Future will lead to greater involvement of the private sector in the delivery of public services. However, involving the private sector will be part of the solution where we are convinced that is appropriate as a result of rigorous exploration of all the options available rather than a first choice based on a false pre-conception and a prejudice against public servants. As a Government, we have a great deal of respect for the hard working civil servants who do so much for the people of our country, and we see no reason to risk their jobs on the basis of beliefs held by a few; that outsourcing is the panacea for every problem.

Finally, Madam Speaker, this Government's critics are wrong in practice. They accuse us of making no progress on public sector reform but, as the Project Future Update Report demonstrates, the reality is quite different.

I would like to talk briefly about some of the key themes emerging from the work so far. In doing so, I am drawing both on the work that has reached Cabinet for decision and on what I know is under way in Ministries that will be coming to us shortly.

First, it is worth reflecting that our adherence to a robust management process has still allowed us

to be flexible and take strategic decisions to press ahead with the implementation of projects where there is a pressing need to do so.

At the launch of the Programme back in November, I said that the major priority for the Government was to support Caymanians into employment. Accordingly, we have split the project on tackling unemployment into its component parts, allowing our innovative public-private partnership for jobs, Ready2Work KY, which I referred to earlier, to progress straight to implementation while business cases for other aspects, such as the development of a clearing house for jobs, are developed.

The House will also be aware that we have maintained progress with the much needed reform of the education system in the country. When the new Education Bill comes before this honourable House, its passage and successful implementation will underpin the long-term development of the knowledge and skills our young people need to compete in the jobs markets of the future.

More generally, I am pleased to say that under the Deputy Governor's leadership, our civil servants are embracing the potential for reform and bringing forward genuine options for significant change. I have long believed that those who work in public service day after day are best placed to identify the changes needed and so it is proving.

So far, we have seen proposals that will:

- Improve customer service in operations as diverse as public complaints handling and planning and building inspection;
- Modernise legislative and regulatory frameworks for example thorough the creation of the new utilities commission, the Office of Competition and Regulation;
- Boost economic growth and support job creation, including targeting support to new and growing small businesses; and
- Create new approaches to tackling seemingly intractable problems such as drug misuse and dependency.

Madam Speaker, we have also seen options for change that will drive efficiency, reduce costs and deliver better value for money. Some of those options are concentrated on improving in-house, public sector provision. Others consider the outsourcing of services, where this is appropriate and can be done without encountering the problems that I referred to earlier.

Options for outsourcing are being actively considered in a range of projects from public works to hospital linen cleaning. It is clear, as I have said that one of the outcomes of the Project Future programme will be a greater role for the private sector in the delivery of public services. It will be a greater role reflecting a sound approach to outsourcing when that is demonstrably the right answer for the future.

Projects are also demonstrating the civil service's willingness to learn from experience in other jurisdictions rather than thinking everything must be invented here. The emerging business case for implementing e-Government, for example, is likely to demonstrate that we can deliver much improved on-line services and generate considerable efficiencies by following the lead of other countries, notably Estonia.

Even in areas such as vehicle inspection and licencing where initial work is suggesting that services may not, in fact, be good candidates for major reform projects, civil servants are still identifying potential improvements that can be implemented as "business as usual" activity.

Given the mix of projects, Project Future has the potential to impact, profoundly, the customer experience of public services and to reduce the future burden we place on those who pay to finance our public services. As such, it is vital that we undertake these reforms in a structured and measured way. For the first time, a major reform programme, and the individual projects within it, is being managed in accordance with international best practice standards. This demonstrates the Civil Service commitment to effective delivery and increasing capability to manage this type of undertaking.

Increasing the project management capability within the Civil Service takes time, and we need to continue to build the professional expertise to deliver the necessary strategic assessments and business cases that will guide the delivery of projects. I am pleased to say, Madam Speaker, as a result of training and support, as demonstrated by the progress documented in the Update Report, the pace of the programme is now picking up in a sustainable manner.

I recognise that these are early days in the life of Project Future. Much is still to be done to bring these great ideas to fruition and to implement the ambitious programme of reform that we have set ourselves.

Project Future is a significant and far-reaching reform programme and we are committed to delivering the changes in our public services that this country needs. This Government has demonstrated over the last three years that it delivers on its promises.

Creating a long term programme may be seen as a political risk, as it ignores the usual electoral cycles that bind political action. Make no mistake, though, Madam Speaker, I am all too aware of the reality of those cycles. When this Progressives-led Government goes to the polls, we will be proud to lay before the people a track record of achievement, of which Project Future will be an important part. We will also be laying out our plans for the future of our country and the platform we are creating, by beginning now to work on major reforms that will only bear fruit after the elections. This will enable the electorate to have

confidence in our ability to see through the changes that this country needs.

Thank you, Madam Speaker.

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

WORLD OCEANS DAY

Hon. G. Wayne Panton, Minister of Financial Services, Commerce and Environment: Thank you very much, Madam Speaker.

Madam Speaker, today the 8th of June, 2016 is being celebrated worldwide as World Oceans Day with a theme of “Healthy Oceans, Healthy Planet.” Globally, our planet’s oceans and seas are under unprecedented levels of threat from a variety of sources: overfishing, pollution of many types, overdevelopment of the coastal zone, mangrove removal and now climate change.

As one of the first country’s in our region and, in fact, globally, Madam Speaker, to enact comprehensive marine conservation measures including marine parks, the Cayman Islands are extremely fortunate to still be able to claim relatively healthy marine resources. However, over the past few years, Cayman’s marine environment has also been subjected to threats, such as, increased fishing pressure, ongoing coastal development, mangrove removal, climate change induced coral bleaching and even the proliferation of invasive red lionfish.

It has been said that the ocean is the heart of our planet and protecting it requires us to respond with new and innovative legislative and policy measures. I am very proud to have been able to do my part in successfully piloting our [National Conservation Law](#) through this honourable Legislative Assembly early in this Government’s term. I am committed to seeing the full commencement of the Law in the very near future.

Last Saturday, the 4th of June, 2016, despite the weather, the Department of Environment and its project partner, Marine Conservation International, held a very successful event called “SharkY Fest” in celebration of the fact that our sharks and reefs are now completely protected everywhere in the Cayman Islands out to the extent of our exclusive economic zone. If one thinks about our geographic location in the Western Caribbean, it can be appreciated that this means there is a fair portion of the ocean where these extremely important animals are now safe.

As a fisherman, I know the perception is that we compete with sharks for fish but that is not the case. Even when a shark occasionally takes a tuna or a snapper off the line, it is not competing with us. That is simply a sign of a healthy marine environment which means more fish.

Research around the world, Madam Speaker, has shown that when we have healthy shark popula-

tions we have healthy reefs and other marine environments. So while Cayman has made significant strides in protecting our ocean, there is still much to be done. Providing continued and appropriate protections to our fragile marine environment which provides us with so many benefits both economic in terms of tourism jobs, for example, social through recreation and enjoyment is a goal of a proposal for enhanced marine parks which have been a subject of extended public discussion over the past several years.

Research carried out by the DOE and its Darwin Initiative Project partners, Bangor University and the Nature Conservancy, has shown that marine protected areas are the most effective, efficient and most economical way to conserve our marine resources for future generations.

Over the last 30 years, our marine parks have served us well, preserving marine life in the Cayman Islands for residents and tourists alike to enjoy. But we know that our reefs are still in decline and we live in a different world today. The threats are real and growing and we must respond. That is why I am also committed to ensuring that the proposed enhancements to the marine parks which have been recommended by the DOE and endorsed by the National Conservation Council are adopted as soon as possible.

This week the world also celebrated World Environment Day on the 5th of June, 2016, with a focus on illegal wildlife trade. The United Nations Environment Programme called on everyone to go “Wild for Life” and take action to help safeguard for future generations species that are under threat. With the entry into force of parts 4 and 6 of the National Conservation Law last year, the Cayman Islands took a big step forward in how we manage our native wildlife. Our conservation officers now have the powers they need to enforce our laws effectively and our courts are already seeing the benefits of this in terms of the cases being brought before them.

The Cayman Islands has been a party to [CITES](#), the Convention on International Trade in Endangered Species of Wild Fauna and Flora for many decades. With the entry into force last year of the [Endangered Species Trade and Transport Law](#), the Cayman Islands updated CITES legislation. We are doing our part as good stewards, not only of Cayman’s wildlife resources but also of wildlife around the world. This is why for World Environment Day we joined in with other countries globally in defending our environment against not just illegal but unsustainable wildlife trade. It is worth noting that later this year the parties to CITES will consider adding sharks and ray species to the list of protected species. As mentioned earlier, the National Conservation Law now ensures that all sharks and rays are completely protected in Cayman waters. So once again, we are ahead of the curve.

Our Government's goal is the conservation of nature, not just as an end in itself but in recognition of the tight linkages and interdependencies of a healthy, natural environment and the health and welfare of our people today and in the future. This is why I am committed to seeing the National Conservation Law fully commenced as soon as possible and why I am bringing forward proposals to enhance our national system of marine parks. This week, in recognition of World Environment Day and World Oceans Day, we recommit ourselves as a nation to these goals for our people who will be the ultimate beneficiaries of these environmental protections. When we protect our environment, we protect our people as well.

Thank you, Madam Speaker.

The Speaker: I recognise the Honourable Deputy Governor.

ROYAL CAYMAN ISLANDS POLICE SERVICE RESPONSE TO REPORTS OF MISSING PERSONS AT SEA UPDATE

The Deputy Governor, Hon. Franz I. Manderson:
Thank you, Madam Speaker.

Madam Speaker, on Wednesday the 1st of June, 2016 I laid on the Table of this honourable House the Review of the Royal Cayman Islands Police Service Response to reports of missing persons at sea, 6 March, 2016, which was conducted by Commander [Andrew] Jenkins.

Madam Speaker, subsequent to the report being tabled, I was informed by our Honourable Premier and the Honourable Leader of the Opposition that the two JPs that they had appointed to be part of the review team had only received the final report earlier that morning, and although, they had received and commented on the draft report, they wish to provide recommendations as an attachment to the final report.

Madam Speaker, before I go further, let me do publicly what I have done privately to the Honourable Ms. Mary Lawrence and Mr. Kirkland Nixon, and that is to apologise to them for not providing the final report to them in a timely manner which would have allowed them to attach their recommendations. Madam Speaker, this was a simple case of miscommunication and nothing else.

Madam Speaker, in an effort to ensure that the wishes of the JPs are carried out I will now go ahead and read their recommendations into the record.

"To Commander Andrew Jenkins, Maritime Operations Commander, United Kingdom.

"After due consideration and without any lengthy preamble we wish to propose for inclusion in the Report, the following recommendations for consideration and implementation.

"Recommendations

"1. We find that this review and subsequent Report has identified sufficient Unusual Circumstances, Structural Weaknesses and Resource Deficiencies in the handling of the incident under review, to justify a full and immediate review of the Air and Maritime Search and Rescue capability of the Cayman Islands.

"We further recommend that steps are taken to ensure that its findings are implemented forthwith to ensure a strong and viable and very necessary service. In this regard, time is of the essence with the hurricane season upon us.

"2. Additionally, we consider it prudent to carry out a risk assessment of a marine sector with a view to:

(a) Identifying the risks and vulnerabilities in the various parts of the sector as it relates to dive operation, sports fishing, snorkelling, family recreations, et cetera.

(b) Develop plans that would mitigate same.

(c) Strengthen and improve our response capabilities.

"3. Further, that the review and subsequent report carried out by the Royal Navy in 2006, be revisited and considered in conjunction with the present review in seeking a way forward.

"This incident, in which five lives were lost, has impacted the entire Cayman community, encompassing persons and families directly, from at least three districts in our Island. It should not be repeated!

"Thanking you for your work in conducting the review and preparing the subsequent Report.

"We remain sincerely,

"Mary J. Lawrence, Honourable Mary Lawrence, MBE, JP

"Kirkland Nixon, Mr. Kirkland Nixon, MBE, QFSM, JP".

Madam Speaker, that is the end of their report. I know that raising this matter again will bring sadness to the families of the missing boaters and I offer my apologies to them.

Madam Speaker, now that the reports and recommendations have been made public, let us all move forward to implement the agreed recommendations so that there will be some closure for the families.

Madam Speaker, with your permission I would like to lay on the Table of this honourable House the document containing the recommendations I just read out.

Thank you.

The Speaker: Thank you, Deputy Governor.

So ordered! But I would wish for completeness that a date is assigned to the document and the

fact that a report has already been laid. And I take it that you satisfied yourself that the persons who have their typed name and X have been the signatures and owners of this document.

The Deputy Governor, Hon. Franz I. Manderson: I am, Ma'am.

The Speaker: So ordered.

The Deputy Governor, Hon. Franz I. Manderson: Thank you.

PERSONAL EXPLANATIONS

The Speaker: None.

OBITUARY AND OTHER CEREMONIAL SPEECHES

The Speaker: I recognise the Honourable Leader of the Opposition.

Hon. W. McKeeva Bush, Leader of the Opposition: Thank you, Madam Speaker.

Madam Speaker, I rise to pay tribute (and thanks for allowing me to do so) to Mr. Roger Enrico who was a long-time resident of these Islands, an investor here in these Islands and a person who loved these Islands beyond measure. He was a gentleman and a very intelligent man. He is a person who is known to have turned around the Pepsi Company.

I was introduced to him by Mr. Burns Ruddy, a former member of this House and a friend and business partner of his. I was very fortunate, Madam Speaker, to get Mr. Roger to serve on the Board of Cayman Airways between 2001 and 2003 when we had so many problems with the National Airline with equipment and getting new routes. His knowledge was invaluable and certainly, this country could never have afforded to pay him for his time; and certainly, not even taking a free seat on Cayman Airways. He proved himself a consultant worthy of anything we could have paid him.

Madam Speaker, I valued him because at that time we were in trouble with the National Airline, and Mr. Roger (even though he only served two years) was in a period of a turnaround for the national airline that I believed helped anything thereafter positive about it—that board as a whole.

Madam Speaker, this is the kind of individual I value as making profound contribution to our Islands. He, who comes, was not pushy, he did not insult anyone nor did he ever do anything to interfere with any local in a negative manner. He was just a gentleman; never cared to be in the public arena in any shape or form. This country owes him a debt of gratitude and I would like it recorded here. Thus why I rise and so we

offer to his family and to his Caymanian family because I know him and Mr. Ruddy and Mr. Ruddy's family were tremendously great friends. We offer them our sincerest thanks; although, I did have opportunity to visit with him in New York at one stage and told him so. Certainly, we ever appreciate his mantra in life—"Business, business, business". And for someone that could come here and just nobody might have known, but few, who he was and his knowledge, his capacity—that is the kind of individual that I like to see get permanent residency in this country. So, we thank him for his work and thank his family that endured his time with us.

Thank you for allowing this brief obituary.

RAISING OF MATTERS OF PRIVILEGES

The Speaker: None.

GOVERNMENT BUSINESS

BILLS

SECOND READING

APPROPRIATION (JULY 2016 TO DEC 2017) BILL, 2016

[Continuation of debate thereon]

The Speaker: I recognise the Member from East End.

PROCEDURAL MATTER

Mr. V. Arden McLean, Elected Member for East

End: Madam Speaker, I rise on a procedural matter. Under "Presentation of Papers", I don't think we had resolved whether or not this presentation was negative resolution or not. I think the—and we had moved on. Can you let us know when we will be going back to that to resolve that?

The Speaker: Honourable Member for East End, I had requested the Serjeant to supply the Honourable Minister responsible for Lands with the relevant law. We will take cognisance that the Minister is outside and I will take the rebuttable presumption that he is further consulting to get the information. As soon as he is back in his chair we can revert to that issue.

Does any other Member wish to speak? Does any other Member wish to speak? Last call—does any other Member wish to speak?

I recognise the Honourable Minister responsible for the Environment.

Hon. G. Wayne Panton: Madam Speaker, thank you very much.

Madam Speaker, Caymanian employment is up. Economic growth: up. Confidence: up. National pride: up. Trust in Government: up. Quality of life: up. Benefits to the people: up. Sense of the future: up. Hope: up. Financial stability: up. Governance: up. What is down? The taxes people pay; cost of living and the remaining public debt for the country. These are the answers in summary, Madam Speaker, of the question of whether this budget helps the people of this country. There is absolutely no question that this budget is a tremendous help to everyone in this country from the employees who work every day to support their families to the businesses that provide them with rewarding opportunities.

Madam Speaker, I will go into further detail but let me pause to say that I am pleased to stand here to provide my contribution on this final budget for this term under this Progressives-led Government and more specifically in relation to my particular Ministry of Financial Services, Commerce and Environment.

Before further comment, let me join other colleagues in thanking Her Excellency the Governor for her excellent delivery of the Throne Speech which was positive and a concise summary of the good plans of this Government and the excellent results achieved so far. Equally excellent, was the detailed Government Budget Policy Statement by our Honourable Premier and the detailed introduction of this 18-month transitional budget by the Honourable Minister of Finance.

I congratulate them all, Madam Speaker, and in particular their teams assisting them. Madam Speaker, there is no certainty with any budget that a Government will be able to achieve their projections but last year we noted the 2015/16 budget was a good budget for the country, and one which was projected to see us achieve the milestone of full compliance with the principles of the Public Management and Finance Law.

Madam Speaker, on Monday of last week, I think it was, we heard my colleague, the Minister for Finance, confirm that come the end of this month we will have demonstrated very clearly that we indeed have met each of these principles, and as such, we have achieved the milestone of full compliance with the PMFL [Public Management and Finance Law]. The next budget will not require approval from Whitehall and the significance of that, Madam Speaker, has indeed been noted by our Governor in the Throne Speech. This cannot be overstated, Madam Speaker. To achieve that at three years into the term is something for us to be proud of. But as significant as it is, Madam Speaker, I think it is more important how we actually got here.

Madam Speaker, this Government has worked hard to deliver the best results for the country over the last three years. We have practised excellent fiscal discipline while ensuring that we have also been socially responsible. In fact, as promised, Madam

Speaker, we have achieved all of this without it being off the backs of our less fortunate people.

Madam Speaker, I do not ask Members or people to take my word for this. Some of us have already questioned that on the other side. While they acknowledge that a good job has been done on the finances, they suggest that the record of the Government on social spending is not so good. But what is the evidence of this, Madam Speaker? My colleague, Minister from Bodden Town with responsibility for that area, spoke very clearly in his contribution on the level of resources which this Government has allocated over the last three budgets, Madam Speaker, and certainly, I think I can say without fear of contradiction that we have either maintained or increased spending. Certainly, we have not cut spending in areas which support our people.

Madam Speaker, I think it is a rare Government that has the ability and has the skill and commitment to be able to pull a country out of its financial problems and yet still maintain and provide more support to its people. We have achieved this, Madam Speaker, because this Government has heart as well as some smarts to lead this country and imbue confidence in our people and those seeking to do business here. They tell us so, Madam Speaker, and this is nothing new. Madam Speaker, we are the People's Progressive Movement. We may shorten the name in certain references but we have not lost sight of who we are, who we work for, and this is why through discipline and compassion and by delivering one effective budget after another, Madam Speaker, we have been able to deliver ethically on our promises resulting in a more secure future for Caymanians.

Madam Speaker, the fiscal performance of this Government over the last three years has been excellent, most will agree—either gracefully or grudgingly. Yet, some still say, for example, that surpluses should be spent not on debt reduction but on more expenditure.

Madam Speaker, the Minister for Finance has very clearly articulated in his contribution the critically important uses for these surpluses, debt reduction being an important one. As both he and the Premier have said, this Government plans ahead. What are we planning for? We know that we have a \$312 million bond to pay off in 2019. Not too long from now, Madam Speaker. A type of bond or loan that required us to pay lots of interest but no principal on, so that means we have the full amount—the full \$312 million—to pay off when it is due, when it matures in 2019 and we will be paying that off either substantially or in full from reserves created by these accumulated surpluses, Madam Speaker. Paying down and paying off our debt from money that we have prudently saved will free up tens of millions in interest and principal that we currently pay now, Madam Speaker.

We should continue to be prudent and save some of that but we will still have millions that can be

applied to other new priorities like new education initiatives and further supporting those in need in our country like the elderly. That is what people call being responsible to the people of these Islands, Madam Speaker. We must make sure we are producing educated young people with a strong foundation for the types of skills that are needed for opportunities both in Cayman and in the rest of the world. What is required, Madam Speaker, for us to continue to be in such an enviable financial position is a continuation of the prudence that we have been employing. The payoff will be absolutely worth it. But we won't have that, Madam Speaker, if we as a people fall into the trap of believing politicians' claims that if you vote for them today they will give you the money now, never mind about tomorrow . . . cross that bridge when we get to it.

Madam Speaker, that would be irresponsible in our personal lives. It would certainly be irresponsible for the Government to do so. There must be planning for the future. Government cannot spend every dollar and then expect to be able to meet the public's needs.

Thankfully, Madam Speaker, I am confident that the people of Cayman are responsible and we are wiser now than we were before. This Government, too, is wiser. From any objective perspective, Madam Speaker, it should be plain that the country is better off maintaining the prudent approach taken by this Government so that plans for our people can be delivered. That would be an incredible gift of possibilities, Madam Speaker, which we are delivering and we need to continue on that path to continue to deliver. Our work is not done, Madam Speaker, but because we have delivered on our promises this country has good reason for continued optimism.

So, Madam Speaker, let us look at what we have achieved in terms of some of the usual metrics relating to the economy, employment, cost of living. Economic growth at around 2 per cent has been the best this country has had during the last seven or so years. We have had over the last three years economic growth which is more than double what it was in the four years prior to that. This is no accident, Madam Speaker. It has come about through good management, good policies, that support economic growth and strong management of the country's finances. All of which has resulted in a strong return of confidence in the country and the Government, importantly.

Madam Speaker, it was initially bemusing but I suppose just plain amusing subsequently to hear attempts to undermine these metrics, to undermine what was described as just mere statistics—to brush aside the important metrics and the great position they represent for the country in favour of some fringe interpretations. Some would have us believe, Madam Speaker, that metrics like Gross Domestic Product are not accurate to reflect relative economic growth. I think the IMF [International Monetary Fund], the World Bank [WB], and most of the developed world would be

very surprised to find out that they had been wrong all this time.

No, Madam Speaker, they are not wrong. Not wrong at all. This is simply a sorry attempt to pull the wool over people's eyes because those saying so have no real answer to the tangible success being delivered by this Government. But, Madam Speaker, there is no credibility, no value in that kind of approach to this issue.

Madam Speaker, this confidence fairy which some have tried to give wings to . . . I am tempted to say I definitely saw a few of them on the crosswalk recently. But perhaps it was my imagination. But I do know this, Madam Speaker, I frequently get stopped on the streets of this country by many people who say *Thank you for the good job the Government is doing. Thank you for the example of how a good Government should be. Thank you for restoring confidence and pride in our country.*

Madam Speaker, I do know these are real people expressing genuinely held beliefs and appreciation from a perspective of their own personal lives, and in many cases, business interests who are all now saying that they are optimistic about the progress and direction of this country under this Government. So, Madam Speaker, I do not know about the confidence fairy but if they are real, perhaps we also have an integrity fairy and we have a credibility fairy because I think some people could make use of those.

Madam Speaker, in relation to unemployment, that we know is the lowest it has been in years for Caymanians and otherwise. It hasn't been this low since 2007 and for those who need reminding, Madam Speaker, that—and particularly the latter quarter of that year—was essentially the beginning of the global financial crisis. That was when it started to take hold.

Some, Madam Speaker, would suggest that a comparison to that period is inappropriate. I could not believe my ears. Certainly, there was no real explanation of why that was inappropriate. But perhaps one of those fairies might help with that understanding, Madam Speaker.

Madam Speaker, unemployment for Caymanians—this is the important thing—is 6.2 per cent currently. That is much better than the 10.5 per cent it was the year before we took office. Does it need to be better, Madam Speaker? Absolutely! Of course it does. Are we continuing to work on that? Of course we are. This is one of the most important metrics to us, Madam Speaker, because it represents that the lives of our Caymanian people are getting better and the lower that number is, the better off our people are going to be. That is why the Honourable Premier has initiated the Ready2Work programme which is now building momentum and that is anticipated to involve several hundred Caymanians at its peak.

Madam Speaker, the interesting thing is—and certainly in my discussions—I have had this infor-

mation put to me, and certainly, my impression from talking to businesses in the business community is that they are not interested in actually requiring Government to help subsidise this. That is not an important factor to them. What is important to them, Madam Speaker, is that they want to be a part of the solution. They simply want the assistance that was brought around this programme with people in Government, through the NWDA, through the Ministry of Labour to help address and structure this programme. That is what is important to them, Madam Speaker, just to support. They recognise that they need to be a part of the solution and they want to fulfil those obligations.

Madam Speaker, moving on, the fact is that the cost of living and the cost of doing business have declined. Madam Speaker, that is so because some of the goods and products which we import have gone down in price; but, secondly, they have gone down to some extent because of a deliberate policy of the Government to help drive them down by reducing taxes and fees. Now, we cannot be certain of the exact impact but we certainly know that we have a policy of doing that and we think it has had some effect. How do we know that the prices have gone down? Madam Speaker, the Consumer Price Index (CPI) tells us that; an index that every country relies on in the civilised world; an index that we have relied on for a long time. That has been declining for the past 15 months.

It does not mean, Madam Speaker, that all of our costs have gone down. It doesn't mean that all the things that we usually buy at the grocery store have gone down in price and that they are now cheaper. But what it does mean is that some of our bills that are a part of the usual cost of living basket have gone down sufficiently, that on average the overall cost of living has gone down. Not tremendously—2.2 per cent, 2.3 per cent—but it has been going down, Madam Speaker. I think everybody understands. The country understands, and certainly, I know the Members across understand there is not a lot that we can do in terms of controlling costs of goods that are imported. The direct cost, the first cost, the only leverage we have is to be able to reduce costs, to reduce duties where they exist on some of these. In some cases there are no duties. Much of the food stuffs have no duties already.

Government has reduced burdens on this country and that benefits everyone. We also had some interesting interpretations and analyses arguing that there would be no decline in the CPI. We heard one that there was in fact a rise in the cost of living. But I guess it takes all kinds, Madam Speaker. We still have people today who argue that man has never been to the moon and that was all fabricated.

Madam Speaker, the actions that we have taken as a Government—committing to not increasing taxes for our entire term and by actually reducing certain taxes, as promised, are contributing to the lower-

ing of the cost of doing business and the cost of living in this country.

[Inaudible interjection]

Hon. G. Wayne Panton: As we have said before, Madam Speaker, some of the actions taken by the Government can be measured in terms of direct benefits better than others.

[Inaudible interjection]

Hon. G. Wayne Panton: Madam Speaker, it is actually the measurable, tangible benefits that are the largest by value in tax reductions taken by this Government and that was deliberate because we understand that there can be no certainty that reducing all costs on businesses necessarily translates immediately or even over the long term into an equal amount of reduction.

But, Madam Speaker—

[Inaudible interjection]

Hon. G. Wayne Panton:—as a highlight of some of these actions, Madam Speaker, we can point to \$17 million a year which was referred to by others as a reduction in the fuel duty which we are leaving in the pockets of our consumers every year.

Madam Speaker—

[Inaudible interjection]

Hon. G. Wayne Panton: Madam Speaker, at least \$35 million since the fuel duty reduction began in January 2015 until the end of this budget will be left in the pockets of our people, our consumers in this country. If you think about how significant that is, if you put it another way, if CUC has 30,000 customers, that is the equivalent of the Government giving \$1,200 to each one of those customers.

Madam Speaker, if that money is all spent effectively that translates into roughly about \$100 million by a conservative multiple estimate of economic activity over that period. That is just one of the actions taken, but that is a direct and undiluted benefit to the people and businesses in this country and a very, very substantial one. When added to the aggregate or the remaining aggregate of the reductions in taxes, duties and fees, this translates to people having more money to spend, businesses being stronger and better able to create more jobs and hire people.

So, Madam Speaker, is it any surprise then that unemployment is at its lowest point in years? That is what it is, Madam Speaker. There are those who will want to deny it but we know it is not the complete answer. We know everybody's lives are not perfect but we know they are a lot better off than they were in recent years. That has been driven by the expanding economy and significantly reducing costs. All of these

line up as one of those incontrovertible truths which the Opposition Members try to deride because they are out of constructive responses. Our continuing concern is not to be satisfied with the current status quo. Our job is to continue to push to reduce unemployment even further and to enable the economy to grow even further—grow more.

Now, Madam Speaker, I don't care what kind of fairy that takes. We will continue to be driven to achieve even better for this country but it cannot be done simply with paying attention to short term benefits. There has to be a balance to enable us to achieve the medium and longer term objectives which are, in fact, going to be more valuable for this country, particularly if we bear in mind this massive \$312 million bill which is coming due in a very short time in 2019.

Madam Speaker, some comments were made as well in relation to the issue of duty concessions which may be granted to developers. I think those comments represent a tremendous amount . . . or let me put it another way, represents some very significant misunderstandings.

First, Madam Speaker, it is important to understand that Government is not taking money out of its pocket to make payments to anyone in relation to concessions.

Hon. W. McKeeva Bush, Leader of the Opposition: Say that again.

Hon. G. Wayne Panton: It is only agreeing that we will accept lower fees—

Hon. W. McKeeva Bush, Leader of the Opposition: No, no, repeat it!

Hon. G. Wayne Panton: It will accept lower fees—

Hon. W. McKeeva Bush, Leader of the Opposition: In 2013 you were saying something different!

The Speaker: Can we have the comments passed through the floor? And only one person should be speaking at a time because it is difficult to understand otherwise.

Honourable Leader of the Opposition, you are the father of the House. Please do conduct yourself as I know you know how to do.

Hon. W. McKeeva Bush, Leader of the Opposition: [INAUDIBLE]

The Speaker: Honourable Leader of the Opposition—Honourable Minister of the Environment.

Hon. G. Wayne Panton: Thank you very much, Madam Speaker.

As I was saying, Madam Speaker, Government is not taking money out of its pockets to give to

anybody and it is certainly not spending millions of dollars and denying others services. As I said before, the record of this Government is that it has maintained and increased the amount of spending on social spending and therefore demonstrating our responsibility.

In the context of these types of concessions, Madam Speaker, they are simply a reflection of Government agreeing to accept lower fees on the backend of what it would be ordinarily entitled to collect if that particular activity or development was carried out. In order to encourage a developer or investor to proceed with an investment—and it is not just development, Madam Speaker. It can be many other things. It can be any other kind of business. It can be any other kind of industry. But we are seeking to encourage this development and a condition of that benefit arising from a duty concession is that a developer or investor must first make investment or commence making its investment. That investment, Madam Speaker, represents economic activity. It represents jobs which benefit the economy and benefit the people of the country.

Madam Speaker, there may be aspects of duty concessions which may be relevant at different points during the course of an extended investment by an investor, but money must be spent before there is any significant benefit flowing to them from a duty concession.

Madam Speaker, many cities, many towns, many countries around the world employ this type of strategy. Those that have direct income tax regimes offer 10-year tax periods, tax holidays, all this type of stuff. It is the same thing, same type of programme. What it means is and what we are describing is Government is seeking to give up something in the future to get something now for the country. If the something now, Madam Speaker, never materialises, then the something in the future is not given up either. This is an honest Government, Madam Speaker, which seeks to get the best deal possible for the benefit of the country and our people. This means we are going to give away as little as possible just like any other business person would do. We are going to give away as little as possible—and in giving away I am talking about in that context of having the investment upfront and taking less money from the fees and taxes that perhaps we are ordinarily entitled to.

So, we are giving up as little as possible, Madam Speaker, and we also include conditions as well. My colleague Minister for Labour certainly makes it her priority on each occasion, on any occasion, that these things are discussed to ensure that whether or not anyone of the rest of us actually mentions it first, she is going to get up there and put that forward. There have to be obligations on investors, on developers, to hire as many Caymanians on these projects as possible. There is not a fool-proof system of monitoring this, Madam Speaker, but we will be watching it.

We are watching it and if we see examples of investors not honouring those types of obligations, then they are at risk of a displeased Government reflecting the interests of a displeased people. [1.40.11]

Moving back to industry focus or perspective, Madam Speaker, I consider it a privilege to stand in this Legislative Assembly today to specifically address the budget for the Ministry of Financial Services, Commerce and Environment and that is a privilege for several reasons. But a key reason for me is that I have the good fortune and honour to work with persons in the civil service and interact with others in the private sector, as well, who are passionate about all three of my subject areas. And who, like I do, and we do, do their absolute best for the sake of every person in this country—every person in the Cayman Islands now and for the coming generation.

On the general theme, Madam Speaker, I can safely say that my Ministry has delivered on our promises since 2013 and we have important plans. We have some essential plans, Madam Speaker, for the next 18 months which will help to continue to secure Cayman's future for the benefit of our people . . . our wonderful people of the Cayman Islands.

Now, Madam Speaker, as a backdrop for my comments, the fact that our economy is rebounding is something we can all be proud of. But we haven't achieved this alone. We have achieved this together as a people. Of course, we want that to continue and improve further and all of us working together can continue the progress on that path.

Madam Speaker, the people share a leading part in the improvements to our economy and the perception of Government. Equal credit needs to be given to Caymanians who rightfully called for ethical governance, fair policies, forward looking legislation, integrity from their country's leaders, because this mandate has in fact led to improved circumstances, improved economy for the country.

Madam Speaker, in response to this mandate, my Ministry and this Government has recognised that the playbook for governance is under serious revision constantly. Tip O'Neill the former Speaker of the House of Representatives is often quoted as saying that "All politics is local" and that was back in the early 80s. Not too long ago, but back in the days when there was hardly anything like the internet and email and Facebook and all the rest of the social media these days. It is still true today, Madam Speaker, but in today's world, those things that are seemingly small ripples of local politics, they go offshore through all of those platforms, through websites, the media is accessible to the world. People can go and put whatever comments they want on all the various social media.

Now, Madam Speaker, all of these types of things have a way of coming back potentially as a global tsunami for us. And those things we have to be conscious of. Considering Cayman's dependence on the global economy as well as our very significant

contributions through the services that we provide, we clearly need to read and understand the playbook . . . this new playbook.

Sometimes, Madam Speaker, the right move for us is boldness as we demonstrated in an unprecedented way in London recently at the UK's Anti-Corruption Summit. Sometimes, Madam Speaker, it is prudence as with scaling back fees as we have done; scaling back fees for small businesses. Oftentimes, and I would say most of the time, the right move is inclusiveness as with our collaborative approach of speaking as broadly as possible with stakeholders who will be affected by Government's policy and law making decisions.

Madam Speaker, we have shown our ability to identify our strongest possible moves and to act decisively. In so doing, we have demonstrated we were elected for a time like this. A time when even greater statesmanship and greater diplomacy is absolutely needed in order to best manage the threats that we face, the issues that we have, to best meet and manage the global initiatives that could greatly affect the lives of all of our people. To keep that steady focus, that steady hand on local issues without allowing undue emotions to rule our heads, Madam Speaker.

Madam Speaker, I have emphasised undue emotions because I am surrounded by a lot of very passionate people. Certainly, I have a lot of passionate people in my Ministry and my experience is we have lots in the private sector that I have to interact with and they want to be involved and engaged and help for love of country as we do on a daily basis. So what have we done for love of country, Madam Speaker? Just how are we delivering in the Ministry on our promise to secure our future?

Madam Speaker, in part we have done this by delivering on our legislative agenda. Since 2013, my Ministry has commenced about 63 pieces of primary legislation across all three of our areas of responsibility. I think that breaks down to Financial Services being about 38; Commerce about 10, and Environment about four. So, that is a very significant achievement for what is one of the country's newest and smallest Ministry's. But we have achieved this because of the strong relationships that we have formed and those that we work with and I am grateful beyond measure, for all of these relationships.

Certainly, Madam Speaker, we cannot get to bring legislation without dealing with legislative drafting and let me say that they have worked side by side with the Ministry and we have put them under a lot of pressure and it certainly has been what I would regard, as a Herculean effort. I thank the Honourable Attorney General and his team, the First Legislative Council, Mrs. Myrtle Brandt and those working with her. A relatively small team but they have been in the trenches with us, Madam Speaker, to address these needs. Drafting legislation is a painstaking task. It takes great skill. It takes understanding and it is a

combination of an art a science, Madam Speaker, to translate drafting instructions for legislation into something that is living and breathing and effective and appropriate. But I know they tend to like to be quietly effective, so I am not going to make any fuss over them further.

I would specifically like to thank industry associations and interest groups for their support which is essential as I said into policy and legislative development. This relationship, Madam Speaker, has not been left to chance as it has been in the past. We maintain open lines of communication with these stakeholders via several means, attendance and participation in association events and I know, Madam Speaker, there was a recent comment that my attendance at the RIMS [Risk and Insurance Management Society] Conference in San Diego was some sort of party. That may have been the experience of other Ministers in the past representing this area, Madam Speaker, but it certainly not my experience. Not at all! When we go on trips to represent the interests of this country, Madam Speaker, the people of the country might actually complain about the frugality that is employed in the accommodations and the costs on these things. Perhaps one of these days we will show the luxurious accommodations that we frequently stay in, in London. We get great service but we ensure we get great value for the country as well because it does not cost us very much, Madam Speaker. No \$1,000 a night hotel rooms or £1,000 a night; it's more like \$230 or £230.

Madam Speaker, we also are involved in official updates on developments with industry, joint Ministry and industry working groups on significant topics. Of course, we have to rely on that old fashioned but most effective method of all the face-to-face conversations. Speaking specifically about Financial Services, collaboration between Government and industry has never been so robust or effective. We do not always agree. That is why it is robust. But it is effective. As always, Madam Speaker, the Ministry will engage with anyone in industry and we never have and we never will, certainly as long as I am here, waiver from that commitment, and we commit to coming to the table in good faith in the shared interests of industry without forgetting that we have the interests of our country and the interests of our people to look after.

So, Madam Speaker, on a more relationship level, in addition to contact through the many fine associations that we have in Cayman, my Ministry has just signed what I would call a new MOU with Cayman Finance which I would call MOU 2.0. Madam Speaker, I say that because we had signed one about two years ago—the first one that existed between Government and Cayman Finance—and these were in place to improve the working relationship to ensure that there was better communication. This advances—this new one 2.0—advances us even further because now, Madam Speaker, Government sits on the

same Board of Directors of Cayman Finance. My Chief Officer, Dr. Dax Basdeo, or some alternates which would usually be the quiet but incredibly knowledgeable and effective, Mrs. Michelle Bahadur or the very talented young Caymanian lawyer, Mr. Andre Ebanks, as a policy advisor. Those are the types of people, Madam Speaker, that we have representing us on the Cayman Finance board to ensure that there is a flow of information both ways. Industry can understand the policy side of things and Government can understand the business side and the business perspectives and what is driving the needs. It has worked very well, Madam Speaker. As I said before, that is one of the reasons why we have had a lot of success in advancing the interests of Financial Services and getting a lot of the legislation in place.

So, Madam Speaker, I think the public is aware as well that this relationship has resulted in actions such as the now annual trips to New York to engage with colleagues there and provide an update. Unfortunately, Madam Speaker, it is usually in the middle of January in the deep freeze. So that poses its own challenges for some of us island boys but we certainly enjoy and very much benefit. I think there is a mutual benefit from the interaction with industry members there, Madam Speaker.

We also, Madam Speaker, have things like the initiative which is a joint initiative between the Ministry for Education, my Ministry and the Cayman Finance which seeks to have many of our young Caymanian students—young, capable, bright, enthusiastic Caymanian students—become aware of the opportunities that are available in financial services—get a broad spectrum introduction so that they understand fully what the requirements are if they are interested in that area and certainly what the opportunities are. But equally, Madam Speaker, they get exposure to very senior people in the industry so that they demystify it because they see real people performing those real jobs and they understand that those opportunities are also available to them, Madam Speaker. So that is a very valuable programme too and it has expanded since last year as well. Last year was the first year and it has very much expanded this time. I think it has gone up by at least 50 per cent in terms of engagement. So we are very, very happy about that, Madam Speaker, and I know there has been tremendous response from the schools and from students who are interested, so, an excellent, excellent programme.

Madam Speaker, because of all of that, I would really like to publicly thank Cayman Finance generally, but also, I am thanking them for their engagement and their being central to engaging with us with UK media and industry in the UK while Government was attending the recent UK Anti-Corruption Summit and for contributing to the excellent outcomes to that trip.

Madam Speaker, the Ministry also engages with commerce partners—

The Speaker: Honourable Minister, before you go on to a new topic, I would like to take the luncheon break if it is a convenient time.

Hon. G. Wayne Panton: That would indeed be convenient, Madam Speaker. Thank you.

The Speaker: We will now take a luncheon break and reconvene at 2:15 pm.

Proceedings suspended at 12:36 pm

Proceedings resumed at 3:00 pm

The Speaker: I recognise the Honourable Minister responsible for the Environment. You have one hour and 15 minutes remaining.

Hon. G. Wayne Panton, Minister of Financial Services, Commerce and Environment: Thank you, Madam Speaker.

Madam Speaker, when we took the break I was talking about a joint Memorandum of Understanding with the Cayman Island Small Business Association and the Chamber of Commerce that we were about to sign.

Madam Speaker, the MOU is a ground breaking approach. It is the first time that the Associations representing the full spectrum of business have come together with Government in order to better address the needs of all business owners of the full spectrum from the big businesses to the microbusinesses. It seeks to carry out an assessment of the business owners' needs and having both of these Associations involved is certainly expected to give it the necessary depth and breadth for the continued development of modern effective policy and legislation in this area. But separate from this MOU are separate MOUs with both the Small Business Association and the Chamber. And, Madam Speaker, the level of engagement that we are working through with the stakeholders in this area is vital to the Ministry's ability to not just be prudently reactive but more importantly, Madam Speaker, to be effectively proactive in policy and legislative developments that benefit this area and, ultimately, benefit the public, the country and our people.

Madam Speaker, as a Ministry, our purpose is to develop an environment in which trade, investment and entrepreneurship can flourish while safeguarding the natural environment and resources of the country to the benefit of Caymanians, both now and for future generations. In fulfilling our purpose, our vision for the jurisdiction is for a competitive business environment that encourages a vibrant, diversified and sustainable economy in the Islands.

Madam Speaker, moving on to Financial Services—specifically, Madam Speaker, the goal of our Financial Services programme is to facilitate an internationally competitive financial services industry. This

is why of the 63 pieces of legislation which we did since May of 2013, a majority of these, I think, I have mentioned, was 38 that relates to financial services. In terms of an overview of the scope of that, in 2013 in this honourable House we dealt with legislation relating to Banks and Trust Companies, the Companies Law, Insurance and Mutual Funds, the Cayman Islands Monetary Authority. Moving into 2014, we dealt with laws relating to our governing Building Societies, Directors, Registration and Licencing, revamping the existing Limited Partnership Law (which, by the way, has been extremely popular and successful) as well as the Proceeds of Crime—and for 2015, Madam Speaker, we passed a long awaited legislation relating to the Cape Town Convention as well as things like countering financing of terrorism, Securities Investment and further amendments to the Mutual Funds Law and the Companies Law.

For this calendar year, Madam Speaker, work includes major pieces of legislation that both industry and Ministry are very excited about . . . and which industry has already begun to market. So during the first five months of this year, we have already passed the Limited Liability Companies Law, the Companies Amendment Law 2016, which dealt with abolishing bearer shares, as well as a revamped Companies Law. I certainly extend thanks to all colleagues on both sides of this House for support in respect of these.

Madam Speaker, in respect of the remainder of the year, we are preparing legislation related to Limited Liability Partnerships, Foundations, Trust Law Amendments and to add further enhancements and innovations to the Companies Law and Insurance Law. In addition, we are preparing legislation relating to the regulation and supervision of auditors, banks and trust companies, companies management, the Monetary Authority and non-profit organisations. This level of activity is quite significant and quite remarkable. It is proof positive that the Ministry working and this Government working with industry is refining and creating Financial Services products that maintain and enhance our commercial and regulatory frameworks.

So approving the Ministry's proposed budget, then, Madam Speaker, will allow us to accomplish four activities in furtherance of the outcome of that goal. They include:

1. Providing a jurisdictionally legislative framework that meets International Standards and facilitates the successful operation of the Financial services industry;
2. Proactively engaging internationally in Financial Service matters;
3. Developing a Financial Services industry overall strategy; and
4. Improving our research capability.

Madam Speaker, the benefits to the public include enhanced competitiveness; international reputation and attractiveness for investment, which supports our economy and supports public revenue generation. Also Cayman's representation and, more importantly, its ability to have a voice at global events and functions where having such a presence matters very much, and capacity building, Madam Speaker, within the Ministry to deal with the ever increasing range of global issues and regulatory pressures.

So that is an overview, Madam Speaker, just looking at some of the specifics. Certainly, central to our activities over the next 18 months will be our preparations for three international assessments in relation to our regulatory and supervisory regime. Later this year, Cayman will be assessed by the Global Forum on Transparency and the Exchange of Information for Tax Purposes. The Caribbean Financial Action Task Force (CFATF) will carry out an assessment in the second quarter—around the middle of 2017—and we expect the IMF (International Monetary Fund) to follow with their assessment and they usually follow that six months to a year after a CFATF review. So those are the sort of time frames we are expecting in relation to that.

In preparing for the Global Forum peer review, Madam Speaker, this will focus on . . . the Ministry is responsible for ensuring that with the focus on exchange of information for tax purposes, we are familiar with the Global Forum's revised Terms of Reference and prepared to pass those. So working with CIMA, which of course regulates our industry, we are sharing the responsibility for preparations relating to the IMF assessment which will examine the equality of Cayman's regulatory and supervisory framework and the capacity to manage and resolve financial crises.

The third assessment, Madam Speaker, will focus on compliance with the Financial Action Task Force recommendations and the effectiveness of anti-money laundering and countering the financing of terrorism systems.

Cayman's Anti-Money Laundering (AML) unit, Madam Speaker, falls under the Attorney General's Chambers and they have lead proprietary responsibility for the majority of the review. However, the Ministry is heading the CFATF preparations in relation to non-profit organisations, certain aspects of anti-money laundering requirements and, what are referred to as DNFBPs, or Designated Non-Financial Businesspersons and Professions, which includes, Madam Speaker, the legal, accounting and real estate business sectors or professions and dealers in precious metals and stones.

In preparation for all aspects of the CFATF review, the AML unit secured the assistance of the World Bank and commenced in October 2014 a national risk assessment. Madam Speaker, we are entering all of these assessments, I think, on solid footing because our legal frameworks were favourably

assessed in the most recent evaluations conducted by these super-national bodies and our Financial Services industry was recognised by the CFATF certainly for its very strong culture of compliance.

Madam Speaker, to ensure that Cayman is well positioned for this, my Ministry is in the middle of reviewing and where necessary implementing and updating our framework. We expect this to be completed this fall which will allow industry time to implement any new operational measures that are needed ahead of these assessments. Again, Madam Speaker, I thank, certainly, industry associations for their participation in these preparations.

Let me also say, Madam Speaker, that there are those who question why we engage internationally. They suggest that we should thumb our nose or ignore international standard setters. That would have tragic consequences for us, Madam Speaker. We operate in a very globalised world and financial systems and services are more global and more connected than ever and we have to maintain a substantial presence but also maintain our reputation and our international credibility. Failure to do that, Madam Speaker, is damaging to us. Good business will continue to utilise jurisdictions that have strong reputations and these days they certainly have choices. So, we must stay on our toes and we must remain a top choice, Madam Speaker.

Madam Speaker, I think the public certainly is also aware that in April of this year we signed an Exchange of Notes with the UK and a technical protocol for the purpose of enhancing the sharing of beneficial information among our respective law enforcement, tax and regulatory authorities. So our budget will include some provision to develop this centralised platform in order to implement this agreement.

I will just pause very quickly, Madam Speaker, because there was a comment from the Leader of the Opposition in his debate on the issue of beneficial ownership information, and I wanted to make sure that the people of this country were not confused or misled by some of the comments made. I think at the time he suggested that people in this country should be aware that information relating to themselves and their family and their finances was all going to be put on some sort of central database. That is not correct at all, Madam Speaker. The information that will be accessed through a centralised platform is exactly the same information that exists today. Nothing new is going to be created.

Madam Speaker, this honourable House will remember that a question was posed recently, a parliamentary question, which basically asked whether we had received a letter asking for a centralised database to be created in relation to Caymanians and residents and information relating to them. I said very clearly then that's not the case. We received no such letter. So I took his comments as an extension of that and I regard them as an attempt to completely muddy

the waters and mislead the people of this country on this point, Madam Speaker. Beneficial ownership information relates to information on the owners who ultimately benefits, who ultimately owns legal structures—companies, partnerships, trusts—that information if anyone of us or anybody in the public in Cayman is engaged in any of those types of legal entities that information currently exists and it is only that information and no further information which is being addressed by these discussions.

So, Madam Speaker, I just wanted to address that particular issue. Madam Speaker, I have spoken about the positive outcomes of our actions but it would be certainly remiss of me if I didn't remind us all about the tremendous success we had around the London Anti-Corruption Summit just weeks ago. Our decision to engage appropriately and to challenge the old and misguided narratives about these Islands, Madam Speaker, has proven to be the right approach. We engaged with the EU TAXE2 committee in April to put the good story in relation to the Cayman Islands to European Union Members of Parliament and to disabuse them of old or misinformed or uninformed notions. For too long, Madam Speaker, we allowed others to—with an agenda and a negative perspective, ignorant perspective—to really define us and describe or define the narrative use to describe us. That is not going to happen anymore, Madam Speaker. We will travel far beyond our beaches and deep blue seas to fight these issues and ensure that the truth is out there.

Madam Speaker, it was a proud moment for me, certainly seeing it first-hand, to witness our Premier stand on the world stage at the Summit amongst Presidents, Prime Ministers and Representatives of State for nearly 50 countries including some of the G20 in attendance, and emphatically put the true position and strong record of the Cayman Islands to the world. That was a proud moment indeed, Madam Speaker. And, I think, Madam Speaker, it is fair to say that there is a new attitude in the Cayman Islands and I am very proud that this Government is a very great part of it.

Madam Speaker, talking about commerce—my Ministry's goal is to facilitate a business climate that is conducive to local entrepreneurial activity and since 2013 we have certainly been very active in that respect building relationships with stakeholders, listening to concerns and issues and working on new legislation, revamping legislation to improve things like the Liquor Licencing Law, the Cinematograph Law, Sunday Trading, the Special Economic Zones Law. However, the most significant piece of legislation that we have dealt with to date, Madam Speaker, is the Trade and Business Licencing Law which has had a lot of feedback over the years from business owners in Cayman. These owners recommended certain changes, they asked for enhanced regulation that

would ensure a level playing field to insure fairness in competition. We listened to that, Madam Speaker.

So, Madam Speaker, the new Trade and Business Licencing Law was designed to provide a lot of improvements—improving the Government structure and processes around the board; allowing better enforcement; and even, Madam Speaker, providing a framework around which the previously adopted incentives in respect of micro and small businesses could be continued and built around. We have incorporated a joined up approach, Madam Speaker, with the Trade and Business Licencing Law in furtherance of this desire to have fair competition and level playing field in terms of the health and pensions compliance.

Madam Speaker, the new law came into effect on the 1st of January and certainly, I think it has been working very well but we have certainly had some issues that required some smoothing, and we have certainly had some comments, perhaps even complaints from certain persons who have been applying or for renewals or grants in circumstances where they were either unfamiliar with some of the new requirements despite our education efforts. But also, Madam Speaker, I think for the most part there have been issues around complying with the National Pensions Law and the Health Insurance Law. And this was expected. We were going to have some of these hitches and certainly it is reflected in some frustrations but the very important point is we are a few months past the implementation of the Law and already we have very significant reductions in issues with renewals or grants being deferred.

I think in the very early days they were having 15 to 20 applications being deferred because of insufficient information and difficulties in demonstrating. All the Law requires, Madam Speaker, is that there is evidence of compliance with the Pensions and Health and I think some companies that had not been used to having to produce evidence of this, were finding some difficulty. So initially we had a period of weeks where there were some 15 or 20 applications that were deferred. Certainly, in the last few weeks, Madam Speaker, we are down to less than five of those applications being deferred on a weekly basis. So, I expect within another perhaps month or two there should be some significant improvements. We are looking for ways to certainly improve that further, Madam Speaker.

While there may be a temptation, Madam Speaker, to alleviate this issue immediately by making changes to remove these requirements, I think we have to give it a chance because we are basing our approach on one which is appropriate and which is right and that is seeking a level playing field, seeking fair competition. That applies both to businesses and labour because, Madam Speaker, if you have one company which complies with the Law and another company which does not and they are both able to get business licences and continue operations as normal,

then the one which is not complying with the Law is effectively driving down the wages of the people who are in the other company which has those extra costs, which is not trying to avoid its obligations, either deliberately or inadvertently. So this is not just a question of business licencing, Madam Speaker. There are some very real and appropriate considerations around this and if we allow that sort of thing to happen and to continue, both businesses and labour suffers and that means that our own people are put in positions where they are potentially suffering. It is not right, Madam Speaker, simply to avoid some initial teething difficulties. So I think we are moving in the right direction on this, Madam Speaker, and I can certainly give people the commitment that we will make sure that every aspect of this that we can is as efficient and convenient as possible. But we need them to work with us as well.

Madam Speaker, one of the particular issues is a requirement to get a police clearance certificate and the process around that, Madam Speaker, requires you to go down to the Criminal Records Office on Walkers Road, pay a fee, file the form and provide your ID and you have to go back and get it the next day. That type of thing, Madam Speaker, we shouldn't in this day and age, have to go through a manual process like that. So, Madam Speaker, one of the things that we are driving right now is working with the relevant Ministry in that regard to try to eliminate that sort of process so that there is a one-stop shop, they can come in, if they are dealing with Trade and Business at the Department of Commerce and Investment, they come in, pay a fee for the police clearance, provide a copy of their ID and the form and it gets sent over and there is a confirmation coming back and it is all seamless. That is how we should be moving and that is a small example of the benefits of e-Government that just hasn't extended down to that particular little area. But we certainly have a lot of areas where e-Government has been very effective and I am proud to say that certainly, my Ministry has a lot of departments which work very, very well online in that regard. A really good example would be the Registrar General.

Madam Speaker, there are issues with legal vending as well and I am very happy to hear the support from the public on this issue. Illegal vending has negative impacts similar to issues around non-compliance with other Laws like the Pension and Health. If they are not licenced, not appropriately regulated, they do not have the right permissions, then that is a form of unfair competition for other business who are doing the right thing and approaching things in the right way.

Madam Speaker, it is very difficult to simply turn a blind eye and ignore or bend the laws in this area to suit a small number of persons and what we seek to achieve, Madam Speaker, is to get all businesses that are engaged in the current economy in a

business model which is sustainable, which will allow them to be able to meet their obligations and participate in competition in a level playing field.

I mentioned that support also, Madam Speaker, is available through the Small Business Association and the Chamber and much of this, Madam Speaker, is free of cost. So you have the Small Business Association, you have the Chamber of Commerce, and you have DCI who are all willing to help and have the strong desire to ensure that businesses can fully comply with the requirements and they can all work to achieve that.

Madam Speaker, importantly, we are also continuing our programme of intellectual property modernisation to provide more protections in the areas of trademark, patents and now design marks. By approving our proposed commerce budget, this House will fund four activities in support of an outcome goal of a strong, thriving and increasingly diversified economy.

Madam Speaker, they include improving business licencing services, monitoring compliance and enforcement in relation to those business licencing laws, improving the capacity to licence and regulate the DNFSBs or the Designated Non-Financial Services Businesses as well as other business types and introducing, Madam Speaker, very importantly and something that I am very much looking forward to, an online licencing and monitoring system. That, Madam Speaker, will be very important to a small business because if you think, Madam Speaker, many of these small businesses they have limited numbers of staff and time is a very critical thing for them. So the more we can reduce the time they have to spend interacting with the business licencing aspect, the better it is for them, the more convenient it is for them. Their job and their role should be trying to continue to make their businesses survive, to grow their businesses, to create new jobs and to hire additional people. We know small businesses are a very significant part of our economy and a very significant driver of job creation, Madam Speaker.

Madam Speaker, going back to intellectual property for a moment, the modernisation would allow Cayman to protect a person's rights to benefit from their creativity and for these Islands this is long overdue, Madam Speaker.

Again, Madam Speaker, our modernisation effort is in response to years of feedback from key stakeholders. Some of these groups I refer to as the creatives, Madam Speaker. They represent our local photographers, sculptors, musicians, craftspeople, architects, et cetera who bring vibrancy to our culture and who often act as ambassadors overseas as they connect with people around the world. But there is an inward investment element as well, Madam Speaker, in relation to international companies. From start-ups to established recognised global names, they need the reassurance of strong intellectual property protec-

tion in the Cayman Islands before they consider launching, moving or selling to our Islands. Now, while we have some degree of IP protection at this point, Madam Speaker, it is very basic, and in order to really derive the economic benefits of it we need advanced protection.

So, Madam Speaker, we are starting with copyrights. As of the end of this month, 30 June, we will commence the Cayman Islands Copyright Order which is the extension of relevant parts of the UK's 1988 Copyright Act to Cayman. Later this year—I think by September, Madam Speaker, we will have published legislation, a new Trademarks Bill, a new Patents Bill and Design Rights as well. So we will end up having four legs of intellectual property rights which are the typical foundation for this particular area. I think this is going to be very beneficial to us, Madam Speaker. Certainly, we expect that it will derive significant revenue for the Government as well.

In relation to administering intellectual property rights in Cayman, my Ministry will very soon officially launch the CIPO which is the Cayman Islands Intellectual Property Office. We did a soft launch of this recently, Madam Speaker, at the Small Business Expo at the Family Life Centre. We also did the same at the International Trademarks Association Conference in Orlando two weeks ago. In both cases, it was very well received. Certainly at the Trademarks Conference which had about 10,000 people from around the world, Madam Speaker, there was a tremendous amount of interest. So we are very much looking forward to being able to bring these additional pieces of legislation to the LA, get them dealt with in September and being able to launch this new Cayman Islands Intellectual Property Office officially around that time or shortly thereafter.

Madam Speaker, moving on to the Environment: My Ministry's goal is to continue protecting and encouraging society to value our Islands natural environment and resources. Our efforts have their origins in the December 2013 passage of the National Conservation Law which was produced a fundamental change in the legal conservation framework in the Cayman Islands. For the first time, many endemic species of animals and plants received legal protection and there was a framework for a national system of protected areas. I expect, Madam Speaker, that the full commencement of the NCL will be achieved in the coming weeks with the commencement of parts 5 and 7 of the Law.

Also, Madam Speaker, for the next budget cycle another significant long term priority is controlling this real scourge that we have of the green iguana population on Grand Cayman. Between August 2014 and August 2015, the green iguana population increased at a mind-numbing rate of about 60 per cent. So it represents a very significant challenge. But because of the complexity of coordinating and sustaining removal efforts, we are continuing this pilot project

that was initiated earlier this year by the Department of Environment in conjunction with the National Conservation Council.

[Inaudible interjection]

Hon. G. Wayne Panton: Year . . . earlier this year.

Madam Speaker, funding for that was . . . I think Members will remember from the Environmental Protection Fund so this we hope to be able to continue to start seriously addressing this issue beyond just a pilot project.

In terms of the budget allocation, Madam Speaker, approving the Ministry's request would support Government's broad outcomes to conserve Cayman's biological diversity and ecologically sustainable development via six activities:

1. Environmental policy advice;
2. Administration of environmental legislation;
3. Conservation and management of marine species and habitats;
4. Marine oil spill response;
5. Conservation and management of terrestrial species and habitats; and
6. Environmental assessment services and environmental management.

Madam Speaker, the public benefits in so many ways from these activities, but certainly, one of the ones that is easiest to recognise is we can still throw a line out and catch the same species of fish from the shore that our father and his father enjoyed.

Madam Speaker, there are two other aspects that I would like to mention. One is relating to the hosting of the Gulf and Caribbean Fisheries Institute 69th Conference. I think that is going to be in November of this year and the other thing is a comprehensive assessment being conducted by the Department of Environment of our existing marine park system and the recommendations to enhance those parks, Madam Speaker, so that they are fit for purpose today and in the future.

Madam Speaker, in addition to that there is a view being conducted by the Department of Environment which is an economic valuation of the marine resources of the country with colleagues from VU University in the Netherlands and Wolfs Company in Bonaire. This exercise seeks to increase our understanding of the socioeconomic contribution of the marine environment by calculating a total economic value of our marine resources derived from the aggregate value of the various ecosystem services provided by our marine environment. This study is in its final stages, Madam Speaker, and we will certainly look forward to getting the results of that in the coming couple of months.

Madam Speaker, I would like to move on to the Cayman Islands Monetary Authority briefly which is preparing for the CFATF and IMF reviews as I men-

tioned earlier. They are also developing in collaboration with my Ministry and industry representatives, an AIFMD (Alternative Investment Fund Managers Directive) framework that will meet the approval of the European Securities and Markets Authority (ESMA) to facilitate pass porting of Cayman funds and fund managers in Europe.

Madam Speaker, certainly, that is something that we have been working on. Earlier I have mentioned this in this honourable House and good progress is being made so we are simply awaiting finalisation of the interaction and dialogue between CIMA and the European Securities and Markets Authority (ESMA).

Additionally, Madam Speaker, an administrative fines regime is currently being drafted to allow CIMA to levy fines for non-compliance with regulatory requirements. I think we all recall that in relation to the HSBC issue some time ago where the US imposed a significant fine, there was no ability for CIMA to address matters and essentially the Cayman Islands ended up with more of a black eye from the situation. Obviously these things have to be balanced, Madam Speaker, but it actually relates to regulatory requirements as well because our IMF reports and the CFATF assessments, they will also look and they are also looking to see whether our regulator has the ability to impose fines without having to go to court and convict anyone so that they can dissuade that type of activity without having to do that.

Madam Speaker, just very briefly, CIMA's budget very importantly has been increased to ensure that they have sufficient funding for additional staff, additional resources and this is an issue that has been certainly flagged in interactions with industry and we want to make sure as well that our regulator is viewed as being a very strong regulator with appropriate resources and sufficient capacity to address industry needs and to maintain credibility for themselves and the jurisdiction which in turn certainly adds to the positive views of our industry partners operating here as well, Madam Speaker.

Madam Speaker, I would say as well that I have mentioned in this House previously that they were looking to increase their capacity around the insurance division. They now have a new Head which I understand that is going to be . . . they have gone through the recruitment process in respect of that and made a selection and they are waiting to complete some other formalities before notifying the public of that very shortly, Madam Speaker.

Madam Speaker, there is another one that I want to talk about very briefly and that is the Cayman Islands Development Bank (CIDB). Madam Speaker, for their 10-month interim report as of 30 April, 2016, they posted a net profit of \$52,910 compared with a prior year's loss of about \$669,000 when they were required to take on some significant loan loss provisions. They do not, Madam Speaker, expect the profit

to erode and this is because of a proper loan loss allocation going forward and interest income from new loan programmes as well as a 7.6 per cent year to date reduction in operating expenses and a \$513,000 decrease in interest expense from debt consolidation.

Madam Speaker, for the 18-month budget CIDB plans to roll out a new loan programme of approximately \$5 million. They will continue supporting Caymanians who are attending tertiary institutions through the student loan programme. They will continue helping customers restructure their trouble debt, controlling operational cost and maintaining the banks collection efforts on outstanding customer loans. Their net profits are projected over that period, Madam Speaker, to be just under \$160,000. But, Madam Speaker, importantly, there were two loan programmes initiated over the last year which provided some very direct benefits to our people. The first was a programme designed to assist civil servants who had previously taken up special offers of unsecured loans made to them which were very expensive, high interest rate loans. Rates in many cases were as high as 19 per cent, Madam Speaker.

Madam Speaker, the programme was designed to offer much lower rates of interest with originally a maximum cap of \$20,000 and credit support facilities which ensured that no undue risks were being taken. The programme was only available to Caymanians and allowed CIDB to make a very good return in relation to the risk being taken—yet, basically cut in half the interest cost for borrowers under these other high cost programmes. The take-up on this programme, Madam Speaker, was significant and the cap was even eventually extended from \$20,000 to \$25,000. As one example of the type of benefit this programme brought to one single mother of three, Madam Speaker, her loans were consolidated and her aggregate payments went from \$850 a month to \$350 a month. This allowed her to cut her monthly loan payments or costs by a massive \$500 a month and that provides a lot of breathing room, Madam Speaker, for a young mother with three children.

Madam Speaker, before anyone concludes that the policy behind this programme is based on some sort of political aim, let me confirm that these ultra-expensive, high interest rate loans were marketed almost exclusively to civil servants and rarely to others in the private sector. This is so because of a specific policy of Government to accept binding instructions to make payments of salaries to up to two different banks. So in effect, Madam Speaker, there was a bit of a preference built in which helped reduce the risk in terms of not requiring security but the returns on the interest costs were very substantial. So this support of CIDB by the Government in this respect has helped a lot of our fellow Caymanians, Madam Speaker, who have been dealing with crushing debt costs.

The other programme, Madam Speaker, was a small business facility which was up to a maximum of \$50,000 per applicant. One of the conditions was that you had to have a two-year track record to minimise risk, Madam Speaker. I have previously spoken about some significant borrowing implemented through the Cayman Islands Development Bank which effectively through ineffective credit policies ended up returning 70 per cent default rates against those advances from CIDB, so that is one of the reasons they have had a very difficult time financially and similarly or equally one of the reasons why the Government has been doing a capital injection in the bank to ensure that it is appropriately resourced.

Madam Speaker, unfortunately the small business loan programme didn't actually attract a significant number of businesses. One of the effects that CIDB having such a programme, has had—it is a positive effect—is that commercial banks in this area, Madam Speaker, seem to have responded to the competitive pressures and improved their terms in dealing with some of their clients so businesses that initially made contact with CIDB eventually didn't continue the discussions because they actually had positive responses from their own banks that they had been dealing with. But either way, Madam Speaker, we have still some very positive benefits from those activities to the business community and to our people.

Madam Speaker, in respect of the Maritime Authority of the Cayman Islands (MACI), there has been many achievements since 2013. A very quick summary—it is being recognised for the fifth consecutive year as one of the world's top performing flag states, having now 48 ships registered in the US Coast Guard's QUALSHIP 21 programme which is more than the UK and all other Overseas Territories and Crown Dependencies, Madam Speaker, so a very significant accomplishment in that respect. Maintaining low risk status in the Paris Memorandum of Understandings (MOU) with zero detention rates recorded in 2015 for the first time in MACIs' history. Fewer deficiencies than inspections and earning top performing . . . as a top performing Red Ensign Group (REG) member of the Paris Memorandum of Understanding in 2012.

Madam Speaker, there are a number of key initiatives that they will be pursuing including implementation of what is known as an IMO-3 code in December 2017 and that is going to focus on port state control and coastal state responsibilities. CIMA is continuing to develop its markets. It is pursuing markets in China, Taiwan, Dubai, Singapore, in the Americas, in Europe and in relation to its product, its services, the 18-month plan includes creating a regulatory framework for sub 500 gross ton pleasure yachts operating in the US and limited commercial use within the Caribbean and revising the Merchant Shipping Law and the Marine Pollution Law, primary and secondary legisla-

tion, including new regulations for casualty investigation which they hope to be submitting to Cabinet by December of this year. They will also be looking to create a Maritime Investigation Authority, again, with a proposal coming to Cabinet later this year. Madam Speaker, their performance has been good and I look forward to being able to file their annual report in this House clarifying their specific financial results.

Madam Speaker, let me say that I want to take a few moments to recognise and commend the efforts of those in the Ministry that I have the honour of working with. Madam Speaker, it is not—I think like most Government Ministries—we don't have all the resources we certainly would like to have but we have some very dedicated people and they work very hard and they produce a tremendous amount for this country and they have certainly stepped up—both in terms of efforts generally, but we have been facing ever changing and challenging demands and they have responded appropriately and fully in respect of those, Madam Speaker. I want to thank them because certainly the reality is they have allowed me the honour of working with them to serve our country together and I certainly appreciate that.

Madam Speaker, could I have an indication of the time remaining?

The Speaker: From my records, your time should elapse at 4:11.

Hon. G. Wayne Panton: Okay, thank you very much.

Madam Speaker, I just wanted to quickly turn to my own district of Bodden Town. My colleague Minister for Bodden Town certainly spent some time going through the various lists of both accomplishments over the past three years and the plans that we have in place. And I would say that certainly we recognised initially that our main challenge was going to be ensuring that the needs of the country overall were addressed—the financial condition of the country overall was stabilised—and then once that was done we could certainly look from a district perspective. But it is not just as simple as that, Madam Speaker, because we live in a relatively small Island and a lot of the things that are going on have tremendous benefits for all of us. A lot of the roadwork for example that is being done in George Town to eliminate jam points and traffic jams and whatnot—that has tremendous benefits for all of us going east. Certainly, the eastern districts—as we go further east they benefit more from that. So we are looking forward to having the Linford Pierson Highway done fairly shortly, Madam Speaker, and my colleague Minister for Infrastructure, I am sure he will go into that in detail. But we all benefit from that and we certainly are looking forward to that.

Madam Speaker, I will not, as I said, go through the list of accomplishments and plans set up by my colleague Minister but I just wanted to add that we have also done some significant work in the district

helping people . . . not necessarily with Government resources directly but certainly soliciting help and assistance from private donations. So we have had, Madam Speaker, just as an example, at least two separate elderly couples—well, one elderly person and another elderly couple, different ends of our district—who have been significantly helped in this respect. My colleague Minister for Bodden Town he certainly set out the programme that he has in respect of helping people and this is really just an adjunct to that, Madam Speaker. But we do have people who need help and we are certainly very happy to help coordinate that and ensure that they get the assistance they need. In these cases, Madam Speaker, the roofs of these folks' houses were pouring water in. There was extensive flooding; windows were all in need of replacement because they were multiple decades old and had failed completely—amazing that they actually survived Hurricane Ivan. But certainly they were in very bad shape from then.

So, Madam Speaker, in respect of both of these Caymanians—the one Caymanian family and the Caymanian gentleman—I think both of them are in their 80s—they worked hard all their lives and it was right that they received assistance in having the roofs replaced on their houses, having the windows replaced and extensive interior and exterior work carried out to ensure that they had a comfortable life and were able to enjoy their later years. The smiles, Madam Speaker, on their faces . . . those smiles are certainly reward enough for helping people in this way.

Madam Speaker, we also have our office in Savannah staffed by a JP . . . a Justice of the Peace and, in fact, former member of this House, Ms. Heather Bodden and former representative from our district, the district of Bodden Town. She has an enviable track record, Madam Speaker, in relation to community involvement. She certainly has been helping people and having a facility like that is something that is very helpful for our district—having the ability to have people come in and do searches, to look up jobs, to help write resumes and all that sort of stuff, this is all very rewarding in helping people in our district, Madam Speaker. One of the things I certainly share with her which is a reflection of our plans going forward is that we both have a complete disdain for littering and illegal dumping and a desire for beautification of our communities, Madam Speaker. We certainly feel that we have very lovely communities as they are, but it is distressing to see sometimes when people very carelessly discard litter.

Madam Speaker, the Savannah Primary School has been commented on by my colleague Minister from Bodden Town and I will certainly add that we are as committed as anyone else to finding ways to address any legitimate concerns in relation to the School and certainly one of the projects that we have been working on for the last six months or so—and I think we are going to have it done by the start of the

new school year—will be addressing and improving shading and landscaping in some of the play areas around there, Madam Speaker. We feel that it is critical to address some of these requests that have been made both by the staff as well as parents.

Madam Speaker, I have to say that I have heard some comments that requests were made through parents for supplies for copy paper and this sort of thing. I am sure that occurred. I do not know when it occurred. But it just seems to be something that is very difficult to understand, Madam Speaker, and I can assure the people of Bodden Town that if any of the schools approached us and said that they needed something as simple as paper to photocopy with, those needs would certainly be addressed.

[Inaudible interjection]

Hon. G. Wayne Panton: Well, Madam Speaker, as I said, if these requests are being made, then we will be approaching the school to ascertain why this is an issue, because certainly education has had resources allocated. It continues to have and I think in this budget it represents an increased allocation. But it is a challenge. Every school will have its wish lists and things that we want and we wish we had all the resources to be able to ensure that education was addressed to the level of expectation of everyone.

Madam Speaker, this is one of the reasons why I said earlier that we have to continue on a prudent path to ensure that we pay down debt so we free up some of the resources in this country that we can allocate to specific education initiatives because we all understand how critical that is to addressing both the labour needs in this country but also issues in connections with skills gaps that people have talked about and also making sure that the children that we come up through—that we graduate through the primary schools and into the high schools and out of the high schools, are children that are fully equipped to meet the needs of the workforce today and to be able to satisfy the need of the employers in this country. Madam Speaker, that is certainly a commitment that we are going to be taking in respect to Savannah School and that applies very much equally in respect of Bodden Town Primary School.

Madam Speaker, I wanted to say as well, we have a Spotts Public Beach which is actually on the far eastern end of currently the George Town district. But it is the closest one for people, for example, in the Savannah/Newlands area and even in parts of Bodden Town west or up until probably the Pedro area. This is a beach that is very, very popular. The problem is it doesn't have sufficient parking. We, Madam Speaker, had very clear plans to address that. Unfortunately, the owner of a parcel of land on the beach side who had agreed to allow Government to utilise that land for parking, eventually withdrew his agreement because of some pressure from neighbours in

the general area. We certainly understand concerns of people in that respect, Madam Speaker, but I think, certainly from my perspective, I intend to go back and approach the owner and the neighbours to try to resolve this issue because I think it is important. I am very concerned, Madam Speaker. I drive by there and I see cars parked on the opposite side of the road—30, 40, 50 cars sometimes up and down there. I see families walking across the street there which is almost effectively three—well, it is three lanes of traffic in that area—and my heart is in my mouth whenever I see people walking across there holding the hands of little children, holding buckets and play toys and whatnot and towels and beach bags and everything in the other hand. I am very, very concerned about that, Madam Speaker, so we are going to try to resolve this issue. We are either going to do this on the beachside or there is an option, Madam Speaker, to consider a proper parking lot on the opposite side but that is only going to address, Madam Speaker, a parking need. That isn't going, Madam Speaker, to—

[Inaudible interjections]

Hon. G. Wayne Panton: Where do you come into it?

[Inaudible interjection]

Hon. G. Wayne Panton: Madam Speaker, the problem and the issue with the parking lot on the opposite side of the road is you still have people going back and forth. So perhaps an interim measure, Madam Speaker, and I am going to pursue this with the National Roads Authority (NRA) is to have some signage there to ensure that it is brought to the attention of road users that we have people who are potentially crossing that area. In fact, Madam Speaker, we may even have to resort to something like a crosswalk. I don't know if it is possible on a three-lane section of road like that, but certainly, that is something that we may have to consider. But we are going to very quickly look at resolving that issue because, Madam Speaker, I think that area is very popular with some of my own constituents as well as other people from the Island. I certainly see a lot of rental cars there sometimes. So, you know, it is very popular from a tourism perspective as well.

Madam Speaker, there is a playground at Pedro as well, which we certainly will be looking to enhance. We will be doing some improvement around the landscaping, levelling that off, and improving the facilities there. Madam Speaker, the other areas that fall within the purview of my colleague Minister from Bodden Town, the Minister for Sports, he has certainly outlined what he has been doing to address all of those and I think he has been doing an excellent job in respect of those but there are some others that we need to be looking at as well. This is certainly one of them, Madam Speaker. I hasten to add, Madam

Speaker, a lot of this stuff as I mentioned earlier with some of the home repairs approaches that we have been taking, are being done with private donations—nothing to do specifically with Government funding.

That is the way of the world, Madam Speaker. Government cannot be expected to do everything all the time and this is a community that we all share, and as members of our community if we see things that can be improved, if we see things that can be addressed, particularly from a timing perspective, let's get it done. Let's work together and let's get it done. That is what we are talking about and doing.

Madam Speaker, there is another aspect of signage that I want to address which is the East-West Arterial as it goes up and intersects with Hirst Road, we typically have a lot of tourists who are actually going east, Madam Speaker, going out to Rum Point, going out to East End to Morrirt's and the Reef and even some areas in Bodden Town. It is only going to get worse if we have the St. James Point Hotel being done prior to any new extension of that Arterial bypass up to Frank Sound. What is happening there is people are coming to that intersection and losing their way and they turn left and they end up going into Newlands and then you end up with—you know, it is a very popular residential neighbourhood so there is often a bit of traffic there and people are trying to turn around at times when traffic is coming the other way. They get confused; they go on the wrong side and there is an accident. We have had multiple times where we have had accidents just inside Newlands there to the left. So we want to try to alleviate some of that and ensure that both, our guests and our residents have appropriate signage. We do have people who come from other parts of the Island who perhaps don't travel up there that often and sometimes with the various roads and new roads and the roundabouts and whatnot, they sometimes get a bit confused.

[Microphone noise]

Hon. G. Wayne Panton: Madam Speaker, there is another area that I want to raise in relation to Bodden Town and that particularly in these residential neighbourhoods we have a lot of young people that seem to take the fact that we have nice roads that are relatively straight, as racetracks, and particularly for the residential areas, we need to have some way to demonstrate to them both the fact that perhaps somebody is keeping an eye. We cannot expect the police to be parked all the time with radar, so another thing that we are looking at, Madam Speaker, is to have solar powered speed monitoring devices, to have some of these installed in our residential areas. Again, that is another issue that we are going to be looking to do that with private donations if necessary after discussions with the National Roads Authority.

In the past, Madam Speaker, we have had—and certainly in our office in Bodden Town—we have

had financial seminars and we have had debt management seminars which I think have proved themselves to be very worthwhile. We ended up having a lot of people that were eventually referred through to another assistance programme that the Minister for Finance and I were involved with setting up some time ago. Both of these things complement each other in terms of people coming to the seminars, understanding where their real issues are and then being able to go talk to the folks who had been arranged to provide free consultation services by my colleague, Minister Archer. As I said, these have worked very well and we want to continue those and that is something that is going to restart again in another month or two, Madam Speaker. The individual who was involved in conducting those seminars had been away on a sort of medical leave. I understand he is back and 100 per cent again so we will be continuing that further.

Similarly, Madam Speaker, we are looking to have some additional employment seminars specifically around trying to assist people with issues that they have in attending interviews, writing resumes, how do they dress, how do they present themselves for the greatest possible response and the greatest chance of success. So, we are looking to have some Caymanian HR people who are very experienced in this area who will be conducting these seminars and those will start in the coming month or two as well, Madam Speaker; probably almost rolling in the same weeks as the financial seminars and the debt management.

Madam Speaker, there is one other thing that I would like to go back to and that is a comment made by (and he spent some time on it, Madam Speaker) the Leader of the Opposition. I do not know why, because I don't think he ever got to the point, but he was commenting about statements that I had made in the House in respect of the renegotiation of the Cayman Enterprise City Agreement—probably about a year ago, Madam Speaker. I certainly listened intently at that point to understand because he seemed to be suggesting that I had made statements which were incorrect—

The Speaker: Minister, you have one minute remaining.

Hon. G. Wayne Panton: Thank you, Madam Speaker.

—but he never did get around to that. He talked about lawyers and he talked about the Honourable Attorney General, suggested that somehow that meant that I perhaps was wrong. But I just wanted to read very quickly the clause of the Agreement as it existed then just to point out what the Member was criticising me for and which I say was right. But I want to make it clear, Madam Speaker, I fully support Cayman Enterprise City and this Government's position has always been that.

Madam Speaker, if I could have just a minute. We are talking about the provision in the Agreement which says . . . it is a representation and warranty which says that, "The Government further represents and warrants that in the 12 months prior to the date of this agreement, neither the Governor nor to the best of its knowledge and belief any Government body in the Cayman Islands has concluded any agreement with any person other than the developer and its predecessors in title who has expressed therein a desire to establish, own, develop, operate, administer or maintain a free zone in respect of any of the types of business set out in Schedule 5; and, Madam Speaker, (2) it shall not and shall do everything in its power or under its lawful control to ensure that Governmental bodies in the Cayman Islands shall not enter into any such discussion, correspondence or negotiation with any such person other than the developer and the development company during the exclusivity period, save that in the final 48 months of the exclusivity period the Government shall be entitled to hold negotiations with any third party competitor of the developer for the issue of concessions for it to operate a special economic zone." [UNVERIFIED QUOTE]

So, Madam Speaker, these were representations and warranties. Certainly I think any agreement then, most people, you don't have to be a lawyer to understand that if you have a representation and warranty which you don't honour, certainly, in respect to the warranty, if you don't honour it, then you are in breach of the agreement. That is all I was saying at that time. Certainly wasn't reflecting any lack of support for Cayman Enterprise City, Madam Speaker, because we think it is an important contributor to our economy.

Madam Speaker, with that, I think I have certainly exhausted my time and I appreciate it very much and thank you very much for the opportunity.

The Speaker: Does any other Member wish to speak?

I recognise the Honourable Deputy Governor.

[Inaudible interjections]

The Deputy Governor, Hon. Franz I. Manderson: Thank you, Madam Speaker.

Madam Speaker, I rise in support of the Throne Speech, Policy Statement and Budget Address which together set out clear examples of steady progress being made by the Government, in respect to sound fiscal management, strengthened governance arrangements and improved programme delivery.

Madam Speaker, I want to commend Minister Archer and the FS and all of the members of the Finance team who worked many long hours to put together the budget. As always, they did a fantastic job

and I am very proud of the work that has been done in the Ministry of Finance.

Madam Speaker, as Deputy Governor and Head of the Civil Service, I recognise the role that the civil service has played in helping the Government to achieve these major milestones. I wish to thank the Government for rewarding this high performance and acknowledging the hardship that has been overcome while achieving these results. The payment of a one off 2.2 per cent honorarium to civil servants has been well received across the organisation and provides incentive for civil servants to continue to deliver positive results.

Madam Speaker, I cannot thank the Government enough for the care and concern they have had for the civil service during their time in office. In addition to the 4 per cent COLA [Cost of Living Adjustment] that they gave (which we had given up) to also 2.5 per cent honorarium a few years ago and now the 2.2 per cent honorarium that was just given, it shows that the Government does care, it shows that it has rewarded good behaviour. Madam Speaker, the Government has asked the civil service to deliver and we have had those hard conversations behind closed doors. But the civil service has seen that when we perform and when we deliver the priorities of the Government that they will be rewarded. Again, I thank the Government for their care and concern for the civil service.

Madam Speaker, while addressing new civil servants during their orientation programme, I share with them one of my favourite quotes which I have shared with this honourable House before. I advise them that “constructive criticism is not to be feared but sought, that smears are not only to be expected but fought and that respect is to be earned and not bought”.

Madam Speaker, the work of the civil service draws considerable scrutiny from all quarters. We are the most highly regulated business that exists in these Islands. We bear the statutory obligations which are generally applicable, and, in addition, other unique obligations as well in respect to Human Rights and Freedom of Information, just to name a couple. But, Madam Speaker, that is as it ought to be. We are fully funded by the people of these Islands, and through the policy priorities established by the People’s elected representatives, we do the People’s work and should be held accountable for this work.

So, Madam Speaker, when such scrutiny results in constructive criticism we aim to embrace the valuable lessons imparted and quite simply . . . to perform better. A perfect example of this commitment can be found in the civil service’s response to past financial audits. The vast majority of agencies were behind on their audited accounts. We could not get them submitted on time. And of those which had completed audits, many received disclaimed or adverse audit opinions. Madam Speaker, the Member for North Side

alluded to this before and I want for him to now see the results that we have delivered. Contrast this now, Madam Speaker, to what happened before to where we are in 2015/16 results, where 11 of the core Government entities’ audits are complete. Of those completed audits, Madam Speaker, nine (or 82 per cent) have attained the highest audit ratings possible—namely on unqualified opinions. Madam Speaker, this includes the Ministry of Home Affairs who has a \$90 million budget and has received an unqualified opinion. Madam Speaker, gone are the days when individual Ministries, Portfolios and Independent Offices are producing accounts which are disclaimed or draw adverse opinions.

Madam Speaker, this was a problem that was owned by the civil service. I want to make that very clear. I am not blaming anybody for this, Madam Speaker.

[Inaudible interjections]

The Deputy Governor, Hon. Franz I. Manderson:

No, Madam Speaker, I want to make it very clear. I wasn’t blaming anybody for this other than the civil servants. It was the civil servants who were doing these audits. It was the civil servants who were the CFOs. What I am saying is that we have come a long way since those days when we were not able to get anything right.

[Inaudible interjections]

The Speaker: Can we just have one debate, please?

The Deputy Governor, Hon. Franz I. Manderson: Madam Speaker—

Hon. W. McKeever Bush, Leader of the Opposition:

Well, we can have questions, you know.

The Speaker: Not for debates.

The Deputy Governor, Hon. Franz I. Manderson:

Madam Speaker, achieving this outcome has come as a result of significant effort on multiple fronts. Finance teams were shuffled to better distribute their experience and technical resources. Their work plans were refocused on their primary objectives—to produce reliable management data, accurate and robust accounting treatments, sound financial advice and effective internal control frameworks.

Now, Madam Speaker, at the same time, what I criticised before, I want to now commend Chief Financial Officers and their teams across the core Government for achieving these improved results. The work that has been done now, Madam Speaker, has been outstanding. I also want to thank Minister Archer, the FS and the team in the Ministry of Finance for their leadership in helping us to achieve these goals. I

also wish, Madam Speaker, to acknowledge the work of the Public Accounts Committee and the Audit Office in holding the civil service to account and choosing to do so through a process which emphasised constructive engagement. These results speak to what is possible when we come to the table committed to do each of our parts.

Madam Speaker, another example of difficult lessons which have been headed by the civil service, relates to the management of travel expenditures. In May 2014, the Auditor General's Office released a very critical report of Government's travel and hospitality expenditures. Over the three year period, between the years 2009 to 2012, the report cited many instances of inadequate internal controls, poor record-keeping; again, something for the civil service to address. In recognition of this issue, even prior to the release of the Audit, the civil service had adopted a travel policy and requested Internal Audit to conduct a second audit.

The subsequent 2015 results show that the travel policy has led to significant improvements, including a drastic reduction in the amount of unsupported travel claims. As at the time of the 2015 audit, less than \$8,000 was not substantiated. Since the report was completed, there has been continued push to ensure proper accountability, and that sum is now less than half of the amount (the \$8,000) it was at the time the report was published. So, Madam Speaker, we have made real inroads in ensuring that we keep proper records of our travel and that travel is properly managed. The Premier and his Government has adopted that travel policy for Ministers. We now have systems in place where we have an open and transparent policy, where travel costs are published—so everyone knows what is being spent on travel.

Also, Madam Speaker, an analysis of travel expenditures illustrates additional concrete benefits to adopting the policy. In 2012/13, Government's expenditures on travel and subsistence (excluding hospitality) reduced by 25.6 per cent in the first year from \$2.51 million to \$1.868 million. In 2013/14 a further reduction of 18.7 per cent was achieved with travel and subsistence expenditures falling to \$1.519 million.

Based on the Auditor General's report, travel and hospitality costs were approximately 1 per cent of total expenses during the three-year period covered in the audit; however by 2013/14, travel expenditures had fallen significantly and were 0.387 per cent (or less than half of one percent). In full disclosure, Madam Speaker, I want to note that the earlier audit included hospitality expenditures (such as catering, hosting of events, entertaining of third parties and staff, along with other discretionary spending) whereas the second audit related only to travel and subsistence costs.

However, Madam Speaker, concrete steps have also been taken to tackle hospitality expenditures during the period in question. A universal policy

has been in force for three years to provide a \$25 per employee stipend to all departments for their Christmas functions. To assist agencies, the Portfolio of the Civil Service distributes these funds annually to all Ministries and Portfolios. More recently, a draft hospitality policy has been created which is now going through peer review. Once agreed, this policy will centrally manage how civil servants may extend hospitality to—and receive hospitality from—third parties.

Madam Speaker, there is no question that the civil service has in the past and will in the future, make mistakes. What we must not do, is to be content to repeat these errors. As such, particularly where issues are systemic, I have challenged my team within the Portfolio of the Civil Service and Chief Officers, generally, to rise to the challenge and tackle issues head on.

The following 2014/15 Audit conducted by Internal Audit cited additional improvements that should be made to clarify the travel policy. I ought to reiterate, Madam Speaker, that, the breaches noted in the second travel policy spoke mainly to procedural issues as opposed to concerns regarding value for money of huge sums of unaccounted expenditures. Gone are the days, Madam Speaker, and I am very proud of this, where hundreds of thousands of dollars in travel expenditures cannot be accounted for due to poor record keeping.

Madam Speaker, the lessons of the second travel audit has been translated into a revised travel policy which is currently receiving feedback and is slated to be implemented by the end of this month. An example of the streamlining of the revised travel policy is to remove the need for staff to make a travel application when undertaking inter-Island trips within the Cayman Islands, particularly where no funds have been advanced to an employee. We aim to ensure that policy is clear and that the internal controls are appropriate and proportionate to the risk faced.

Madam Speaker, it is not just enough to merely set ambitious goals. As Head of the Civil Service I know that the public expects that there must be follow through and accountability at all levels of the civil service. You will recall that just four years ago before I took up my position, that performance management was practically non-existent within the civil service. Only 17 per cent of the service reported that they had any formal system in place for ensuring adequate performance. In the past three years, Madam Speaker, we have dramatically improved this situation and in the past two years, we have achieved 100 per cent compliance on performance agreements and appraisals. This body of work has now allowed us to better identify underperformance and its root causes.

Starting this past quarter, Madam Speaker, and continuing in the year ahead, the Portfolio of the Civil Service is furthering its work on performance management by specifically tackling poor performance. The work plan includes providing targeted

training for managers on having courageous conversations, launching automatic performance improvement plans and by undertaking revisions to the Public Service Management Law to streamline the legal process required to ultimately separate an employee whose performance or conduct issues fail to be resolved, despite ongoing support and numerous stages of targeted feedback. Madam Speaker, I want to make it very clear, it is not our aim to fire anyone. We equally realise that if we do not hold our staff to account we cannot maintain the positive momentum that is being achieved, nor can we win the confidence of the public, nor can we maintain the buy-in from our teams. So Madam Speaker, when we weigh up what we could otherwise forfeit from a failure to act, our path is clear. We owe it to our hard working staff and the public which pays for our services to ensure that each person pulls their own weight, and positively contributes to the work of the public service.

Madam Speaker, this is not an easy process. It will result in some pain and some discomfort but we are committed to getting the job done and for the civil service to work at the highest level possible to support the Government of the day.

Madam Speaker, the civil service has been under considerable pressure since the 2008 Global Financial Crisis. The size of the civil service has steadily decreased whereas the demands on the civil service have steadily increased—both in terms of the volume of services we deliver and the regulatory standards we must meet in delivering such services. In the seven year period between [June] 2008 and June 2015, the civil service reduced by approximately 11 per cent—from 3,904 to 3,484. This gradual reduction on headcount was achieved through temporary austerity measures which, while effective overall, left many key services including key roles vacant for prolonged periods.

Madam Speaker, within this honourable House and in other public forums, the civil service has been likened to Hollywood with negative comments—

The Speaker: Honourable Member, I beg your indulgence. We have reached the hour of interruption. I recognise the Honourable Premier.

SUSPENSION OF STANDING ORDER 10(2)

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

Madam Speaker, I beg to move the suspension of Standing Order 10(2) in order that the business of the House may continue beyond the hour of interruption.

The Speaker: The question is that Standing Order 10(2) be suspended to allow the order of the business to continue beyond the hour of 4:30 pm.

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

AYES.

The Speaker: The Ayes have it.

Agreed: Standing Order 10(2) suspended.

The Speaker: I once again recognise the Honourable Deputy Governor.

The Deputy Governor, Hon. Franz I. Manderson: Madam Speaker, thank you.

Madam Speaker, within this honourable House and in other public forums, the civil service has been likened to Hollywood with many negative comments being made regarding the number of acting appointments which existed, particularly among key posts. As in most things, Madam Speaker, there is some truth to that criticism. The work that is done on behalf of the people of this country is greater than any individual within the civil service. Each job ought, for proper business continuity planning, to be capable of being delivered by another. So when a key role is vacant, it will result in another person acting to fill the void. This is true for the highest levels of this organisation including the Governor, myself, Chief Officers and so on. However, for numerous reasons—and this is why we are being criticised—the duration of acting appointments has sometimes been longer than it should.

But, Madam Speaker, in 2015/16, significant strides have been made across the civil service to correct such delays. Madam Speaker, four Chief Officer level positions have been filled this year, namely the Chief Officer for Education by Mr. Christen Suckoo, Chief Officer of Home Affairs by Mr. Wesley Howell, the Courts Administrator by Ms. Suzanne Bothwell, and the Auditor General by Ms. Sue Winspear with only the Auditor General role having been filled by a non-Caymanian; a great achievement for us in the civil service, Madam Speaker.

But, Madam Speaker, it gets better. A total of six Heads of Department positions have been filled this past year—all but one of which has been filled by Caymanians: namely the Collector of Customs by Charles Clifford, Accountant General by Matthew Tibbetts, Director of Public Safety Communications by Julian Lewis, Head of the London Office by Mr. Eric Bush, Director of Labour and Pensions by Mr. Bernard Ebanks, and Chief Fire Officer by David Hails. Other key roles which have been filled in management include the following: Deputy Accountant General by Ms. Theresa Walters, Chief Surveyor by Mr. Michael Whiteman, Principal of the Lighthouse School by Mr. Elroy Bryan, Chief Financial Officer in Legal Affairs and the Office of the Director of Public Prosecution by Ms. Tiffany Ebanks, Senior Policy Advisor for Special Education by Shari Smith, and Deputy Director of the Department of Vehicle and Equipment Services by Mr. Jason Azan, and also, I should add a Deputy Chief

Officer in the Ministry of Tourism, Mr. Joel Burke who joined us just a few weeks ago. All of these key policy and financial management roles have been filled by Caymanians. Some of them replaced non-Caymanians. As we act to fill these roles, we can expect a modest increase in headcount. However, this trend will continue to be closely monitored and weighed against the risks otherwise associated with prolonged vacancies or insufficient resources being assigned to essential services. Madam Speaker, I think it is clear for me to be able to say that Hollywood has now left the civil service.

Madam Speaker, we are committed to ensuring that Caymanians have increased opportunities within the civil service, particularly those Caymanians who have dedicated their lives to public service. This commitment is manifested in many arenas including the Civil Service College which offers a diverse range of learning opportunities free of charge to our staff. We make this investment, Madam Speaker, fully aware that the issues facing the Cayman Islands are growing more and more complex. In order to ensure the civil service is equipped to deliver effective programmes to support Cayman's success, the civil service college funds a wide range of courses from an Associate's Degree in Public Administration in partnership with UCCI, to a Global Executive Leadership certificate course in partnership with UCCI and Florida International University, to Leadership Cayman in partnership with the Chamber of Commerce, to leadership and management courses through the Institute of Leadership and Management, to thousands of online training materials offered through the Civil Service College's online learning platform and the UK's Civil Service Learning platform which has been extended to us by the UK.

Madam Speaker, this strategy is paying off. Some of the senior appointments previously mentioned were recipients of Civil Service College sponsored training. So what we are doing in educating our civil servants, is working, Madam Speaker, I am very proud of that. Following advice received in this honourable House during Finance Committee last year, the increasing positions are being advertised internally, only before being advertised to the wider public to ensure that our existing civil servants are getting the first chance to get promotions within the civil service.

Madam Speaker since the inception of the Civil Service College in 2007, more than 1,000 civil servants have undertaken the Civil Service College sponsored continued education whether in workshops, online learning or accredited college courses. This past year marked the Civil Service College's single largest graduating class with 20 civil servants receiving their Associates of Arts in Public Administration, of which 16 of the 20 students, attained honours with a cumulative GPA of 3.5 or higher. In addition, seven civil servants received a Certificate in Public Administration. The graduates come from agencies

across the civil service, Madam Speaker, with many hailing from uniformed services such as Fire, Immigration and Police. To make learning succeed, our dedicated team of two working within the Civil Service College have been relentless in creating learning opportunities.

For example, for Fire Officers, introductory courses were offered to help prepare their team to excel in the university-level courses to follow. Many classes were offered onsite at the fire station so that officers who were on call could still participate in the classes despite the challenges posed by working shifts. The results—and they are good, Madam Speaker—last year, several fire officers received their Associates degrees with honours. They met us half way, demonstrating resolve to further their education and to succeed. We will be monitoring their development so that we can continue to provide opportunities even after their graduation, where they may grow and take advantage of future career opportunities.

Madam Speaker, faced with exceptional results, the Civil Service College expanded its services to offer even more opportunities for our Caymanian civil servants by offering scholarships to Caymanian honours graduates of the Associates programme, to pursue a Bachelors degree of their choice at UCCI, as long as the degree can be applied within the civil service. Already, three exceptional Caymanian civil servants have embarked on the next journey of their education with our support, financially and otherwise.

Madam Speaker, while we are helping individual civil servants to better themselves and set their own professional development plans, we know that collectively there is a need to address the upskilling of the civil servants through an overall corporate strategy. The core elements of the Five Year Strategic Plan were revealed in February 2016 setting out the mission, vision, values and strategic goals. Once finalised, the Strategic Plan will provide the overarching strategy for how we, collectively as civil servants, will become more proficient in delivering programme mandates of the elected government and improved outcomes for the People whom we ultimately serve.

The draft vision statement sets as our aspirational goal, "To be a respected and innovative Civil Service that values its employees and delivers an exemplary customer experience." Towards that end, the civil service will focus on the following five strategic areas: Leadership, Customer Service, Talent Development, Governance and Communication. The Five Year Plan will be kicked off on 22 June 2016 (a few weeks from now) with a one day Leadership Summit where 100 leaders and aspiring leaders across the civil service will be invited to participate in training offered by internationally acclaimed author of the "Leadership Contract," Mr. Vince Molinaro. This summit will be followed by ongoing learning and engagement sessions where we will ask our leaders to share

their leadership experiences and to recommit themselves to their leadership calling.

The Five Year Plan was delivered by the Reimagining campaign where hundreds of civil servants, Madam Speaker, and other stakeholders came together to identify what key attributes were present when the civil service was at its best. It should come as no surprise, therefore, that following Leadership, the next phase of the plan is to be launched to address Customer Service. It was universally agreed that when the civil service is at its best we put the customer at the heart of all that we do.

Madam Speaker, this conversation has reignited the passion in many of our leaders. Already, Madam Speaker, before the actual launch of the Customer Service strategy, I have received numerous—and I do mean numerous—reports from our clients about positive experiences they are having with civil servants. I will share just two of these with you, Madam Speaker—time is against us and I do not want to be boastful but rather to share concrete examples of individuals and agencies that are connecting with their customers. All too often we are quick to publicise examples of what is wrong with our civil service and we are content to remain silent about the abundance of evidence across the civil service about what is right. But, Madam Speaker, part of my job, while acknowledging and tackling what is broken, is to also, from time to time, shed light on the many positive developments emanating from the civil service. I share two of these with you, Madam Speaker, not in my words, but in the words of our customers.

Madam Speaker, this one really touched me. This is what a customer said to me: “An outstanding customer service experience at the Elections Office. The receptionist Gina is worth her weight in gold and represents the best of your new civil service.” Madam Speaker, that is what one of our customers had to say about one of our civil servants—they are worth their weight in gold . . . couldn’t say it better. He went on to say, “I was in and out in five minutes.” Absolutely fantastic, Madam Speaker, and exactly what our customers deserve.

Keeping with that five minute trend, another customer wrote to me and said: “I just renewed my driver’s licence in five minutes, an outstanding service provided to me.” Madam Speaker, those really touched me and it really showed that we are performing a lot better and that we are putting the customer at the heart of everything that we do.

Against this backdrop, Madam Speaker, we know that there are growing examples of how the civil service is trying and in many recent examples succeeding to be more effective. We appreciate this result but out of strict necessity, we have been confined in our ability to reflect our gratitude in our pay strategy. In response to the financial crisis facing the government, numerous HR austerity measures were adopted, including an actual prohibition to offer “within

grade” pay increases where persons remained in the same job.

These policies were intended to be short term, Madam Speaker, but unfortunately lasted much longer in reality. To compound the issue, while existing staff were curtailed from progressing in their pay where they remained on the same grade, new recruits were able to join the organisation and negotiate higher salaries more in line with their pay which had progressed during their careers outside the civil service. In contrast, tenured staff members with similar experience and competence were restricted from obtaining pay increases within the civil service. Madam Speaker, this was mentioned by the Leader of the Opposition when he rose to give his debate and he is absolutely right. It is a problem in the civil service. But, Madam Speaker, a solution is coming.

For government departments which rely upon recruiting high numbers of expatriate staff to deliver their services such as Education and Police, this problem seemed to manifest in a Caymanian versus non-Caymanian problem. However, the problems were not limited to just agencies with higher percentages of non-Caymanians. Agencies with high or 100 per cent Caymanian staff experienced similar issues. The root cause was the mandatory policy which had to be adopted until government’s financial performance improved. As such, the problem was pervasive. Various remedies have already been deployed to address this issue, including reviewing job descriptions both for individual roles and various professional groupings such as Immigration and Customs, and addressing pay stagnation first for teachers and police officers.

Madam Speaker, the next phase to be delivered during the 2016/17 Budget, addresses pay stagnation globally and is meant to address the overall civil service so that this particular austerity measure may be repealed. This is very good news for many, many civil servants, Madam Speaker. At the last estimate, there were some 900 civil servants who had remained on the same salary point for seven years. So you were stuck in the job on the same pay for seven years or longer. Just last year ending [30 June] 2015, one of every three civil servants were still on the very first point of their pay scales. During the same period, 8 out of 10 civil servants were on or below the middle point of the salary scale. But, Madam Speaker, the Government has provided a bespoke budget, as I said, which will allow us to address this. And, again, I am most grateful for the Government for providing this budget which is going to put this particular austerity measure to an end as I said. We are very, very grateful.

Against this backdrop, we are asking more of our staff. As we press on with a major reform agenda within Government which includes Project Future and the Five Year Strategic Plan which is just kicking off, we need to address centralised policies which were always intended to be temporary in nature. We will

not, however, forget recent history and will continue with a conservative approach, Madam Speaker, and I want to emphasise that. We will not forget recent history and we will continue with a conservative approach to provide much deserved relief for our staff, while ensuring expenditures are justified and sustainable. The proposed solution for pay stagnation is being finalised, but a condition of any payment will not just be whether a staff member qualifies by virtue of the number of years they have had no pay increase but also whether the staff member has had a track record of good performance. Persons with unsatisfactory evaluations in 2015/16 will not be eligible for pay progression as a pay increase would not in those circumstances be available to them, even if the austerity measure had not been in effect. So, Madam Speaker, as I said at the beginning we are driving the right behaviours. If you perform well, you will be rewarded financially. If you don't, you can be assured that you will be held to account.

Madam Speaker, as you know we have been making huge strides within the civil service to promote exercise and personal fitness. On Monday afternoons after work, civil servants from all professional backgrounds and fitness levels gather to participate in the Monday Walk/Run Club. By uniting us in exercise, Madam Speaker, the civil service is collectively winning its bid to stay healthy and to promote teamwork. I am a big believer in a healthy body, a healthy mind. The benefits of activities are not just confined to our good health, but have spilled over in the form of the DG's 5K to helping noteworthy causes achieve their goals.

Madam Speaker, since 2014, the DG 5K has grown from strength to strength and now takes place annually in both Grand Cayman and Cayman Brac. In total, approximately 3,000 persons have participated and more than \$120,000 has been raised and donated to three local charities—namely Hospice, Special Olympics and most recently the Cayman Heart Fund where \$60,000 was donated from the 2016 DG 5K which will result in a new ambulance being purchased for the HSA. Madam Speaker, the event is wholly organised by civil servants and I wish to thank Chief Officer Jennifer Ahearn and the many other civil servants who work so hard in addition to all their other jobs to make the DG 5K possible. I also want to thank the many, many private sector businesses who sponsor the event and who show their support by allowing their staff, even paying for the staff to come out and participate and the many persons around the entire Cayman Islands—Cayman Brac and Grand Cayman—who come out and be part of this event. I have always said, Madam Speaker, that, we are at our best when we all work together for a common cause. The DG 5K is a shining example of Cayman at its best.

Madam Speaker, I want to thank the Premier, the Deputy Premier, Minister Rivers, MLAs Mr. Hew, and Mr. McTaggart for coming out and supporting—I

am not going to say which one came first, but we had a great show from our elected leaders and I want to thank everyone who came out and made the event an astounding success.

Madam Speaker, the civil service is committed to being a force of positive change within our communities. In addition to the funds raised through our fitness activities, at least one dozen charities are supported each year by collecting staff donations within the Government Administration Building and across the civil service. Participation in corporate dress down days and voluntary activities ranging from clean up campaigns to voluntary activities in schools. This is again, Madam Speaker, just the start. We aim to do more and we aim to increase our social responsibility. There is no reason, Madam Speaker, why we in the civil service cannot lead in all of these areas and we will.

Madam Speaker, while much is being focused on improving performance internally so that this can deliver improved results, the team is also setting ambitious targets for improving external services to the public. As Chairman of the e-Government Steering Committee, I want to announce that the Committee—and the Fourth Elected Member for Bodden Town would like to hear this—has set a goal that within three years (that is by the end of 2019), no government entity will be allowed to ask a customer to provide any information owned by a government entity already in its possession (other than to establish identity).

I realise, Madam Speaker, this is a bold goal and that currently our information systems and management approaches do not allow such exchange of information, but we are going to give it our best shot and we will make it happen. Madam Speaker, this is one of my pet peeves. It has been that way from the time I was over at Immigration where a person would come in to make an application and we would ask them to give a copy of their Cayman status. But we actually issued them the status! So we shouldn't be asking them to give us the documents that they gave us. Also, why is it that when you go to get your police record to get your waiver, why do you have to go to two different Government departments? Why can't you just walk in to the Passport office, they would have access to the police database and they will be able to issue you your waiver—one stop shop, no matter where you go across the civil service. We will not be able to ask you to provide a document that the Government has issued to you. Madam Speaker, that is e-Government at its best and we are going to make it happen.

Understanding, though, Madam Speaker, the enormity of this challenge, the typical Management response would be to list all of the reasons why such a goal cannot logistically, legally or financially be achieved. However, Madam Speaker, enhancing leadership within the civil service will require senior

leaders to model the very behaviour that we want to be exhibited by other leaders. As such, I am fully confident that with continued concerted effort, the e-Government Steering Committee joined by leaders across the civil service will deliver this audacious goal on behalf of the Cayman Islands public that we serve. And I know, Madam Speaker, you like to say the audacity of hope? Well, this is one of those things. We are going to achieve this result. They deserve no less—our customers deserve no less, Madam Speaker—and we aim to deliver this streamlining of data requests so as to reduce the demands placed on those who regularly do business with Government, and I gave those examples earlier, Madam Speaker. We aim for a better joined up civil service. This ought to be evident to those outside of Government who do business with us. I invite the leaders across the civil service to join the e-Government Steering Committee in making this bold goal a reality on behalf of the public who use our services. I also invite the leaders across the civil service to set other courageous goals within your areas of responsibility and more importantly to deliver the results.

Madam Speaker, in pursuing the e-Government strategy, we are embracing the best of the Estonian model. This model was chosen for a number of reasons including: low implementation costs, quick implementation (in this case 6-9 months for the functional pilot) and the ability to leverage bespoke systems like we have for security. But beyond those reasons, the model opens a world of possibilities, Madam Speaker, for the Cayman Islands that is only limited by our creativity. This model has allowed Estonia to introduce creative capabilities such as e-Voting and e-Residency. Why, Madam Speaker, can we not be the leader in the entire Caribbean on this region for e-Government? Madam Speaker, we will get there. I intend to champion this cause and I am getting nothing but great support across the civil service. Madam Speaker, we will make this happen.

To achieve such paradigm shifts, Madam Speaker, will require improved internal communication amongst government stakeholders. Unsurprisingly then, one of my priorities is to listen to the needs of staff and taking action to address their priorities. A recent survey showed that staff members were frustrated as they were not getting communications that were timely, relevant or interesting. Our over reliance of “CS Messages”—an internal messaging system meant that we were bombarding our staff with so much information that we had unwittingly created a system which staff had to work around in order to get their job done. We elevated messages about lost keys and cake sales and gave them the same treatment as internal communications from the Premier, myself, the Minister of Finance or HR leaders; we had to do better, Madam Speaker.

Good internal communications provides vision and leadership; it engages managers, elevates staff

voice and demonstrates an organisation’s integrity. As such, my aim is to provide staff with communications which they value and which makes them proud to be part of our civil service. We need to create an environment where civil servants have a deep understanding of the Government’s priorities and are better supported to deliver them. Good news, Madam Speaker, we have addressed it.

Last week, work started on this by launching a new intranet. Now, Madam Speaker, this may sound simple and it is operating in other agencies, but for us it is a big deal because we want to get it right and this will be an integral part of supporting our staff. In the previous month our intranet (our old intranet) was visited by about 10 per cent of our staff who accessed about 1,000 pages. Madam Speaker, last week alone, the new intranet has been visited by about 2/3 of our staff members who accessed over 5,000 pages. This will now be the destination for promoting our leadership, supporting our managers and inspiring our staff to develop and achieve excellence in their roles—this is why the new intranet is called “the Hub”!

In addition to what I have mentioned previously, Madam Speaker, our work is not done. Collectively, the agencies comprising the Portfolio of the Civil Service will in 2016/17, strategically focus on: (1) supporting democracy in Government, (2) improving corporate performance within the civil service and (3) modernising HR Practices and [Terms and] Conditions.

Madam Speaker, the Civil Service plays a significant role in supporting democracy and Government. In 2016/17, this will be manifested through various initiatives. The most notable strategic change will be effected in May 2017 when the Elections Office will administer the first general election in these Islands to be conducted under a system of Nineteen Single-Member Electoral Districts. Effecting the transition to single member districts will deliver upon the stated wishes of the electorate, achieve a more representative form of government and will fulfil a commitment communicated by the Government even prior to taking office. Teams of professionals have commenced their work to ensure that free and fair elections are guaranteed even while significant changes are occurring. Public engagement is a major part of this initiative and I wish to commend the Supervisor of Elections, Mr. Wesley Howell and his highly capable deputies and support staff, for the impressive start that they have made. Everywhere I go now I see things about the elections coming up. *Have you registered?* Instagram, Facebook—everywhere. They are reaching the wider Caymanian community and I want to again, like I said, commend Mr. Howell and his team.

By the end of this calendar year, the multidisciplinary team led by the Portfolio of the Civil Service will establish a new Office of the Ombudsman. This new oversight body will incorporate the functions of the current Office of the Complaints Commissioner and the Information Commissioner’s Office. It will also

for the first time deliver independent oversight of public complaints against the Police. Creating this consolidated body will avoid needing to outlay approximately \$700,000 in duplicated administrative costs and will fulfil an existing legal requirement to ensure there is a statutory watchdog for complaints concerning the police. This has been a longstanding gap, Madam Speaker, in our checks and balances which ought to exist, and staffing this function without replicating the costs associated with separate office accommodations, support staff and managerial staff, is a major step towards the good governance of these Islands and demonstrates prudent financial stewardship.

Equally important, centralising agencies dealing with complaints provides the public with a one stop shop if they need help. We are focusing our efficiencies on the right place—the overheads that drive up costs have no impact on service delivery. We are taking the savings that are achieved from the consolidation, and reinvesting it back into the Office by hiring separate investigators to investigate complaints against the police. Detailed work is underway in consultation with successful organisations elsewhere who provide similar services. Madam Speaker, I want to make it very clear that what we are doing will not diminish the effectiveness of these offices; as a matter of fact, to the contrary. We believe it will be even more effective and models around the world have proven that.

In the coming year, my Office will progress a number of Bills to Cabinet. The Public Authorities Bill—which I have just signed off on the Cabinet paper and submitted that to the Cabinet—will provide consistent governance of the Statutory Authorities and Government Owned Companies which are fully funded and owned by the Government, but which have, in some cases, operate with lower standards than are expected of public bodies for appointments, financial management, board operations, etc. The Bill proposes a common governance framework for public bodies.

The Procurement Bill is meant to improve Government's purchasing regime, thereby enhancing transparency, value for money, and ultimate outcomes.

The Freedom of Information (Amendment) Bill will be submitted for final Cabinet approval in 2016/17. This law will incorporate the recommendations of the FOI Committee of the Legislative Assembly which was chaired by former Speaker, Hon. Mary Lawrence as well as subsequent feedback.

The Internal Audit Unit and HR Audit Services have jointly prepared and submitted a draft Outline Business Case on the proposed merger of the two units. Once the Outline Business Case is completed it will be submitted to Cabinet for its consideration. If approved, Madam Speaker, the merger will consolidate leadership of the two units into one Director, result in a better defined organisational chart to facilitate

succession planning and realise greater coordination of the audit programme internal to Government.

Improving corporate performance, including programme delivery, is another major area of focus. The current budget includes approximately \$400,000 in additional funding which is earmarked to support the delivery of Project Future. Madam Speaker, we heard the Premier give the update of where we are with Project Future this morning. These funds will be used, in part, to purchase external expertise to work in tandem with the civil service in the progressing of more than 50 projects comprising Project Future.

Mobilising private sector "know how to work in tandem with the civil service", helps address the risk posed to too many reform proposals in the past—namely a lack of available resources to deploy for implementation. We know civil servants are driving change on many fronts, and as they undertake more robust business case reviews and formal project management, the SRIU will provide centralised support in these areas which pose common challenges for agencies charged with delivering key projects. Such public/private sector collaboration is the key to delivering so many additional strategic projects without having to invest in significantly increasing headcount within the civil service.

Through Project Future, a major change initiative is being undertaken across the civil service to rationalise public services, ensuring the most efficient and effective delivery of essential services. Following Cabinet's lead as to which projects are approved for further evaluation, teams are undertaking strategic assessments, business cases, and project management methodology to drive scores of projects. Significant strides have been made to date, including significant training having been provided to upwards of 80 civil servants on project management and business case writing. These skills can be deployed not only for the Project Future initiatives but will also benefit other work which is ongoing within Ministries and Portfolios.

Madam Speaker, what we have been driving home to civil servants—if we start projects off right, then there is an excellent chance that we will deliver those projects and deliver what was intended. So, the business case project is now the norm in the civil service.

Madam Speaker, moving to SAGCs under the Portfolio of Civil Service, the key strategic goals and objectives for the Civil Aviation Authority for the 18 month financial period ending December 31, 2017 are:

- a) To increase the aircraft registry revenues by a minimum of 4 per cent per annum;
- b) To recruit and retain qualified personnel required to meet the Authority's oversight obligations;
- c) To further develop staff succession and training plans and implement ap-

- appropriate procedures to achieve optimum staffing as a means of ensuring the Authority's business continuity;
- d) To maintain financial independence and continue making dividend contributions to the Government.
 - e) To retain full designation by the Governor for safety oversight of all functional areas;
 - f) To enhance aviation safety through collaborative efforts with industry and key stakeholders, including calls for development of a certified airport on Little Cayman.
 - g) To continue promoting local and global awareness of the Cayman Islands Aircraft Registry by execution of an annual integrated communication plan; and
 - h) To develop permanent administrative office headquarters for the CAACI [Civil Aviation Authority Cayman Islands]: procurement of architectural and construction management services and to attain 50 per cent construction development.

In addition, the CAACI will continue through this period and beyond with the development of e-business initiatives specific to the aviation, regulatory industry.

In terms of strategic work relating to modernising HR practices and terms and conditions, during the upcoming year, the Portfolio of the Civil Service will:

1. Bring legislation to increase the retirement age within the civil service (which is on the agenda for this meeting, Madam Speaker); and
2. Engage with stakeholders and experts, as necessary, to formulate options to introduce cost sharing for healthcare.

The work underway to raise the normal retirement age has the ability to benefit employees, the civil service's workforce planning and the overall sustainability of the Public Service Pensions Fund. Civil servants will enjoy greater flexibility in their careers and have the ability to save more money towards their ultimate retirement. The proposal also has the ability to reduce the demands on the Public Service Pensions fund by deferring the date where staff members start to draw their pensions.

The Public Service Pensions Board's 2016/17 Business Plan is focused on the following strategic areas or goals on behalf of the Membership:

- to improve the long-term pension benefit sustainability;
- cultivate at all levels a high performing, risk-intelligent and innovative organisation focusing on member services; and
- to engage in Government policy development to enhance the long-term sustainability and effectiveness of our pension schemes.

Madam Speaker, in closing, even as I reflect upon the achievements of recent years and set ambitious goals for the financial year ahead, we do so with great humility. Our past achievements are not—for us—an end, but rather a reminder that there is still much work to be done. However, we are not to be deterred by the enormity of the challenges which lay ahead. The civil service is comprised of highly capable and dedicated persons, united in a common vision and whose collective performance is growing from strength to strength. I am proud, Madam Speaker, very proud, to work with such a talented team and I am grateful for the support, and, where warranted, the constructive criticism that is offered both within this honourable House and beyond. I know that you, Madam Speaker and honourable Members of this House and the listening public, are aware of the proud legacy of the Cayman Islands civil service and equally of the times when we have fallen short of this great tradition. I ask for your continued support so that together, we may ensure that the work delivered by the civil service continue to provide a solid bedrock upon which social wellbeing, economic growth, and national competitiveness may be well situated.

Madam Speaker, I thank you.

The Speaker: At this time we will take the afternoon break.

Proceedings suspended at 5:21 pm

Proceedings resumed at 6:24 pm

The Speaker: Please be seated. Proceedings are resumed.

Am I recognising the Honourable Premier or does any other Member wish to speak?

ADJOURNMENT

The Premier, Hon. Alden McLaughlin: Madam Speaker, it appears that we are not going to be able to proceed beyond this point tonight. So I will have to move the adjournment of this honourable House until 10:00 am tomorrow.

The Speaker: The question is that this honourable House be adjourned until 10:00 am tomorrow.

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

Ayes.

The Speaker: I believe the Ayes have it. And I hope that it is captured on the TV, as I see the Fourth Elected Member for Bodden Town is on.

At 6:25 pm the House stood adjourned until 10:00 am, Thursday, 9 June 2016.

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