



CAYMAN ISLANDS LEGISLATIVE ASSEMBLY

OFFICIAL HANSARD REPORT

First Meeting of the 2017/2018 Session

First Sitting

Wednesday

23 August, 2017

(Pages 1-56)

Hon. W. McKeever Bush

Speaker

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PRESENT WERE:

Hon. W. McKeeva Bush, OBE, JP, MLA
Speaker of the Legislative Assembly

MINISTERS OF THE CABINET

Hon. Alden McLaughlin, MBE, JP, MLA	<i>The Premier</i> , Minister of Human Resources, Immigration and Community Affairs
Hon. Moses I. Kirkconnell, JP, MLA	<i>Deputy Premier</i> , Minister of District Administration, Tourism and Transport
Hon. Juliana Y. O'Connor-Connolly JP, MLA	Minister of Education, Youth, Sports, Agriculture and Lands
Hon. Dwayne S. Seymour, JP, MLA	Minister of Health, Environment, Culture and Housing
Hon. Roy M. McTaggart, JP, MLA	Minister of Finance and Economic Development
Hon. Joseph X. Hew, JP, MLA	Minister of Commerce, Planning and Infrastructure
Hon. Tara A. Rivers, JP, MLA	Minister of Financial Services and Home Affairs

EX OFFICIO MEMBERS OF THE CABINET

Hon. Gloria M. McField-Nixon, JP	Acting <i>Deputy Governor</i> , ex officio Member responsible for the Portfolio of the Civil Service
Hon. Samuel W. Bulgin, QC, JP	<i>Attorney General</i> , ex officio Member responsible for the Portfolio of Legal Affairs

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

Hon. Bernie A. Bush, MLA	<i>Deputy Speaker</i> , Elected Member for West Bay North
Capt. A. Eugene Ebanks, JP, MLA	Elected Member for West Bay Central
Mr. David C. Wight, MLA	Elected Member for George Town West
Ms. Barbara E. Conolly, MLA	Elected Member for George Town South
Mr. Austin O. Harris, Jr., MLA	Elected Member for Prospect

OPPOSITION MEMBERS

Mr. D. Ezzard Miller, MLA	<i>Leader of the Opposition</i> , Elected Member for North Side
Mr. Alva H. Suckoo, Jr., MLA	<i>Deputy Leader of the Opposition</i> , Elected Member for Newlands
Mr. Kenneth V. Bryan, MLA	Elected Member for George Town Central
Mr. Anthony S. Eden, OBE, MLA	Elected Member for Savannah
Mr. Christopher S. Saunders, MLA	Elected Member for Bodden Town West
Mr. V. Arden McLean, JP, MLA	Elected Member for East End

**OFFICIAL HANSARD REPORT
FIRST MEETING OF THE 2017/18 SESSION
WEDNESDAY
23 AUGUST 2017
10:31 AM
First Sitting**

[Hon. W. McKeeva Bush, Speaker, presiding]

The Speaker: I will ask the Honourable Premier to say Prayers.

PRAYERS

The Premier, Hon. Alden McLaughlin, Minister of Human Resources, Immigration and Community Affairs, Elected Member for Red Bay:

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: Let us all stand.

[Oaths Administered by the Clerk]

OATH OF ALLEGIANCE

Hon. Gloria M. McField-Nixon, Acting Deputy Governor: I, Gloria Michelle McField-Nixon, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her heirs and successors, according to Law. So help me God.

OATH OF DUE EXECUTION

Hon. Gloria M. McField-Nixon, Acting Deputy Governor: I, Gloria Michelle McField-Nixon, do swear that I will well and truly serve Her Majesty Queen Elizabeth II, Her heirs and successors, and the people of the Cayman Islands in the Office of ex-officio Member of the Legislative Assembly. So help me God.

The Speaker: On behalf of this honourable House, I welcome the Honourable temporary ex-officio Member and invite her to take her seat.

Please be seated.

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

Condolences

The Speaker: Honourable Members, several notable Caymanians have passed away recently, including Mrs. Julene Banks who was a long-serving civil servant. Also, the mother of the Financial Secretary, [Mr. Kenneth Jefferson], recently passed. I extend condolences on behalf of all Members and would ask that we stand for a minute in respect.

[Moment of silence]

The Speaker: Thank you.
Please be seated.

PRESENTATION OF PETITIONS

The Speaker: None.

PRESENTATION OF PAPERS AND OF REPORTS

THE CAYMAN ISLANDS 2018 STRATEGIC POLICY STATEMENT

The Speaker: The Honourable Minister of Finance and Economic Development.

Hon. Roy M. McTaggart, Minister of Finance and Economic Development, Elected Member for George Town East: Thank you, Mr. Speaker.

On behalf of the Government, I beg to lay on the Table of this honourable House, the 2018 Strategic Policy Statement.

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. Roy M. McTaggart: Thank you, Mr. Speaker, I do.

It is my distinct pleasure and privilege to rise today and speak to the Government's 2018 Strategic Policy Statement (SPS). The SPS outlines Government's medium-term fiscal plans, broad strategic outcomes and policy priorities for the next three financial years, which cover the period from January 1, 2018 to December 31, 2020.

The SPS will also guide the preparation of the detailed 2018 and 2019 budgets for the coming budget period, which covers the 2018 and 2019 financial years and will be presented to this honourable House in October. This SPS is the first one to be prepared following the 2015 and 2017 legislative amendments to the Public Management and Finance Law (PMFL), which shifted the Government's financial year from the July 1 to June 30 period, to January 1 to December 31 period, and changed our budgeting cycle from an annual one to once every two years.

Fiscal Strategy

Mr. Speaker, looking first at the fiscal strategy. The Government's medium-term fiscal strategy upon which this SPS has been prepared and developed is centred on the following three guiding principles:

- (1) We must generate substantial operating surpluses in each year.
- (2) There will be no new fees or taxes levied on the public; and
- (3) No new borrowings, apart from refinancing an element of the 2009 bond, which matures in 2019.

These guiding principles represent this Government's commitment to manage the financial affairs in a manner that achieves long-term stability and sustainability. Let me speak briefly about each of these guiding principles.

Operating surpluses: Managing the Government's operating expenditures in a way that maintains healthy operating surpluses is a central guiding aim in our financial management policy. Doing so, enables the Government to use the cash generated by these surpluses to build and maintain reserves and fund its capital investment programme. This SPS sets a very clear plan for the Cayman Islands Government to do just that. Maintaining operating surpluses are a key component of ensuring compliance with the principles of responsible financial management and the framework for fiscal responsibility, as they are set out in the Public Management and Finance Law. This SPS keeps the Cayman Islands Government firmly on the path of compliance with this important legislation.

No new fees or taxes levied on the public: Every Government derives its revenues from some sort of taxation. The challenge for every Government and for us is to find the right level of taxation needed to deliver the services and infrastructure required to service and support the needs of the people without stifling economic activity and negatively impacting the quality of life of citizens and residents.

The Government has made the bold decision not to seek or introduce any new revenue measures at this stage. It was not an easy decision, but was done in an effort to keep the tax burden as low as possible, and to keep the costs of living and doing business as low as we can. We will instead focus efforts on maximising collection on existing rates of fees by strengthening enforcement efforts and improving ease of payment through e-Government initiatives and business process improvements.

No new borrowings apart from refinancing an element of the 2009 bond: During the SPS period, the Government will pursue a debt-management strategy which seeks to aggressively pay down the outstanding core Government debt and not incur any new borrowings, except in 2019, when we are planning to borrow \$130.65 million in order to refinance half of the 2009 bond, which matures in 2019. This borrowing will be specifically for this purpose, and no loan proceeds will be used to finance operating activities or capital investments.

Mr. Speaker, I think it is fair to say that Government has learned from its experience with the 2009 bond, that all future borrowings are best structured as amortising instruments with regular principal payments being made over the life of the debt; as doing so smooths out the cash flow and reduces the interest expense.

Next, we will look at the broad strategic outcomes.

Broad Strategic Outcomes

In addition to our fiscal strategy, this SPS is centred on eight broad strategic outcomes that the Government has agreed will guide our policy actions over this term. These outcomes are:

- (1) A strong economy to help families and businesses;
- (2) Achieving full employment (in other words, jobs for all Caymanians);
- (3) The best education opportunities for all of our children;
- (4) Reducing crime and the fear of crime;
- (5) Access to quality, affordable healthcare;
- (6) Stronger communities and support for the most vulnerable;
- (7) Ensuring Caymanians benefit from a healthy environment;
- (8) Stable, effective and accountable Government.

Turning now to the economy.

The Economy

Mr. Speaker, the Cayman Islands is blessed to have a strong, stable and moderately expanding or growing economy. This Government is focused on ensuring that our economy is on a path towards long-term sustainability in a way that brings maximum prosperity and opportunities for our people.

In our efforts to support sustainable economic growth, we will continue the major economic policy interventions introduced during the past administration, such as reduced import duties, lower business licensing fees, development concessions, extended support to small businesses and other initiatives geared towards achieving greater economic diversification and increased employment opportunities for our people.

Over the next three financial years, the Economic and Statistics Office (ESO) has forecast that our economy will grow steadily, in line with forecasts for the world's major economies, which are the source markets for our major economic pillars. Economic growth, as measured by the real gross domestic product (GDP), is expected to grow by 2.4 per cent in 2018, 2.3 per cent in 2019 and 2.2 per cent in 2020. These forecasts are underpinned by the assumption that the three key sectors of the Cayman Islands' economy—financial services, tourism and business services will all continue to evolve and maintain their global competitiveness.

In addition, economic growth will be directly influenced by several large construction projects from the private as well as the public sectors and will include new hotel construction and redevelopment of the existing hotel properties along the Seven Mile Beach corridor; development of a new hotel and condominiums in Beach Bay, Bodden Town; redevelopment of the

George Town cargo and cruise berthing port; completion of the new John Gray High School; construction of a new long-term residential mental health facility; the procurement of the new Integrated Solid Waste Management System; and the completion and opening of the redeveloped and expanded passenger terminal at Owen Roberts International Airport.

This diverse mix of products from the public and private sectors demonstrate confidence in the economic potential of the Islands and will help to strengthen our core infrastructure and position the Cayman Islands for long-term sustainable growth.

Over the next three years, economic growth will create additional jobs and keep the unemployment rate well below the 4 per cent level. Unemployment rates are forecast to be 3.6 per cent in 2018, 3.4 per cent in 2019 and 3.5 per cent in 2020. Economic growth and increased levels of employment mean that the consumption of goods and services will increase. This in turn places upward pressure on the rate of inflation, as measured by changes in the Consumer Price Index (CPI), which is expected to increase by 2.3 per cent in 2018, 2.6 per cent in 2019 and 2.4 per cent in 2020.

Given our near-total reliance on imported goods, inflation in Cayman is largely driven by external factors; as prices in the source markets increase, so they do in our retail places and industries locally. To help manage the impact of inflation, Government has taken the decision to leave in place the significant import duty reductions implemented in the last administration; most notably, the reduced import duty down to 25 cents per gallon from 75 per cent [*sic*] on fuel used by Caribbean Utilities Company Ltd. (CUC) for the generation of electricity; the reduced import duties of 20 per cent down from 22 per cent for licenced traders on consumer goods for retail sale, and reduced import duty of 15 per cent on building materials. By keeping in place these import duty reductions the Government is doing its part to keep retail prices as low as possible, thereby keeping the cost of living for households and the cost of doing business as low as possible, thus stimulating consumption.

Financial Forecasts

Mr. Speaker, I will now highlight the financial forecasts contained in the SPS statement. However, before I do so, I need to spend a few moments to explain how the numbers in the SPS are different from those of previous SPS documents and the current 2016-2017 Budget. One of the most significant amendments to the PMFL was to change the Government's financial year from 1 July to 30 June period, to the calendar year 1 January to 31 December.

As of January 1, 2018, our financial years will match the calendar. As a result, the numbers you see in the SPS document for the 2018, 2019 and 2020 financial years are not directly comparable to those shown in the 2016-2017 financial year, which was a

transitory fiscal period covering 18 months of activity between the 1st July, 2016 and the 31st December, 2017.

Mr. Speaker, the Government's main revenue streams are directly tied to the level of consumption and rate of economic growth. Generally speaking, as the economy grows, so do revenues. In line with our overall fiscal strategy, the Government does not plan to introduce any new revenue measures during the next three financial years. The SPS forecasts that Government revenues will be approximately \$717.9 million in 2018, \$694.4 million in 2019 and \$730 million in 2020. These numbers are based on stable, conservative growth on our core operating revenue base plus the addition of one-off transfers to general revenues being cash assets of liquidated entities which are forecast to be \$19 million in 2018, \$3.1 million in 2019 and \$30 million in 2020.

Mr. Speaker, the Government will continue to focus on controlling growth and operating expenditure. Increases will only be allowed where they can be afforded and will be restricted to high-priority areas. We will continue to challenge Government agencies to seek to avoid increases by improving operational efficiencies. Core Government expenses are forecast to be \$636.4 million in 2018, \$640.3 million in 2019 and \$639.8 million in 2020. This Government is committed to restricting operating expenditures below the levels of our operating revenues in order to keep generating operating surpluses.

Over the SPS period, increased operating expenditures will be used to fund a number of important initiatives, including but not limited to:

- Enhancement to police, policing and public safety by the hiring of additional police officers and fire officers along with the provision of enhanced training and support;
- The implementation of an enhanced work permit system that provides transparency on available jobs, increases accountability for employers and maximises opportunities for Caymanians;
- Increased support for the financial services industry by enhanced financial services policy functions and improved regulatory services provided by the Cayman Islands Monetary Authority in order to keep pace with the ever-changing and evolving international regulatory requirements;
- Enhanced tourism marketing to high-value source markets, and the launch of new air service routes by Cayman Airways to strategic tourism markets;
- Continued enhancement of public education services by improving services for addressing students with special needs;
- Strengthening of the core curriculum across primary and secondary schools for science,

technology, mathematics and literacy, and increasing funding for overseas scholarships for advanced specialised tertiary education;

- Increased monthly *ex-gratia* payments made to seamen, veterans and persons receiving poor-relief payments;
- Improved services and support to our elderly, disabled and other vulnerable persons in our society;
- Increased funding to the Cayman Islands National Insurance Company (CINICO) for the continued provision of health insurance services to its clients;
- The implementation of the Integrated Solid Waste Management System;
- Improvements to our vital mosquito control programme, therefore mitigating risks to public health from mosquito-borne diseases; and
- The implementation of an expanded conditional release programme to better enable prisoners to successfully reintegrate themselves into society as productive citizens following release from incarceration and to lower the rate of recidivism.

Mr. Speaker, over the SPS period, planned capital investments are forecast to total some \$309 million [*sic*] to be spread over three years as follows: \$101 million in 2018, \$103 million in 2019, and \$107 million in 2020. These investments will be directed to support debt-servicing obligations and operations of our Statutory Authorities and Government Companies (SAGCs), as well as the development of key infrastructure by the core government such as:

- The completion of the new John Gray High School, completion of the redevelopment and expansion of the passenger terminal at Owen Roberts International Airport;
- The remediation of the George Town Landfill and implementation of the Integrated Solid Waste Management System;
- The construction of the long-term Residential Mental Health Facility; and
- Continuing upgrade to our road network.

Mr. Speaker, maintaining compliance with the principles of responsible financial management is another core element of our fiscal strategy. For the next three financial years, we are forecasting that the Government will maintain compliance with the main principles of responsible financial management with a one-off non-compliance in 2019, which I will explain shortly.

The PMFL requires that the Government maintains positive operating surpluses. Over the next three years core government is forecast to remain in compliance with this requirement with operating surpluses forecast to be \$81.4 million in 2018, \$54 million in 2019 and \$90 million in 2020. These surpluses are critical to generating cash which will be used to pay off debt,

maintain cash reserves and fund capital investments in both core government and statutory authorities and government companies.

Over the SPS period, our SAGCs combined are forecast to record net losses of \$12 million in 2018, \$12 million in 2019 and \$14 million in 2020. These losses are driven primarily by preliminary estimates from CINICO of their actuarially assessed premiums, and given the limited time to review the submission from CINICO, the Government has made, and is committed to, a significant provision in its operating expenses for a premium increase to CINICO. As we go through the detailed budgeting phase, this matter will be closely analysed and addressed. The PMFL requires that annual entire public sector debt service cost, interest and principal, not be greater than 10 per cent of core government revenues.

The SPS forecast indicates that the debt service ratio will be 8.9 per cent in 2018, 48.2 per cent in 2019 and 9.2 per cent in 2020. The spike to 48.2 per cent in 2019, will bring the Government into non-compliance with this ratio during that year, however, it is important to point out that this non-compliance is a direct result of the planned repayment and refinancing of the 2009 Bullet Bond that matures in November 2019. This is a one-off event and the debt service is expected to fall to approximately 9.1 per cent in 2020.

The PMFL requires that Government's net debt not exceed 80 per cent of core government's operating revenues. Net debt is calculated as a total amount of outstanding core government debt plus the risk-weighted debt of statutory authorities and government companies less the liquid assets of core government.

The Government is forecast to be in full compliance with this requirement over the next three financial years, with the net debt ratio forecast to be 21.5 per cent in 2018, 18.2 per cent in 2019, and 9.2 per cent in 2020. This significant reduction places Government well below the maximum allowed limit of 80 per cent and is consistent with the Government's overall strategy of debt reduction and no new incremental borrowing.

Finally, the PMFL requires that the Government has liquid cash reserves of not less than 90 days of estimated executive expenses. This ratio is calculated at the point in the financial year when Government's liquid cash reserves are expected to be at their lowest, which is typically December 31st of each year. Over the year, Government is forecast to maintain full compliance with this principle, as allowable liquid cash reserves for the purposes of the ratio calculation are expected to be \$306 million or 175 days in 2018, \$161 million or 92 days in 2019 and \$170 million or 97 days in 2020. The reduction in cash reserves in 2019 reflects the planned bond net repayment of some \$130 million from our cash reserves.

In conclusion, Mr. Speaker, the 2018 Strategic Policy Statement provides an overview of government's financial resources and how they are likely to be

allocated over the next three years. It is not (and I repeat)—it is not a detailed budget; that will come when I present the 2018-2019 Budget in October of this year.

As legislators, we must be cognisant of the need to balance the needs and wishes of the people today, with our responsibility to make things better for future generations of Caymanians. This SPS gives us such a path to firmly maintain control over our finances while providing the resources necessary to address our critical needs, upgrade our infrastructure, modernise our public services, enhance services to the most vulnerable amongst us, improve our public education systems, create more opportunities for Caymanians, grow reserves to build our financial resilience, support stable, sustainable economic growth; protect our natural environment, and overall, build a stronger Cayman Islands and a better place for us all to live.

Thank you, Mr. Speaker.

[Desk thumping]

ANNUAL REPORT 2015/2016 – FINANCIAL REPORTING AUTHORITY (CAYFIN), CAYMAN ISLANDS GOVERNMENT – PORTFOLIO OF LEGAL AFFAIRS

The Speaker: The Honourable Attorney General.

The Attorney General, Hon. Samuel W. Bulgin: Thank you, Mr. Speaker.

Mr. Speaker, I beg leave of the House to lay on the Table the Financial Reporting Authority Report for the period 2015–2016.

The Speaker: So ordered.

Does the Honourable Member wish to speak thereto?

The Attorney General, Hon. Samuel W. Bulgin: Mr. Speaker, just a few observations.

Mr. Speaker, the report is very detailed, very comprehensive in setting out the activities for the relevant period. It provides an overview of the operation of the Financial Reporting Authority (FRA) for the period 2015-2016 and it shows, amongst other things, Mr. Speaker, that during the period, the FRA received some 620 suspicious activity reports which are a record number of disclosures for the period. It also marked the first time that the number of suspicious activity reports (SARs) exceeded 600; and, of course, Mr. Speaker, it is the third straight year that the number of SARs exceeded 500. In 2014-2015 there were 568 and in 2013-2014 there were 558. This could be partly attributable to the fact that suspicious activity reports are now being received from 140 different reporting entities as compared to 114, I think, in 2014; and this does not include overseas financial intelligence units that voluntarily disclose information to the Cayman Islands' FRA.

Mr. Speaker, I would also wish to highlight the fact in this report that in August, 2016 a new Director was appointed—Mr. Robert Berry. He succeeded Mr. Lindsey Cacho who served the FRA for some 11 years and provided exemplary leadership. Mr. Berry came to us from the Monetary Authority with a wealth of experience and was a natural fit for the post of Director of the FRA.

Mr. Speaker, also to point out that because of the upcoming review of the Cayman Islands in December by the Caribbean Financial Action Task Force (CFATF) where we will be judged against the revised FATF 40 Recommendations, the FRA has been involved in a number of initiatives in preparation for this on-site review, which will be in December of this year. They have been involved, of course, in the National Risk Assessment and in outreach with industry practitioners and with a number of training initiatives as well.

I would also, Mr. Speaker, like to take this opportunity to join the Director where he mentioned in his report about the vigilance of the industry stakeholders in filing suspicious activity reports and ensuring, Mr. Speaker, that we continue to act as gatekeepers in ensuring that our financial industry and, indeed, our other areas of economic activities are not used by unscrupulous persons to launder proceeds or to otherwise involve in organised crime.

All in all, Mr. Speaker, I wish to commend the report to honourable Members of the House, as well as the wider public, for its reading.

Thank you.

AUDITED FINANCIAL STATEMENTS – NATIONAL GALLERY OF THE CAYMAN ISLANDS FOR THE YEAR ENDED JUNE 30, 2016

The Speaker: The Honourable Minister of Health, Environment, Culture and Housing.

Hon. Dwayne S. Seymour, Minister of Health, Environment, Culture and Housing, Elected Member for Bodden Town East: Thank you, Mr. Speaker.

I beg to lay on the Table of this honourable House the Audited Financial Statements – National Gallery of the Cayman Islands for the year ended June 30, 2016.

The Speaker: Does the Honourable Minister wish to speak to the report?

Hon. Dwayne S. Seymour: Thank you, Mr. Speaker.

Mr. Speaker, in accordance with section 52(5) of the PMFL, I place before this honourable House the Audited Financial Statements for the National Gallery of the Cayman Islands (The Gallery), for the fiscal year ended 30th June, 2016.

The Gallery was established in accordance with The National Gallery Law on the 23rd April, 1999.

Prior to this date, The Gallery functioned as an unincorporated entity. Mr. Speaker, The Gallery, through its management board, acquires artwork and collection materials to be held in Trust for the purpose of preserving them for posterity and promoting their usefulness in the development of arts, exhibition, research and education for the public's benefit.

The Gallery promotes and encourages the awareness, appreciation and practice of the visual arts in the Cayman Islands through organising and maintaining temporary and permanent public exhibitions of works of art. Mr. Speaker, the National Gallery Law states that the property of The Gallery is vested in up to four trustees appointed by Cabinet, two of whom may also be members of the management board. In June 2015, Cabinet appointed 15 members of the management board whose term shall last until December, 2017.

As at 30th June, 2016 there were nine employees at The Gallery. The Auditor General has conducted its audit in accordance with the International Standards on auditing and has indicated that there was sufficient and appropriate evidence supplied to provide a basis for a qualified audit opinion.

Mr. Speaker, the Statement of Financial Performance shows that for the year ended 30th June, 2016, the total revenues were \$835,008; this includes a government grant of \$401,850, which equates to approximately 48 per cent of The Gallery's annual budget. Included in the total revenue are membership payment fees which decreased from the previous year by \$15,995. Total expenditure increased from \$1,006,377 to \$1,076,712; the result was a net loss for the year of \$261,859. This net loss was due primarily to higher professional fees for consultancy, work for research and fund-raising as well as increased programme expenses pertaining to the two book projects and increased spending on facility rental on the Art Café.

The Statement of Financial Position, Mr. Speaker, shows that for the year ending 30th June, 2016, assets declined from the previous year. The Gallery's fixed assets amounted to \$2,726,574. Current assets were \$154,261 and total assets were \$2,880,835. The current liabilities were \$180,616. The total assets and the current liabilities equated to \$2,700,219, which was [also] the Fund balance total at 30th June, 2016.

Mr. Speaker, given the results of the Statement of Financial Performance, which indicates that The Gallery incurred a net loss of \$261,589 [*sic*] during the year ending 30th June, 2016, and the Statement of Financial Position, which indicates as of that date, the Gallery's current liabilities exceeded its current assets by \$26,355, although total revenue increased by 2 per cent in the past four years when the Gallery moved into its new facility and doubled the scope of its operation, net profit decreased by 202 per cent over the same period, and therefore cast a material uncertainty over the ability of The Gallery to continue as a going concern.

Mr. Speaker, the Auditor General noted that The Gallery did not comply with the requirements of the PMFL under section 4, which notes that the financial statements are to be prepared in accordance with the International Public Sector Accounting Standards, however, the Gallery's financial statements were prepared in accordance with the International Financial Reporting Standards. No adjustments were made in the financial statements as a result of the non-compliance with the Law.

Mr. Speaker, the Auditor General issued a qualified opinion on the audited financial statements for The Gallery for the fiscal year ended 30th June, 2016, and the basis for such qualified opinions is as follows:

The Auditor General stated that, **"In common with many non-profit organisations, the Gallery derives a significant portion of its cash receipts from various sources, the completeness [of] which is not susceptible to independent audit verification. Accordingly, my verification of such cash receipts was limited to the amounts recorded in the records of the Gallery and I was not able to determine whether any adjustments might be necessary to cash receipts from donations and events and exhibitions income"**.

The audit report of the financial statements for the year ended June 30th, 2016, included a qualification in respect of the same matter.

Secondly, Mr. Speaker, in offering this qualified opinion, the Auditor General stated that, **"except for the possible effects of the matter described in the basis for qualified opinion paragraph above,... the financial position of the Gallery as at June 30th, 2016 and its financial performance in its cash flows for the year then ended in accordance with International Financial Reporting Standards"**.

In closing, Mr. Speaker, I would like to thank the staff at the Gallery and my Ministry staff, as well as the Auditor General's Office for their role in tabling these audited financial statements. I now commend these audited financial statements to this honourable House and invite Members and the public to review them for further details.

Thank you, Mr. Speaker.

AUDITED FINANCIAL STATEMENTS – CAYMAN ISLANDS NATIONAL MUSEUM FOR THE YEAR ENDED JUNE 30, 2016

The Speaker: The Honourable Minister of Culture.

Hon. Dwayne S. Seymour: Thank you, Mr. Speaker.

I would like to lay on the Table of this honourable House the Audited Financial Statements for the Cayman Islands National Museum.

The Speaker: So ordered.

Does the Minister wish to speak thereto?

Hon. Dwayne S. Seymour: Thank you, Mr. Speaker.

Mr. Speaker, in accordance with section 7 of the Museum Law (1999 Revision) and section 52(5) of the PMFL, I would like to place before this honourable House the Audited Report of the Cayman Islands National Museum ("the Museum") for the Fiscal Year ended 30th June, 2016.

Mr. Speaker, the Museum was formed on May 3, 1979 by an enactment of law. Its purpose is to establish for posterity, a collection of material evidence concerning human kind and its environment with primary, but not exclusive, reference to the Cayman Islands.

The Museum also serves to arouse public interest in Caymanian heritage, and increase the knowledge and appreciation of, and respect for it, through the proper use of collection. Mr. Speaker, the Museum holds in excess of 9,400 artefacts that have been donated, transferred, purchased or found, with the majority being donations.

Artefacts are documented in the Museum's Accession Register and are used and researched and are held in exhibition for public service. The research collections not on exhibit at the Museum are kept at the Museum's support facility in an environmentally controlled vault for preservation.

The Museum also operates a gift shop and leases a small commercial space to a third party, which operates a café. Mr. Speaker, the Museum is funded primarily by an annual grant from the Government through my Ministry of Health, Environment, Culture and Housing.

As highlighted by the Auditor General, **"The Museum would not be able to continue as a going concern without ongoing support from the Government"**, which means that the Museum is economically dependent on the Government. With that said, Mr. Speaker, the Statement of Financial Performance shows that at the year ended 30 June, 2016, Government grants remained the same as the previous year, \$820,800. During this time, product sales decreased by 17 per cent, however, revenue from the admissions increased by 17 per cent, while the rental income increased by 11 per cent, as per the budgeted figure.

A positive point to note is the Museum's fundraising efforts, with income and donations reflecting an increase of 78 per cent, although the actual amount fell below budget estimates. The Museum's membership dues also dropped by 27 per cent, notwithstanding the above total revenue which increased by \$34,455 in 2016 to \$1,030,244, compared to \$995,789 in 2015.

Mr. Speaker, on the expenditure side, depreciation fell by 19 per cent, staff costs declined by 1 per cent, facility expenses decreased by 12 per cent, rent expenses rose slightly by 0.4 per cent, cost of goods sold increased by 7 per cent, and administration and other expenses increased by 80 per cent. This resulted in 0.15 per cent decrease in total expenses. Consequently, a net surplus of \$27,297 [*sic*] was realised for this year.

The Statement of Financial Position, Mr. Speaker, shows total assets for the year of \$2,850,305, an increase of \$66,029 from the previous year. Current assets rose by 32 per cent from \$653,401 to \$862,035, and the total non-current assets fell by 6.6 per cent from \$2,130,875 to \$1,988,270. The total current liabilities increased to \$82,472 from \$54,740 in 2015. As at 30th June, 2016, the Museum's equity included a contingency reserve of \$200,000 (in 2015 it was the same), established by the Museum's Board of Control as a precautionary measure to meet the cost of overcoming any disaster that might befall the Museum. Total liabilities and equity increased from \$2,784,276 to the current \$2,850,305.

As at the 30th June, 2016, Mr. Speaker, the Museum's Statement of Cash Flows shows \$556,374 in cash and cash equivalents at one financial institution. The statement also shows accounts receivable of \$207,750 [of which] \$205,200 [was] due from the Government. As such, the Auditor General notes that **"the Museum is exposed to credit related losses in the event of non-performance.... Given the high credit rating of this financial institution and the Museum's relationship with the Government, the Board of Control do [sic] not anticipate any material losses as a result of these concentrations"**.

The Auditor General relied on the work carried out by the public accounting firm who performed their audit in accordance with International Standards of Auditing. The Auditor General indicated that there was sufficient and appropriate evidence to provide the basis for a qualified opinion. As such, a qualified opinion was issued with two explanations as the basis for opinion as follows:

Mr. Speaker, the Auditor General pointed out that, **"During the year ended June 30, 2012, the Museum changed the system that maintained the property, plant and equipment register, which resulted in a material adjustment to accumulated depreciation and accumulated surplus. I was unable to verify the accuracy of the adjustment at that time and this issue still has not been resolved. Therefore I am unable to conclude on the accuracy of the property, plant and equipment and the related impact on accumulated surplus and equity of the Museum as at June 30, 2016"**.

Mr. Speaker, the Auditor General also indicated that in common with many non-profit organisations, **"the Museum derives a portion of its cash receipts from various sources, the completeness of which is not susceptible to independent audit verification. Accordingly, my verification of such cash receipts was limited to the amounts recorded in the records of the Museum and I was not able to determine whether any adjustments might be necessary to cash receipts from fund raising income and donations, the increase in cash and cash equivalents for the year ended June 30, 2016, opening cash as**

at July 1, 2015 and closing cash as at June 30, 2016".

Mr. Speaker, the Auditor General further states that **"except for the possible effects of the matters described in the basis for qualified opinion paragraphs above, the financial statements present fairly, in all material respects, the financial position of the Museum as at June 30, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Public [Sector] Accounting Standards"**.

In closing, Mr. Speaker, I would like to thank the members of the staff of the National Museum, Ministry of Health, Environment, Culture and Housing, and the Auditor General's Office for their role in tabling this report. I now commend this report to this honourable House and invite Members and the public to review this report for further details

Thank you, Mr. Speaker.

AUDITED FINANCIAL STATEMENTS – CAYMAN ISLANDS HEALTH SERVICES AUTHORITY FOR THE YEAR ENDED JUNE 30, 2016

The Speaker: Honourable Minister of Health, Environment, Culture and Housing.

Hon. Dwayne S. Seymour: Thank you, Mr. Speaker.

I beg to lay the report of the Audited Financial Statements for the Cayman Islands Health Services Authority (CIHSA) for the year ended 30 June, 2016 on the Table of this honourable House.

The Speaker: So ordered.

Does the Minister wish to speak thereto?

Hon. Dwayne S. Seymour: Thank you, Mr. Speaker.

Mr. Speaker, in accordance with section 52(5) of the PMFL, I am pleased today to place before this honourable House the Audited Financial Statements of the CIHSA for the fiscal year 30th June, 2016. Mr. Speaker, the Cayman Islands Health Services Authority ("the Authority") is a statutory body that was established as an authority on the 1st July, 2002, under the Health Services Authority Law.

The purpose of the Authority is to provide health care services and facilities in the Cayman Islands in accordance with the National Health Policy and Strategic Plan prepared by the Cayman Islands Government. The Authority provides primary and secondary levels of health care services for all three Islands, and its facilities, including the health care agencies. The main facilities are: the Cayman Islands Hospital in George Town, Grand Cayman, and the Faith Hospital in Cayman Brac. Other facilities are: Little Cayman Health Care Centre, the George Town General Practice Clinic, the West Bay Health Centre, the Bodden Town Health Centre, the East End Health Centre, the North Side Health Centre, the Public Health Unit, the

Lions Eye Clinic, the George Town Dental Clinic, the Merren's Dental Clinic and the Cayman Brac Dental Clinic.

Mr. Speaker, in reviewing the audited financial statements for the year ended 30th June, 2016, the Authority recorded total revenues from Government [programme], patient services fees and other sources, of \$105,235,936. The total operating expenses reported were \$105,168,342. The reported net income for the year was \$67,594. While this income may not seem significant to some people, it represents a vast improvement over the previous fiscal year's net loss of \$3,058,966 [sic], so it seems we have improved the financial position by some \$3 million. The current assets for the year were reported at \$42,655,508 and the fixed assets were \$72,648,372, for total assets of \$115,303,880. Total liabilities of the Authority were \$21,214,358; therefore, the [net] assets of the Authority for the year were \$94,089,522 at 30th June, 2016.

Mr. Speaker, the Health Services Authority ended the fiscal period with a positive cash balance of \$3,896,842 compared to the 2015 balance of \$6,633,017.

Mr. Speaker, the Auditor General completed the audit and issued a qualified opinion on the financial statements of the Health Services Authority for the period ended 30th June, 2016. A qualified opinion means that a portion of the financial statements cannot be relied upon, but the rest of the statements can be relied upon by the reader.

In her report, the Auditor General pointed out four significant matters that influenced her to arrive at this opinion:

Patient Service Fees: The Auditor General stated that she was unable to satisfy herself that the reported amount for patient services fees of \$89.5 million is fairly stated on the Statement of Comprehensive Income. In addition, the Authority could not represent to her that the controls for the recording of patient services fees are effective to ensure that reported revenues are complete. Also, because of the lack of internal controls, sufficient audit procedures could not be performed.

Patient-Related Accounts Receivable: For this matter, the Auditor General stated that she was unable to satisfy herself that the net amount of accounts receivable of \$27.9 million, as shown in the Statement of Financial Position is fairly stated. She noted that, as the amount reported for patient-related accounts receivable is **"directly related to our concerns relating to the amount reported for revenues"**, she was also unable to perform sufficient audit procedures for this amount. The Auditor General went on to say that her review of subsequent receipts from patients to satisfy herself of the provision for bad debts at 30th June, 2016 was also impaired for the same reason.

Post-Employment Health Care Costs: The Auditor General stated that **"the Authority did not estimate the liability for its post-employment healthcare plan as no actuarial valuation was completed. Therefore, the Authority did not record the liability on the statement of financial position or provide disclosures in the notes to the financial statements. Personnel costs and other comprehensive gains/losses are also understated on the statement of comprehensive income for the current and past service costs relating to the liability for the post-employment health care plan"**.

Accumulated deficit: For this item the Auditor General stated that the accumulated deficit of \$70.4 million, as stated in the net worth's section of the Statement of Financial Position, is **"understated to the extent of the current and past service cost relating to the non-recognition of the post-employment health care plan..."**.

Mr. Speaker, the Auditor General's opinion was that, except for the possible effects of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Health Services Authority as at the 30th June, 2016, and the result of its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards.

Mr. Speaker, in closing, I would like to publicly thank the Board and the Management of the Health Services Authority for their hard work and perseverance in producing the report for the audit to be completed by the Auditor General, which formed the basis of qualified opinion, and I commend these audited financial statements to this honourable House and invite the Members and public to review these reports in detail.

Before I sit, Mr. Speaker, I beg to offer a statement on the passing of Ms. Julene Banks, who was Deputy Chair of the Mental Health Commission, with your permission.

The Speaker: Continue.

Hon. Dwayne S. Seymour: Thank you, Mr. Speaker.

Members of this honourable House will be aware of the recent passing of Ms. Julene Banks, the Deputy Chair of the Mental Health Commission, a former civil servant who received the Cayman Islands Certificate Badge of Honour in 2009 and other distinctions in recognition of her contribution to the community. Ms. Banks worked and fought tirelessly for decades on behalf of those in our community who often have no voice. In addition to the persons faced with mental health challenges, these included the elderly, care givers, women coping with pre-natal loss, persons suffering from drug addiction and youth at risk. Her service to their cause included volunteering on several government boards and with her Church.

On behalf of the Cayman Islands Government and the Ministry of Health, I would like to express our deepest sympathies and heart-felt condolences to those she leaves behind, including her husband the iconic Mr. Loxley Banks, former Director of Broadcasting and their large and extended circle of family and friends. I want to thank you, Mr. Speaker.

The Speaker: Thank you.

THE TRADE MARKS (TRANSITIONAL PROVISIONS) REGULATIONS, 2017

The Speaker: The Honourable Minister of Financial Services.

Hon. Tara A. Rivers, Minister of Financial Services and Home Affairs, Elected Member for West Bay South: Thank you, Mr. Speaker.

Mr. Speaker, I beg to lay on the Table of this honourable House, the Trade Marks (Transitional Provisions) Regulations, 2017.

The Speaker: So ordered.

Does the Honourable Minister wish to speak thereto?

Hon. Tara A. Rivers: Yes, Mr. Speaker.

Mr. Speaker, in July 2017, Cabinet approved the Trade Marks (Transitional Provisions) Regulations, 2017, henceforth referred to as “the Regulations”, ahead of the commencement of the Trade Marks Law, 2016, which took place on 1st August, 2017.

The Trade Marks Law, 2016, henceforth referred to as “the 2016 Law”, provides for a new regime for the registration of trade marks in the Cayman Islands. The Regulations provide for the continued application of the repealed provisions of the Patent and Trade Marks Law, 2011 in appropriate circumstances. It also provides for existing registered trademarks to be transferred to the new register until their renewal date.

The trade marks held in abeyance will also be transferred to the new register under the same conditions. Under the regulations, Mr. Speaker, trade marks which expired prior to August 1st, 2017 will not be transferred to the new register. Mr. Speaker, the regulations make provisions for matters pending before the Court or Registrar for decision at the commencement of the 2016 Law: existing registered trade marks pending proceedings, current infringements, assignments and transmissions of registered trade marks and licences granted pursuant to the repeal provisions.

Mr. Speaker, the regulations further deal with the issue of handling an existing trade mark which is at variance with the provisions of the 2016 Law and, where this is the case, the provisions of section 45 of the 2016 Law will apply. Under section 71(4) of the 2016 Law, these regulations are subject to negative resolution of the honourable House.

THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL – GOVERNANCE IN AVIATION BODIES SUMMARY OF KEY FINDINGS

The Speaker: Honourable Leader of the Opposition, Chairman of the Public Accounts Committee.

Hon. D. Ezzard Miller, Leader of the Opposition, Elected Member for North Side: Thank you, Mr. Speaker.

Mr. Speaker, I seek leave of the House to defer the laying of this report, because there seems to be a procedural confusion. This report forms part of the Public Accounts Report that will be tabled on either Thursday or Friday.

The Speaker: I do not think we need a motion for that. Or do we need to move a formal motion?

[Pause]

The Speaker: We will ask the House to agree to the deferral.

[The question is that the Report of the Office of the Auditor General—Governance in Aviation Bodies—Summary of Key Findings, be deferred until a later Sitting in this Meeting]

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

AYES.

The Speaker: The Ayes have it.

Agreed: Report of the Office of the Auditor General—Governance in Aviation Bodies—Summary of Key Findings deferred until a later Sitting in the Meeting.

STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

The Speaker: None.

PERSONAL EXPLANATIONS

The Speaker: None.

OBITUARY AND OTHER CEREMONIAL SPEECHES

The Speaker: None.

RAISING OF MATTERS OF PRIVILEGES

The Speaker: None.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 1 OF 2017/2018 – THE STRATEGIC POLICY STATEMENT FOR THE 2018 AND 2019 FINANCIAL YEARS

The Speaker: The Honourable Premier.

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

I beg to move Government Motion No. 1 of 2017/2018 Session of the Legislative Assembly of the Cayman Islands, entitled “Strategic Policy Statement for the 2018 and 2019 Financial Years”:

WHEREAS Section 23(1A) of the Public Management and Finance Law (2017 Revision), hereafter “the Law”, states that “In a year where there is to be a General Election of members of the Legislative Assembly, the strategic policy statement shall be presented to the Legislative Assembly by a member of the Cabinet appointed by the Cabinet to do so on behalf of the Cabinet not later than three months after the date of the General Election” - thereby establishing 24 August 2017 as the date by which the Government must present its Strategic Policy Statement to the Legislative Assembly;

AND WHEREAS Section 23(1) of the Law provides that the Strategic Policy Statement shall be presented to the Legislative Assembly prior to each “budget period” – which is defined in Section 2 of the Law as a period of appropriation covering two financial years, commencing on 1st January 2018;

AND WHEREAS the Law therefore requires the presentation of the Strategic Policy Statement with respect to the financial years ending 31 December 2018 and 31 December 2019;

AND WHEREAS the Government has now presented its Strategic Policy Statement with respect to the 2018 and 2019 financial years to the Legislative Assembly;

BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the Strategic Policy Statement with respect to the 2018 and 2019 financial years, as the indicative parameters on which the Budgets for the 2018 and 2019 financial years will be developed.

The Speaker: The question is: BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the Strategic Policy Statement with respect to the 2018 and 2019 financial

years, as the indicative parameters on which the Budgets for the 2018 and 2019 financial years will be developed.

Does the Honourable Premier wish to speak thereto?

The Premier, Hon. Alden McLaughlin: Indeed, Mr. Speaker. Thank you.

This Motion seeks the approval of this honourable House for the Government's 2018/2019 Strategic Policy Statement, which the Minister of Finance and Economic Development has just tabled.

I would like to start by congratulating him for his excellent introduction of his first Strategic Policy Statement, and I also wish to thank him and his team in the Ministry, in particular, the Financial Secretary and his team, which coordinated the production of the Statement. This strategic policy statement fulfils its statutory requirement to set out my Administration's key fiscal priorities and our broad strategic outcome objectives for the Cayman Islands. It also puts forth the Government's financial targets for the next three financial years, covering in more detail for the first time, a two-year period, 1st January 2018 to 31st December 2019.

However, this exercise is more than simply about meeting our statutory obligations. This SPS gives me the first formal chance to set out the programme of the new Government of national unity, which came together following last May's election. A great deal of work has gone into shaping this programme and I want to thank all Members in the coalition for their contributions. I said this is a Government of national unity in which all views are valued and respected, and I am pleased to report that my colleagues on the Government benches have taken me at my word and they were certainly robust in the views expressed as we debated our priorities.

This Government's programme is stronger as a result of the vigorous nature of our discussions. It is a programme that is more ambitious for the challenges we presented to each other in our debates. It is a programme we are confident can be delivered, because of the way we have brought the Civil Service into our deliberations. Before I set out that programme, I hope you will indulge me, Mr. Speaker, if I digress slightly to offer the House four things that have shaped my own thinking in the last few months.

The first is a feeling of humility. I am very conscious, Mr. Speaker, that I am the first Premier in our modern political history to serve a full term and then to form a second consecutive administration. I do not take the support of our people for granted. While they elected The Progressives as the largest party in May's election, we were not elected as a majority government. That is why a coalition of national unity was not only necessary, but also underlines the need to remain in touch with, and responsive to, the views of Caymanians over the next four years. In accepting the role of Premier for a second time, I realised that I am taking on

a great responsibility. I do not believe the office of Premier is about self-promotion; rather it is about service, and I will continue to do all that I can to serve the people of these Islands to the best of my ability.

The second thought I wanted to offer to the House is that this a time of real opportunity for the Cayman Islands. Of course, there are challenges ahead, and I do not underestimate the potential of both man-made and natural disasters to knock us off course, however, I believe there are real grounds for optimism about our future and for belief that we as a people can come together and move forward with confidence.

My third reflection has been that if we are to take advantage of our opportunities, we need to be more ambitious. In particular, as a government, we need to go well beyond what has been done before; from improvements in the quality of our public services through to our approach to economic growth. We need to challenge the status quo and set stretching goals that will lead to real improvements in the quality of life for our people.

My final, and perhaps most important thought, is that it is all very well to be humble and willing to serve, to recognise opportunity and to be ambitious, however, all that is for naught if nothing different happens. I am proud of what the last Progressives' led administration achieved, however, there were certainly times when I felt the frustration of delay and inaction within the machinery that is Government. Let me be clear: I have learned from that experience.

As the House will know, I cannot serve nor do I wish to serve a third consecutive term as Premier, so I will be going flat out to push for delivery of our priorities in the next three and a half years. To borrow an American sporting expression, Mr. Speaker, "I will be leaving everything on the field." The crucial difference in this administration's approach must be that we create and sustain a consistent and constant culture of delivery. Our people have every right to expect that the promises we made as we campaigned for election will be delivered. In turn, we will have set an expectation of delivery across government to ensure that our people's expectations are met. I thank the Deputy Governor and his chief officers for their willingness to embrace the challenges we are giving them.

An expectation of delivery first requires us to be clear on our intentions. The final expression of that will be the budget that we will bring to this House in a couple of months. Our intention is that the budget will not only be balanced and fully compliant with the requirements of prudent financial management, but that it will allocate resources to the political priorities we promised to deliver.

This Strategic Policy Statement creates the framework for that to happen. The work that has been done within the Government caucus over the last few months has identified eight strategic objectives that are set out in the Strategic Policy Statement that the Honourable Minister has just introduced. Under each of

these objectives, caucus has set out its ambitions for delivery and prioritised actions to be achieved in the coming two-year period the budget will cover.

One reflection I will offer if I may, Mr. Speaker, is that the eight strategic objectives were fairly, readily agreed by all Members of the coalition. In our various ways, we had all proposed similar themes during the election campaign that we found could be brought together to form a cohesive government programme. There was great discussion over how those objectives could be achieved and over which possible actions should be prioritised, but, as I said before, one of the strengths of a working coalition is that this kind of debate can create a strong programme that will benefit Caymanian families and businesses.

Throughout my political career, I have made the achievement of economic growth central to my thinking about the role of Government. Put very simply, in our three small Islands, unless we secure economic growth, we have no chance of achieving anything else. I recall well, former legislators who sat in this hallowed Chamber stating that the only true independence is economic independence. They understood that economic growth is necessary to create the revenues that allow the Government to pursue its objectives and ambitions for our Islands and our people.

Broad Outcome 1 A Strong Economy to Help Families and Businesses

It is unsurprising then, Mr. Speaker, that the first strategic objective in the SPS focuses on a strong economy to help families and businesses. Central to that objective is action to enhance our key economic sectors of financial services and sustainable tourism. In particular, we will drive the completion of the key infrastructure projects begun in the last term: a modern landfill and waste-to-energy plant, the redevelopment of Owen Roberts International Airport, the delivery of a modern cruise pier and cargo dock and the revitalisation of George Town.

We will continue our partnership with the financial services sector, including Cayman Finance, to not only improve and market our financial services products, but to also defend our financial services business, as and when needed. The challenges in this respect, Mr. Speaker, as you know well, never go away, but we will defend our Islands and our way of living at home and abroad, just as I did last term at Chatham House and on BBC's *HARDtalk*; at the Anti-Corruption Summit and at the Foreign and Commonwealth Office (FCO) in London, and as you, Mr. Speaker, also did as the former finance services minister in London, New York, Washington and Brussels.

Indeed, Mr. Speaker, the current Financial Services Minister and I will visit Brussels and the United Kingdom next month as we continue to fight off the newest round of challenges. Diplomacy and standing

firm are both necessary, but so is relationship building. To this end, I am pleased to say that the London Office, under the able leadership of Mr. Eric Bush is doing an extremely good job in rebuilding and improving relationships across Westminster, and it is paying dividends. An example of this is the recent reformation of the Cayman Islands All-Party Parliamentary Group at Westminster, whose members have been actively giving our Islands even more prominence in London.

The financial services sector faces challenges but continues to do well and we will continue to provide the support needed to ensure that it thrives. We will also ensure that our tourism industry continues to grow from strength to strength. Tourist arrivals increased significantly over the past four years and have remained robust and are expected to remain so in the coming years. In response to this, there are several new hotel projects planned that will cater to the increasing demand for room stock. The Owen Roberts Airport renovation project is well under way and when completed in early 2019, will readily serve increasing visitor air arrivals. To ensure we are prepared to meet the challenges and opportunities of a growing tourism market, we will fully implement the new five-year "National Tourism Plan" in 2018; work which started in October 2016.

We will also continue to support Cayman Airways. The National Carrier is a key partner in helping drive our tourism product by bringing us tourists and opening new gateways and markets. As such, it is important to our economy and employs more than 300 Caymanians.

Work to provide a modern cruise berthing facility and an enlarged cargo port has also been progressing; in particular, in the redesign of the piers to dramatically reduce dredging and impact on the environment. Preliminary designs and cost estimations are complete, pre-qualification of bidders and negotiations with cruise lines are ongoing as well, as is the preparation of bid documents with a projected tender issue date at the end of September this year [2017].

It is worth noting that this project includes an enlarged, modern, cargo facility which is key to our ongoing economic development. The ability to accept larger ships will reduce shipping costs and consequently reduce the cost of goods bought locally. It will also allow fresh fruit and produce to be brought in directly from Central America by ships that now by-pass us for Florida and, as reported recently in *The Journal* newspaper, the Port Authority is receiving considerable interest from shipping companies that not only want their larger ships here, but have indicated that Grand Cayman could be a trans-shipment port for perishable cargo out of Central America. We will see how this develops, but at the moment the potential is certainly welcomed and will be pursued.

Part of our tourism strategy includes the revitalisation of George Town and so the work on that project will move past the phase 1 road-building stage and, starting in 2018, other aspects of the project will

be introduced, including making George Town more tourist-friendly. I will speak in greater detail about this when the budget comes to the House.

In terms of the ongoing road works, I believe that the public is already seeing the benefit of the work done to date, and I wish to remind Honourable Members and the public that this work is being done, not with borrowing, but from cash surpluses. Indeed this Government, like the last administration, continues to operate from a cash position for both operational and capital commitments. We recognise, though, that the strategy of support for our twin economic pillars creates two challenges: The first is that growth is too often centred on George Town and West Bay Road. The second is the vulnerability of our economy to shocks in either/both of the pillar industries. This Government will act to mitigate those challenges by implementing an idea set out by our coalition partners, to develop and implement area economic growth plans to secure the geographical re-balancing of our economy and sector-growth plans aimed at economic diversification.

Before anyone misinterprets what economic growth plans might be about, let me be clear. This is not an attempt to recreate Stalinist economic planning in the Cayman Islands; rather, it is about Government using its economic levers from duty concessions to planning rules to support our economy to grow in ways that are sustainable in the long term and spread benefits to families and businesses across our Islands. It is also about encouraging and assisting, where possible, growth in new and emerging sectors.

Medical tourism, conference tourism, technology and special economic zones are some areas with potential, and if all goes well, it may include cargo trans-shipment as mentioned earlier.

Another crucial part of our economy is the small business sector. This Government will act to ensure it is easier to set up and grow your own business in Cayman, especially for Caymanians. We wish to see a sensible drive for practical deregulation and we are willing to work with businesses to cut unnecessary red-tape.

We will seek opportunities to continue the work of last term and further ease the burden of duties and fees on small business where possible, and will do what we can to support easier access to affordable funding. We will also work with the Small Business Association to introduce a small business development centre, to assist with training and help with small businesses to start up and be successful.

An essential economic sector for our Islands remains agriculture. Here, the Government will continue to support farmers and encourage the adoption of modern farming techniques to improve both quality and yields. This makes economic sense and enhances our food security. As a farmer myself, I would add that farming, though hard work, can provide a pretty decent livelihood.

Whilst we appreciate that a strong economy is a key objective, we also acknowledge that all Caymanians should benefit from this economy. A growing economy naturally creates more jobs and offers more opportunities for Caymanians to benefit, but not all will benefit in the same way. There are things the Government can do directly to help improve the standard of living for all. We will review the minimum wage to ensure it is keeping pace with inflation. Mr. Speaker, not only was this a campaign promise of The Progressives, but it is necessary to ensure that the minimum wage remains relevant to the people it is intended to help.

We—and, Mr. Speaker I include you and others in the coalition Government—also campaigned on providing added assistance to those in need, but doing so in a responsible and sustainable manner. There is an expression that “a rising tide lifts all boats” and indeed, it does. However, as Rahul Gandhi once noted, **“a rising tide does not [raise] people who do not have a boat”**, and so, as the economy grows and benefits the majority, we need to ensure that we do not forget those who need a helping hand. Thus, I am happy to advise the Members opposite, Mr. Speaker, that the Government will be fulfilling the promises made during the election campaign concerning improvements to social service assistance.

Firstly, we will increase the ex-gratia poor-relief payments made to Caymanians who are challenged to provide for themselves, either, because of physical disability, advanced age, or mental incapacity. Presently, they receive a stipend of \$550 per month; we will increase this to \$650 monthly from January, 2018 and then to \$750 in January, 2019. I will add that we were initially looking to provide a higher amount but an additional \$1,200 per year per person is what was found to be affordable and sustainable, Mr. Speaker. However, it is worthwhile noting that government also assists these individuals in many other ways; with medical costs, utilities and other benefits, as well.

In this financial year alone, some \$125 million will be spent on social service needs. We will also provide an increase to the Seamen's and Veterans' Ex-gratia Grant, similar to what was just outlined for poor persons' relief—from \$550 monthly, currently, to \$650 in January, 2018 and \$750 in January, 2019. Many of our elderly seafarers have no pension and rely every month on this stipend. I know, Mr. Speaker, this is something you campaigned on and I am glad that we have been able to provide an increase, albeit not to the level you sought. Again, as we start to get into the next budget review, we will look at this again for the 2020/21 Budget.

I will point out that Government also provides health insurance for seamen and veterans, so the assistance provided is much more than the ex-gratia payment.

Mr. Speaker, we also promised to assist civil service pensioners who served their country for many years but are now retired in Cayman and receive a sum

that is less, in some cases, far less than what is provided for poor relief. We promised during the election campaign to correct this and so, the next budget will provide an additional ex-gratia stipend to supplement the pension for retired civil servants with more than 10 years' tenure and who reside in the Cayman Islands. The aim is to ensure that they receive a combined sum (pension and ex-gratia payment) that is no less than paid for poor-relief payments noted previously. That is, a minimum sum of \$650 per month from January 2018 and \$750 per month from January 2019.

Mr. Speaker, in this SPS we have not accounted for any specific reduction to Government duties and fees, but neither are we looking to increase duties. As the Minister of Finance indicated, we will continue the major stimulus policies introduced during the last administration. These include reduced import duties, lower business licensing fees, development concessions and support to small business, as well as initiatives to improve diversification of the economy and employment of our people.

We will seek to ensure consumers receive fair pricing in potentially uncompetitive markets, starting with the fuel market, as was begun by the last administration. Thus, one of the main objectives of the Utility Regulation and Competition Office will be to quickly complete the work needed to ensure pricing and competitiveness at the gas pump.

We have recognised there are particular issues in the affordable housing market. We will encourage private sector investment in affordable housing through import-duty reductions and allow homes to be built on smaller lots. In addition, we will extend the Guaranteed Home Assisted Mortgage programme, so that banks can more readily lend Caymanians money to purchase these affordable homes.

Broad Outcome 2 Achieving Full Employment – Jobs for All Caymanians

Ronald Reagan once commented that the best social work programme is a good job; I agree. The best single contribution to ensuring a decent standard of living is employment. Thus, our second strategic objective is to improve the functioning of the labour market to ensure all Caymanians can find employment. Our commitment to full employment does not mean everyone is employed all the time; there are short-term economic fluctuations in construction and tourism, for example, which means many people face short periods of unemployment. However, there is no reason for short-term fluctuations to become a long-term problem in an economy as buoyant as the Cayman Islands.

Caymanians wishing to work should be able to access employment and should not be disadvantaged in the labour market. The Government in the short term will act to make changes to immigration regulations

to improve the fairness and transparency of job advertising. In the longer term, we are establishing the new Human Resources Department to take on the Labour, Pensions and Work Permit functions and to give Government the strategic oversight and planning of future human resource requirements.

If the strengthening of regulations and enforcements is required, we will not hesitate to act. This is not all a one-way street. Many businesses actively hire and develop Caymanians and we will put in a place a system to recognise and reward those businesses. The further development of the National Jobs Clearing House will improve the transparency of the work permits process and ultimately make things easier for business and job-seekers alike, as all available jobs will be required to be listed there. Work on this was started by the last administration and will be completed next year.

The Cayman success story has been built on the ability of businesses to not only hire and train Caymanians, but also to bring in guest workers to ensure we have the resources and expertise to grow the economy. As we allow individuals to come and live and work with us, we need to accept that many of them will remain and become Caymanians and have families, children and grand-children who will become part of the Caymanian fabric. This is how we have grown and how we will continue to develop and build our country, but we must strike the right balance to ensure that the immigration and work permit systems work more efficiently and are more transparent and fair to those seeking employment, including Caymanians and those wanting to become Permanent Residents. Hence, we will improve the Immigration Law and point system to try to get this balance right.

Some Caymanians still need more help to access the labour market. In our last term, Ready2Work.ky was a successful partnership between business and Government aimed at supporting such individuals into work. During the pilot of the Ready2Work.ky programme, assistance was provided to 137 Caymanians who had difficulty keeping employment. When the pilot programme ended, 89 individuals had completed the programme, 64 of which obtained employment and 25 who were engaged in ongoing training, development and recruitment activities.

Government will extend Ready2Work.ky in this budget cycle and develop new work programmes as necessary, to make Caymanians who need extra help work-ready and successful in the work place. We will also look at how best to work with private sector to provide more apprenticeship programmes and other work-based programmes for Caymanians. Work programmes, though, are a short term necessity, not a long-term strategy. The key in the longer term is that the Caymanian work force has the level of education and skills needed in an increasingly globally competitive marketplace.

Broad Outcome 3

The Best Education Opportunities for All Our Children

Education was raised as the key concern by both parents and young people during the election campaign. We have heard directly from businesses about the current and future requirements needed for their workers. Our third strategic objective is therefore, to ensure that we give the best educational opportunities to all our children.

Great education is the about the quality of teaching and learning. It reflects strong and able leadership of schools and is underpinned by the quality of the learning environment. It is seen in the results young people achieve, and in their future desire to learn that they take with them into work. As the provider of public education, the Government has an absolute responsibility to support our young people to develop themselves, to help nurture their hopes and ambitions and ultimately to enable them to achieve all that they strive for. This Government will not shirk that responsibility.

We need to get the basics right. Students in public schools must have the right materials and supplies; schools themselves must have appropriate equipment and facilities. In this SPS, we have budgeted an additional \$18 million to cover special education, enhancing science, literacy and math, additional teachers, as well as skills-upgrading for 400 teachers and assistants, and for scholarships and youth programmes.

In addition, on the capital side, we have included some \$56 million for computer software and equipment and needed improvements at Savannah, Bodden Town and Red Bay Primary. This also includes funding to start the initial planning work for a new West Bay Primary School as well as to complete the new John Gray High School. Across public schools we are developing plans to expand the use of technology to assist teaching and learning.

I believe that with this continued focus on investment, the country will appreciate how committed we are to provide our children with the best education possible. The new Education Law passed by the last administration, devolves greater authority to schools for their own management and decision making. In return, we will not hesitate to hold principals and teachers to account for their performance. We will judge that performance partly in traditional academic terms. We will work with schools to focus on achieving higher standards of attainment, particularly in literacy, numeracy and science. However, for many students, and to meet the needs of our economy, that drive for academic improvement needs to go hand-in-hand with the expansion of high-quality technical and vocational education and skills.

By expansion, I not only mean programmes and courses, but also expanding the opportunities for youngsters to be exposed to trade and vocational education training and, where appropriate, encourage

them to consider further Technical and Vocational Education Training (TVET) locally or overseas. This encouragement should come from the home as well as from the school; and so, we will ensure that schools' guidance counsellors also point youngsters to the kind of vocational careers where TVET provides the right training ground. For many of our young people, training and accomplishment in a trade can bring a good livelihood as well as employment security for a life-time.

The vast majority of the work permits issued are in the trades. This is because in modern times, our people have shied away from the trades, including the tourism and construction fields. In part, because of this general lack of interest, TVET courses have suffered from the development of single-purpose initiatives and uncoordinated activity. Contrary to what many believe and say, there are a significant number of TVET programmes available throughout the public and private sectors. In the coming months, we will audit the current provision of programs available, and bring forward a coherent strategy to better utilise them. We will also dialogue with the private sector to determine what their needs are regarding trained employees. With limited resources, we must ensure that quality available programs are fully utilised and supported, to avoid spending funds unnecessarily and duplicating efforts. We must ensure that we are providing training in the jobs employers need filled.

Mr. Speaker, the House should not be under any illusion about the priority we will attach to acting on the results of the TVET review. So much so that we will be making a clear commitment by setting a target for at least 75 per cent of high school graduates to move on to post-secondary education or training locally or overseas by the end of this term. This represents a significant challenge, but one to which we are determined to rise.

Mr. Speaker, this Government is also determined to improve the life chances of students with special needs. We will ensure that schools have facilities appropriate to meet the needs of this cohort of learners and that teachers have the necessary training. It is vital that there is an effective partnership between the schools and parents to create the right environment for special needs students. We will encourage the creation of new support mechanisms for parents that facilitate that partnership.

Broad Outcome 4

Reducing Crime and the Fear of Crime

When education does not deliver for young people, when people cannot get work and the benefits of growth are not felt by all in society, and when some in our society feel left behind, it creates divisions in our communities and the conditions that foster criminality. We were left in no doubt, talking to voters at the election, that crime has become a real concern right across

the Cayman Islands. Only recently, I attended a residents meeting in Central Scranton Park and again heard directly about the crime issues facing that community.

Our fourth strategic objective is to reduce crime and the fear of crime. For many, the prime concern has become violent crime, too often involving guns, and too often arising out of gangs and drugs issues. Others expressed concerns about what happens in their community in terms of nuisance crime, everything from petty theft, illegal motorcycles and speeding vehicles. The immediate response has to be more effective policing.

My Government has met with, and received the request from the Police Commissioner, for new resources to tackle crime on our streets, particularly planned investment in community policing. I will note now that we were not able to entirely meet his request, as the cost exceeded the available funding. We also had concerns with the request to increase the office account by a significant number requiring overseas recruitment without sight of an overall plan of action.

That notwithstanding, we are committed to providing a substantial number of new officers; 75 over the next three years, together with added civil service support staff. We campaigned on the need for improvements to community policing and I was heartened that the Commissioner is of the same view and this is one of his priority areas. That said, I have asked that he looks into utilising a community warden approach, as has been used in the United Kingdom and elsewhere, to enhance the community policing efforts, rather than police constables who may be better utilised solving crimes. I was encouraged that he agreed to look at this.

The community warden approach has the benefit of not only utilising a suitable person who will know the people in the community served, but importantly, they will know and trust him or her. Community wardens need to be trained to understand aspects of the Law and some policing methods, but do not have to fulfil the requirements of a trained police officer. Indeed, there may be former police officers who, though retired, are still fit enough to serve in a warden capacity.

We are also committing additional funding on the capital side to bolster coastal defence, including creating a Coast Guard Unit; purchasing new police vehicles and tactical firearms assets and to provide significant enhancements to Border Control at our airports. We will also start the work on requirements for building a new West Bay Police Station and George Town Police Headquarters; both of which are badly needed. However, in line with my earlier point on creating a culture of delivery, we will not only provide additional resources to the Royal Cayman Islands Police Service (RCIPS), but we will also insist that resources are used as agreed, and will hold the Commissioner to account for the results. This will mean creating new approaches which will foster accountability to enhance responsiveness of the RCIPS to the concerns of the peo-

ple. Our proposal to accomplish this is the establishment of a Cayman Islands Police Authority and we will discuss with Her Excellency the Governor, how we can establish such a mechanism quickly.

We also need to act more broadly to make things more difficult for criminals. Key to tackling that at the national level is to make our border control more effective at our airports and around our waters. In addition to a Coast Guard to assist with search and rescue, as well as the detection and interdiction of boats arriving in Cayman waters with illegal cargo, we will reform current services to create a new border protection agency. We will do this by combining the law enforcement units in Immigration and Customs to make a single, cohesive border protection unit that will, together, with the capabilities of the Coast Guard service, have a profound impact on border security. We are serious about making it very difficult for drugs, guns or illegal persons to enter our waters and for stolen goods to leave our shores.

At the local level, the safest communities are those that take responsibility for themselves. We will encourage and support the establishment of more neighbourhood watch schemes. These, coupled with a more visible community warden policing presence, should keep our communities safer.

These measures are about dealing with crime now. In the longer term, the answer lies in stopping our people turning to crime in the first place. I believe the most significant contribution to crime reduction will come from the early identification of young people at risk of offending behaviour and putting programs in place to support them to make better life choices; choices that will benefit them, their families and their communities. Work on this commenced during the last administration and an Inter-ministerial Committee on Youth Affairs has been established to serve as the co-ordinating and advisory body to implement plans in this area. Plans also include Department of Children and Family Services operating a preventive program with social workers who specialise in family crisis resolution and trauma work.

Preventive services are designed to help parents manage their children's concerning behaviours and help keep at-risk young people out of the juvenile justice system. It is a tall order, but one to which we are committed. Just as we look to keep youngsters out of jail, we will not give up on those already caught up in the criminal justice system. We need to cut repeat offending by encouraging the rehabilitation of offenders and support them into employment on their release from prison.

Our last administration passed the Criminal Records (Spent Convictions) Law to positively impact the prospects of Caymanians who have served their time for offences and have demonstrated their individual ability to live productive lives. It will enhance the employment prospects of ex-offenders and assist in removing travel restrictions. The law also helps reduce

the barriers to successful reintegration into the community. The next step with the law is for the Governor to appoint members to the Expungement Board. This Board will be able to expunge the records in the Cayman Islands of former and reformed offenders, which aligns us with contemporary international standards while ensuring public safety and protection.

Government is leading the way with our Second Chances Program that seeks to provide employment to former prisoners. There are also several private sector companies that do their part, but more needs to be done and this will be a focus area for us.

Another focus will be plans to build a much-needed new Court House. I hope that by the time we present the budget, I will be able to say more on this, but we will be budgeting funds to ensure that the necessary preliminary work can be started.

We'll also explore building a new fire station that will serve the eastern districts. Necessary repairs will be made to existing stations, and new vehicles including fire trucks will be purchased. In addition, funding will be provided to hire additional fire officers for both the domestic and aerodrome services, and we will invest in necessary protective gear.

Turning to the Prison, funding will be available for necessary repairs, but we will also begin exploring building a new facility. This is a major initiative but regrettably a very necessary one, as facilities at the prison are becoming more and more unsuitable.

Broad Outcome 5

Access to Quality, Affordable Healthcare

Another major social issue facing our country is reflected in the Government's fifth strategic objective: ensuring people have access to quality, affordable healthcare. We are proud to have some of the best health facilities available anywhere in the region here on Grand Cayman at Health City and at other medical facilities as well. Yet, many Caymanians complain that they are unable to readily benefit from those facilities. Indeed, we recently saw a very short-lived attempt by a private insurance company refusing to pay claims for services provided by Health City.

Admittedly, in recent times, some CINICO clients have seen improvements to accessing care at Health City, but we still received too many complaints from the public regarding road blocks to receiving tertiary care at institutions such as Health City. There are times when patients are being sent overseas when quality tertiary care is available locally at less cost to Government and families. Thus, Government will develop a new working arrangement with Health City and with other medical facilities, to ensure that more Caymanians insured through CINICO can benefit from the high quality healthcare they provide.

At the same time, our own medical services offered through the Health Services Authority must not only be of a high standard but must be run efficiently.

The Auditor General's report on the Cayman Islands health system, along with their health industry survey, provides useful insight into the state of local healthcare; what we are doing well and where there are challenges. Improving the efficiency and effectiveness of our health care system will require a long-term strategic change. A first step would be to talk with the industry players, including those at the HSA, to determine what reforms are needed and to devise new working arrangements that will catalyse the changes we need to see, and perhaps identify what services should be focused on in future years.

In terms of procurement, work has already begun to reduce costs with the use of the reverse auction system to purchase pharmaceuticals and medical supplies. To date, the savings are substantial at a projected 32 per cent of the cost, compared to using traditional procurement methods.

The needs of those suffering mental health problems will not be neglected. The previous administration began work on a new long-term mental health facility and this Government continues that work. We recently appointed architects to design the facility, which will enable us to treat people here closer to their families and communities, rather than sending them at great cost to America or Jamaica. More needs to be done to prevent health problems arising in the first place; too many people in our communities are dying prematurely or have to live with long-term preventable conditions.

The Government will renew its efforts in public health programs and promote healthy lifestyles among our people, but perhaps the best opportunity for change lies with teaching our children at an early age the value of healthy food choices and a love for physical activity.

The Government will also make it a priority to ensure that Caymanians access appropriate health insurance at a fair price. This was an election campaign promise of ours and I know it has been a concern for many of us in and outside this House. It is thought that the insurance market does not function fairly, with too many Caymanians still unable to receive affordable insurance cover because of pre-existing conditions, and with senior citizens in particular, unable to afford premiums after they retire, if they are even able to get insurance.

Many are forced to seek to be declared as indigent to receive assistance from CINICO. In short, those who need it most are being priced out of insurance coverage. We believe that part of the solution would be for the role of CINICO to be broadened as part of a reform of the insurance market. At the moment it falls to CINICO to cover those who are unable to afford private insurance cover, essentially with Government picking up the full cost. This is unsustainable and we will look as how best to position CINICO to provide insurance cover to a broader demographic that includes younger and healthier persons, so as to lower the overall cost to the public purse.

The finance Minister spoke about CINICO in his presentation and noted the increasing cost of CINICO premiums, in large part due to Government providing insurance cover to the market segment that the private sector will not serve.

Broad Outcome 6 Stronger Communities and Support for the Most Vulnerable

Our sixth strategic objective is to create stronger communities and to support the most vulnerable in our society. As I have said publicly very recently, some of the programs we have put in place to support vulnerable people failed them. Our social services and welfare programs are inefficient and the programs as well as the agencies that deliver them need reform. In short, Mr. Speaker, we need to ensure that we get the right help to the right people at the right time.

Following the critical Auditor General's report on welfare programs in 2015, the last administration committed to a program of changes to help meet that objective. The successful implementation of that program will be one of the key priorities of this new administration. As the Minister with responsibility now for Community Affairs, I have only recently received the outline business case (OBC) on the proposed modernisation of social assistance programs and discussed its broad proposals with my Chief Officer.

My caucus in Cabinet will review the recommendations in the OBC over the next few months as we prepare for the detailed budget plans. I can confirm that we will address the concerns of the effectiveness of the Needs Assessment Unit as well as improve the speed at which landlords and others who provide services to our social service agencies receive payment. Both of these are major areas of complaint and we will correct them.

Whilst I appreciate the concern and desire for Government to construct or purchase housing to be used for temporary accommodations by social services, the fact is, that approach is not only impractical and cannot be afforded in this budget, but it is also unnecessary. There is more than sufficient housing available in the private sector and Government would be robbing landlords by setting up in competition with them. The issue that landlords have is with receiving payment in a timely manner, as well as concerns about damage caused to their property. By ensuring that rent payments are received on time and that landlords are treated fairly regarding damages, then we can largely solve the issue of temporary housing without government taking on the burden of owning an estate of houses with the ongoing operating costs. The approach we are taking is both affordable and practical.

As with individuals, some communities need more help than others, so our plans are to introduce an urban development commission to help improve the

quality of life, particularly in disadvantaged communities where more help is required. This will initially be part of the George Town revitalisation initiative, but it will eventually be expanded to communities across all districts that also need help.

One of the key expressions of community, Mr. Speaker, is culture and heritage. In the Cayman Islands we have a culture and heritage to be proud of. The last administration consulted widely on the development of a national cultural policy and I was very delighted and proud, Mr. Speaker, to have been the Minister in charge of that subject during the last administration. This Government will pick up the challenge of its implementation. We will promote culture and heritage in schools and to guest workers. We will celebrate with cultural festivals that attract locals and visitors alike, and we will promote the work of our artistes and craft persons.

I spoke at length about this Government's commitment to the education of our young people. We are equally committed to enhancing their life chances more broadly through community activity and sport. Community facilities will be encouraged and we will ensure that this are well maintained to enable participation. Where we have athletes with potential to attain elite status, we will support them to fulfil their potential.

Similarly, older persons deserve our respect and thanks and, where necessary, our support. Again, the last administration has laid the foundation with the long term ambitions set out in the older persons' policy. Plans for its implementation are well advanced and will be taken on by this Government. For those who need residential care, this Government will continue to support the Pines Retirement Home, Sunrise Cottage, the Golden Age Home and the Kirkconnell Rest Home.

Broad Outcome 7 Ensuring Caymanians Benefit from a Healthy Environment

Our seventh strategic objective is to ensure Caymanians benefit from a healthy environment. These three Cayman Islands remain a very special place to all who live and visit here. Part of what makes us so special is our sea, sand and sunshine, combined with our unique flora and fauna. We have a responsibility to this and future generations of Caymanians to do what we can to protect and manage our marine, natural and built environments. This is why, Mr. Speaker, in the last administration, we passed a comprehensive National Conservation Law, purchased land near Smith's Barcadere and also began the work to review our Marine Parks. We remain committed to protecting our environment, but we must also ensure that we get the balance right between preserving our environment and the need to responsibly develop our Islands to help provide employment and opportunities for our people.

We will continue to support the environment, but we cannot ignore some tension that exists between

allowing necessary responsible development and protection of our environment, particularly following the passage of the National Conservation Law. As an example, we are being told that going forward almost every new government road will require some form of environmental impact assessment, increasing the cost as well as the timeliness of completing necessary roads. Truth be told, this tension has always been there and perhaps in the past, too often development has won over protecting the environment; however, both aims are important and need to co-exist, with Cabinet receiving proper advice and having the ability to mediate or decide in cases where a side must be chosen. Thus, we will look again at the National Conservation Law to determine what amendments need to be made to ensure the proper balance is struck.

Central to our efforts to protect our environment, we will continue to move towards more sustainable energy production and usage, including by CUC. We will encourage green energy through the increased use of solar panels and other forms of renewable energy across all three islands, including government facilities. Getting this right will also help create new jobs in green industries. Our plans around sustainable energy were set out in the National Energy Policy, which was passed during our last administration. Speaking of green, we intend to put in place an ongoing program for the eradication of the green iguana. In whatever form this program takes, it will not be like that, last carried out by the Department of Environment, which included some sort of lottery. We will also broaden the program for the eradication of the *Aedes Aegypti* mosquito island-wide with the continued assistance of Oxitec.

There are specific needs on the Sister Islands to which we will respond. The landfill will be closed and we will continue to build infrastructure to deliver pipe water throughout Cayman Brac. Work continues on the multi-purpose centre on the Bluff, as well as the sports facility also on the Bluff.

We will implement the new Integrated Solid Waste Management Strategy developed under the last administration. This will involve new infrastructure, including a waste-to-energy plant and recycling and composting facilities. The remediation work on the existing landfill will start in 2018 and will be closed when the new facilities come on stream. This implementation of the new waste management system will dramatically reduce the need for the landfill and so, will resolve once and for all the question that has vexed successive governments of these Islands—what do we do with the dump?"

The Government is committed to maintaining beach access rights and to creating more public open spaces. Programs to safeguard land, either through planning restrictions or purchase by the Government, utilising the Environmental Fund where appropriate, will be implemented. Another environmental infrastructure requirement is reflected in this government's commit-

ment to ensure there is sufficient cemetery space available to meet the future needs of the country. I am happy to be able to advise you, Mr. Speaker, that this includes a much-needed cemetery for West Bay, another promise that we both campaigned on, as did the Minister of Financial Services, who is the Member for West Bay South.

Broad Outcome 8

Stable, Effective and Accountable Government

The seven strategic objectives I have outlined so far are all outward facing, focusing our attention on the outcomes we wish to achieve for the country and its people. Our eighth objective recognises our own responsibilities to ensure effective governance of our Islands through stable, effective and accountable government. The last administration restored sound public finances and moved us to compliance with the requirements of the Public Management and Finance Law. This Government will maintain that record of compliance.

I want to note that this Strategic Policy Statement was prepared on the basis of four fundamental principles that underpin this Government's fiscal policy with a number of objectives in mind, including:

- The SPS must provide significant surpluses;
- It must not include any new debt or taxes;
- It must repay at least half of the Bullet Bond in 2019; and
- It must be affordable and fully comply with the Framework of Fiscal Responsibility (FFR) set out in the Public Management and Finance Law.

By committing to economic growth, we will grow Government revenues and in parallel we will challenge the civil service to deliver efficiencies to reduce costs, essentially growing our revenues and managing our costs. This approach will enable investment needed to provide for the priorities I have highlighted today. Healthy surpluses will also mean that we can maintain the necessary cash reserves and have funds for capital projects. We expect that with sound management of our finances we will be able to repay half of the US\$312 million Bullet Bond in 2019, while our excellent financial position generates a credit rating that ensures we can refinance the balance on favourable terms.

The Government program, which we began to implement in the last term, is being rolled out and will deliver improved access for more responsive public services while achieving considerable efficiencies in their delivery. We will respond to our concerns over cyber security by enhancing the protection of Government systems and data.

Finally, Mr. Speaker, I think that we, as political leaders, need to take responsibility for the fact that people feel disconnected from the political process and from their representatives. In the short term, this can

create dissatisfaction with government; in the long run it is dangerous for our society and our democracy. As elected representatives, we need to reconnect with our people and to enhance the democratic accountability of government. This Government will do more to ensure a regular and effective flow of information between people and their elected representatives. We will look for new ways in which to encourage democratic engagement and participation and we will deliver on the Constitutional provision to establish District Councils in each Electoral District.

This will require a review of the current [Advisory] District Councils Law, to determine what changes are needed to make it relevant to the new Single Member Constituency Regime. Accountability must not just be felt at District Council level, Mr. Speaker; it must start with this Government being willing to give a clear and transparent account to the people for its performance.

The SPS we are putting forward to the House today only sets a framework. I have demonstrated that this is a government with ambition and I have underlined a willingness both to build on the success of the last administration and to tackle some of the long-standing problems the country faces; but as I said at the start, ambition is worthless if it is not matched by determination to deliver.

The SPS gives us a framework, but it is over the next few weeks that we will establish the concrete targets we intend to achieve, and to devise the delivery plans that will get us there. It is the task of the budget process which the SPS kicks off, to allocate government's resources against those delivery plans to enable us to realise our ambitions.

All of that is for the future. The first step in achieving our ambitions for the future of our country is to pass the Motion before the House today to support the SPS that the Honourable Minister of Finance has tabled.

Mr. Speaker, I commend this Motion to the House, and encourage all Members to approve the SPS presented by the Minister of Finance as the broad indicative parameters for the development of the 2018/19 Budget for the Cayman Islands Government.

I thank you, Mr. Speaker.

[Desk thumping]

The Speaker: I think at this time we will take the lunch break and we should come back by 2:15 pm.

Before you leave, just a bit of housekeeping protocols to remind, and perhaps educate the newer Members: Any Member leaving or entering the Chamber when the House has been called to order and has resumed, must kindly bow to the Chair. Members rising from their seat must bow to the Chair. Members coming back, before sitting, must kindly bow to the Chair. Members of the public in the Gallery, on entering the Gallery and obtaining a seat, must bow to the Chair and do the

same on leaving their seat. Persons inside the Chamber should do the same. These are the protocols that form the decorum of this Legislature which must be observed.

Now we can have lunch.

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

The Speaker: The Member for East End.

Mr. V. Arden McLean: Thank you, sir. I tried to get your attention before you called for the suspension but I did not and now that you have read that out, whilst sitting here I observed the gentleman standing in the Gallery and subsequently looking under the public gallery chairs, which gave me reason to be concerned, so I pointed it out to the Serjeant. I don't know if the gentleman has left by now, but that is reason for concern. If they are doing work, they don't do it whilst Parliament is in session.

The Speaker: Thank you very much, Member for East End. There are some changes to be made, because we have to observe better security in this Legislature, and that will have to take place. I did observe some things; that is why I decided to set out the decorum and protocols that are expected in the Legislature.

Thank you.

Again, let's have lunch.

Proceedings suspended at 12:51pm

Proceedings resumed at 2:30pm

The Speaker: The Honourable Assembly now resumes its Sitting.

Please be seated.

Does any Honourable Member wish to speak?

[Pause]

The Member for North Side, Leader of the Opposition.

Hon. D. Ezzard Miller, Leader of the Opposition: Thank you, Mr. Speaker.

Mr. Speaker, I wish to make a short contribution to the debate on the Strategic Policy Statement as delivered by both the Minister of Finance and the Premier.

First of all, let me offer my congratulations to the Minister of Finance and Development and the Premier on delivering the SPS within the provisions of the Public Finance and Management Law.

Mr. Speaker, the Government has painted a rosy picture, and their projections are both optimistic and generous even if they are not bold and only incremental in their application to the solutions for the issues facing the country. Their economic and financial forecasts and their operating revenue and expenditure

seem to predict that the country is in for a good year next year.

Mr. Speaker, there is much in the SPS that the Opposition can subscribe to and support, although we are a little disappointed that it is not more "Caymanistic" in putting Caymanians first, by creating more opportunities for Caymanians to participate in the implementing of solutions to the issues and problems facing Cayman and Caymanians.

Mr. Speaker, the Opposition, having been invited by the Premier to make presentations on behalf of our constituents, in accordance with the provisions of the Cayman Islands Constitution Order 2009 did so, and we wish to publicly acknowledge and show our gratitude for that opportunity. Each of us took the time to prepare our 'wish list' for our constituencies, so to speak, but we also took the time to put our heads together to try and deal with what we call "The Opposition's National Agenda", in an effort to present an overview to some of the problems.

Now, Mr. Speaker, from the SPS presented here, particularly by the Premier, it does appear that much of that document was considered or included in the SPS. The Premier's Strategic Policy Statement is like vanilla ice cream and apple pie to an American; it's hard to disagree with it. However, Mr. Speaker, we believe that the country and successive governments have employed these incremental increases to the solutions of our problems and oftentimes the growth of the problem and issue outstrips the incremental attention we have paid to it. Thus, at the end of the day, oftentimes the country is worse off, even having spent money on it. We believe that the time has come for governments to propose some actions that are not only evolutionary but revolutionary in our approach to certain of these issues and, topping that list of ours would be education.

Mr. Speaker, we believe that if Caymanians do not begin to believe once again that they are *first* in their own country and that they have equal opportunity to participate and benefit from the economic miracle, the country is looking at some serious social problems down the road. We must find, collectively, solutions that will force Caymanians or at least allow Caymanians to believe in our solutions and resource distributions that they can get back in charge of Cayman and Cayman's destiny. We must restore hope for Caymanians.

If we walk around this country today, Caymanians are beginning to believe, and, unfortunately, they are beginning to accept, in my view, that they are second class citizens in their own country. That is not how I was raised and that is not how my forefathers believed Caymanians should be. My parents believed that Caymanians must come first in all things related to Cayman. We have had various nationalities come to our shores, and beat us over the brow about our education standards, our work ethics and take control of our economy and deprive, often deliberately, Caymanians whose parents have spent their life savings oftentimes

exposing their asset base to raise money to educate their children and when the children come back they can't get any jobs.

In my little community of North Side, I am faced with situations where parents have spent their life savings to educate the first child. That child came home with a Bachelor's Degree, could not get a job. They mortgaged their home to send a second child to school; educated that [child] with a Master's Degree. The child is back home, can't get a job. That whole financing arrangement was largely predicated on both of those children contributing to the household income in order to liquidate the mortgage for their education. Because that has not happened, the parents are losing their house to the bank. The children's grand-parents are coming to me about what can they do, because while they have a room they could put the daughter in, they can't accommodate a daughter, husband and two children.

We have to find a way to ensure that Caymanians get the opportunity they deserve and they prepared themselves for. Much of what the Premier said in his Strategic Policy Statement sounds good; he has my support to try to implement those things, but he and I both know that saying those things in this Legislative Assembly and getting the economic forces who now control our political process to accept that kind of dial back of their authority over this country is going to be a tough road and a tough hill to climb. However, if it is not done... One Member of the Opposition uses the phraseology when these people talk about how they have fear of my generation, is that they should not fear us; they should be afraid of who we are afraid of, and that is the next generation of educated Caymanians who are not being allowed to participate in the Cayman Miracle.

Mr. Speaker, we believe an SPS to deliver a budget that provides the required distribution of resources to promote Cayman and Caymanians needs to include some of the following fundamentals:

1. The interest of Cayman and Caymanians must come first and I mean *first*. I don't mean after other people believe that they are first. We have to stop making these people come here and believe that everything we ask for, for Caymanians, is somehow some sociological entitlement that we, as citizens of this country, are not entitled to and that they must be the ones who decide what we are entitled to. We have to put our foot down and say, "Cayman is for Caymanians. Caymanians must come first."
2. Corruption must be routed out of all levels of Government and those who transgress must be dealt with appropriately and urgently. No longer can we tolerate people being arrested or disciplined and it takes three, four, five years to get a result, while

they are receiving full benefits from government.

3. Another fundamental that we have to address: No one entity or group of entities must be allowed to dominate the market or industry to the disadvantage of Caymanians or the long-term interest of the Cayman economy.

Mr. Speaker, we believe the potential exists that one particular entity is getting far too much control of the economy of this country and of properties, and whether we have to look to passing legislation that says—which would not be my first choice, Mr. Speaker—certain entities cannot own beyond certain acreages or certain values of land... These people do not have a Caymanian conscience, and I know, Mr. Speaker, they tell me, *Well, Caymanians are selling them the businesses*. The reason that is happening is because they have enough economic control to influence the destruction of that business to a level where they can purchase it.

Cayman was developed and Cayman succeeded on Caymanian common sense and Caymanian entrepreneurship. If we do not introduce something like fair trade legislation in this country, through which we can limit the number of businesses that these single entities can use because of their huge economic value, we are going to find that Caymanians are going to be denied the opportunity to be entrepreneurs in their own country. That cannot be good for this country. Caymanians who may be affected by any policy or legislation must be consulted and their concerns addressed before any policy or law is implemented. The Premier mentioned this in his contribution of this Policy Statement, in terms that we need to be more accessible, and we need to be more involved and in closer contact with the communities that we represent, and I support that.

My political mantra has always been one of political participation—democratic participation. "Participative democracy", are the words I use to describe it. From the time I was in this honourable House in the '80s, I always believed and have always operated that way, that the people I represent have an inherent right to be part of any decision I make on their behalf in this hallowed Chamber.

Mr Speaker, all Caymanians who are willing, able and qualified to work, must be given opportunities for employment. Far too often, Mr. Speaker, I get reports of Caymanians being interviewed, believing that they have an opportunity to get the job, and oftentimes because they may have gone to school in another country and they speak a little differently from people like me, when the question is asked if they need a work permit and they say they do not because they are Caymanian, the whole attitude of the employer changes. From there on, the onset of the purpose of the rest of the interview is to find a way to eliminate the Caymanian employee. It is not a one-off situation, Mr. Speaker; this is happening far too often.

The other issue is that, because the Government put into place in the work permit regime, that you must submit a clean police record, employers are demanding of Caymanians that they submit police records that are good for six months on an application for a job; and people are spending hundreds of dollars getting police records and never getting a job. I believe the employer should have the right to ask for that at the point of a job offer, when a contract is tendered for employment, but to ask for it upfront is, I believe, onerous on Caymanians who are unemployed because they have to take money that they may need to buy food for their children for the weekend, to pay for a police record, just to submit an application. I believe those are the kinds of fundamental changes that we need to look for, in order to restore the confidence in Caymanians that they can and should and deserve, not as a freebie but through hard work, determination and commitment, move up the career ladder.

We all get concerned about unemployment numbers. No one is paying any attention to the underemployment that is taking place in this country, and that in itself is also depriving Caymanians of the opportunity for upward mobility in the country and their status in life.

Mr. Speaker, we believe that one of the things that should have been included in the SPS which is not there, is deliberate and specific attention to the mortgage crisis in this country. Having 100 Caymanians on average lose their homes per year, can no longer be allowed to continue. In fact, Mr. Speaker, we feel so strongly about that issue, that you will recall there are two Private Members' Motions that we believe will partly address some of that on the Floor tomorrow. Mr. Speaker, I will hazard to say that, short of death in the family of a loved one, losing a family home is probably the most traumatic thing a family can go through. Again, most of these people don't want handouts, they just want to know that they have an opportunity and the Government puts in place certain protections for them.

Mr. Speaker, I noticed that the operating revenue forecast by the Minister of Finance has increased somewhat above those that the former Minister of Finance forecasted and, Mr. Speaker, the last SPS by the Minister of Finance was 10 pages; this one is 54 pages, a substantially greater volume of words. I know, because I read every word last night before I went to sleep, and my thanks to the Premier. I wish to thank him for sending out the SPS yesterday afternoon and giving us an opportunity to have insight to it before we got here.

Some of the things that I noticed, Mr. Speaker, is that for 2016/17 the SPS was \$896 [million] and the estimate now is at \$908 [million] over that 18 month period. For 2018, in the last projection it was \$683 [million] and now it is \$717 [million]. Looks like next year will be a bumper year; we are up some \$34 million in revenue with no increase in fees... Well, I must say that neither the Minister of Finance nor the Premier, although declaring that there would be no new fees, they did not

declare that there would be no increase in current fees for services from government during this Financial Period. There is a difference between new fees and no increase in current fees, as we were told a couple years ago, and during the year there were certain fees that went up substantially, like police records which used to be \$10 went to \$25 and some of the licensing on vehicles et cetera were increased; not that those may not have been justified. For 2019, the projection last year was \$688 [million] and now is \$694 [million].

Mr. Speaker, the only thing I would question or speculate on is how much better the revenue would be if we had actually enacted the Director fees which I believe were legislated in 2013, but they were not implemented and none were collected during the last four-year period. I am left to wonder which political lobby had the power to prevent the introduction and collection of those Director fees. Information coming to me, and I believe on some of the projections made when they were legislated, they were substantial; some in the region off \$20 million plus per year.

The other thing that concerns the Opposition, Mr. Speaker, is that we trust there are no invested deals or concessions on duties, planning, infrastructure fees, stamp duty, et cetera, which will negatively impact government revenue and therefore limit expenditure on education, especially facilities; and social support for the needy and elderly because, Mr. Speaker, if some of these large investments were paying some of these fees, we would have much more money to spend on the needy, elderly and education facilities.

Mr. Speaker, I am not an accountant, I am not an economist, not even as I was accused before by the Minister of Labour of being an armchair one but, I am going to use a common sense approach to the numbers that were presented to me to find out if someone can explain to me where I am wrong and how the money is being generated.

For 2018, revenue is at \$718 [million] (and these are all millions); expenditure is \$636.5 [million] which gives an operating surplus of \$81.5 [million]. Public Authorities are losing \$12 million, so I assume that would be deducted from \$81.5 million of operating surplus, which would leave \$69.5 million; debt repayment is \$30.3 million, which needs to be deducted from \$69.5 million which leaves \$39.2 million. We have capital investments of \$101.2 million. In North Side, you can't get \$101.2 [million] out of \$39.2 [million]. Does that mean that we have a true deficit position of \$62 million? There is no accounting that I see in the SPS. I know there is mention there of drawing down some money from the Environmental Fund but if we wiped out the Environmental Fund... and we are also projecting that the cash balance is going to increase by \$38 million. I just wanted to make sure that the money that we believe is there is, in fact there.

The other concern I have, Mr. Speaker, is that the SPS proposes to increase operating expenditure in some key areas, which were detailed by the Premier in

his speech. Going to increase: the Police [Service] by 25 next year; monthly payment to Seamen, Veterans and Poor Relief; funding for CINICO; fire services; funding for scholarships; and civil servants' ex-gratia pension. We are going to do urban development for George Town—I assume that has an operating expense to it; and the new long-term residential mental health facility will have an operating expense. All of these things, Mr. Speaker, I support. I just have doubt because again, looking at some of the numbers there, and going back, if we compare it to 2016, which was last year that we have accounts, and we compare it to the projections of expenditures for this year, there is only a difference of \$54 million. Those are many things to get out of \$54 million. If it is obtained, all well and good, but I believe that it will be very difficult to do all of that out of \$54 million increase in operating expenditure.

On the capital side, for 2018, the SPS proposes a ceiling of \$101.2 million; \$79.3 million for core government assets; and we have a litany of things that that is going to do. We say we are going to finish the John Gray High School. Given recent track records on building those kinds of schools, it would appear to me that there is going to be much more money required to finish John Gray High School; I would guesstimate somewhere in the region of \$40 million to \$50 million, judging from the fact that we just spent \$80 million plus on a gymnasium alone. There is not that kind of money in this SPS for education in its totality, much less John Gray [school], and then we are proposing to do a primary school in West Bay which I agree [with] and support, and think it is necessary. I think there is also going to be, within this budget period which is a two-year period, the need for an additional primary school in the eastern districts, because that is where the population is growing. We are going to have to do something about another primary school for Savannah, Newlands, Bodden Town, within that whole section there.

Mr. Speaker, we in Opposition want to see education placed at the top of the list, not number three or four. If we look at the current financial period which is 2016/17, that 18-month period, we will see from that, that the Ministry of District Administration, Tourism & Transport got \$33 million in capital; the Ministry of Commerce, Planning and Infrastructure got \$21 million; Education, Youth and Sports had to settle for \$13 million. You cannot tell me Education is priority, when District Administration, Tourism & Transport is getting \$19.6 million more, or Commerce and Planning is getting \$7.7 million more. I do not believe that the numbers in the SPS, on page 37, which indicate, for the 2018 period that again, the Ministry of District Administration, Tourism & Transport is getting \$21 plus million; the Ministry of Commerce, Planning and Infrastructure is getting \$20.8 million and the Ministry of Education is getting \$18.6 million. Go to the second year of the forecast for 2019 and the Ministry of District Administration,

Tourism & Transport is getting \$17.4 million; the Ministry of Commerce and Planning is getting \$16.6 million and the Ministry of Education is getting \$21 million.

It is going to take us, according to my guesstimate, to complete John Gray High School, between \$40 million and \$50 million until 2020 to complete it, without building the Primary School in West Bay, which itself is probably going to cost between \$15 million and \$20 million, because \$18 million and \$21 million in those two years, is only \$39 million. If we have to wait to get the \$33 million in 2020, I don't believe the children of the school can wait until 2020 for John Gray to be completed. I believe if we are talking about getting serious about education, John Gray High School needs to be completed in the 2018 financial year, and if we have to sacrifice the dock, some of Cayman Airways, the Turtle Farm and others that are getting \$17 million and \$21 million and all those sorts of moneys, needs to be done.

I support the position taken in the newspaper today by the Minister of Education, that we need to increase salaries for teachers because, as Sir Fredrick Smith (we called him "Sleepy Smith") told one of my constituents on the discussion of the 1992 Constitution Draft where he complained that the politicians were getting too much money, Sleepy Smith woke up and said, *Well, sir, if you pay peanuts you get monkeys*. It is not much difference with education and teachers. Again, if we are talking about getting serious about education in this SPS and in this budget year, and rewarding teachers for their efforts properly and fairly, \$54 million in additional expenditure to cover all those things, including education, cannot cut it.

As presented, the forecast for capital expenditure for 2018/19 follows the trend, in that, education is down the totem pole. We believe, and in fact, our priority list will be... and we invite the Government before they get to the details of the budget to look at whether they want to revise their priority, because we would like to see education, jobs, crime; not dock, Cayman Airways, Turtle Farm, education, crime, et cetera.

Under this same capital projection Cayman Airways is getting \$17.5 million; Turtle Farm is getting \$22 million. I do not know how much of the millions under tourism is going to the dock. I do not know how it is going to be financed. We have asked for a presentation and we look forward to getting that information. It is very difficult to debate these things and offer constructive comment, if you do not know what it is. However, given the situation that education is in, in this country right now, we strongly recommend for the Government to consider putting education as number one, number one, number one. Number one in recurrent expenditure increases and number one in capital expenditure.

Mr. Speaker, the eight broad objectives laid out in the SPS are good, sound objectives. Some of them are quite similar to those outcomes that were projected for this current financial period, and the period before

that. That is not to say that some improvements have not been made in some of those areas, but what it suggests is we still have a ways to go; and we believe that particularly with education, we have to demonstrate to the people that we are serious. We have to demonstrate to these non-Caymanian employers who keep beating down our education system, which I do not subscribe to, Mr. Speaker. I was at the graduation for the Clifton Hunter High School, and some of those kids were coming out of there with 12, 13, 14 O'Level passes, all with distinctions. This idea that somehow our education system is producing nothing but people who are illiterate and backward, needs to be put aside.

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: Mr. Speaker, education is the key to many of our issues and solutions in this country.

Mr. Speaker, the other Members of the Opposition will speak on the areas they have accepted to have the ministerial responsibility for.

I see that we are intending to make certain improvements in the health care system and the methodology by which that is paid for and financed, but Mr. Speaker, I have come into possession of a Request for Proposal (RFP) for a Master Facility for Service and Service Development for the Health Services Authority for the next 20 years. I was alarmed, Mr. Speaker, to see that on page 4 *[sic]* of this Request for Proposal, the HSA is using a top-figure for population to be serviced by that plan of 170,000 by 2026. Uh, Mr. Speaker, I hope and trust that that is not realistic, but that is what is in this proposal; I have the document here, I did not make it up.

There are a number of projections and the lowest takes the population in 2026 at somewhere about 74,000 to 75,000, but the top-growth is taking it up to 170,000 people and—

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: Yeah, it says a Government-commissioned report projects the Cayman Islands population will reach 170,000 by 2026.

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: This is between 1970 and 2006 *[the]* population grew at an average compound *[rate of]* 4.73 per cent, and sources are the ESO figures for 2006; projections *[by]* Portfolio of I&E.

Mr. Speaker, there are two things that concern me about this. If we are going to develop a plan that has the potential to deal with a population of 170,000, that is going to require much larger facilities and per-

sonnel than a population of—which I believe their lowest one of—somewhere in the region of 75,000 to 80,000 would require.

I would invite the Minister of Health to inquire. Well, I would assume that he is fully aware of this proposal. Those are some of the concerns I have with this proposal. There are others in the proposal, but I will leave those until the details of the budget.

The Speaker: Honourable Member, is that document a public document?

Hon. D. Ezzard Miller, Leader of the Opposition: Oh yeah, this—

The Speaker: Was it sent around to Members or . . .

Hon. D. Ezzard Miller, Leader of the Opposition: No, no, I mean, I can table it.

This is what was issued by them on July 28th, 2017 with a deadline to submit responses by Friday, September 8th, 2017, 12 noon local time; Eastern Standard GMT (Greenwich Mean Time) time 5:00, to Health Services Authority. It is a Request for Proposal (RFP) for a Master Facility and Service Development Plan. It is not really a public... I would assume, but again, I do not know, that this went out to people who were pre-qualified to propose this kind of consultancy but I don't . . .

The Speaker: I am not familiar with the document and you have quoted somewhat from it; I would ask you to lay it on the Table.

Hon. D. Ezzard Miller, Leader of the Opposition: No problem, sir.

The Speaker: Once the Serjeant comes back.

Hon. D. Ezzard Miller, Leader of the Opposition: Yes.

Mr Speaker, the Premier's Strategic Policy Statement is a glowing, ambitious and wishful one. It is so bright, we might need our solar eclipse glasses to read it, but there are a couple of things in here that concern me.

We will continue to support Cayman Airways, et cetera, but I think it is time to stop supporting Cayman Airways at the expense of our children's education. At some point in time this subsidy that has been converted to some kind of strategic investment in route development, needs to be reduced or turned off, because it is costing the country much money. Also, once we give it to those sources... and the last accounts I saw, Cayman Airways was boasting about a profit. It looks like, based on the figures in the SPS, that that strategic subsidy has not, in fact, gone down. Or if it has gone down, it's gone down very little.

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: The idea, again, that we are going to increase the *ex-gratia* poor relief payments to Caymanians is, I believe, as the Premier said, most of us campaigned on offering some kind of relief for that but, again, this is not small money and that has to come out of that \$54 million dollars total increase in expenditure. Maybe, Mr. Speaker, it is time—and maybe this will come out of the Outline Business Case being done by the Ministry for Community Services—that the seamen and veterans should be included, and it should just be one form of poor-relief help, because that would automatically apply the means test to it. We should be able to move beyond now where, we have to have a separate *ex-gratia* payment for seamen and veterans and a separate poor-relief payment for other people who happen to be in the same economic strata.

The commitment by the Premier to ensure that the schools have all the supplies, et cetera, has my support, but again, those additional resources to improve supplies... As recently as the summer, parents got a list of things that their child should show up at school with tomorrow; and it is not a short list. Many of those supplies would normally be expected to be provided by the school. Oftentimes the PTA has to step in and provide additional resources, particularly for consumable materials that the teachers need for the classroom. There are still instances where teachers have to dip into their own pockets to buy supplies for some of these public schools. Again, we need to fund it properly.

It says in the SPS they have budgeted an additional \$18 million to cover Special Education, enhancing Science, Literacy and Math, additional teachers as well as skills upgrading for 400 teachers and assistants and for scholarships and youth programs; that is coming out of the \$ 54 million.

The idea of increasing the fire services, I wholeheartedly support as well, particularly the need for the eastern districts. However, our immediate need in the eastern districts, according to the information I have, is not so much equipment, as personnel; because I believe, on most shifts, if the Fire Service is called out to extinguish or deal with a fire, they have to break the procedures and regulations because there is not sufficient staff on duty to go with the truck. I think oftentimes there should be at least four people but there are only two people. I believe that needs to be addressed as a matter of urgency, particularly for the Frank Sound Fire Station.

Mr. Speaker, I certainly agree with the Premier as he started off speaking of “green” to put in place an ongoing culling for eradication of the green iguana. Again, Mr. Speaker, somehow, the people who are responsible for the implementation of this eradication do not hear what is said in Parliament, or hear what the intentions of Parliamentarians are. I can promise you, if they had implemented the Motion brought here by the

Member for East End and me, of paying \$5 for an iguana, they would have plenty of them, but they are selecting by some means (which is very difficult to determine) who can be licensed to cull iguanas.

One of the reasons we needed them to give \$5 for the iguanas that need to be killed, is to stop the people in my constituency from getting conch and lobster to sell off season! They can't get \$5 for a conch. Then, this wall they put up about the difficulty of handling dead iguanas, it is not a difficult thing to do. If you show up with the iguana, they give you the \$5, throw it in a pan and that evening the Minister of Health can organise for the medical waste people to come in their truck or any kind of truck, pick it up and carry it to throw in the medical waste and burn it.

[Inaudible interjections]

Hon. D. Ezzard Miller, Leader of the Opposition: Mr. Premier, I am not sure I know how to kill anything. The point is we want them dead.

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: Listen; be careful, you know, because we are outnumbered by the green iguanas.

The point I am trying to make, Mr. Speaker, is why do we complicate these things?

It's the same thing with lionfish. Again, the Environmental Department is selecting who they want to license with a little three-prong spear with a piece of rubber hose on it to kill lionfish and they are giving it mostly to foreign dive people!

An Hon. Member: Amen.

Hon. D. Ezzard Miller, Leader of the Opposition: A Couple of weeks ago there was a big article in the paper by some dive master in East End because he killed (what was it?) 10,000 lionfish. He should have been arrested and prosecuted by the Immigration Department for working outside of his work permit!

[[Desk thumping]

Hon. D. Ezzard Miller, Leader of the Opposition: He has no permission included in his work permit to get lionfish and sell it.

An Hon. Member: Amen.

Hon. D. Ezzard Miller, Leader of the Opposition: He will probably use that and get Cayman Status next.

[Laughter]

Hon. D. Ezzard Miller, Leader of the Opposition: Because we won't license our own people to do it, and this is where we get difficulty trying to explain.

How am I supposed to explain to some young man in my district who wants to kill iguanas to make a few dollars that he can't do it because he needs to go to be licensed as somebody that culls iguanas? It is the same thing with the lionfish. If we are going to shift their needs for income from raiding the Marine Parks for the conch and the lobster, then provide them with the opportunities to do the lionfish. Though, again, we are still waiting on that speargun regime, you know—three, four years. However, the National Conservation Board can find time to implement what they want and they go to North Side and they can't tell the difference between the ironshore and water or beach rocks, and they are letting developers off the hook.

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: Yeah.

I will state publicly right now, that I am writing a letter to the Minister of Environment, because I have photographic *proof* that what the DoE said is not factual. You can't have muddy water running into Marine Park, which is generated by the machine cutting the marl into the water, if the band is operating above the high-water mark. That is physically impossible. I don't know about George Town, but at least in North Side.

We have a situation in my constituency where the Planning Department goes during high tide and says it is not their problem because it is in the water. The DoE looks at the *Compass* report and they go during low tide and say it is not in the water, so it is not their problem and the problem remains unresolved. Further, the guy has claimed, with rocks, close to half an acre of land and blocked half of the inlet that everyone uses and no one will do anything about it.

Mr. Speaker, I hope and trust that all of the things included in this SPS can be delivered. I look forward to paying close attention to how the resources are allocated, specifically in the budget; but again, I would ask the Government if they would revisit their priorities and support the Ministry of Education in making education priority number one, both for capital and recurrent expenditure.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak?
The Elected Member for Newlands.

Mr. Alva H. Suckoo, Jr.: Deputy Leader of the Opposition, Elected Member for Newlands: Thank you, Mr. Speaker.

I, also, would like to give a brief contribution to the SPS on behalf of myself as a representative for Newlands, and as Deputy Leader of the Opposition group.

I'd also like to begin by congratulating the PPM-led Coalition Government on producing this SPS, which, as my colleague has mentioned, for the most part, contains various elements of the items—

[Cross talk]

[Gavel pounding]

Mr. Alva H. Suckoo, Jr.: Deputy Leader of the Opposition: Thank you, Mr. Speaker.

—that we presented during our visit to Cabinet, Mr. Speaker.

The Speaker: I really can only look one way at a time.

Mr. V. Arden McLean: Well, I can bring your attention to the Premier, too.

The Speaker: If I hear the Premier out of order, I will say so.

Mr. V. Arden McLean: Well, you try to jump on him.

The Speaker: Let's give the Member time to make his contribution so that we can hear what he is saying.

Mr. V. Arden McLean: Absolutely; thank you.
Tell the Premier, too.

Mr. Alva H. Suckoo, Jr.: Deputy Leader of the Opposition: Thank you, Mr. Speaker. I was getting a little bit concerned; I thought I had done something.

[Inaudible interjections]

Mr. Alva H. Suckoo, Jr.: Deputy Leader of the Opposition: I will try to get back on track; I know other Members want to speak, so I will try to move this along.

Mr. Speaker, I also want to give credit to the many civil servants who participated in this process. I know that much hard work has gone into producing this SPS as the spring board to producing our budget for the next two years. I do understand, Mr. Speaker, when I make my comments, that the SPS is a very, sort of broad framework for the Government to work from and not much detail is provided so my comments when I do make suggestions are, hopefully, going to be taken as constructive. I am not trying to just criticise for the sake of criticising but, when I bring things forward, Mr. Speaker, it is in the hopes that the Government will find a way that these suggestions can fit within the parameters of their budget, which I assume is currently being worked on.

Mr. Speaker, clearly this Government plans to continue its commitment to a disciplined approach to managing government's finances; that is quite clear from the statements in the SPS, and I do think that it may be a bit more challenging, given that this time

around, the Government is made up of a coalition of not just independents and a party, but two parties. Clearly, there will be some intense discussions and negotiation, which, I think, the Premier alluded to earlier, of what should go into this upcoming budget.

One thing I did note, Mr. Speaker, was that there are some key indicators being used to guide the process along and these, in my mind, although not alarming, give cause for some caution in being too optimistic. We do see that GDP growth was forecast to slow down slightly in coming years and consumer prices are forecast to rise in coming years, and while unemployment sort of remains stable, there is going to be a slight increase in unemployment in the upcoming years as well. I know you further you go into making these projections, the more the uncertainty, so you have to factor that in but, I do see these indicators as being a warning sign as well, Mr. Speaker.

Government is using, I think, primarily key construction projects that are coming on line, to forecast the future financial and economic health of these Islands; but I don't see too much information being given on the likelihood of success of some of these projects. I know I have my concerns with the Ironwood project, which has dragged on for some time and the Beach Bay Development. Two major developments like that could have a very negative impact on projections if they do not happen.

Consumer prices being on the rise as well, is another area of concern. When one considers, Mr. Speaker, that 44 per cent of those currently employed are earning less than \$2,400 a month according to the latest ESO Labour Force Report, I think that makes the point very clear that we have to be very cognisant of the effects of inflation in rising cost of living in this country. As more and more people fall into that income bracket, the more they are going to feel the effect of the high cost of living and the more strain is going to be put on government's resources to assist those individuals. Thus, I urge some caution in making predictions.

I do not want to preach doom and gloom, but we have seen in the past four years that a number of projects that were slated to start didn't start. As my colleague, the Leader of the Opposition pointed out, there is much in here; there are many good things in this SPS that this country needs to get moving [with]; however, with the expenditure figures given, it will be tight and so, very easily some of that could be offset by a decline in economic conditions.

Mr. Speaker, I have some general comments to make on what I consider the current state of things. This is my second term in this Legislature, as everyone knows, and I have been blessed and honoured to have been given another term. In the few short months since the election and before that, one thing is quite clear to me and my colleagues: we are not yet out of the woods in terms of the hardships that our people are facing. We still have a number of people who are concerned, Mr. Speaker, with losing their homes, being able to pay

their bills and educate their children; with the rate of crime, which I consider to be closely linked to economic conditions in the country and the increase in anti-social behaviour in the Cayman Islands.

Jobs are still an issue, Mr. Speaker, and it is not simply finding a job, nowadays; it is finding a job that pays you enough to take care of your family and children. This, in my mind, based on my experience in the past few months, is now rampant. I mean, it is one of the most common complaints I get from constituents and other individuals who talk to me; that they may be working but they are barely able to survive on what they are making. What worries me even more, Mr. Speaker, is that when people find themselves in the position where they feel that their ability to take care of their family has been taken away—which is the message that is delivered to me quite often—they feel that more can be done to help them, to support them. They feel the opportunities are being taken away and when individuals are placed in that position, Mr. Speaker, it is a recipe for social unrest.

Again, I wish I could stand here and be more positive. There are a number of good things and positive things happening in this country, Mr. Speaker, but there is an undercurrent now that scares me, at times. There are individuals who talk to me on a one-on-one basis, who express not just concern but outright anger. That anger is often directed, Mr. Speaker, at the Government, the MLA's, the Administration, and it really does concern me that we are developing a society of have and have-nots; and if we don't make the bold steps now, Mr. Speaker, to address those concerns, I see us only heading to a downward spiral that will be very hard to recover from.

I am not blaming anyone of us here, Mr. Speaker; I want to be very clear about that, but I am making a commentary on my experience and what is being communicated to me by Caymanians. I am, in particular, very concerned about the future for our young people.

Mr. Speaker, time and time again you have heard me in this honourable House talk about the influx of cheap labour and what the development of this cheap labour market has done to our people and our economy. The growing demand for cheap labour has, in my mind, contributed to this downward trend in salaries, wages that people earn, and this again, as I mentioned earlier, negatively affects people when you factor in the cost of living.

Mr. Speaker, I think the Government's strategic plan must contain steps to discourage the further growth and development of this cheap labour market, especially where that cheap labour is competing with our young people for jobs that require some skill or semi-skill and our young people are finding it extremely difficult to just get a foot in the door to start their way down the road to being a productive member of this society.

If we just think about the number of foreclosures that we have been hearing about, Mr. Speaker, and think about what has happened since the global recession, we have seen a decline in salaries and money that people make. Many of those people, Mr. Speaker, had mortgages approved from before the recession; they were paying those mortgages, earning good money but now many of them have been made redundant. They have lost their jobs and gotten new jobs at a lower pay, and their salary no longer allows them to pay their mortgages. What they are doing, Mr. Speaker, they are juggling one month paying the mortgage, one month paying this bill, one month paying that bill but the banks didn't, and still won't, allow these individuals to refinance their mortgages.

The unreasonable expectation now, is that on a lower salary you will still maintain the same level of expense. When I say unreasonable, what I mean is that it is just impossible. It's practically impossible for them to do it and that is why we are seeing so many Caymanians now caught up in this situation where they are losing their homes, Mr. Speaker. I know, because I have constituents who are in that exact situation right now, who have taken other jobs; they are working and are hard-working, but, Mr. Speaker, they are not earning enough money to maintain the level of expenses they were dealing with before.

Mr. Speaker, the SPS identified several key expenditure targets. I wholeheartedly support the hiring of additional police officers, improving border control but I, again, share the concerns of the Honourable Leader of the Opposition, that there may not be budgetary support to do everything that we need to do, Mr. Speaker. I think what may be missing from much of the SPS is more of an effort to get to the root cause of criminality in the Cayman Islands. What is causing the criminality; what needs to be done proactively to address it.

I sound like a broken record, Mr. Speaker, when I talk about the immigration system, the work permit system that we have in place, and I am pleased to see reform mentioned in the SPS that will hopefully improve the operations of the Immigration Department but again, when it comes to training and development of Caymanians, while there is an effort explained in the SPS, that there will be investment in education facilities and so forth, I still do not see where we are putting that much of a priority on education; in particular, Mr. Speaker, technical and vocational training.

As I mentioned earlier, Mr. Speaker, many young Caymanians are here competing to get entry-level jobs with individuals who are here on work permits, whose greatest selling point is that they will work for cheap. Many of them have come from countries that provide technical and vocational training, and that is their foot in the door, Mr. Speaker. For those of our young people who are lucky enough to get entry-level jobs, over time their skills set becomes outdated and they need to be upskilled. Again, I am begging the Government to make sure that when they drill down into the

detail and decide what these programs in education are going to accomplish and what the objectives are, that we ensure that the upskilling and continuing adult education is there, for our people.

According to what I am reading in this document and the SPS, Mr. Speaker, we are headed for a construction boom if all goes well, but we have concerns. I campaigned on many of the concerns with the Builders Law. I plan to bring a Private Member's Motion to address some of those in the near future, but I also don't see where we are preparing. Where is the TVET to prepare our young people to take up these jobs? I know the Premier mentioned, and the SPS mentions that there will be an enhanced level of technical and vocational training, but I just don't see the budgetary support there to do it on the scale that we need to be doing it on.

We have, for years, been fortunate because our population of Caymanians has been relatively small and we have been able to get away with having imported labour; but if predictions are correct, as in this RFP from the HSA, and we are looking at an increase in population of 170,000 by 2026, if we continue to maintain the status quo here in terms of training and education, we are in trouble. Our middle-class is going to disappear into poverty entirely. We need, Mr. Speaker, to make the investment in education. We should have done it fifty, sixty years ago when our men stopped going to sea, because that was a form of technical training. They were learning engineering and other things on those ships and coming back home and putting those skills to use here in building this country. When our men stopped going to sea, there was a void and we never filled it.

Many young Caymanian men would have benefited from technical and vocational training. Those same young men, Mr. Speaker, are on the streets getting into trouble and in the prison. I am glad to see that the Prison has implemented a TVET programme, because it is a proven fact that the best way to reduce the recidivism rate, which in Cayman is quite high, is to ensure that inmates learn skills so that when they come out of prison they can get jobs, be productive and break the cycle of returning to prison quite often, Mr. Speaker.

Mr. Speaker, I was reading from an International Labour Organization (ILO) report entitled: "A Skilled Workforce for Strong, Sustainable and Balanced Growth" - A G20 Training Strategy, published in 2010. While I do not have the entire report here, with your permission I would like to just read an excerpt from it which is only a few sentences: **"Equipping the workforce with the skills required for the jobs of today and those of tomorrow is a strategic concern in the national growth and development outlooks of all G20 countries. Together, G20 leaders have pledged to support robust training strategies to meet the challenges of fostering strong, sustainable and balanced growth in each country and globally."**

The globalization of markets is accelerating the diffusion of technology and the pace of innovation. New occupations are emerging and replacing others. Within each occupation, required skills and competences are evolving, as the knowledge content of production processes and services is rising.

A major challenge in all G20 countries is simultaneously to enhance the responsiveness of education and training systems to these changes in skill requirements and to improve access to training and skills development.

Many G20 countries have used training and retraining in their responses to the employment challenges arising from the global financial crisis of 2008. Lessons learned since that time are being applied more widely.

Ultimately, each country's prosperity depends on how many of its people are in work and how productive they are, which in turn rests on the skills they have and how effectively those skills are used. Skills are a foundation of decent work."

Mr. Speaker, I think that says it in a nutshell. It details exactly what our focus should be. If we want to continue to develop this country, grow our industries and encourage investment, we need to build that component into our economy; training and re-training. I maintain, Mr. Speaker, that we still have not grasped that concept, and we still depend too heavily on outside labour and when we see the need for the Government to increase benefits for seamen and *ex gratia* pension for low-income Caymanian civil service pensioners, and generally have to look at increasing social benefits for our people, it can't become any clearer, Mr. Speaker.

Our social services budgets increase year after year and this is why, our people are not in a position... We always talk about teaching a man to fish but we haven't taught them to fish yet. Thus, I commend the Government for pointing out the need for these changes, but I do question whether or not the budget will support it. I know we are a little ways from the budget and I will wait to see what can be done and I understand the financial restraints that are on the Government, but if we have to prioritise or reprioritise anything, let us not sacrifice education.

Again, Mr. Speaker, the SPS speaks to an expected increase in employment opportunities for Caymanians and this must be exploited to the advantage of our people. I really want to see more effort go into the negotiation of these development contracts, these concession deals that are offered to developers, to ensure that Caymanian participation for long term and for training, are part of the deal. I don't think we should continue to feel as if we need the developers more than they need us. Yes, they could go somewhere else and build their development and do their investment, but if we are doing that at the expense of our people, is it really worth it? We have too many of our people who are losing faith in us, and it is time as the Premier stated for some bold

moves. I applaud him for saying that he wants to see delivery because that has plagued not just his administration but many others as well. It is time to get things done.

Mr. Speaker, the Cayman Islands Development Bank (CIDB), I notice, continues to be funded by the Government but I don't see any mention in the SPS of a plan to enhance small business financing via the CIDB. I don't know if that is in the plan, it just has not been put in the SPS, but that is something I want to encourage. There are many, many Caymanians out there who are entrepreneurial in spirit, have good ideas, have education and who could become the next major employer of Caymanians if given the opportunity. Also, I would like to see CIDB become more than just what it is today, which is, to my knowledge, they don't do very much more than maintain the existing loan portfolio and do some educational lending. An institution like that can be leveraged to assist small businesses, Mr. Speaker. There are many small businesses out there needing that sort of assistance.

Mr. Speaker, we also, in going back to education, have heard many discussions in this honourable House about the need for another primary school in Bodden Town. I don't see any suggestion in the SPS, that that is on the Agenda, however, I have to raise it again, Mr. Speaker. Savannah Primary is currently maintaining three streams; the school is over-crowded and under-resourced. Our children are there in conditions that make it difficult to learn. If there is a priority that can be identified, Mr. Speaker, that needs urgent capital investment, it's a school. I am not saying this just because I am the representative for Newlands, Mr. Speaker, but these issues have been outstanding for quite some time. I know we have other priorities, but none can be greater than educating our children. Thus, I hope that the plans will include at least making a start on that process.

I note we continue, Mr. Speaker, to fund losses at the Turtle Farm and Cayman Airways, and while I differ slightly in my view on Cayman Airways because, in my mind, if we did not have Cayman Airways, and not just in times of national disaster as we saw during Hurricane Ivan, but as a protector as well, we may find ourselves in a situation where we are being held hostage to high prices if we had only foreign-run airlines bringing visitors to and from these Islands. It is good that we have a national airline where we can control the price and offset the cost of coming here, if necessary. Cayman Airways, in my mind, serves that purpose and gives us that flexibility and control over our market that I like to see.

With the Turtle Farm, Mr. Speaker, I strongly recommend that a proper cost benefit analysis be completed for the Turtle Farm to determine if indeed there are any intangible benefits that we are receiving, that we are not aware of, or that the general public doesn't know about. We need to find a way to justify, if necessary, this ongoing capital investment in the Turtle Farm,

because it is quite high and there are many now who are concerned that we are just throwing money away.

[Inaudible interjection]

Mr. Alva H. Suckoo, Jr.: Deputy Leader of the Opposition: I am being corrected that it is debt that is being serviced, principally. Nonetheless, I still would like to see some analysis done to determine if we are getting good value for money from the Turtle Farm.

Mr. Speaker, the Leader of the Opposition talked about healthcare being in crisis if we are looking at a 170,000 people depending on our health care system. I am also concerned that, even at the current level of population, we are still in crisis. I am inundated with complaints about medications not being available at the hospital and while I know, through being a patient of the hospital from time to time, that there are many good people there, many good doctors and medical and admin staff, we really need to review the management of the HSA and the policies. I really do not see that institution being able to meet the needs of this country for much longer, without a serious overhaul. I am not criticising everyone that works there; I know they work under difficult circumstances, however, we have to be practical and realistic and if it is not working, well, let's find a way to make it work. As someone who visits the hospital regularly, Mr. Speaker, I talk to patients and the level of satisfaction and the level of care is a major concern for me.

Mr. Speaker, as I said earlier, I welcome the idea of reforming the work permit process, and while the Honourable Premier doesn't like to give credit for his sources sometimes, during my time at university I was taught that if I didn't quote my sources, I could get expelled; so, I will take credit for the Government moving forward with making the National Workforce Development Agency (NWDA) the clearing house for jobs, as it is something I have strongly advocated for, for many years, beginning with my appointment as Chairman for the NWDA taskforce by the then Minister of Labour. I am glad to see that we are finally at the point where that is going to become a reality. It is not within my nature to seek praise, Mr. Speaker, but that is one development that I am very proud to see in this SPS. I think everyone knows how strongly I advocated for that change.

I am also pleased to see the support for the police and border protection—increasing the resources for the police and creation of a Coast Guard, because, again, as recently as this week, we heard about another illegal immigrant who is wanted for murder, being apprehended on these shores and who is involved in transshipment of drugs, and I would assume there may have been some other contraband being brought into these Islands by this individual. I think he was described, Mr. Speaker, as “one of Jamaica's most wanted”. We really need to be cognisant of the fact that our borders are unprotected. I have heard so many young people—and

these are young people who shouldn't know about it—tell me about the various individuals who visit these shores on these Jamaican canoes and come here to commit robberies, commit murders, import drugs, trans-ship stolen property and it just escapes me how more people are not alarmed about this situation. These drugs and guns are ending up in the hands of our young people. They are being used to slaughter each other. They are being used to poison our children. Thus, I wholeheartedly support the Government's efforts in tightening up our borders and I, in particular, Mr. Speaker, want to see more effort being made to punish those responsible for bringing these threats to our shores.

The Speaker: Honourable Member, are you coming close to completion within the next five minutes?

Mr. Alva H. Suckoo, Jr.: Deputy Leader of the Opposition: Yes, Mr. Speaker, just about five minutes.

The Speaker: Okay

Mr. Alva H. Suckoo, Jr.: Deputy Leader of the Opposition: Mr. Speaker, it is my view that we need to do more to take our young people back from the streets, from the drugs, from the violence, even if we need to focus a little bit less on the development and the developers and focus more on the social concerns, education concerns. We cannot develop this country, Mr. Speaker, at the expense of our young people.

Specifically, in Newlands, Mr. Speaker, I just wanted to mention that again, I am encouraged to see some budget consideration for infrastructure needs but we do need a lot done in terms of road upgrades, resurfacing, and flooding and drainage control. We do need parks and sporting facilities in the entire district to keep our young people actively and positively engaged. We do need to make neighbourhoods safer, in terms of street lighting and sidewalks on major roads. We do need proper hurricane shelters in Bodden Town and we do need to encourage the right sort of development in the eastern districts; in particular, eco-tourism. I would like to see, as part of the district development plans, a renewed “Go East” plan that will encourage our entrepreneurs, our landowners, to develop their property and play a role in the Caymanian dream, have a part in it. Of course, I cannot say it again, too many times, Mr. Speaker, we need the school facilities in Bodden Town.

Mr. Speaker, I promised I would not be too long. I understand that this SPS pretty much represents, I think, the combined objectives of the individuals who now make up the Unity Government, and I am pleased to see that quite a number of items that were highlighted by the Members of the Opposition when we had our visit with Cabinet, have been included - and I will be certain to communicate those to my constituents when I have my quarterly meeting. I just want to thank the Government for this opportunity to have contributed

to the process. I know that the proof is in the eating, so I am going to obviously wait to see what the final budget looks like, but so far, in very broad terms, I think that the objectives of the Opposition can also fit into this plan. My only concern is if there is enough to support it in terms of budget. I do hope that some of the concerns that I raised here today, Mr. Speaker, will be able to be addressed as part of this SPS and Budget process.

I thank you very much for the opportunity, Mr. Speaker.

The Speaker: I think this is a good time for the afternoon break. Fifteen minutes, please.

Proceedings suspended at 4:03pm

Proceedings resumed at 4:36pm

The Speaker: The Assembly has now resumed its Sitting.

Please be seated.

The Speaker: Does any other Member wish to speak? The Elected Member for Bodden Town West.

Mr. Christopher S. Saunders, Elected Member for Bodden Town West: Mr. Speaker, thank you very much for the opportunity to address this honourable House.

First, I would like to congratulate the Premier and his Elected Government for bringing this SPS document on time, and I would also like to thank the many civil servants who worked diligently in preparing it.

The Speaker: Honourable Member, could you . . .

Mr. Premier, I think we passed the hour of adjournment [sic].

[Inaudible interjection and laughter]

The Speaker: It is 1,000 times.

Suspension of Standing Order 10(2)

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

Mr. Speaker, I 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 the Standing Order be suspended in order for the House to continue business 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: Honourable Member for Bodden Town West.

Mr. Christopher S. Saunders: Thank you, Mr. Speaker.

[Cross talk]

Mr. Christopher S. Saunders: Gentlemen, I have the floor now. Thank you.

[Inaudible interjection]

Mr. Christopher S. Saunders: Sorry, and ladies. I apologise. Well, they were not actually saying anything, it was just the . . . Oh, sorry. Mr. Speaker, apologies.

First of all, I really want to thank everyone who prepared this document. I know putting together these budgets and these assumptions are never easy and I have no intention of taking a critical approach to say what should have been in it and what should not have been in it. It has been a very short period of time since the Election and to have gotten such a document done on time would have undoubtedly taken much time to complete and it is not in my style to criticise work that people have put in.

Mr. Speaker, next year will be 20 years since I returned from college having received an education that was paid for by the people of this country, and Mr. Speaker, the people of Bodden Town West, did not elect me to come down here and just oppose for the sake of opposing or criticise. I received an education which was an investment by the people of the Cayman Islands with the view that one day, I, and many from my generation, would come back and contribute. As such, my remarks today, Mr. Speaker, is in hope that the Premier and his team will consider certain things as they put together the Budget for the next two years.

One of the things, Mr. Speaker, I just want to touch on and just beg your indulgence a bit, was the conversation two days ago between you and the Honourable Premier when we were in your Chamber briefly. I was explaining to you the mind-set that I was using or will be planning to take to this honourable House. The Honourable Premier said at the time: *Well, you know, Mr. Saunders, I hope that is something that you will repeat to the other Members of the House* and I promised him that I would so, I just want to beg your indulgence a little bit so that you guys can understand pretty much where the mind-set is coming from.

Mr. Speaker, I made reference to an interview that was done by the late Michael Manley, the former Prime Minister of Jamaica, in 1977 in New York—and I would encourage Members to take a look at that; it's on YouTube—at which point Mr. Manley was a man ahead of his time, a brilliant man, brilliant interview. Most people would agree that what he had to say was actually

quite solid. The other interview I would also like most people to watch is the one he did a year before he died and a year after he left Office where the interviewer asked him how he could have gotten everything so right in theory and everything went so wrong in practice, to which Mr. Manley replied he learned three lessons:

1. He used language that frightened away business people and investors from his country and he needed those people to create jobs.
2. He used language that frightened the middle class which resulted in the biggest brain drain that up to the time of the interview he regretted.
3. He overestimated the political awareness of the Jamaican people.

With that in mind, what he was basically saying is that he wished he had spent more time trying to explain to the Jamaican people what it was he wanted to do, the bigger picture.

Mr. Speaker, as I went through the SPS, and in preparing for the SPS there are two documents I started out with. One was the Annual Economic Report 2016 and the other was last year's SPS, because what I wanted to see, Mr. Speaker, was what the Government said last year, what they achieved, and also what they are looking to do this year.

Now, I am mindful, Mr. Speaker, that the Cabinet of last year, versus the Cabinet of this year has four new members, so, in essence, more than half the Government has changed. Therefore, I would expect that there would have been some changes in policy and in terms of what assumptions would be used, and what the priorities of the Government would be. What I would like to ask the Government to consider as they put together the budget over the next two years, is Brexit—in terms of the impact to our financial industry and tourism.

Now, Mr. Speaker, as I look at the SPS, I realise that much of it is actually predicated on the construction industry. Mr. Speaker, I think it is important for us in this House, and also for the wider public, to understand just how the Cayman economy works.

We have two pillars which are banking and tourism, and if you look at page 6 of the Annual Economic Report 2016, prepared by the Economics and Statistics Office, you will see that there are challenges within the economy, as many of the factors that underpin the pillars for the economy, Mr. Speaker, are actually in decline. If we look at the tourism numbers also, we will see that they are also flat.

Mr. Speaker, following on from the conversation I had with you on Monday and was also joined by the Premier, I think it is important for us, as a people and as a country and as Members of this Legislative Assembly, to embark on developing a National Strategic Plan for this country.

This year will be 20 years, Mr. Speaker, since we started on Vision 2008 and that document itself didn't go quite far because, one, it was led by the Governor with very little political buy-in and, as a result, the people who ultimately had to bring those recommendations into play, didn't really feel a part of it. More than anything, Mr. Speaker, is that we need to go out and have that conversation with the Caymanian people, in terms of what we want the country to look like in the next 5, 10, 15, 20 years to kind of develop a plan for Cayman in 2030.

The challenge, Mr. Speaker (and I will say this much) many people have this belief that the government should run like a business but government can't run like a business; it is here to provide a service. I think people need to understand that in business, you can increase your revenues and you can basically take revenues from someone else. In government, when you increase your revenues, you are actually taxing more and even if someone loses something, the reality of it is everyone is affected; so, where everything stays it is a zero-sum game.

Mr. Speaker, what we need to be mindful of is that when we look at the Cayman economy, as with most businesses (and it is driven by businesses), the bulk of the revenue that businesses make in both the financial services and tourism industries, come from people overseas but the expenses are domestic, so there is already a disconnect between how businesses earn revenue and how expenses are incurred. That is what makes the Cayman economy unique, and whether we like it or not, it is a very fragile economy in the way in which it is set up, because it means we are, in essence, affected by external forces.

The Honourable Leader of the Opposition, in his contribution, spoke about businesses developing a social conscience. The reality of it is that if we look at most of the businesses, for example, the banks, their shareholders and owners are not Caymanians, except for maybe Cayman National Bank. Their social conscience that they would have or we would expect them to have, really and truly wouldn't exist, because their priorities are elsewhere. Thus, it is important for us, Mr. Speaker, to maintain an environment that businesses feel welcomed, and seeing what the Government has put in their SPS, as the Honourable Leader of the Opposition said, it is kind of hard to argue against what is included. What I would ask the Government to be mindful of is that we have reached a point in Cayman where our economic power has now surpassed our political power and ultimately, the people in this Chamber, Mr. Speaker, are the ones who are held responsible for this country.

Mr. Speaker, as I go through the SPS, I am actually reminded that the way in which our structure is set up, we have many challenges. First of all if we look at the United States, they have monetary policies and fiscal policies just like every other country or most industrial countries. We do not have that. All we have is

fiscal policy, which is pretty much what the budget represents. If we look at the things that people mostly complain about, which is inflation and unemployment, and we were to take a look at the Federal Reserve Bank in the US or the Federal Reserve System, we would see that of the five priorities of the Federal Reserve, two of the things they are actually charged with are controlling inflation and controlling unemployment. That is something that has not really been given our tasked to the politicians.

Mr. Speaker, the challenge for us, as elected people, every single one in this Chamber, except the ex-officio Members, are here by votes. We get votes by being popular but we also have to balance now, with the responsibilities that we have, between what is popular versus what is right. Mr. Speaker, that is why two of the three motions that I called for, rather than try to go through and start making wholesale changes to the Law, is to set up those select committees to address those issues where we have to find the balance, because the reality of it is, Mr. Speaker, we in this Chamber are held responsible when things go bad within our economy. We need to ensure that the Members of this Chamber, in this honourable House, have the power to deal with the responsibilities that have been given by the people.

Mr. Speaker, as I contemplated the SPS and listened to my colleague from Newlands speak about the Turtle Farm... I also did an analysis on the Turtle Farm in prior years, and I realised that the Government at that time, if memory serves me right—I beg the House for its indulgence—was subsidising the Turtle Farm to the tune of \$10 million of which \$6 million was there to service debt. Therefore, the true subsidy to the Turtle Farm was really \$4 million, because if the Government had closed it, they would have had to pay the \$4 million.

I then asked myself the question: the Turtle Farm, I think, employs around 100 people directly; 95 per cent of whom are Caymanian, and it creates another 400 plus jobs indirectly. At the same time, I think they have about maybe a couple of 100,000 visitors per year. Mr. Speaker, for a true subsidy of \$4 million dollars that creates 500 jobs directly/indirectly and have a tourist attraction of over one 100,000 people, the question is: Does \$4 million present value for money? On that question, I said, *you know what, Chris, I would leave the Turtle Farm alone because, for \$4 million, you really can't argue with that.*

Mr. Speaker, those are the sorts of challenges that governments have and I am very aware, having been a banker myself and, have to be sitting down and looking at future lending that people may probably have, the way in which interest rates may go and also, at the same time, consider what the overall economy would look like for both, government policy and international impact such as interest rates, foreign exchange, et cetera.

Mr. Speaker, with the SPS—and I would just caution the Government for this one thing—the two pillars are still finance and tourism. Construction is a by-product of those two industries, so if we look at the big homes that are being built, they are being built by partners in law firms, accounting firms which is where the primary source still comes from, with construction being secondary. If we are building hotels, it is still the tourism industry with construction still secondary. As such, we need to relook our investment in those two areas in terms of the pillars.

I am glad to see that the Government is spending more money in Cayman Finance, because I think we need to invest with the members of the financial services industry, to ensure that the impact from Brexit and even Mr. Trump overseas, that we prepare our own economy to deal with that, but at the same time, we can't forget the impact of tourism.

Now, I know everyone has their views on the cruise berthing facilities. I still think it is a little bit too expensive but, at the same time I am also cognisant that last year was the first time in global tourism, where cruise tourism actually had more passengers than stay-over tourism—the first time ever. Hence, the reality of it is, Mr. Speaker, we still need to do something when it comes down to tourism and we also need to do something with cruise tourism. The question is though, *what?* Further, at what price and cost and to what benefit to the country? I think that is something we need to look at. Stayover tourism, Mr. Speaker, has been the bread and butter of our economy. Those people spend almost, I think, ten times per what a cruise ship passenger would make and the numbers are... it is a kind of what we refer to as sustainable development. The economy is improved or gets better when we are building hotels because it creates jobs while building and it also creates jobs once it is up and running so, those are the kinds of sustainable tourism that we need to consider.

Mr. Speaker, what I would ask the Premier and his team to kind of take on board, as they sit and deliberate with regards to the assumptions that they are going to use in the budget, is the real long-term plan. In last year's SPS, there was a medium-term plan but, again, like I said, I recognised the Government had more time then, versus than having a new Government now, and time would not have been permitted but we still need to develop a long-term plan for this country.

Mr. Speaker, another issue I need for the Government to consider, as they are putting together the budget, is the impact of cheap labour, because, while there has been growth in the GDP, if we look at the Annual Economic Report 2016, GDP per capita has actually been decreasing. The true measure of a country is not just GDP growth, but economic productivity. Are our people doing more? Mr. Speaker, we can have two people in a house making \$10,000 as income and we can say the average is \$5,000. We can have the household income being \$20,000 which would have

been growth in the household income, but if we have 10 people inside there, the average is \$2,000. That decrease in average, not only the decrease in productivity, but it is also loss of wages and it is also referred to as more like on the underemployment side, and those are the kinds of things we need to consider.

The SPS is a good first start in terms of putting together the budget, Mr. Speaker, but we need to take a long look at the assumptions that we want to use because, at the end of the day, it still has to be on a per-unit type level, in the sense of what do we expect from stayover tourism and also, what do we expect in terms of banking. If we go through the annual economic report, we will see that it is either flat or decreasing. We also need to understand that we do have external forces that want to take what we have. Have no doubt about it, Mr. Speaker, as we are sitting here, there are people in our country thinking about how to take what the Cayman Islands have.

Mr. Speaker, I have made it perfectly clear as much as I can, that there are certain areas that we as politicians need to make sure that we don't play politics with. Education has to be one of them, also healthcare, social services, and the finances of the country. As such, Mr. Speaker, I have no intention of playing any politics with the finances of this country in recognising the fragility of it, but at the same time, I am cognisant that we have yet to find a formula for Caymanians to prosper within our own economy, and I think that is one of the things that we are going to be tasked with.

As I showed you and the Premier on Monday, Mr. Speaker, the ratio between Caymanians and non-Caymanians in the private sector is something that needs to be reversed. Now, the private sector is the engine of our economy and we cannot, should not, and must not, continue to build a ratio where the engine of our economy is 60 per cent non-Caymanian. As more hotels come on board, Mr. Speaker, and more developments are on board, in the next five to ten years that number can easily be between 65 to 70 per cent. Mr. Speaker, when I consider that and having considered the fact that I have had jobs that have allowed me to visit just about every English-speaking island in the Caribbean, and as I spoke to many of those people, I learned from the mistakes that many of them made.

I look at Jamaica, as I was talking about earlier. Haiti is considered the poorest country in the Western Hemisphere and the 21st poorest country in the entire world, yet the Haitian dollar is worth more than the Jamaican dollar. I think the Haitian dollar [*sic*] is \$63 to US\$1, and the Jamaican dollar is \$130 to US\$1 and there is no way in which you can sit down or... I've asked many economists, many Jamaicans who should know how it is possible and they still cannot explain that to me. Those are the kinds of things, Mr. Speaker, which we need to be mindful of. We are still very dependent on doing business with overseas entities and we cannot lose sight of that, but at the same time, we also have to be mindful that if we don't find a way for

Caymanians to feel that they can prosper in this economy, I want to tell you, Mr. Speaker, we are going to create a political demagogue. Brexit in England was that demagogue. Donald Trump in the United States was that demagogue. We also need to recognise now that we do have people and elements within our society that will do anything to get into power and they will get up and tell the people what is popular, but they will not tell the people what is right.

Mr. Speaker, I really don't want to get too much further into the SPS, as the Honourable Premier said we should save our fire power for the budget, but Mr. Premier, I can assure you from now that, as I said before, I don't think the finances of this country is something we should play politics with, and I have no intention of playing politics with it. The people of this country did not give me an education for me to come back and not try to contribute to the development or betterment of my country.

What I want to say to Members is on page 20 of the Annual Economic Report where if we look at the population of our Islands, Mr. Speaker, it is broken down into three groups: the Caymanian population, the permanent resident population, and the non-Caymanian population, between 2015 and 2016, Mr. Speaker, the Caymanian population decreased by 124 people and the non-Caymanian population increased by 1,072 people. That, in itself, Mr. Speaker, is cause for concern because we cannot continue on this path. The social unrest that will follow is not something that we also want to entertain.

Mr. Speaker, I also want the Premier and his team to consider, when putting together the budget, the domestic credit. Next year, banks will have to deal with the International Financial Reporting Standard, IFRS 9, which will be changes to our banks' provisions for losses and also the impact of, possibly, Basel III.

Mr. Speaker, I was part of a bank that chose to move out of Cayman and no longer do business here and, having understood the decision process and what went into their decision, I am fearful that is something that can come back and bite us. Now, as we look again at bank licences and see the gradual decreases—at one point we were at 587 licences around ten years ago. Today we are less than 200, around 170, thereabouts. Again, this is our bread and butter, Mr. Speaker.

The reason I refer to domestic credit, is that if the construction is going to be the driving force in the Government achieving its priorities, the Government must also be mindful then, that they need to protect credit because every economy needs credit in which to survive, and that is something that, again, I would be more than happy to sit and work on with the Government. My education was paid for by the people and, when I do get paid every month, Mr. Speaker, it doesn't say Bodden Town West, it says Cayman Islands Government. Thus, I have a responsibility to the entire Cayman Islands, and there is no use for me to have knowledge and understanding of certain areas and not

see where I can do some good with it. I just want the Government to be mindful of that.

By the way, Mr. Speaker, the total banks are actually down to 159 from a high of 587; just clarifying that.

Mr. Speaker, I will not keep much longer, because I recognise the time and the House has already been extended, but another thing I also want to look at or want the Government to consider is on page 41 of the Annual Economic Report, which is the number of planning approvals between 2013 and 2016. Again, that is also something that has been decreasing so, we need to make sure that we do create that environment, Mr. Speaker, to ensure that our economy and everything else continues to prosper.

Mr. Speaker, I am going to close up shortly but I also want the Government to take a look in terms of the breakdown of its actual revenues. Now, in going through the SPS I noticed that most of the revenues remain pretty much flat year on year; and most of the expenses remain year on year, which begs the question: If the Government is going to increase some programs, it means that they are taking from some programs to achieve that goal, and, I think, again this is something that naturally someone is going to be affected. It is not going to be where we can pluck money out of the air, Mr. Speaker, but I am just curious to know what those programs will be. I think that is something we need to be mindful of, because, when we do look at the domestic taxes, Mr. Speaker, it has been increasing, when most of the other revenue years have been pretty much flat or decreasing. Even though the Government revenue is almost relatively flat, when we look at the actual distribution of the different revenue aligned (this is just considering the 2016 Annual Economic Report), we will see some massive changes there, and those changes within those lines are pretty much what affect people's behaviour.

Mr. Speaker, as the Government embarks on putting the budget out and recognising that the budget is a planning tool, I am just going to ask the Government to take some time during the Throne Speech and the Budget process to educate the people of the Cayman Islands as to what the long-term goal and the long-term success of the Cayman [Islands] should be.

It is very easy for us to speak in quantitative terms, Mr. Speaker, and use numbers, but for the people of the Cayman Islands, these numbers are actually their livelihood, their lives and their future; and it is important for us to have an honest conversation with them, to go out and say, *Listen, this is what it is; this is where we are and this is what we are doing and this is what we are trying to achieve*. I think we need to make sure we don't make the mistake of overestimating the political awareness of the Caymanian people, like others before us made; that we just take it for granted that they are seeing the bigger picture. I know some people were probably surprised to hear what I said earlier, Mr.

Speaker, about the Turtle Farm, but those are the kinds of conversations we need to have with people.

Cayman Airways itself has had its own critics; I have never been one of them. The reason why I have never been one of them, Mr. Speaker, is that working in telecoms and traveling to the Eastern Caribbean, I have seen US carriers undercut their prices, drive the local airlines out of business and then, as soon as they drive them out, they tell them, *we can no longer offer jet service, it will be turbo prop*. Then, those governments are held hostage by paying them large subsidies just to maintain jet service. When we look at the small population that we have, Mr. Speaker, and considering the number of airlines that have failed, from Pan American to Eastern, Air Jamaica and several others, and the fact that our Cayman Airways is still flying, is still a source of pride for me, but at the same time, we also have to look at, at what cost.

Now, Mr. Speaker, economics itself is about using scarce resources to achieve many wants; and the Government does not have an easy job and I recognise that. Every Government around the world has two basic responsibilities: to ensure that you have a healthy and educated workforce to meet the demands of your country. The question has always been: Do you invest in education or you invest in health, recognising that you do have limited resources? The answer has always been that you invest in education, because once you give a man enough sense, he knows how to take care of himself and that is always important.

What I am going to say, Mr. Speaker, in closing, which is something that I really hope the Government is mindful of, is the impact of cheap labour on our economy. Left unabated, it is going to lead to serious problems in this country.

Mr. Speaker, looking at the assumptions based on the SPS, and I remember one year the Honourable Premier referred to the use of carrots and the use of sticks, and I will ask him and his Government, as they put together the budget, to consider more sticks, and I will tell you why. Many Caymanians can't find work and many Caymanians are employed in work that is actually beneath them.

Mr. Speaker, our education system, has been attacked, in many cases, really unnecessarily and our people need to understand the power of labelling; because when you say something long enough, and people start believing it, the kids start believing it too, and that is a problem. Mr. Speaker, if the only people who could not find jobs were the kids coming out of our high schools, we could say it was our education system, but when we have our children coming back from North American and European universities, who are now educated in those countries, *you cannot* blame that on our education system.

[Desk thumping]

Mr. Christopher S. Saunders: As a result, as the Honourable Leader of Opposition was telling his own story, I would say to those businesses, be very mindful, because the people you are discriminating against in the work place, still hold the vote and the political power in this country and they *will*, at the point of frustration, give you someone that you will not like.

Mr. Speaker, the Honourable Leader of the Opposition referred to it. Many business people look at me sometimes and say, *Chris, when I listen to you, you scare me* and I always say to them, *worry about the person who scares me*, because I will tell you, Mr. Speaker, it is not a pretty situation. Many of our people have pride, Mr. Speaker, but they are hurting. I am seeing it, and I can tell you as a former banker, you have some people in this country that have some obscene bank accounts made from the backs of hard working Caymanians. Mr. Speaker, I will tell you, the day we have a WikiLeaks and people in this country start understanding the level of wealth in this country that has been incurred from their misery, Mr. Speaker, we will have social problems.

Mr. Speaker, as the Government puts together its SPS [*sic*], I will again ask to look at those assumptions to find a social balance, but at the same time, I do recognise that the Government has its own challenges in finding a balance because, again, many of us in this Chamber are here because we received the popular vote; it doesn't necessarily mean that we received the right vote. I will say it to the Premier and his team and everyone else, if there is anything I have discussed here today and they want for me to expand on it, I will be more than happy to because it was paid for by the People of the Cayman Islands, and I am here to make my own contribution in that regard.

I want the Government to do well. I wish the Government does well; I wish the Government does very well and, as I have said to the Premier, for three years I won't be the adversarial type but I do recognise that this is also a House of adversarial behaviour and while Chris won't draw first blood, Mr. Speaker, I can guarantee you I will draw last blood.

I am here to help the Government in any way that I can. Again, I congratulate the Premier and his team for putting together this document in such a short time and I really wish them well. With that, Mr. Speaker, I thank this House for indulging me these few little moments and I'll wrap up. I'm finished.

Thank you.

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

Mr. Kenneth V. Bryan, Elected Member for George Town Central: Mr. Speaker.

The Speaker: The Member for George Town Central

Mr. Kenneth V. Bryan: Mr. Speaker, I rise to give my response and contribution to the Premier's speech on the SPS and to kind of give in summary my thoughts on what I have heard so far today by the Minister responsible for Finance and Economic Development, the Premier and his team. I must say there was a level of excitement for what I have heard. It may not be everything I wanted to hear, but there were many pleasing things that I heard today. As a matter of fact, in comparison to my manifesto—I went through it shortly throughout other Members' contributions—I found that almost, a little over 70 per cent of the things I campaigned on and wanted to implement if I was to be a part of the ruling Government, were in the Strategic Policy Statement.

Starting with that, I want to congratulate the Minister of Finance and the Premier for what they have outlined will be the plan for their administration moving forward for the next two years. I must acknowledge though, that the word "broad" was always stated in most of the presentation, which only leads me to conclude that that is the hope, which is good enough for me to start with. I believe that every journey starts with the first step and because I am a newbie in this House of Parliament, and for many of those who may be watching at home, to understand the process of the next two years, as I understand it, the Government will present its Strategic Policy Statement which broadly outlines their plan for the next two years up until the start of 2020. Thereafter, the budget shall come to the House where we will debate and the Government will present their allocations for that plan that was outlined in the Strategic Policy Statement and they will get hard at work of doing it and getting it done with the great civil servants that we have.

Again, I go back to the word "broad" and some may say that is very hopeful in respect of what they presented, but I respect the fact that they have started at a place I am comfortable with. I think many of the Members in the House will know that the majority of my campaign was based on social concerns, social ills, as that was one of the main issues for me in respect of the past administration—their lack of focus and attention on the social concerns. I want to congratulate the Premier on an announcement he publicly made a couple of weeks back (I can't remember exactly when it was), that he and his team would be focusing on many of the social ills the country is facing, and Mr. Speaker, that is very good news to me.

I want to take the opportunity to highlight some of the things that I have heard the Honourable Premier say in his statement presented to this House, which gives me some level of comfort, Mr. Speaker; that what is being presented in this Strategic Policy Statement can be more than just words in a document. If we look at the realities of politics, the Honourable Premier is on his second round as the Premier of this country, and constitutionally, Mr. Speaker, he cannot do another term unless he intends to skip one administration.

Hence, I think, there is a level of want and hope by the Honourable Premier, to really leave his legacy on addressing something that may have been seen by him as a hurdle in his last administration, and I feel the sentiments coming out in much public appearances, as well as in his speech. I am going to go to a paragraph in his speech and I know that all the Members have a copy of the Premier's speech where he said on page 5: **"I will be leaving everything on the field."** That resonated with me because I feel I am getting the attitude that he plans to go really hard on what he said in this Strategic Policy Statement; so, I am hopeful, but reserved.

I just want to go through a number of things, Mr. Speaker, that were mentioned in the Strategic Policy Statement delivered here today, that were also in my manifesto; to show how some may say, *well, Mr. Bryan, you are supporting the Government quite often or you are giving a lot of support to the Government, and you are an Opposition Member.* As I said in my first delivery in this House, I am not here to oppose just because I am on the opposition side. If I hear things which I think are good for this country, I am going to support them; that is what the people of George Town Central sent me here to do.

I want to highlight some of the things that are already in my manifesto which were highlighted here today, to show that there is reason for me to support this Administration if, in fact, they will follow through with what has been presented today. In my manifesto, things like the development of a national tourism plan can be found on page 4, and review of the minimum wage can be found on page 6. Please bear with me, Mr. Speaker, as I made some notes of the speech presented by the Premier.

One of the things not in my manifesto but I want to highlight my support for it, is, the warden concept, or warden approach, to policing. Actually, in my manifesto, I suggested a warden approach to the communities across the Island for keeping an eye on persons who litter; because littering was a serious issue for me and the environment is a serious issue for me and the best way to police it is have us all police ourselves. Thus, a concept of, if you catch someone littering, you can possibly get a reward or have senior persons in your community who would keep an eye out for those things. Though I did not have a warden approach to policing the neighbourhoods, it is quite similar to what I had in respect of my manifesto, so I understand the concept and I support it.

Moving on now to a very serious issue, which I am so glad to hear this current administration intends to address, is the border control, at both the airport and within the [coastal areas]. This is also in my manifesto on page 8.

Another element that was highlighted by the Honourable Premier on page 17 of his speech, says **"I believe the most significant contribution to crime reduction will come from the early identification of**

young people at risk of offending behaviour and putting programs in place to support them to make better life choices." I could not say those words any better myself, so I agree with that.

Also, by way of the Strategic Policy Statement, Mr. Speaker, this Administration is committing to ensuring people have access to quality, affordable health care; also in my manifesto on page 12.

I have not had much time to digest the concept of what is being presented in the SPS about CINICO and broadening CINICO for insurers who are on CINICO benefits, to more providers on Island, and to how the health provider community is going to respond to that, but anything to make sure that Caymanians have better opportunities at healthcare, I support.

The Premier also spoke of finding better ways to procure pharmaceuticals and medical supplies which is another thing that was in my manifesto, on page 12.

Mr. Speaker, I could go on and on about how many things were said by the Minister of Finance and the Honourable Premier, Alden McLaughlin, that are in my manifesto, but I am not going to basically promote myself as to my manifesto; today is the Government's day. The reason I had to highlight so many of the different points that correlate with my manifesto, is because of the support that I intend to give them in respect to their plan for the next four years. Politically, my understanding of the Strategic Policy Statement is that it is a road map of what to expect from the Government in the next two years; at least, in the next budget cycle.

If in fact, as I have highlighted, and as the Premier has suggested, he plans to leave it all on the field, that he is going to be genuine with that and push that very hard... I believe that this Statement, some may see it as politics and hot air, because I have heard comments like that before on other Strategic Policy Statements that, "Yep, high hopes but they never get it done." I think the circumstances that present themselves right now, today, in this environment, with this Premier on his last round, understanding that last administration it was a hurdle for them, understanding the fact that this is a unity Government with different views, I truly believe there is an opportunity that all of those high hopes that were presented in the SPS can be fulfilled.

I want to also take this opportunity to address the Premier's comments on two motions that I plan to bring to the House; the first being that of the increase in benefits to the Seamen of this country. It has already been reported in the media that my motion intends to ask the Government to consider increasing the Seamen's benefits to CI\$1,000, but I understand today, by way of the SPS presented by the Honourable Premier, that, the Government has already considered, and, I am hoping, Mr. Speaker, it is because of my motion being presented, as to why they are willing to consider it. Thus, my work has already started to become fruitful. Although the motion that I put forward was \$1,000 and the Government intends to increase it from \$550 to

\$750 over the next two years, is not what I wanted, but I think the people who are going to be the beneficiaries of it, will be grateful.

I also want to highlight that the Government intends to not only do an increase for the Seamen and Veterans, but also persons who are on poor relief as well as civil servant pensioners who do not make much pension. They are covering much more than what I covered in my motion, so I understand that maybe they could not go to the \$1,000 I was asking for, but I respect the fact that they have considered it already, and tomorrow when the motion will be presented to the House, I am considering withdrawing it. I want to say thank you to this administration and the Premier, for giving consideration to my motion.

The Premier, Hon. Alden McLaughlin, also spoke on my other motion, in respect of finding, acquiring or building temporary housing for persons who get assistance from the Needs Assistance Unit (NAU). Now, Mr. Speaker, the Premier used a word that hurt a little bit, by saying my motion was impractical but maybe it wasn't, because I don't have access to the knowledge and accounts of the Government, therefore I can only make assumptions from this side and I may not have come to the same conclusion as he did, if I was on his side. He suggested that it is not practical for the Government to go ahead and build 50 two-bedroom apartments to address the problem of persons trying to find temporary housing because of failures in the private sector for various reasons: government not providing deposits, paying late, or private sector does not necessarily want to rent to families with kids and a host of other issues which are causing the private sector realty market not to be there for those who are in need. However, the Premier did say that he acknowledges the problem and again, Mr. Speaker, I would like to think that because of my motion intended to be brought to this House, the current administration is now considering to make the necessary changes so we can at least fix the problem. Again, it may not be exactly what I intended but ultimately, our job and our goal here, in the Legislative Assembly, is to find a solution; it does not necessarily have to be my solution as long as a solution is found.

According to the Honourable Premier—and I want to see if I can find where he said it exactly in his speech so I cannot misquote him, but it might take me a while going through his whole speech because it is rather long. Mr. Speaker, I am just going to [paraphrase] by saying that they can find other ways to fix the problem without acquiring or building 50 apartment units for persons who are in temporary need of housing.

He also highlighted the concern of competing with the private sector market for rental units. I can understand the perspective of that reservation, but I am glad to see that he is committed to finding some of the solutions as to the lack of housing opportunity for those who are in need of it by way of securing and making sure that Government pays on time to those landlords

who actually do take the risk and go out and help those who are in need; and secondly to consider making deposits available for those who have temporary assistance and working with the rental market for them to consider families that are coming through the Needs Assessment Unit.

Mr. Speaker, I intend to have further discussions with the Government in respect of that second motion and my gut feeling is that there is a high chance I may withdraw that motion as well, because it seems to me that the current administration has already considered both of my motions and taken the necessary steps to address them. I must say that I am proud of you for that.

Now, I am not going to overextend myself and think that I am a well-experienced politician, Mr. Speaker, and try to go on and on, but I would like to also highlight, though, that there are some parts of my manifesto which I campaigned on, that are not in the Strategic Policy Statement. And by all means, I believe there are some things that do not necessarily come into the Strategic Policy Statement that can also be addressed through ways of the administrative work with the various departments; and one of them in particular, for me, is immigration enforcement.

I think many of us here would remember that throughout the campaign a major problem for me, Mr. Speaker, was the lack of protection for job opportunities in this country. Most of those persons who are taking advantage of Caymanian opportunities came through work and one of the ways I believe that needs to be addressed is a stronger enforcement arm; a no-nonsense arm because there are many violators in our community to take jobs from Caymanians. Now, I did not hear much of the enforcement element within the SPS, but again I say maybe it is not time for that to be highlighted now; but, by way of saying, more staff within immigration, through the budget process or more changes through the department of which the Premier is responsible. I hope the Government takes this into consideration because this is a priority of Caymanian survival.

Another part I did not hear the Premier speak to in the SPS is enforcement of Caymanian succession planning in the private sector and within government. Now, I know it is not the responsibility of the Honourable Premier and his Government to deal with the civil service in a proper succession plan for Caymanians, but I thought I would take the opportunity to plug it now because it is very important. I, as a representative of George Town Central and the Cayman Islands' people, am sick and tired of seeing foreigners at the head of the various departments. We have enough intelligent Caymanians here to do any job in this country if we prepare for it properly, so it has to be a priority of those responsible for it.

The last thing in wrapping up is the focus on the youth. Mr. Speaker, if the Members of this Parliament recall, in my opening speech, when I was sworn

in, I got up and suggested that on the Opposition side (I was speaking of the Opposition) that there were two or three main members who had the focus of the youth as a priority, that being the Honourable Deputy Opposition Leader, the representative for Newlands, Mr. Alva Suckoo; the Elected Member for Bodden Town West, Mr. Christopher Saunders; and myself. I know it is a priority for us to focus on the next generation because politically, we think differently and we focus differently and we take different approaches to decision making. Therefore, I ask that this Government considers in its decisions moving forward,—outside of the SPS because I slightly doubt there is any chance of squeezing it in now, and I can't see where it can be squeezed into the budget outside programs focused around youth, but I know within each Cabinet Minister's departments, that every decision they make, there can be a youth focus for Caymanians. Until they feel accepted, they are not going to feel that Cayman is theirs. Every chance I can get to say that the youth should be considered, even if it is to sell mangoes, to the financial services, to building houses, every time I am going to throw youth in it, because that is my generation and I am looking out for them; so expect to hear the word "youth" quite often from me. I ask of you to please, please, please, consider their focus in every decision you make.

That being said, Mr. Speaker, I want to congratulate the Honourable Minister for Finance. I want to congratulate the Honourable Premier, Alden McLaughlin, and I want to congratulate this Administration so far; it's only been three months. I may not be sitting with you, but what I have seen so far, I am happy with.

An Hon. Member: Go then.

The Speaker: Yes.

Mr. Kenneth V. Bryan: I want to also say though, that that is with follow-through. So, I guess I am saying, continue moving forward. From what I can see you are on the right track. I hope that you stay committed to those commitments stated here today and you will continue to have my support, if in fact those steps continue forward.

Mr. Speaker, that is my contribution. Thank you, sir.

[Desk thumping]

Mr. Speaker: A bit of exuberance, there.

Does any other Member wish to speak?

[Pause]

The Honourable Member for Savannah.

[I] still have to get used to this.

Mr. Anthony S. Eden, Elected Member for Savannah: Thank you, Mr. Speaker.

I don't want to slow down the enthusiasm of the two young—as Mr. Michael Gore used to call us—Turks or Freshmen.

It was refreshing, Mr. Speaker, as I listened to the Member for Bodden Town West, my colleague from Bodden Town, and the last young man from [George Town] Central. The approach they have used, especially the edification that I personally got from the Member for Bodden Town West. A few months ago he stopped by my yard and we talked and some of the ideas that he had were quite interesting and different and I think that, if given the opportunity, and people understand, would make so much difference in the way the Finances of these sophisticated Islands would be run. Well done, youngsters!

I want to also congratulate the Honourable Premier, the Minister of Finance, and his Government for bringing this upbeat and positive SPS. Mr. Speaker, I would like to once again congratulate you in your position as Speaker. I am sure you had your input into some of the stuff, by knowing how you operated in the past.

[Laughter and inaudible interjection]

Mr. Anthony S. Eden: Well, I know how you operate.

Like the Honourable Leader of the Opposition on this side, I, too, feel, Mr. Speaker, that education must come to the forefront of whatever we need to shift around. I want to take my hat off to the present Education Minister and those who have brought us to this level. People who attended the conference at the Mary Miller Hall, told me they were touched, they were moved by her presentation, how it came from the heart, and to give hope to teachers who have suffered the pangs of hell (as those old people would say), the hope, the dream, that they could have; and being very close to certain teachers, I know the aspirations they have in moving forward. When we look back, Mr. Speaker, so many young Caymanians, for whatever reason, went away, got their teaching education, certification and came back and it just seems like they were left to languish in the system; sad and unfortunate. However, our new Education Minister, I liked what she said: "Let the Government put its money where its mouth is." I know that the Government she works with, she has that ability to impress on them something as important as education.

When we look around, and see what is happening in this society, when I see some of the youngsters who come out of the schools, some of them go from primary school [and] can hardly read. This is not good enough when I see, Mr. Speaker, the passes that are coming from the secondary level that would move them on; it must be discouraging. We need to really, really, put our heart and soul into the development of education and whatever is necessary, I am sure this House, Madam Minister, will support the necessary funds to put education at the top.

Policing and crime, Mr. Speaker, is something we must no longer, as I have said, pussyfoot around, in this country. It is climbing; it just seems to be coming like a river, going in different directions at times, from different levels. We need to be pre-emptive. We need to start in our primary and secondary schools, educating our children of the dangers. We need to support our police and let's nab this thing in the bud before it gets out of hand; whatever we need to do.

I am saddened at times, Mr. Speaker, when I read the Court reports of the police or whoever does the presentations on cases where the apparent gathering of evidence that would take someone to trial, it just seems to be so inadequate and it must be embarrassing to the Police Force, to know how they are put down by these Judges. What in the world is happening? Don't they send these folks on training? Mr. Premier, let us make sure we use this money in the right manner when it goes there.

I am glad to see Commissioner Byrne here, because the one prior to him did away with our Traffic Department. I just hope that something is done to deal with that, because the way that people drive on these roads it is ridiculous! We passed legislation here in regard to cell phones. That was a waste of time! It really is a waste of time. I am pretty sure if we check on many of these accidents that seem to be happening so frequently, there is someone parked with one, if not two, phones to their ears.

Coming from Bodden Town, right above the new gas station there below the Tomlinson roundabout, they have a monitor there that has been out for I don't know long. I don't know what purpose it serves, no more than telling you that if it's working, you are doing X miles per hour. Take the bloody thing from there and do something else with it. In this day and age there is no reason why we can't catch these speeders. People just keep dying in carnage on the roads and injuries, and what is happening? I just hope that Commissioner Byrne will bring this back in a decent manner.

Mr. Premier, I am glad to see your intended increase to the seamen, veterans and the needy. Mr. Speaker, you will remember that when we started out way back when in the 90s, some of these people were making probably \$50 to \$100 dollars a month. You kept raising it and when you had Social Services no longer, we kept working on it. I am glad that it is now being done, and we will keep going with the support of the Government and from the entire Legislative Assembly. These are the most vulnerable people in Cayman who need that help; but it means so much to them and especially the seamen and veterans, who gave so much in their life.

It was pleasing also, Mr. Premier, to hear about the healthcare and considered utilisation of on-island tertiary care. I always wondered a few years back why, when we could get something done here—and I at times was one of those people when I had a problem with the stent who had to go overseas, but we now have

the opportunity to have these services done here and I am glad to hear that.

Earlier it was talked about of the increase of the facilities. I just wanted to mention, it is my understanding that when the hospital was built during my administration, it was constructed in a manner that a third floor could be added because my understanding is there is a cement top on that facade. He is not here at this moment but just to let the Minister of Health know, in the event—because where the hospital is, it is not in the direct path of the planes coming in—it can go up to the third floor if necessary.

My other concern, Mr. Premier, is the streamlining of Immigration. I think it needs to be separated from the Labour Force; one needs to concentrate on border control and the others on the work permit regime. We need to make sure, when requests for these work permits come in, that there is no qualified Caymanian who would be capable of doing this work and someone else gets the job for whatever reason.

Mr. Speaker, once again I don't need to be long because this was well put together in the short period of time. I thank the Government for giving us on the Opposition Backbench, the opportunity to make presentations to Cabinet. There is always the usual works that need to be done; that is, road works, street lights and drain wells. I will say, and I think the Minister for Works already knows, and I agree with him 1000 per cent and will say it over and over: we cannot build ourselves out of traffic by building more roads. It is like in the States when the sports-build people always say, "If they build it, they will come." If we build the roads, they are going to bring more cars. If we take \$10 million, \$15 million or \$20 million and put in a proper, dependable, public transportation system, it would make a lot of difference. When I look at the time that is being spent up on Linford Pierson [Highway]—*Mary Magdalene*.

[Laughter]

Mr. Anthony S. Eden: I was amazed that they created down on the palmetto and the other place there where when we look up in the air we must be over 150 feet up in the air and I don't know. I know that past Ministers tried to explain to me what was going on but—phew!

Anyway, let me not go on ranting and raving. We need to focus in a positive manner; a manner that is going to be beneficial and our money is best spent. Colleagues, the best way to spend that money is on education.

It was pointed out to some of us that it is \$60,000 or \$70,000 we spend on an inmate in Northward Prison.

An Hon. Member: \$72,000.

Mr. Anthony S. Eden: \$72,000.

We give most of our children who go overseas a little Scholarship for \$20,000 or \$25,000. Let us prioritise.

Please pray for Cayman.

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

The Elected Member for East End.

[Inaudible interjection]

The Speaker: I have it written down.

Mr. V. Arden McLean: Mr. Speaker, I thank you. I shall not keep you long.

I was told earlier today that I am full of hot air. Well, you know, I trust that those who said that to me will recall or know that that hot air of advocacy on behalf of the people of this country, in general, and in particular those of East End, have sent me back here four times. I hope they can do the same, Mr. Speaker, because there is a wall out there, called a wall of fame and one said a wall of shame, too.

Mr. Speaker, when I addressed these hallowed Chambers on May 31st, 2017, I implored and challenged the Government, to put their backs to the wheel, because they were now the Government. I told them to unclench the fist of the Election. Of course, the *Compass* only picked up the part about “unclench the fist” and there was a big thing about that. I was challenging my good friend, the Premier, who hitherto, he and I spent many years in Cabinet. I was a little grateful that when he did his presentation of his Motion, he humbled himself and said he was humbled by the opportunity to be back in that seat. I think he very well should be. He also said that he knows he will not be back, but neither does he want to be back, and I understand. After two terms in that seat, whoever serves two terms in that needs to go home. You need rest. Not the individual, it is the position and the rigours of that position.

When I heard the Premier say—and I guess it came as a result of him knowing this is the evening of his political life—that this time he was going to demand results, I applaud him. It is late coming, but I applaud him. I recalled him telling me when we were Ministers, just before the General Election 2005; he said, *if you didn't step on so many toes and were so demanding, we might be able to win the next Election*. We lost it, but I got the job done, though. I implore him to do the same now, because he does not have to go back, and he will get it done.

I told him at the time that if I stood on someone's toes, that simply meant they were too close to my face because your toes don't extend that much out from your body; and if I kicked them in the butt, they should consider that a step forward. That is how the job gets done. I am glad that he seems to be employing some of those now and I hope he becomes successful and leaves a legacy of doing something, because on the

31st May, I also said to him that the country was expecting it; that people had fallen through the cracks and they needed to address that situation.

Mr. Speaker, one paragraph out of what I said then, went like this. I said: **“This Government must—must, as a matter of priority—demonstrate that they have the necessary compassion to help our people. They must shed the label of being concerned with and catering to the fat cats [only].”** I said that the 31st May [2017].

I went on to say, Mr. Speaker: **“I also implore the Government in their second term to seek a new way forward based on mutual interest and mutual respect for those who have not been elected on the PPM [or CDP] ticket, to respect the wishes of the peoples' choice and unclench the fists of the election campaign. The people have spoken and you are the Government. You now have the responsibility to manage the affairs of this country. You are responsible for the distribution of the resources of this country.**

I commit to playing my role in the continued development of my country; a country that I am extremely proud of, where others come to and want to make their home. We need to ensure it remains that way but its resources are not out of the reach of our people.”

Mr. Speaker, there is the hot air spoken about earlier by someone. However, Mr. Speaker, as I look at this SPS, I recognise that the Premier has either, put his back so hard against the wheel that it's gone off the precipice because I can assure you this is an extremely ambitious SPS. I hope, I hope, I fervently hope that it happens.

Mr. Speaker, I don't know the minutia, the minute details of this, of what the Budget will represent, but certainly, many of the things that we presented to the Government prior, during the latter part of last month, on July 25th, I see represented in here but there are a few things that I hasten to remind the Government that need to fit into these broad outcomes. It doesn't make sense to write it and do nothing about it. There needs to be a coming together of ideas to develop the action plan.

Mr. Speaker, I will not go into the details, like the Member for Bodden Town West and the Leader of the Opposition went into, but I will address a few of the areas that I believe I can contribute to, providing my good friend, the Premier, does not turn a deaf ear thereto. Mr. Speaker, I just want to go through the broad outcomes one by one and throw in a few suggestions for the Government to achieve those things.

Mr. Speaker, in Broad Outcome 1 - A Strong Economy to Help Families and Businesses, it says, **“(a) Increase support to Cayman Finance”**. Mr. Speaker, I believe the Premier will recall that Cayman Finance started during our tenure in Cabinet. I don't believe that it got past its infancy until the next administration; how-

ever, it was something that we wholeheartedly supported. I, on the other hand, wanted to see it be carried much further than it is nowadays, because the finance industry in this country is one of our life bloods, life lines. I know the Minister of Finance has served his time therein.

At the time, Mr. Speaker, what I wanted to see was a fully operational quasi-government department (if we can call it that). I don't know if "quasi" is the right word to use but I was talking about a joint venture between the Private Sector and Government, where analysts would analyse what is going on in the industry world-wide and every morning Ministers come in, they have a brief on their computer or on their desk giving them a synopsis of what is going on financially and what to expect and what happened the day before or that night, whatever the case may be.

I also believed at the time, that if we had carried it to that distance, Government had a responsibility to subsidise it to the tune of 50 per cent and the Private Sector would have to provide the other 50 per cent. I believe that joint-partnership, should have also included a weight off of the Attorney General's back by providing drafters for the laws, et cetera for recommendation to Cabinet and to the Attorney General for review, and then on to the Cabinet on financial laws. It would have a proper hierarchical structure with Government represented on the Board; and the Chief Executive Officers (CEOs) of the financial institutions being the Chairpersons, rotated on a yearly basis. I believe we would have gotten more done.

I believe we lost that opportunity then, but it can be resurrected. We need to protect the financial industry. If we don't, we run the risk of losing all that we have built for the last 60 years, since the '50s. Mr. Speaker, I believe that partnership would have brought Government that much closer to the financial industry and we wouldn't be worried today about some businesses in the financial industry that are not giving Caymanians opportunities. I strongly believe that. I hold fast to that belief.

We have allowed the financial industry, by and large, to operate unfettered, "unregulated", and maybe the time has come to build that relationship and ensure that not only the few, but the many, benefit that much more, by making our contribution into it. I believe part of that relationship would have seen that partnership, whether we call it Cayman Finance or whatever, respond to changing trends in the financial world when the Organisation for Economic Co-operation and Development (OECD) and the FATF whatever, they would respond and then start the negotiations on matters and then it comes to Government for ratification.

I believe that is one of the roles that partnership should have been afforded and we would have been much better off. Mr. Speaker, you were one who was going directly negotiating with people and the Attorney General, when you all should not have been. You can't appeal from Caesar to Caesar, and I believe that is

what Cayman Finance can turn into if we grasp that opportunity.

I see the Government is saying they are going to increase their support to Cayman Finance. I think the finer details of it need to be looked into as well. I don't know how long it will take for us to graduate to that, but I believe we need more relationships within that. No disrespect to Ministers or politicians like me. They are the people who are operating it. Let's get them to do some work because, Mr. Speaker, we have to understand, whether we like it or not, those people are here. If the Maples and the KPMG and the Deloitte and the Ernst & Young, if they give us bad information or bad recommendations, oh, we may say it affects us but it affects them too. It is going to adversely affect them as well so I don't expect that they are going to give me bad information. I believe that that relationship needs to be built. I really believe that. I would encourage the Government to look into that possibility.

Mr. Speaker, another point I want to speak briefly on is **"(i) Remove unnecessary regulation and bureaucracy from the small business sector"**. I don't know why we are saying the "sector"; it is the Law that needs to be repealed. I hope it is "for" the business sector. That may be a typo because I don't believe there is any bureaucracy in the small business sector.

What we need to do, and I am specifically speaking to the Premier now. Mr. Speaker, there are countries in the Caribbean, and I can speak of one in particular, I will use it as an example: Barbados—small businesses, those under gross revenue of \$1 million, everything is free. Now, that encourages small entrepreneurs. We don't do that. We put every stumbling block in the way. In Barbados, if you are into manufacturing, everything is free; no fees, no duties on imports or whatever, but you need to be into manufacturing. Mr. Speaker, we can see why they do that:

1. To encourage Bajans to start small businesses; and
2. To start manufacturing, which employs many people.

Thus, the benefits derived go directly to the people.

Small businesses, Mr. Speaker, I don't want to be too disrespectful to past Members or anything, or to the current Members of the Government, but we messed this up. We messed this up during the last administration. I am here to say, Mr. Miller and I told them so.

Mr. Speaker, hitherto, it was a right, as a Caymanian, to walk into the Registrar of Companies and form a company. Since the changes, it has become a privilege to *own* a company in this country. The only thing you do not have to provide is to dig up your grandmother and grandfather. Mr. Speaker, as long as you can prove you are Caymanian—and I spoke briefly to the Minister for Commerce recently about it. Once you can provide proof that you are Caymanian—and it

doesn't matter whether you are Caymanian from bucking out your toe or you were granted it, you are Caymanian—you should be able to form a company and get a business licence.

I mentioned to the Minister of Commerce, my thoughts on that matter as to how to comply with the requirements. Mr. Speaker, tomorrow, if one was to go to form a company, and detail what they are going to be doing; say, the start of a pre-school, Mr. Speaker, you should be able to form a company to start a pre-school without having to go and get a Police Record. At the Education Ministry they have to apply for a licence to run the pre-school. That is where the due diligence is done and the conditions are placed upon you. It has nothing to do with you forming a company. It doesn't mean you are going to start a pre-school if you have been convicted for molestation or the likes. The Ministry will find out! Why are we concentrating our efforts at the Registry to find out what kind of persons they are? Police Record, the-this, the-that—I don't know.

I ask the Premier to look seriously at that. It needs to be amended, repealed... I better not say "repealed", because that has gotten so many people in trouble in the world right now—or repealing. At least, it needs to be amended to avoid having such pitfalls for Caymanians to start their little companies. It is ridiculous.

They then have to submit a business plan—really? We know how people are. Human beings are human beings whether they are in Timbuktu or here. You don't think they are going to tell their friends that so and so and so and so is starting a company? And you know what? They are going to cut your legs right from under you. We know that here in Cayman. We know; it is too small. However, that is the parting gift that Wayne Panton gave us. Anyway, he got his just reward.

[Inaudible interjection]

Mr. V. Arden McLean: No? That is the truth. You know when you tell the truth you are a good guy but when you tell it about the person, then you are not good? When you say the truth to the person you are talking to, you are not good.

Mr. Speaker, I see where the Government is proposing to “**intervene if necessary to improve the competitiveness of markets starting with fuel**”.

The Speaker: Honourable Member, are you close to completing your speech?

Mr. V. Arden McLean: No, sir.

The Speaker: We will then take the evening break until 7:15.

Proceedings suspended at 6:26pm

Proceedings resumed at 7:26pm

The Speaker: The Assembly is now resumed.

Please be seated.

The Elected Member for East End continuing.

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

Mr. Speaker, when we took the suspension, I was going on to where the Government is saying they are going to intervene if necessary to improve the competitiveness of markets, starting with fuel. I have been crying for that a long time. I believe that for quite some time we have been on that issue and no one has taken up the fight to bring down fuel cost in this country, other than the diesel that produces electricity. Gasoline is really outrageous and by virtue of proximity to America, everyone recognises that it is so low there, and questions why it is not more reasonable here in the Cayman Islands. I do know that we have to import it; we have to import everything but there are many times that I have stood on the Floor of this honourable House and made suggestions. I hope the Government does intervene. I think past administrations have all been fearful of the response from the suppliers and I have suggested ways that we can alleviate those problems too. We are not going to run out of fuel immediately; we can always hire someone else to bring it in and supply the country in the interim, but it needs to be done.

Fuel prices are based on Platts; that is how they are born; but these people are buying it in one country with their company and selling it to another country that is selling to us, and so, they are triple-dipping us when we need to look directly at the source, at the origin of that fuel and the price there and the transportation directly to us. It is really hurtful to see that when you remove the duties of the diesel to CUC, what the price really is with profits included, but nevertheless, at the gas stations, it is \$2 to \$3 more. It is ridiculous. There are ways of doing it; we just need to monitor it and bring people to the table and let them know we are monitoring that. It is an easy process. Everyone talks about how complicated it is. I want an original invoice from the source. You compare that with Platts' prices of that day and if that is not what they bought it at, then they can't be buying it higher. If they are buying it at that, they need to justify the price they are retailing it for, and we need to get them out of the retail business. You can't be fish and fowl at the same time. Then they have these sea stores that they are making a killing on as well.

I am not bold enough as some people to try to calculate how much profit they are making, but I can tell you it is much more than we can think of; it has to be. If you are buying fuel down the Gulf (States) and bringing it to Cayman and selling it four times what it is being sold retail in America, something is radically wrong with that. I said it already that there are countries in the Caribbean that put a certain amount on fuel which suppliers can make, I think, in one country it is 25 cents, the Bahamas, and then the retailer can make 35 cents so what is that? That is 60 cents in addition to what the

duties are, on top of what they paid for it and transport it. It is ridiculous! We have to have the political will to protect our people.

Now, mind you, no one seems to be slowing down from buying it because there are so many cars on the road, but that is beside the point. Our economy stutters at times, from the high cost of fuel because it affects deliveries and the cost of food when those deliveries have to be made by vehicle. We don't have trains. The people on the eastern end of the Island as far as the price for food is [concerned], I will bet you, 40 to 50 per cent more than it is in George Town; just like Cayman Brac.

[Inaudible interjection]

Mr. V. Arden McLean: Why don't you go into one those sea stores up there? That is, convenient store, Mr. Speaker. Yeah! It is because of the cost to get it there. Everything has a delivery cost tagged on to it, because of fuel, and, of course, wear and tear on their vehicles but—

[Inaudible interjection]

Mr. V. Arden McLean: Yeah.

I noted that the Browns have just taken over the gas station in East End and they are planning on doing some renovations to try and enhance the service, because there is only one grade of gasoline that can be bought, which is 93, so now, they are going to add 87.

[Inaudible interjection]

Mr. V. Arden McLean: It is 89? Okay, 89.

Mr. Speaker, I think the Government needs to work on this as fast as possible.

Mr. Speaker, let me move on now to Broad Outcome 2 - Achieving Full Employment - Jobs for All Caymanians. I am glad to note that the Government has recognised that work permits are one of the stumbling blocks in Caymanians being treated fairly and the lack of jobs for Caymanians. Mr. Speaker, I saw in the papers where Deloitte, I believe, was doing a survey amongst businesses as to the problems experienced in getting service from the immigration department. I think we have talked long enough about this Human Resources Department, where we separate border control. I think that many people believe that border control means over and around the Island. Border Control means all the imports: the ports, the airports, wherever there is movement of people into the country; that is what immigration is all about.

The Premier said that they are going to enhance the police; I will touch on that briefly a little later.

Mr. Speaker, for a long time we have used the Immigration Department to get away from making hard decisions in this country as to how Caymanians survive

(that is, getting jobs). We need this department, separate from immigration, where it concentrates wholly and solely on labour; human resources. It is not the job of the immigration department. It worked for a while and it's now time to move on. I wish the Premier Godspeed with that, but it is necessary—absolutely necessary. The final details of it should also include that when interviews are being done, someone from that department should sit in on those interviews because, we have heard too many complaints of people applying for jobs and as soon as they find out they are Caymanians they don't give them the jobs.

Mr. Speaker, I have a friend from East End who is a very good friend of yours as well, and you will know who I am talking about. This person spent nearly 40 years in the tourism industry assisting managers all over the place, all over Florida. He worked for government for a time in tourism. He also keeps an apartment in Miami when he can afford it, because he is Caymanian and out of a job. He applied for an assistant manager's job at a hotel here recently from his Miami's address. After trying numerous times to get a job here, he was called for an interview and within five minutes of him walking into that interview it deteriorated because they found out he was Caymanian. Now, I can't say what kind of job he does whilst he is on the job, but this is what they do to us. If we do not find someone who has the wherewithal to deal with labour, the Human Resources Department, it will all be for naught. There must be no political interference. I am sick of writing recommendations for people who I know are capable of doing the job and they have nothing.

Mr. Speaker, on the 31st May that is why I said the Government needs to step up now. They need to put their foot down. We need to change the status quo. I cannot advocate for someone who is not qualified to do a particular job nor can I advocate for someone who gets the job and doesn't come to work the next day! There are those who do that as well, but don't come back to me the next day, next week and say that can't get the job because you didn't go to it, or you couldn't keep the job.

At the end of the last session of the previous Legislature before it was dissolved there were over 100 Caymanians with post-secondary education—I wonder how many are there now. In their country? I hope the Premier has the fortitude now, in the evening of his political career, to take this thing on.

[Inaudible interjection]

Mr. V. Arden McLean: Ours? You speak for yourself.

[Inaudible interjection]

Mr. V. Arden McLean: I'm going before you. You see how he starts on me? You wait ya!

[Inaudible interjection]

Mr. V. Arden McLean: God forbid that the two of us leave in here at the same time.

[Inaudible interjection and laughter]

Mr. V. Arden McLean: That is probably true; I can't make it without him, Mr. Speaker. It's probably true, but I do better when he is not around, so I invite him to take his leave any time he is ready.

Mr. Speaker, the last administration is responsible for what I am about to say now. With the pension, we are now where we changed the pension provision and it was delayed for implementation. That, now, has overwhelmed the Immigration Department with work permits, because everyone wants to meet that 31st December deadline so they can get their pension. Now, that is absolute abuse of the system, but I blame the Government, and in particular, the advice of the Attorney General (AG), for these provisions in our Laws about certain areas can go in and certain sections can be gazetted at different times. Do it all when we do it here and it's over!

[Inaudible interjection]

Mr. V. Arden McLean: Mr. Speaker, they say I cannot blame the AG because the House resolves to do what it pleases and I understand that.

[Inaudible interjection]

Mr. V. Arden McLean: But the two of you, we can see black and blue on *unna*.

Mr. Speaker, the Government should never have done that. I know we cannot anticipate but, a Member is bringing a motion to try and get something out of it. What I would also encourage the Government to do is to flag those individuals who we know are just leaving for that purpose, to get their pension and put a *persona non grata* upon their names.

[Inaudible interjection]

Mr. V. Arden McLean: Yeah, they cannot get it for two years, but after two years they will want to come back.

The Speaker: Honourable Member, can I remind you that there is a Motion and I would ask you not to go too far into the discussion on it at this point in time?

Mr. V. Arden McLean: Mr. Speaker, I am not going into the Motion.

The Speaker: You are discussing something that is a subject matter before us in a Motion; yes, you are. Hence, I am asking you to move on from that.

Mr. V. Arden McLean: Mr. Speaker, the Motion does not talk about declaring people *persona non grata*. It does not, sir; not the one that I am aware of.

The Speaker: You don't know what the Member is going to say. The matter is before the Assembly. Please move on from there because you don't know what he is going to say tomorrow and that is why they have anticipation, because you do not know.

Mr. V. Arden McLean: Mr. Speaker, pardon my ignorance. I shall bow to your ruling, but my understanding of those things is that I cannot anticipate the Motion but I don't know what people are going to say. I can say what I want to say. What they say at the time of the Motion, is entirely up to them. I shall bow to your ruling.

Mr. Speaker, I wanted to touch on the election observers and their report on who the enfranchisement should be extended to, because I hope it is not work permit holders that they are talking about.

[Inaudible interjection]

Mr. V. Arden McLean: Mr. Speaker, may I draw your attention to (b) under Broad Outcome 2: "**Increase the transparency and fairness of the work permit and immigration systems**". I merely touched on what the observers said about enfranchisement to vote, and I said I hope it is not work permit holders that they are talking about! Mr. Speaker, we have all been here quite some time.

Mr. Speaker, I want to turn to Education. I support the other Members from this side who have said that they believe education should have priority in this country. For too long we have paid lip service to it. I believe it was during the last legislative session that I encouraged the Minister, on the first day, to build that John Gray High School, because whatever could be said, has been said about that school, and it needs to be built. If nothing else happens, that needs to be completed now! It has stood there since 2008. We are nine years hence and nothing has been done on it.

[Inaudible interjection]

Mr. V. Arden McLean: Oh, just finished the hall. That's the hall, I am talking about the school.

[Inaudible interjection]

Mr. V. Arden McLean: I don't know.

But I know what, Mr. Speaker, that has stood there for too long as some monstrosity, as a monument to the failures of the first PPM Government or some white animal. I don't know what kind of animal it is but some kind of animal.

[Inaudible interjection]

Mr. V. Arden McLean: That is my Government, of course; but we all have failings, don't we? Yeah! You don't like to hear the truth about them? Hope they make it kind and gentle.

Mr. Speaker, I recently made the presentation to the Government about the areas of needs in my constituency. I did say that I was approaching this Cabinet with a healthy dose of apprehension as the last one did not do too much. I am waiting and hoping that this one will be a little kinder and gentler to the People of East End.

Mr. Speaker, I hope the new Education Minister reads my presentation with some degree of kindness to the wishes and the needs of that school under this plan. It appears that because the school is so far away from George Town, there has been a degree of neglect, because it has struggled. Every time it reaches a point where you can see some success, they remove the people who are already comfortable there. A case in point, this time they just up and moved the Counsellor who was just getting comfortable with the children. I don't know why they do it. I certainly don't want to say it is because of me; I hope not. I would like to think not.

Mr. Speaker, I hear the Government say that they are going to build new schools and upgrade schools in Bodden Town, Savannah and the like. I also suggested that the school in East End be upgraded or moved. I was not overly excited about joining East End and North Side schools (this was years ago) but I believe I have come to the point where it needs to be looked at comprehensively, because the schools are small in number and we can have the possibility of having Clifton Hunter and a purpose-built primary school across the street or somewhere in that vicinity. If those schools are to remain in the districts, which make them so unique, including North Side's, they have outlived the properties that they are on. They don't have any modern facilities, there is no space for expansion and what have you. There is property right up the road, that I believe the neighbours would be amenable to having the school built there and it is adjoining the Donovan Rankine Playfield, which we would not have to go back over that. Something needs to happen to the schools. It is the environment that school children are in that makes them learn, I believe. I am not an educator. The Minister is a former educator or still is, but it is the environment.

There are many places in the world that they don't have air conditioning, they don't do this, they don't do that, and they still learn; but it is a holistic environment. The Minister spoke of increasing pay for teachers; I support that. I always have, but I believe it runs much deeper than that, because there are many teachers who joined the public system and have since left for less pay and they are more successful in turning out better educated children in this country. It tells me that the environment they are working in is not conducive to teaching or learning. That is what I encourage the Minister to look at in tandem with increasing pay.

I believe there needs to be a little more devotion of authority. Something needs to happen, because much of what I know comes second, third and fourth hand, so I will not delve into that. However, I believe it needs to be looked at properly. That is what is causing our children and our teachers to get frustrated. They would not have gone into teaching if they did not love children and loved to teach. They don't need to be millionaires, they just need to impart their knowledge, but they need to do it in an environment where they are not pressured, and there are so many rumours of that.

Mr. Speaker, the Clifton Hunter High School, I support it, but I believe many of the services that are needed, like special education needs children, needs to be enhanced. I have a little friend whom I believe our relationship has been more like father and son. He is only 13 or 14 years old but he fell through the cracks because of the lack of special education needs teachers. I believe too much of that is happening. Teachers are getting frustrated. They cannot deal with all of the special needs; they cannot. We need intervention and separation until we can get those kids where they need to be in the main stream of teaching, but we just allow it to happen and that is just one off the list.

The Leader of the Opposition spoke of being at the last Clifton Hunter graduation and so was I. There are kids coming out of there who go and do whatever they want to do in whatever Ivy League they want to go to, but there are others who were not given the opportunity and we have done nothing about that—absolutely nothing!

Mr. Speaker, I am not altogether blaming the past Ministers, eh? I know they have a passion for it as well. I know my good friend the Premier, when he was there he got so frustrated that he could not catch his breath at times because of the lack of... his vision failing because he could not get anything done. I am sure the others have as well. If we do not intervene now, the crack is going to widen and all we have done here would be for naught. It needs intervention, it needs serious intervention. Too many people come to this country and call us stupid. Someone needs to now pay, be that me or many others. We need to change it. We need education to be priority. Those who cannot negotiate around the pot holes will have to fall into them with their cars. If that is what it takes, do it now.

The Premier said this country has a good opportunity here now. This is our opportunity. Stop worrying about the building of roads. Yes, we want to see the roads. If I had a choice to stay in traffic for an hour and a half or educate the children of this country, I am going to take the latter. It is time. We love to beat up our public school system and there are very few here who did not go to it, and we have neglected it. Maybe the Member for Cayman Brac [West] did not go. He grew up in (North) America. Every other one of us went to the public [school] system in this country, and we are not prepared to make sacrifices.

The Premier spoke of the sacrifices his last administration made to get us into financial compliance. Now, let the next administration, be that with you, Mr. Premier, or without you and I, talk about the sacrifices made to kick our education off. The dock—can't get it, upgrade the launches; the dump—get a new method. Let us do what we have to do; it is time. Someone needs to start.

I give the Premier and the Minister of Education my absolute commitment to make the sacrifices necessary to ensure it gets done. The last administration could not do it because they were more about finances; that is over. Let us now put our backs to this wheel and get it done. There is not one person in here not prepared to do that. He who is not prepared to make the necessary sacrifices for the education of our children must now hold their hands up. Not one of *unna*!

[Inaudible interjection]

Mr. V. Arden McLean: Because I was pointing at you.

Mr. Speaker, I encourage the Minister to go at that with *absolute* vigour. Let's do it! I see the Minister for Finance, *Oh, we won't be compliant next year*. Well, let's not be compliant this year if we are going to do it for education.

Mr. Speaker, let me turn because I know the Premier will soon start wanting to go home. Let me turn to reducing crime and the fear of crime.

Mr. Speaker, I was talking to my brother a few days ago, and he was congratulating this new Commissioner, because he had seen an increase in police vehicles on the road, crime seemed to have been settling down a little bit. Of course, we will always have some stupid person on the road, but by and large, it appears like this Commissioner has some kind of plan. It is not for me to determine that. I hope that it is so, but I approach that with a healthy dose of cautious optimism as well. Mr. Speaker, ever since being here you know I have always been prepared to support the Police Service but you know I will bring a motion of "no confidence" on them too. When the time comes, if that is necessary, it will happen if the job is not being done.

I encourage the Government to give what is necessary to get the job done. The Premier says that he had to cut back on that and he did 25 officers per year for the next three years. Whatever it takes, let us try to get the police department as many tools as we possibly can, because when you do not give a man a tool, you cannot expect him to get the job done. Consequently, when you give him the tools and the job does not get done, it is time to fire him. I think that is Management 101; you do it or you leave. Or, let everyone in here vote on whether you have confidence in him any longer. It is what Parliament is for.

Mr. Speaker, the Government is saying they are going to reform the Marine Unit as part of their approach to border security. I am sure the Member for Savannah, the Premier and the Attorney General are

the only ones here who served in Cabinet with me. I am sure they will remember how that border patrol equipment came into being. It was on a paper presented to Cabinet by me. Mr. Speaker, at the time, the objective was the same, to form a mini Coast Guard. But of course, that little fellow that had to look up to tie his shoe string, who was Governor at the time, did not want volunteers anywhere near our Police Force. If there was ever anyone who came here who was not fit for purpose, it was him.

Mr. Speaker, I also said since then, that we were duped. The Premier and I were duped into that helicopter we got, because it was not fit for purpose either. What we wanted it to do was long hauls of patrol to Cayman Brac and around the place. I guess we made some mistakes then too. It is time now to correct that.

I don't know if I heard on the news, but something tells me I heard on the news that an illegal person was apprehended a few nights ago and is wanted for murder in Jamaica?

[Inaudible interjection]

Mr. V. Arden McLean: Really? In our little country? It was an illegal entry. Now, you know he didn't come through Customs at the dock or Immigration at the Airport.

Mr. Speaker, maybe we need to go back to 2005. For those who do not know, the Premier and my good friend from Savannah will remember, the reason we implemented the visa system was the same reason. We found so many deportees in this country that we had to do something. No one wants to talk about that. These people are not coming for any goodwill in our country.

[Inaudible interjection]

Mr. V. Arden McLean: Philanthropist?

[Laughter]

Mr. V. Arden McLean: Unless it is for their own good. Mr. Speaker, I know we need to try to stop it somehow.

The Member for Prospect invited me to go fishing one night. No, Bobo; I am fearful of going fishing at nights nowadays.

Mr. Speaker, I think we need to upgrade our helicopter to a bigger one with more range, more capabilities, which we anticipated we were going to get in 2006 or '07 or '08 with lift and the likes, only to find out that it could not work on it. Oh, that other Commissioner too, he gave us a line. What is his name?

[Inaudible interjection]

Mr. V. Arden McLean: The only good thing that Stuart Jack ever did was to fire him.

Mr. Speaker, that helicopter needs to be upgraded now too. We need a more capable helicopter. If it is necessary to enhance that, we may need a fixed-wing plane to stretch it out more. I see where the UK is assisting us with some stuff, which I will not go into, but that needs to happen.

One of the things I have not seen the Government commit to is electronic ticketing in this country. Mr. Speaker, I don't know where the bad driving and the bad behaviour came from; it had to be imported. I wonder if I am the only one driving on the road. Am I the only one seeing it?

Mr. Anthony S. Eden: No, I preach about it all the time.

Mr. V. Arden McLean: Because it could never be that the Police see it and they do nothing about it.

[Inaudible interjection]

Mr. V. Arden McLean: Mr Speaker, I brought a motion to this honourable House, asking to increase penalties for vehicles speeding through the school zone when the lights are flashing and the last minister did nothing about it. You know I know people don't like the truth when it is told about them.

Mr. Speaker, those schools on the eastern end of the Island are the ones that I drive across most when the lights are flashing, and it is ridiculous what these people do! I try to stay right on that middle line and every time I see them coming I go to it. Every time they try to pass me I get in their way. Mr. Speaker, we are going to kill our children. Mr. Speaker, we need to remember that right there at Savannah we almost lost two children. I witnessed two cars coming down. I was coming out of the road to my house, which is right in the school zone and a lady who looked like a helper (maybe), was picking up the kids. The age of the kids, I don't know, maybe they were five or six years old. She was holding them by their hands and it is a good thing she stopped on the line that divides the two lanes, and two cars went by her just as fast as that—vroom! I was so frightened I could not even get out of my road to chase them. That is what is going to happen there.

We need to put serious penalties in place. If you are found [speeding] through a school zone when the lights are flashing it's \$500 on the first offence. Speeding over 15 mph, \$500 on the first offence; \$1,000 on the second offence and your licence taken away for a year on the third offence.

We also need to improve our camera system to allow license plate recognition for ticketing because that set of cameras that were put in place, if we were up against those, they could not see us. Mr. Speaker, I will show how effective cameras are.

Mr. Speaker, you have been to England more than anyone in here, all of us put together. Mr. Speaker, those terrorists that recently stabbed the people in the

market place, within eight minutes they were apprehended. Within eight minutes! Do you think they had a buzzer on them or a cow bell? No, they didn't. Cameras. If you don't want Big Brother to be watching you, don't do anything out of the way in public places. That is where we need to reach now. It is unfortunate, Mr. Speaker, that we in this country, have to put mechanisms in place to control behaviour. Do you see the road by José's? All of those dividers had to be put there because people are going all over the place, making five, six lanes out of two. This is what is happening and if we don't curve this lack of rule of law, from the beginning, we are going to be lost! It needs to stop now! Why do we need to put all these things there? No courtesy in driving in this country and it is alien to the Caymanian people!

Mr. Speaker, the Minister of Education brought it in the Traffic Law and continued with it before I got there. I continued with some of what she had done when I came in there as well. She brought it after I demitted office, to get these people to sit their driving test. Mr. Speaker, I have never seen worse drivers; some people, the short people.

[Laughter and inaudible interjection]

Mr. V. Arden McLean: I am not being disrespectful; I am just trying to not call out their nationality, that's all.

[Laughter]

Mr. V. Arden McLean: Phew! I have never seen the grip on a wheel like that *[Gesture]*. You can see them shaking, they are so frightened when they are driving.

Mr. Speaker, I do not know who is licensing these people, but we need to make sure that they understand what they are doing because they are all over the road. Very few even understand how to drive around the roundabouts; that is the education that the street skills need to do. Educate people on how to go around these roundabouts. Most importantly, we need to do something with that public transport unit. I hate to be the prophet of doom, Mr. Speaker, but God forbid if we have an accident with those because they will pull right out in front of you and they park crossway of the lane. I saw two of the buses a few days ago when I was going to East End where they stopped right in the middle of the lane at High Rock, talking to each other and the shoulder is there, wide as it can be, but they parked right in the middle of the lane. If anything is said, you will be vilified right there; you are likely to get a two by four across your head.

Mr. Speaker, Government needs to put electronic ticketing in place. I hate that we have had to come to this because of the lack of a traffic department, to a great extent, but this is what has to happen! It will pay for itself. If the Premier needs to bring in people from England who install cameras up in England, bring them in! God forbid, don't get the set that did the other

ones. No, Bobo! Something is wrong with those cameras.

[Inaudible interjection]

Mr. V. Arden McLean: Mr. Speaker, the Premier wants me to go. I will leave him alone, now.

Mr. Speaker, a couple of other areas I want to touch on. I was a little surprised. Under the affordable healthcare, he spoke about Shetty [Health City] and not being able to access the healthcare up there. All you need to do is change some of them up at the hospital; that's all you need to do. Mr. Speaker, we have been talking about this from the day Gene Thompson came to look for us. This is five, six, seven years ago? The agreement, as far as I remember, was (Mr. Speaker, you may want to intervene here) that if there was suspect of cardiac problems in Bodden Town, East End or North Side, they would go straight to Shetty's in the ambulance. We now have to drop them in George Town and then we figure out what the issue is. Mind you now, they have already diagnosed it from the time they picked them up and they drop them George Town and it is, *well, on second thoughts, let us call Lonnie and see if he is going to pay for it.* Someone's life is at stake.

Mr. Speaker, yes, two out of every ten may not be cardiac problem, it may have just have been a gas pain or something. Are we prepared to take that chance? Really? You talk about money after, you know? Anyway, I wish the new Minister there from Bodden Town East, good luck.

[Inaudible interjection]

Mr. V. Arden McLean: You are going to fix it? Good! Good, good, good!

Hon. Dwayne S. Seymour: Not all of it.

Mr. V. Arden McLean: Not all of it? Oh no, you have to shoot for the stars and drop on the Moon.

Mr. Speaker, I must register my disappointment in the Premier.

[Inaudible interjection]

Mr. V. Arden McLean: He wants me to say, again, Mr. Speaker. This is the first time.

During the last administration, there was much talk about a mental health facility. Suffice it to say, all that time the Premier was thinking about East End, when I gave the Minister of Lands a request by 30 plus farmers to get the piece of land up in East End subdivided. This Minister of Education started that before I went there and I continued it. I was somewhat shocked a few weeks ago, to wake up to the 7 o'clock news that that is where the facility is going. I view that as a lack of respect, not only for me, but for the people of East End. I would never do it. Someone needs to get their

priorities right or stop playing politics, okay? Those who like to play politics, I can play it too. I have already said, Mr. Speaker, that this is the House of politics. Churches are for praying, we can go there afterwards.

[Inaudible interjection]

Mr. V. Arden McLean: I am not threatening anyone. Need to have more respect for the people of this country.

[Inaudible interjection]

Mr. V. Arden McLean: You are shaking? You're not shaking yet.

Mr. Speaker, I then learned that the Minister visited the clinic in my district, with all of his entourage and I was not even notified, much less invited. To some extent, I do not believe it is his fault in either of those two cases. People love to play politics. Tell them to create what I did in 1992—a soap box. If that is what they want to do, take me on out in the arena, not here. Until you have gone through that war of trying to get in here, don't take me on, because I will embarrass you. I am here representing the people of East End, in particular, and the people of this country in general. I did not sign on as a preacher, so my mouth never joined any Church. I came in here as a politician and I expect the respect that those people up there are due, especially, from the Civil Service—especially from them! If it happens again, I know what I am going to do.

Mr. Speaker, you will have to decide on that one. It is wrong! Mr. Speaker, that clinic has been in a state of disrepair for years. I have worked with the HSA for years trying to get it done, up until yesterday. The parking lot had a hole in it for *four years*. They eventually fixed around the drain and now every drop of water that falls in East End settles right there. We were supposed to put a foyer for people when they come in from the rain so they won't take the water into the Clinic. Do you know how long that has been in the plan, Mr. Speaker? The building is deteriorating. Let me get up here.

The Lily McLaughlin Health Care Centre is in need of repairs to the entrance and to the entire facility. In 2014 the Minister and I toured the facility and identified a number of needed upgrades such as a reconfiguration of the entrance. I have subsequently toured with the staff of the HSA and requested handicapped parking closer to the entrance. To date, I have not seen any movement on the maintenance or upgrades. It is now urgent that these matters be addressed. In 2014, that was the last visit by a Minister—really? Is it because East End is too far away or is it because they are trying to punish me since I am not part of the Government? Sad is the day when the people of this country are not given their due respect because their representative is not a part of the Government. Sad is the day! Hot air?

Mr. Speaker, we need to correct those things at Shetty's Hospital because many of our people are losing out on proper healthcare due to some pettiness between the HSA and Shetty. That is what is causing it and my people are suffering more than anyone else by having to go down there and then go up and then go around like a merry-go-round; some little petty foolishness. What? They forgot the purpose of going into medicine was about saving lives? That is what it was. You all want the truth? The truth comes out. Anyway, Mr. Speaker, I am not going further on that, so I can release the Premier.

Mr. Speaker, under the [Broad Outcome] of Stronger Communities and Support for the Most Vulnerable" it is saying **"(b) Implement the immediate priorities of the Older Persons' Policy."** Mr. Speaker, when that was brought here I said it was not worth the paper it was written on. I hope the Premier can change it now because all I am seeing them asking for is to register people over 65 years of age.

There are things that need to be added there, as in other countries. Over 65 years of age the licence for your car is only 25 per cent of what it was, no duties on importation and those kinds of things like special lines in Government. Set the example. No one is looking at this.

[Inaudible interjection]

Mr. V. Arden McLean: Set the example! Older persons deserve that. A secret—hopefully we will get there one day. H-o-p-e-f-u-l-l-y! But if we don't treat them well, I don't think we are going to get there. Those are the kinds of things needed. The private sector will follow and our older persons will be better off.

What are we collecting their names and registering them for? Are we giving them something? We are not giving them anything. The medication at Government is cut in half or something. Those are the little things that Government can do to enhance our people's lives. It was not worth the paper they brought it here on.

Mr. Speaker, I see where they are going to **"reform social assistance programmes and the agencies delivering them to ensure that the right people get the right help at the right time"**. Yeah, I welcome that because NAU has been understaffed from its creation and it does not look as though anyone wants to put any staff there; but I understand they are amalgamating them now too. If *unna* think it is bad now, do that. It was worse at the time when it was called Social Services; it was worse. Now we are going to put this back under Family Services? Really? I wouldn't recommend that one. Those two should stand alone, Mr. Speaker. Properly resource NAU and it will get the job done. We have young progressive Caymanians in there who know how to get the job done; just properly resource it.

Mr. Speaker, as I recall, in the last Finance Committee it must have been 26 or something like that they say they needed. I wonder how many—

[Inaudible interjection]

Mr. V. Arden McLean: Well, they said to be fully out, they needed twenty-something but they gave them... they would do with nine and they gave them five and they still have not recruited them. This is over a year ago! Waiting on consultant reports? You don't know that you need more staff if people are overworked?

[Inaudible interjection]

Mr. V. Arden McLean: Mr. Speaker, I want to touch briefly on this beach access and stuff. Mr. Speaker, I see where the Government wants to continue to ensure that beach access is maintained. Continue to ensure that? It was never established, and if we are going to continue, I want to encourage it but, that is a serious matter, not only for Caymanians, for all. It is Roy Bodden's thing, "all and sundry".

Mr. Speaker, I welcome, under Accountable Government, the District Council in each district... I'm not going there anymore on the access, Mr. Speaker, because I know that I have a question in on that, you know. Oh! I'm just reminding you. I should never have said so. The District Councils, we need to get these things established. With no disrespect, I didn't support the Law when it was brought here and the way it was structured, and I am not going to support it now. However, I welcome the opportunity for us to sit down and see if we can restructure this and have a law that is more conducive to transparency. We cannot have Cabinet appointing everyone on the board and the Representative only gets one. No man, no, no, no, no, no; that won't work. I favour public election of councils. I don't know if we can get into local Government; that carries it to a different level, but the election process, whether it is midterm and every four years, or at the General Elections, I support that. I have always supported that, and so has the Premier who supported that kind of move before. He might have changed his mind.

[Inaudible interjection]

Mr. V. Arden McLean: Unelected? But you don't have to worry about it.

[Inaudible interjection]

Mr. V. Arden McLean: You mean to tell me you are going to turn Venezuela on us?

[Laughter]

Mr. V. Arden McLean: Try to change the Constitution? Oh no, you won't!

Mr. Speaker, one of the things I didn't see or hear from the SPS (maybe I should not have expected it) was the Legislative agenda for the next year. It usually comes during the Throne Speech and the Budget,

but certainly, I hope that this Government considers, seriously, bringing a reform to the Elections Law; that is really needed now. We really need to reform the Elections Law, and it might not be for us; we may be all gone but we all know it is necessary to do that.

I don't know who the observers saw when they were here. I did not have any interview with them. I didn't see them in East End; they must have come in under the cover of night. I had much to talk with them about, but I guess I went and asked them at the office to have an interview with them, so they made sure I didn't get it, which is fine. We need to prepare the next generation for a smoother transition through the elections process. The Elections Law is outdated. All of this foolishness about... not foolishness, but all of these provisions, Mr. Speaker, about registration every three months—

The Speaker: Honourable Member, sorry to interrupt you but, would you get back to the SPS? I don't know that that is—

Mr. V. Arden McLean: Mr. Speaker, I am saying what is not on it, so I am still on it.

The Speaker: No, you are not.

[Laughter]

The Speaker: You wouldn't get away with that one. No, you are not.

Mr. V. Arden McLean: Mr. Speaker—

The Speaker: Just to remind you, you have just about 15 minutes left.

Mr. V. Arden McLean: Well, I did my share.

The Speaker: Yes, you did. Yes, you did, I agree.

Mr. V. Arden McLean: Mr. Speaker, I was just saying that those are things the SPS should contain, as well. They should have mentioned them and I think the Government needs to consider those types of things.

[Inaudible interjection]

Mr. V. Arden McLean: If you had put it here you would have been eased up by then.

Mr. Speaker, it is like I said in the beginning, this is quite an ambitious goal that the Premier has set out to do. I hope he is successful in it. I am not optimistic for him with the amount of struggles they all are going to have in getting policies implemented. I have been there; don't tell me that it changed that quickly. Mr. Speaker, I shall keep a close eye and I shall remind them of this day of infamy. Thank you, Mr. Speaker.

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

The Honourable Minister of Finance.

Hon. Roy M. McTaggart: I shall be brief, sir, but thank you.

Mr. Speaker, thank you for the opportunity. My contribution to the debate this evening is really limited to trying to address a statement that the Leader of the Opposition made in his contribution to the debate, but just to really to explain to Members what I understood that he was saying and how I felt personally that the statement was not strictly correct. In his contribution, speaking about the 2018 surplus of \$69 plus million, I believe that he then tried to say or suggest that it was not really a true surplus because when you take away the capital spent and the loan repayments it really takes it down into a very significant deficit.

I am paraphrasing here, Mr. Speaker, but the truth of the matter is that those loan repayments and cash flows do not really affect your surplus for any period. They do not figure into the equation in calculating what your surplus is. Mr. Speaker, the best way I can explain it to you is that statements are prepared on an accrual basis so that revenues are recognised when they are earned, expenses are recognised when they are incurred; not when they are paid. Similarly, cash payments in and out, to repay a loan is an exchange of one asset, giving up one asset to settle a liability or an obligation which are Balance Sheet items.

Similarly, when you spend money on Capital Items, you are giving up cash in order to acquire another asset, so it doesn't affect in any way the operating statement—

[Inaudible interjection]

Hon. Roy M. McTaggart: It does come from your revenue, and no question about it, but I wanted to suggest to the Leader of the Opposition and to other Members of the House, and even the wider public who might be looking at the statement, that if you look at page 30 of the SPS, which is quite laid out, there is a statement of cash flows which shows all the projected cash revenues, all the projected cash expenses and coming down to a net figure which shows that from those operations, we are forecasting a surplus there of about... a surplus in cash (cash being generated from operating activities of \$130 million).

Now, the rest of the statement shows you how that \$130 million gets used, okay. If you look at the page there, we talk about the cash flows from investing activities. That is where you show your purchases of capital items like your fixed assets, new buildings, property, plant, equipment, proceeds from any loans or investments, any dividends received, and also the equity injections into the Public Authorities. That then leaves you with your financing activities which are your loan

repayments, any new borrowings and any loan repayments.

Those are the three elements that make up your cash flows, and what this statement shows is that we are projecting an increase for cash of about \$10 million in 2018, at which point we should end up with \$380 million cash at the end of 2018. I thought it was important for us just to make that clear and invite Members specifically to look at page 30 of the SPS, which lays it out nicely what the true cash flows are projected to be.

Mr. Speaker, please, I beg your indulgence also to personally thank everyone for the kind comments today with regards to my delivery of the SPS. I found it very encouraging and I am appreciative of the kind words that were expressed. I think I must, at this point, Mr. Speaker, acknowledge the good work of the people in the Ministry who worked tirelessly over the last several weeks to get us to this point, to make us able to deliver the SPS. Members will know that the Financial Secretary lost his mother last week and that threw a wrinkle into things. The issue we had on Sunday with the fibre optic cable being cut also presented challenges and difficulties, but the team really rose to the occasion and were able to get it all completed for us and I really want to publicly acknowledge their efforts and say from me and from us a very heart-felt thank you.

Thank you, Mr. Speaker.

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

If not, then I call on the Honourable Premier.

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

Mr. Speaker, I also wish to thank all Members for their contributions to the debate on the Strategic Policy Statement and the Motion, in particular, and to the overview which I was able to deliver on behalf of the Government. We have taken note of what has been said, Mr. Speaker, and that will continue to inform the process as we move through the next stage to the Budget delivery, and we are aiming for the 13th October with regard to that.

Mr. Speaker, as I listened to the debate from the other side I was struck, particularly after the contributions of the Leader and Deputy Leader of the Opposition, at how fundamentally different their approach is to the business of Government and, in particular, the issue of the preparation of a budget to the views and the principles on which this Administration and the one which preceded it operate.

Mr. Speaker, other Members on the other side also spoke about priorities and over and over again we heard the anthem that education must be a top priority. Madam Speaker, to take... Mr. Speaker, sorry, habits die hard. Mr. Speaker, to take that view, with respect to

the preparation of the budget and the planning of the fiscal policies for a government is to not understand the basics of economics. Now, in fairness to him, the Leader of the Opposition said he didn't know anything about economics so, perhaps, Mr. Speaker, that explains why he would take the view that in the preparation of the budget the first priority ought to be education. I am not sure how to explain the fact that the Deputy Leader of the Opposition also takes that particular view.

Mr Speaker, the reality is that without revenue, we can wish all we want for all of these very important things for our people and for our country. I listened carefully to the contributions of every Member from the Opposition and I heard nary one single solitary word or suggestion about how the Government could increase its revenues. For without revenues, the very long shopping list that the Members recited, none of it is possible. I say that by way of preamble, Mr. Speaker, to point out that the critical and most important priority of any government has got to be your economy, for without a buoyant economy nothing else is possible. Without a buoyant economy we do not have jobs, and all of the issues that we are aware of and which Members of the Opposition were at pains to point out about our people struggling to get employment and to get good employment, none of that is possible if you do not have an economy which supports the job creation.

[Inaudible interjection]

The Premier, Hon. Alden McLaughlin: None of it is possible without a strong economy. Thus, Mr. Speaker, because this Administration, as did the one that preceded it, understands how critical and important the economy is, we make provisions to support the key industries which allow the economic engine of this country to run smoothly and efficiently. That is why, Mr. Speaker, when I hear the complaints about the money we are spending on tourism, I say to myself, *so, how do you expect us to build the schools and to pay teachers more, if the revenue sources that we need to provide the basis to do those things are not supported, encouraged and promoted?*

Mr. Speaker, there is an old saying that *any fool can spend money*; that is the easy bit, but it takes thought, Mr. Speaker, it takes thought to figure out how you find the means, how you find the money to spend in the first place.

I heard some criticism about the money spent on Cayman Airways; again, a fundamental difference in view and approach between the Government and those who make up the Opposition. Cayman Airways, as far as we view it, is a critical tool for our tourism product; going into new gateways, bringing increased business to Cayman, not to mention the sense of national pride that it gives to us and the impression it gives to the rest of the world about the success story that the Cayman Islands is. There were some on the other side,

and I didn't make notes, who did acknowledge, in fairness, that without Cayman Airways we would be held at ransom by foreign airlines and many of the things that we seek to do in terms of growing the tourism numbers in Cayman would not be possible.

Mr. Speaker, this Administration thinks not just about—in terms of allocation on decision making with respect to priorities—what are the critical needs and amenities that are necessary for the continued development of our people, but we have to think of how we are going to continue to be able to fund these things. Therefore, to criticise the fact that the Government says the economy is the first priority is to indicate that the Opposition does not understand what actually makes the engine of the economy work. All of the great things that they want, most of which we agree with, would not be possible if we did not support tourism, did not support financial services, did not do the things that are necessary to create investor confidence, like good, solid, balanced budgets. I heard the Member for East End suggesting that we could go out of compliance just to make sure that we get all the money that he thinks we need for education. We go out of compliance and we get back into that downward spiral from which we have just recovered.

It is important, Mr. Speaker, for this House and the broader public to understand that that is the sort of thinking that distinguishes the Government from the Opposition. The Member for East End will always be a good Opposition Member, and long may he remain there, but Lord help us,—

[Inaudible interjection]

The Premier, Hon. Alden McLaughlin: —were he to be put in charge of the finances of this country.

Mr. Speaker, we all—and no one should doubt my passion about education—understand how critical it is and there is no question that we are going to give education every penny that it needs that we can possibly afford. We have pledged \$18.6 million in additional operational expenditure, over and above the current numbers, over the course of this SPS. We have pledged a further \$56 million in capital over the course of that period. Hence, no one should doubt how sincere we are about supporting the Minister of Education and her vision and the work of the Ministry and the Department of Education, to give our people, our young people in particular, the best possible opportunities that we can to grow, to succeed, to learn and to take their places as good, solid citizens in this country in time to come.

Education is not and cannot be considered in sheer isolation. The whole country has to work, from health care to salaries for civil servants to the national security needs to the district needs and wants. For Mr. Speaker, you and I have been here long enough to understand that when all of this rhetoric has faded from the speakers and the headlines, those same Members

will be hammering on the doors and on the phones to Ministers, saying, *I need this done for my district. I need this done. What do you mean you gave the money to education? I need that for my district.* We heard some of it today. That is the way the system is.

I simply want the House, Mr. Speaker, and the broader listening public to understand that while I do not doubt for one moment the sincerity of every Member who spoke on the other side about wanting to give education a top priority, they do not want that any more than the Members on this side do. However, unlike the Members on this side, they have no responsibility to find any funding or to make decisions about priorities; that is the constitutional remit of the Government and we, Mr. Speaker, are the Government for the time being.

Mr. Speaker, having, I hope, explained our approach to the development of priorities, I should tell this House something that perhaps, others who are cagier than I would not, about this process. The Government sat down, used The Progressives Manifesto, the Manifesto of the CDP and the individual Manifestos or position papers of the Independent Members of the Coalition. We invited all Members of the Opposition to come and have a session with the Cabinet and to make their presentations, and they all did and they all did very good jobs, some of them even took the time and trouble to put it in writing, so that we have it there. Government considered all of those things over the course of the past month/six weeks, and we sat down then and wrote out our list of Government priorities in some considerable detail. We then submitted that to the Chief Officers and Chief Financial Officers (CFOs) and said, "Here are the Government's priorities, please cost them and give them back to us."

Mr. Speaker, you see these numbers that are here, as big as they are, the initial submissions were \$689 million over that. Consequently, the Government had to sit down again over many days and decide well, yes, these are all priorities but what are the priorities of the priorities and how much can we afford, because, Mr. Speaker, unlike the thinking of the Member for East End, the Government knows that we have to adopt the sensible approach to budgeting. We simply can't get everything that everyone wants now. We have to continue to produce solid surpluses. We continue with our policy of no new borrowing, save to the extent that we have to refinance the Bond, and we were determined not to increase fees and taxes and thus create a greater burden on the people of this country and push the cost of living up.

I heard the Deputy Leader of the Opposition constantly referring to the high cost of living. The last administration was the only one that I can ever recall, since I have been here, in almost 17 years that fees and taxes were not increased, but actually went the other way. It is difficult even when Government does that (reduce fees and taxes) to push down the cost of living, because in most instances, giving the indirect

system of taxation that we have, and no price controls, we can't determine what merchants charge for products. One thing is certain, that the converse is true; that the moment Government increases any fee, tax or duty, you can believe that is going to be passed on instantaneously to the consumer. The Government is very conscious of these things and the unique nature of the system that we have in Cayman and we have done in the past four years and we are doing again this time, every single thing we can possibly do to help keep down, if not push down, the cost of living.

Mr. Speaker, I do hope that when we come to the Budget and the Throne Speech, that we hear more from the Opposition than just complaints and doom and gloom, in some instances, about the economic prospects of this country, but that we will have some concrete proposals about how we can continue to increase Government revenue and how we can actually lower or contain the cost of living, for those are the things that matter most to our people.

Mr. Speaker, I lived a long time in the Opposition. Any Opposition that simply agrees with the Government is not doing its job; that, I believe. The system is designed that way. An Opposition must be able to do more than whine and complain and criticise, if it seeks to position itself as the Government-in-waiting, for when you are in Government is when you are called upon to make the real decisions that affect the future of the country and the critical decisions, such as those that we have taken, and will shortly take, with respect to the financial fortunes of the country and the impact of policy decisions on the people we are sworn to represent.

I thank you, Mr. Speaker.

The Speaker: The question is: BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the Strategic Policy Statement with respect to the 2018 and 2019 financial years, as the indicative parameters on which the Budgets for the 2018 and 2019 financial years will be developed.

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

AYES.

The Speaker: The Ayes have it.

The Premier, Hon. Alden McLaughlin: Mr. Speaker, could I have a division, please?

The Speaker: Clerk, a division.

Division No. 1 of 2017-2018

AYES: 17

Hon. Alden McLaughlin

NOES: 0

Hon. Moses I. Kirkconnell
Hon. Juliana Y. O'Connor-Connolly
Hon. Dwayne S. Seymour
Hon. Roy M. McTaggart
Hon. Joseph X. Hew
Hon. Tara A. Rivers
Hon. Bernie A. Bush
Capt. A. Eugene Ebanks
Ms. Barbara E. Conolly
Mr. David C. Wight
Mr. Austin O. Harris
Hon. D. Ezzard Miller
*Mr. Alva H. Suckoo
Mr. Kenneth V. Bryan
Mr. Anthony S. Eden
Mr. Christopher S. Saunders

ABSENT: 1

****Mr. V. Arden McLean**

***Mr. Alva H. Suckoo:** *After all that.*

****Mr. V. Arden McLean:** *I am not supposed to vote though, because I—*

The Clerk: You were—

Mr. Arden McLean: When the division was called, I was not in.

The Speaker: The result is 17 Ayes and 1 Abstention.

Mr. V. Arden McLean: Mr. Speaker, I did not abstain. I was not in the Chamber when the Division was called because I was on an overseas telephone call. I did not abstain. I cannot vote.

The Speaker: Let me correct that and it should satisfy the Member for East End: 17 Ayes and 1 Absent.

[Inaudible interjection]

The Speaker: All right, no big thing, it is done. The Motion is carried.

Agreed: Government Motion No. 1 of 2017/2018 passed.

The Speaker: The Premier.

ADJOURNMENT

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

Again, I wish to thank all Members for cooperating in working late to finish the SPS Motion today, and I move the adjournment of this honourable House until 10:00 am tomorrow, when we will take Private Members' Motions.

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

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

AYES.

The Speaker: The Ayes have it.

This honourable House now stands adjourned until 10:00 am tomorrow.

At 9:16 pm the House stood adjourned until 10:00 am, Thursday, 24th August, 2017.