



**CAYMAN ISLANDS
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT
ELECTRONIC VERSION**

2013/14 SESSION

7 October 2013

First Sitting of the Third Meeting
(Throne Speech and Budget Meeting)

(pages 61–86)

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

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PRESENT WERE:

SPEAKER

Hon. Juliana Y O'Connor-Connolly, JP

MINISTERS OF THE CABINET

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

EX OFFICIO MEMBERS OF THE CABINET

| | |
|----------------------|---|
| Hon Mary Rodrigues | Temporary Deputy Governor, ex officio Member responsible for the Civil Service |
| Ms Jacqueline Wilson | Temporary Attorney General, ex officio Member responsible for Legal Affairs |

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

| | |
|--------------------------------|---------------------------------------|
| Mr Roy McTaggart, MLA | Second Elected Member for George Town |
| Mr Winston C Connolly, Jr, MLA | Fifth Elected Member for George Town |
| Mr Joseph X Hew, MLA | Sixth Elected Member for George Town |
| Mr Alva H Suckoo, MLA | Fourth Elected Member for Bodden Town |

OPPOSITION MEMBERS

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

INDEPENDENT MEMBERS

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

OFFICIAL HANSARD REPORT
THRONE SPEECH AND BUDGET MEETING
THIRD MEETING OF THE 2013/14 SESSION
MONDAY
7 OCTOBER 2013
9.45 AM
First Sitting

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

The Speaker: Good morning. I now call on the honourable Pastor to lead us in prayers.

PRAYERS

Reverend Louis-Herard Sully: Let us pray.

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

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

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

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

The Speaker: Please be seated.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

OATH OF ALLEGIANCE
[Administered by the Clerk]

Hon. Mary Rodrigues, Acting Deputy Governor: I, Mary Elizabeth Rodrigues, 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
[Administered by the Clerk]

Hon. Mary Rodrigues, Acting Deputy Governor: I, Mary Elizabeth Rodrigues, 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.

OATH OF ALLEGIANCE
[Administered by the Clerk]

Hon. Jacqueline Wilson, Acting Attorney General: I, Jacqueline Wilson, 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
[Administered by the Clerk]

Hon. Jacqueline Wilson, Acting Attorney General: I, Jacqueline Wilson, 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: I would like to welcome Mrs. Rodrigues and Mrs. Jacquie Wilson to this honourable House and to say how pleased I am to have two more of Tara's and my gender. Welcome.

I would also like to take this opportunity to welcome His Lordship, the Honourable Smellie and his lovely wife.

Please be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: I have not received any apologies for this morning.

I would just like to intimate to the press that on Thursday of this week I will be issuing guidelines as it relates to the use of iPads and computers in this. But so that you will not be kept in suspense, I am leaning towards being in favour thereof.

MOTION FOR THE SUSPENSION OF THE HOUSE

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, good morning. I beg to move that this honourable House do rise to await the arrival of Her Excellency the Governor, Mrs. Helen Marjorie Kilpatrick, CB, to receive a gracious message from the Throne.

The Speaker: The question is that this honourable House do rise to await the arrival of Her Excellency the Governor, Mrs. Helen Marjorie Kilpatrick, CB, to receive a gracious message from the Throne.

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

Ayes.

The Speaker: The Ayes have it.

This honourable House will be suspended to await the arrival of Her Excellency the Governor.

Agreed: That this honourable House do rise to await the arrival of His Excellency the Acting Governor to receive a gracious message from the Throne.

Proceedings suspended at 10.17 am

ARRIVAL OF HER EXCELLENCY THE GOVERNOR

Her Excellency the Governor: Please be seated.

The Speaker: I now invite Her Excellency the Governor to deliver the Throne Speech.

THRONE SPEECH

Her Excellency the Governor, Mrs. Helen M. Kilpatrick: Madam Speaker, Members of the Legislative Assembly, it was less than a month ago that I swore to serve Her Majesty the Queen and the people of the Cayman Islands in the role of Governor. Since that

time, the people of this country have greeted me warmly. They have also put a human face on the statistics that speak to the state of our economy and society.

We all know that we face serious issues relating to the economy, unemployment and crime. The Economics and Statistics Office has also reported the largest increase in the cost of living since the start of the global economic recession in 2008.

Good governance, which I am charged to promote, involves careful and planned management of resources, so that we all benefit from that allocation in a sustainable way.

In the context of the Cayman Islands, this means that we must spend our limited resources wisely to maintain a world-class reputation as a centre for financial services and tourism. At the same time, we must provide our people with the resources that they need to thrive in this environment.

The Public Service has responded by reducing expenditure and moving towards more strategic ways of working. The budget that is being presented to you today proposes to fund intelligence-gathering, planning, consultation, standard-setting, international collaboration, monitoring and evaluation, as well as stricter enforcement. You will find that a recurring theme is the use of technology to achieve these goals in a cost-efficient way, an initiative that will be led by the very able Deputy Governor.

Accordingly, it is my privilege to share with you the Government's plans to deliver public services in the context of the Framework for Fiscal Responsibility (FFR).

I will begin with the independent offices of Government, before moving on to the responsibilities of firstly the appointed and then the elected Members of Cabinet.

Office of the Auditor General: The Office of the Auditor General, which is celebrating its 30th anniversary, will seek to enhance its independence by working towards a new Auditor General's Law.

Office of the Complaints Commissioner: As part of its mandate to be more accessible to the people of the Cayman Islands through outreach and education, the Office of the Complaints Commissioner will republish the Small Claims Handbook. It will also publish a report on whistle blowing before the end of 2013.

Office of the Information Commissioner: The Information Commissioner's Office will make further recommendations to the Legislative Assembly on the review of the Freedom of Information Law.

Judicial Administration: Faced with an expanding workload and corresponding demands on its existing space, the Judiciary will explore ways to fund a new court house as a matter of urgency.

It will also implement an information technology strategic plan that includes a revamped judicial

website that gives access to unreported judgments and laws currently in force as well as e-filing.

Office of the Director of Public Prosecutions: The Office of the Director of Public Prosecutions (DPP) will work with criminal justice departments and law enforcement agencies to progress the development of a formal witness protection programme.

Portfolio of Legal Affairs: Meanwhile the program of legislative work facilitated by the Portfolio of Legal Affairs will include the following key pieces of legislation:

- The Data Protection Bill
- The Immigration (Amendment) Bill; and
- The Standards in Public Life Bill

We anticipate being assessed for effective implementation of the 40 Financial Action Task Force Recommendations (FATFR) as part of the fourth round of mutual evaluations. Accordingly, the establishment an Anti-Money Laundering Unit under the aegis of the Attorney General's Chambers is proposed.

Before the assessment begins, the Portfolio will spearhead the development of a National Risk Assessment, to be used as a benchmark for measuring compliance with the 40 Recommendations. It will also assist in discharging the Government's overall commitment to the G-5 project for Anti-Money Laundering and Anti-Corruption matters.

The Deputy Governor's Office: I turn next to the Deputy Governor's Office, which will bring legislation to improve the governance of statutory authorities and government companies. It will also conduct a review of public entities, which will aim to rationalise these, or identify those that are obsolete, in need of transfer, or which require separation or amalgamation. Consideration will also be given to opportunities for privatisation or outsourcing where this is feasible.

Focus will also be placed on succession planning for key civil service roles.

A voluntary separation package for civil servants who volunteer to leave the service before the end of 2013 has been announced. Applications from civil servants wishing to take up the offer of separation must be accompanied by a business case that shows how the civil service entity expects to achieve improved efficiency from the staff member's departure.

Changes to the Police Law will establish a commission to offer civilian oversight of the Police.

Cabinet Office: The Cabinet Office is working to secure Cabinet approval of the revised Cabinet Guidelines and Code of Conduct. This first revision in 20 years aligns processes and procedures with the 2009 Constitution. It is also working with key stakeholders to complete a national policy for persons with disabilities by the end of the year.

Within the Cabinet Office Portfolio, Government Information Services (GIS) also plans to provide

enhanced electronic services to subscribers of the Cayman Islands Gazette.

Next we turn to the Ministries, for which the elected members of Cabinet are responsible.

Ministry of Home Affairs: In the Ministry of Home Affairs, the Royal Cayman Islands Police Service will continue to target serious crime through a variety of strategies, including a pro-active task force that patrols vulnerable locations.

Her Majesty's Cayman Islands Prison Service will work to mitigate issues identified by the United Kingdom and local Prison Inspectors. The prison will also address long-term estate needs while making emergency repairs on existing facilities.

It will construct facilities that separate male juveniles from the adult population, and work towards the same for female juveniles. Separate facilities are being constructed for juveniles detained by the RCIPS.

In the area of information technology, as Government moves towards optimising online services, the Computer Services Department will work with stakeholders to identify and address gaps.

Ministry of Community Affairs: Plans to re-structure services and programmes offered by the Department of Children & Family Services (DCFS) will occupy the Ministry of Community Affairs in 2013/14. To bring these services in line with the Children Law (2012 Revision), it will separate clinical from welfare services.

The DCFS will continue to provide clinical social work services, which will focus on the management of the Children Law and other clinical matters surrounding children and families. Meanwhile, the Needs Assessment Unit (NAU) will seek to efficiently and comprehensively manage financial assistance services.

A key legislative initiative for the Ministry during the fiscal year will be to amend the Poor Person's Relief Law and enact the accompanying Regulations.

Ministry of Finance and Economic Development: During the 2013/14 fiscal year, the Ministry of Finance and Economic Development will review the Public Management and Finance Law and the Financial Regulations. It will also begin the establishment of a Central Procurement Office which will standardise Government's procurement processes.

The Customs Department will reform and modernise its compliance management, intelligence and risk management, in order to enhance border security and revenue collection. Meanwhile the Cayman Islands National Insurance Company will focus on the implementation of its new eligibility and medical management software systems.

Ministry of Financial Services, Commerce and Environment: The Ministry of Financial Services, Commerce and Environment have planned a number of key initiatives in the coming year.

The Department of Commerce and Investment will set up committees to review and propose changes to legislation governing liquor licensing, trade and business licensing, the Special Economic Zone, and the licensing of local companies. It will also analyse the impact of potential fee structure changes for various licences and develop a monitoring and enforcement arm.

Meanwhile, the Department of Environment plans to table the National Conservation Bill, and open it to public consultation. It will also meet with residents of West Bay, Cayman Brac and Little Cayman, to discuss the draft Marine Parks Regulations.

The Financial Services Secretariat will increase engagement with the OECD [Organisation for Economic Co-operation and Development] Global Forum on Transparency and Exchange of Information for Tax Purposes. It will also develop the partnership with the local financial services industry.

Meanwhile, the General Registry will upgrade the Companies Online Registry Information System (CORIS). It will also upgrade the disaster recovery programme for corporate records.

The Cayman Islands Monetary Authority will also introduce a corporate governance regime within the fiscal year.

Ministry of District Administration, Tourism and Transport: The Ministry of District Administration, Tourism and Transport have extensive plans for Cayman Brac and Little Cayman in the coming financial year, many of which relate to fostering the tourism industry.

The Ministry will establish a Cayman Airways Reservations Centre and Cargo Facility in Cayman Brac. It will also expand the Charles Kirkconnell International Airport to accommodate security and screening equipment for the processing of international flights. In addition, it will establish a runway in Little Cayman that is adequate to allow an efficient and cost effective turbo prop aircraft service to that island.

In the area of sports, upgrades to the Cayman Brac FIFA [Fédération Internationale de Football Association] certified field will include additions such as changing rooms and bleachers which will create opportunities for sports tourism in Cayman Brac.

The Government also plans to convert the hurricane shelter site there to a secondary school.

On Grand Cayman, phase one of the redevelopment of the Owen Roberts International Airport will include expansion of the departure lounge.

The Ministry will continue to progress the procurement process of the proposed cruise berthing facility in Grand Cayman.

It will also enhance the Royal Watler Cruise Terminal to accommodate increased cruise visitors in 2014 and 2015.

A review of the Port Authority Law and Regulations is also anticipated.

Ministry of Planning, Lands, Agriculture, Housing and Infrastructure: National food security will be a key focus of the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure. Its multifaceted approach will include the expansion of Protected Agriculture Systems for crop production, as well as the promotion of backyard and community gardens and the improvement of the livestock sector. It will also seek to build on linkages between the Market at the Grounds, local restaurants, and the tourism sector.

In addition, it will actively cooperate with regional counterparts on pest safeguarding initiatives, regulatory enforcement, as well as proactive surveillance and monitoring programmes.

The Petroleum Inspectorate will continue its push to strengthen the Dangerous Substances Law through regulations to ensure a safe, healthy and sustainable petroleum sector, while working with the petroleum industry to establish fuel quality parameters for motor fuel, particularly gasoline.

The Department of Vehicle and Driver Licensing will review and update the Road Code, 2012 Edition.

A new Bodden Town Licensing Office should help to alleviate traffic congestion at the Crewe Road location. In addition, the agency will collaborate with Computer Services to improve online services for the renewal of drivers and vehicle licences.

The Department of Vehicle and Equipment Services will tender for and award the contract for the provision of fuel to the Cayman Islands Government.

Meanwhile, the Department of Planning will aim to increase the efficiency of the planning process at both the department and industry-wide levels.

Recent changes, which allow postal staff to represent the customer in the assessment of duties on parcels by HM Customs, will facilitate the move by the Postal Department towards parcel delivery during the financial year.

Implementation of a new box rental database will allow customers to conduct all box rental matters at any post office within the Cayman Islands.

The Water Authority will commence work on the upgrade and extension of the piped water distribution system in Cayman Brac. Regulations will also be revised to implement the Rate Cap Adjustment Mechanism method of calculating annual rate adjustments.

In response to the need for a further 36 megawatts of electricity on Grand Cayman, the Electricity Regulatory Authority will conduct a competitive solicitation for the development and operation of a new power generation plant. Another important goal in the coming fiscal year will be to support the National Energy Policy Committee's mission to establish a National Energy Policy for the Cayman Islands. I turn now to education and employment.

Ministry of Education, Employment and Gender Affairs: In 2013-14, the Ministry of Education, Em-

ployment and Gender Affairs will move towards a phased implementation of the National Strategic Plan for Education and will introduce a new legislative framework for education. In particular, there will be a continued focus on strategies to improve teaching in maths and literacy.

The year will also see the formal launch of the new "Safer Schools" strategy, an umbrella programme of initiatives that promote respectful learning environments which value individual safety. Areas of focus will include anti-bullying and parenting programmes, as well as initiatives to support pregnant teens.

A code of practice for gifted and talented students will be developed and work to expand vocational programmes in high school and beyond will take place.

In the sphere of tertiary education, the University College of the Cayman Islands will add new programmes and courses. These will include an associate of arts degree in legal studies in collaboration with Chartered Institute of Legal Executives, and an executive certificate in global leadership in collaboration with the University of Texas at Arlington.

The National Workforce Development Agency [NWDA] will benefit from a legislative framework to underpin its work. It will also introduce improved employment services, including the provision of assessment tools to identify skills and knowledge deficits. In addition, the agency will implement a national work readiness programme, in which barriers to employment and career progression are effectively identified and remediated.

Finally, the agency will develop a national strategy to facilitate a culture of life-long learning in the Cayman Islands.

At the Sunrise Adult Training Centre, staff will work to develop an internship programme for persons with disabilities and will partner with the NWDA to increase employment placements for adults with disabilities.

With regard to employment and benefits, the Department of Labour and Pensions will benefit from major legislative changes through a revised National Pensions Law and amendments to the Labour Law.

In addition, the activation of the new Inspections Unit, will allow for proactive inspections and audits of workplaces in accordance with the law.

The Gender Affairs Unit will continue to work towards having the Convention on the Elimination of All Forms of Discrimination Against Women extended to the Cayman Islands.

It will provide a 10 year review and update of the National Policy on Gender Equity and Equality.

Ministry of Health, Sports, Youth and Culture: I move next to the area of health: The Ministry of Health, Sports, Youth and Culture will identify a major overseas healthcare provider to explore partnerships that will enhance our capacity to provide a world-class level of healthcare.

New Cancer Registry Legislation will enable policymakers, researchers, clinicians and public health professionals to monitor the burden of cancer, evaluate treatment programme success, and identify additional requirements for cancer prevention and control efforts at a national level.

In addition, the Ministry will seek to improve diagnostic services through the installation of magnetic resonance imaging [MRI] technology. It will also explore the feasibility of promoting and safely regulating health research and clinical trials in the Cayman Islands.

The implementation of the updated Mental Health Law will include the appointment of a Mental Health Commission. The Ministry is also committed to the delivery of proper mental health facilities.

In addition, the Ministry will seek to engage the public in the preservation and promotion of the Cayman Islands' cultural heritage through educational programmes.

There will also be a continued focus on developing Sports Tourism.

The Mosquito Research and Control Unit will explore field trials for a proposed Oxitec project as a comprehensive and effective strategy for Dengue prevention.

Finally, the Ministry will be publishing a Request for Proposal for a comprehensive and integrated waste management solution for the Cayman Islands.

Conclusion: Madam Speaker, Members of the Legislative Assembly, it is incumbent on this honourable house to ensure that the proposals submitted by Government for the coming financial year offer the people of the Cayman Islands value for money. This is a weighty task, the importance of which cannot be overestimated.

I would like to acknowledge those who have played a role in the preparation of the budget, an arduous job that can take many months.

The civil service is also to be commended for the reduction that it has achieved in personnel and operating costs. Their savings to the country have come at a cost to many. However, ensuring the sustainability of these Islands is a noble and worthy cause.

The work of the Government has an impact that is far-reaching. We must all do our duty to help Caymanians and residents to meet the challenges of everyday life.

Thank you for listening and may your deliberations be guided by the hand of Almighty God.

[Departure of Her Excellency the Governor]

Proceedings resumed at 10.25 pm

The Speaker: Please be seated. This House is now resumed.

I now recognise the Father of the House and Leader of the Opposition, the Honourable W. McKeeva Bush.

MOTION OF THANKS TO HER EXCELLENCY THE GOVERNOR

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker, I beg to move:

BE IT RESOLVED THAT this honourable Legislative Assembly record its grateful thanks to Her Excellency the Governor, Mrs. Helen Marjorie Kilpatrick, CB, for the Address delivered at this Meeting.

The Speaker: The question is: Be it resolved that this honourable Legislative Assembly record its grateful thanks to Her Excellency the Governor, Mrs. Helen Marjorie Kilpatrick, CB, for the Address delivered at this Meeting.

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

Ayes.

The Speaker: The Ayes have it.

Agreed: The honourable House recorded its grateful thanks to Her Excellency the Governor for the Address delivered at this Meeting.

MOTION FOR DEFERRAL OF DEBATE ON THE THRONE SPEECH

The Speaker: I recognise the Honourable Premier, the Hon. Alden McLaughlin, Jr., MBE.

The Premier, Hon. Alden McLaughlin: Madam Speaker, I beg to move the following resolution:

BE IT RESOLVED THAT the debate on the Address delivered by Her Excellency the Governor, Mrs. Helen Marjorie Kilpatrick, CB, be deferred until Thursday, 10th October, 2013, at 10.00 am.

The Speaker: Thank you, Honourable Premier.

The question is: Be it resolved that the debate on the Address delivered by Her Excellency the Governor, Mrs. Helen Marjorie Kilpatrick, CB, be deferred until Thursday, 10 October, 2013.

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

Ayes.

The Speaker: The Ayes have it. Debate is accordingly deferred.

Agreed: Debate on Throne Speech deferred until Thursday, 10th October 2013.

PRESENTATION OF PAPERS AND OF REPORTS

Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ending 30 June, 2014

Annual Budget Statements for Ministries and Portfolios for the financial year ending 30 June 2014

Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers for the year ending 30 June 2014

Ownership Agreements for Statutory Authorities and Government Companies for the year ending 30 June 2014

The Speaker: I recognise the Honourable Marco Archer.

Hon. Marco S. Archer, Minister of Finance and Economic Development: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House the following documents with respect to the Government's financial year ending 30 June 2014:

- [Annual Plan and Estimates for the Government of the Cayman Islands;](#)
- [Annual Budget Statements for Ministries, Portfolios and Offices;](#)
- [Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers;](#)
- [Ownership Agreements for Statutory Authorities and Government Companies.](#)

Thank you, Madam Speaker.

The Speaker: So ordered.

Does the Honourable Minister of Finance and Economic Development wish to speak thereto?

Hon. Marco S. Archer: Thank you, Madam Speaker. When you invite me to speak on the Appropriation Bill, my Budget Address will refer to the documents just tabled, Madam Speaker. Thank you.

The Speaker: Thank you.
I recognise the Honourable Premier.

STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

POLICY STATEMENT: “GETTING BACK ON COURSE”

The Premier, Hon. Alden McLaughlin: Madam Speaker, as we meet in this Honourable House today to present the first full Budget of this Government, I am minded to recall for Honourable Members the words we read in Proverbs: **“A good name is to be more desired than great riches, favour is better than silver and gold.”**

On the 22nd of May of this year the People’s Progressive Movement was given a mandate to restore the good name of the Cayman Islands, to restore the lustre to our tarnished reputation; a reputation that had been sullied both at home and abroad by charges of corruption, abuse of office, mismanagement of the economy, a soured relationship with the United Kingdom and all manner of unsavoury practices and unseemly behavior.

Socrates entreats us to, **“Regard your good name as the richest jewel you can possibly be possessed of—for credit is like fire; when once you have kindled it you may easily preserve it, but if you once extinguish it, you will find it an arduous task to rekindle it again. The way to a good reputation is to endeavor to be what you desire to appear.”**

A good reputation is the flip side of the confidence coin. As we promised in our Manifesto, the first and most challenging task of a new administration, therefore, will be to restore trust and confidence in the government and the Cayman Islands as a whole. Nothing is possible without that.

Restoring that confidence, Madam Speaker, was our very first step in getting our country back on course. We believe we have made considerable headway in this regard. Suspicion and skepticism by the Foreign and Commonwealth Office have been replaced with trust and respect. Foreign investors have certainty that transparent, legal processes will protect their investments, while local business owners have been buoyed by the consultative process that we bring to managing the affairs of this country.

We know that the restoration of confidence is not a one-shot deal and we shall continue to consult regularly with stakeholders in business and civil society and maintain our promise to be open, transparent and accountable. We will continue to work hard with the public servants and our private sector partners to bring back pride to Caymanians and residents, and all who love this country,

With the return of confidence has come an air of hope that was absent prior to May 22nd. We wish to take that hope and, through sound financial manage-

ment and responsive social policies, transform it into a better quality of life for all who live here and contribute to the growth and development of these Islands.

We shall do so Madam Speaker, in a disciplined, deliberate and transparent way. There will be no silver bullets or one-size-fits-all cures. We still face the challenges as a country that we did prior to May 22nd, but we believe that with a new approach to managing our affairs we can indeed move forward to a better tomorrow.

Madam Speaker, you may well ask, what is this new approach? It will be characterised by prudent financial management, as the Minister of Finance will explain later in his presentation to this honourable Chamber. It will see a targeted approach to improving the lives of Caymanians through specific educational and training programmes. Investment in a modern infrastructure will be within our means and will yield maximum returns for the country. Expenditure on government and by government will give value for money.

While government will do its part as facilitator, principally growth and employment will be private sector driven. At the core of future economic expansion will be a reformed immigration regime that will protect the rights of Caymanians to have gainful employment, while acknowledging the necessity for businesses to have a reliable labour force.

Madam Speaker, the road that brought us to the delivery of today’s Budget was not the Yellow Brick Road, but the journey was made easier when in August the Foreign and Commonwealth Office approved the Cayman Islands Government’s four-year fiscal plan covering the years 2013/14 to 2016/17. It was one of the first steps to restoring the UK’s confidence in us. It also demonstrated how positive results can be achieved when processes are followed and a logical, credible and consultative approach is taken toward fiscal planning.

For our first two months in office we kept our heads low and worked steadfastly to develop this plan, which followed weeks of meetings between the Ministry of Finance and key stakeholders across the public sector. The resulting plan is credible, sustainable and charts the necessary trajectory for the country to meet the fiscal targets outlined in the Public Management and Finance Law. Because of the hard and diligent work of my team, ably led by the Minister of Finance, the UK was able to approve the Plan on its first submission—an historic occasion.

The Plan favours an initial aggressive reduction in public sector operating expenditure, significant increases to government’s cash reserves, no new long-term borrowings, continued repayment of existing loans and zero inflationary revenue measures. The Plan assigns to the Government the role of facilitator of economic growth by virtue of its support for various private sector initiatives, does not propose any major

capital expansion programmes and is not dependent on any revenue measures for success.

We are proud of the Budget we are presenting today, Madam Speaker. It is balanced and has a healthy operating surplus realised through cost saving measures. The Government is all too aware of the cost of living in the country, both for individuals and businesses. We have no plans to introduce any measures that would further burden the cost of living; as a matter of fact we are looking for ways to give our people—residents, visitors and businesses alike—some relief when it comes to their pocketbooks.

This budget provides the financial basis to address the problems of the Cayman Islands and gives life to the Government's plans, vision and programmes that Her Excellency the Governor outlined in the Throne Speech and which will be expanded upon in this speech and that of the Ministers to come in the upcoming debate.

Madam Speaker, while fiscal responsibility and discipline are important principles for government, ensuring the populace has a better quality of life is one of our main objectives. At the forefront of this is getting jobs for all qualified and capable Caymanians who want to work.

The Government is revamping the work of the National Workforce Development Agency [NWDA] to make it easier for Caymanians looking for work to register. Under the plan, which is nearing completion, businesses in the Cayman Islands will work with NWDA to find and employ Caymanians. We have heard the cries of our people in their search for jobs and we are doing much to ensure jobs for Caymanians in the near and far future.

But, Madam Speaker, I have to be honest with you. The lack of jobs for Caymanians was not created by this Government. Like many other issues facing this country, we inherited this problem. This Government was elected to face and fix the problems, and we are doing just that. A sustainable solution to the issue cannot be implemented overnight, but the combination of increased economic activity, new provisions to protect the rights of Caymanians in the Immigration Law, new programmes by NWDA in the short term and expanded vocational training in the near term will put Caymanians back to work and the country back on track.

I have heard much rhetoric in recent weeks about whether this Government is more concerned about expatriates than Caymanians, about whether we are against foreigners. I can only characterise much of the debate as ill-informed political sniping.

As Caymanians, we know that there is a history in this country of Caymanians being unwilling to do certain jobs. We have to ensure as a Government, that the labour needs of the market are adequate to service the areas where Caymanians are not qualified or not available for a myriad of reasons.

Under the new Immigration reform proposals, it will now be an offence, carrying a fine of up to \$20,000 in the first instance, for an employer to fail to disclose that a Caymanian, a spouse of a Caymanian or a permanent resident has applied for the position, when applying for a work permit or renewal. But everyone must remember that, despite people playing on the emotions of Caymanians, the Immigration Reform proposal is not employment legislation, it is immigration legislation.

The Ministry of Education, Employment and Gender Affairs is working on a suite of programmes to get Caymanians back into the workforce. We have identified some 200 unemployed Caymanians who have expressed interest in working in the Hospitality Industry. Those people will be matched to available jobs in the industry for hires beginning this month and next month. We are also working with the private sector, including Health City and Cayman Enterprise City, both of which have made commitments to hire Caymanians.

Employment opportunities for Caymanian artisans and construction workers will improve with the start of construction on DART's new Kimpton Hotel property on the West Bay Road and a new hotel in East End being proposed to service Health City. A proposed new golf course development in Frank Sound will also provide opportunities for employment in the coming future.

I am sure you will be pleased to know, Madam Speaker, to learn that in order to promote job growth in Cayman Brac, Cayman Airways will establish a Reservations Centre in Cayman Brac. This Centre on the Brac will not only assist in creating jobs, but will also further the disaster mitigation efforts of Cayman Airways.

There are many other initiatives that will help Caymanians get jobs, not the least of which is education and vocational training. Under the previous PPM Administration, great strides were made to improve the level of education our children receive. I am proud to say our work continues to this day and we will see full-scale implementation of the National Strategic Plan for Education with a continued focus on improving teaching in math and literacy in this year.

The Minister of Education will provide in greater detail the elements of the NWDA plan as well as the core aspects of the Strategic Plan for Education during her presentation, so I will not go into any further detail at this point.

Madam Speaker, before I move on to address specifics of our policies to get the country back on course, I feel I must first speak to a matter that is of great concern to the Cabinet, the Government and indeed most Caymanians and residents of these Islands, and that is the recent increase in gun-related crime.

I wish to assure the country that while we work on improving our economy, we are also going to

pay close attention to the safety and security of all persons who live in and visit these Islands. This recent rash of firearm related robberies and burglaries cause me and the Government grave concern. I am happy to be able to report to the House today that the RCIPS has been successful in apprehending and taking into custody a number of those suspected of committing the recent spate of burglaries and robberies. And that is good, Madam Speaker but we recognise that much more must be done to prevent these kinds of crimes from happening in the first place.

The Commissioner has briefed both Cabinet and the National Security Council on his strategy of responding to reported crime. Law Enforcement Officers have a number of assets at their disposal, which are deployed when needed. Assets, like the Police helicopter, the National CCTV System, which boasts over 230 cameras spread across Grand Cayman. There are also electronic monitoring tags that can be used to virtually monitor the exact whereabouts when suspected persons are released on bail by the police or the courts.

You would have read about the recent interception of a Jamaican canoe and the arrest of a number of Jamaican nationals and Caymanians who are suspected of importing hundreds of pounds of ganja into our Islands. This interception carried out by the officers in the Sister Islands, assisted by the Joint Marine Unit, is the kind of result we want to see continue until the message becomes clear to all—the Cayman Islands is open for business, but closed for criminal activity and corruption.

Whilst the Police and other Law Enforcement agencies play an important part in responding to and investigating criminal activities, our country's safety and security is a national issue that requires all hands on deck to stop the unacceptable levels of criminality.

Government will be looking for further ways for private individuals and businesses alike to better protect themselves. We see that a number of the crimes committed recently have occurred where the victims are vulnerable or the premises unsecured. We will be making provisions, whether by legislative change or by duty concessions, to better assist persons and businesses from falling victim to criminal activity.

A bit later on in this presentation I will speak to the aims and progress of the National Crime Prevention Strategy. I turn now to our plans for the Financial Services industry.

Madam Speaker, at 49 per cent of GDP, and accounting for 55 per cent of government revenue, the Financial Services industry is the most important driver of our economy today. Challenges to our on-going success as an international financial centre are many; from increased competition and new international regulatory initiatives, to continuing, uninformed attacks on our reputation and quality of business. But there have

been several victories since we took office, and we are poised to make great strides this fiscal year.

You would have heard Prime Minister Cameron's defence of the UK's Overseas Territories quite recently. By saying that the OTs should not be maligned as tax havens he has recognised Cayman's leadership in addressing tax evasion and our commitment to participating in the global automatic exchange of tax information. Other Overseas Territories are now moving quickly to more closely emulate our position and to demonstrate similar levels of commitment.

To the naysayers who suggest our actions will cripple our industry, this small victory must be seen in the context of a complex and global political agenda that continues to rapidly head in one direction. Cayman cannot stand alone against this global tide. Our future success depends largely on an approach of international engagement providing expertise to the multilateral dialogue, and importantly, reaffirming our sovereign right to maintain a responsible public revenue system that benefits our people and also supports the efficient and ethical functioning of the global financial community.

As noted by recent Government administrations, including this one, our participation in these global initiatives will have a cost to government and local industry. Specifically, we will have compliance and administration cost related to our Model 1 inter-governmental agreements for US and UK FATCA. But this is necessary, and indeed inevitable, as the alternative would have surely brought us ruin.

These international challenges notwithstanding, we also need to focus locally and to recognise the strength that has resulted in our vaunted position in the first place. The breadth and depth of financial services expertise in Cayman has been a key driver of our success, driving innovation and new markets expansion, and enhancing the quality of our services.

The Government, which I have the honour to lead, is therefore very supportive of a renewed partnership with industry, and closer ties with organisations such as Cayman Finance will help us to regain an innovative edge among international financial centres. During this fiscal year, we will consider several amendments to existing financial services legislation, and new legislation as well, that is much anticipated by industry. Among these is the introduction of a new corporate governance regime that will reaffirm the quality of our home-grown directorships industry, further raising the bar for others to follow us as the leading domicile for funds worldwide.

As we continue to work to ensure that Caymanians are educated and employed, Madam Speaker, we must also be mindful of the social needs in our Country. During the 2013/14 financial year the Ministry of Community Affairs will focus on implementing some of the efficiency recommendations from the Civil Service Review of the Department of Children and

Family Services, the major one being the separation of the welfare aspects into a Needs Assessment Unit.

Provision and management of financial assistance services will be covered by the Needs Assessment Unit in a more efficient and comprehensive manner inclusive of poor relief, school lunches, food vouchers and burial assistance. In order for the Needs Assessment Unit to operate in an effective manner, amendments to the Poor Person's Relief Law as well as the development of accompanying Regulations will be required.

With the implementation of the Children Law (2012 Revision) and its enabling Regulations, it is important for the Department of Children and Family Services to ensure that it is in compliance with the various requirements of the legislation. As a result, there will be a separation of clinical services from welfare services. A crucial aspect of the clinical services is the Child Protection Unit. In compliance with the Children Law, homes in which children are placed will now be inspected to ensure that they provide nurturing and safe residential care for children in need of care and protection.

The Adoption Law was amended in March 2013. The Adoption Regulations are expected to be passed early in this fiscal year. In the Judiciary, rules of court are now in place and steps are being taken to create the panel of guardians *ad litem* required under the Law, which the Judicial Administration will direct.

The Department of Counselling Services will continue to provide community-based counselling and residential programmes to people who require assistance with drug and alcohol issues, family and relationship difficulties and/or issues related to personal development, which include issues such as trauma, grief, depression, anxiety and substance abuse.

Another important aspect of the Department of Counselling Services is the delivery of family programmes that will assist parents to develop positive and effective parenting skills and that are relevant to communities within the Cayman Islands. The Ministry of Community Affairs will continue to work across ministries and alongside key stakeholders to ensure that the needs of children, families and communities are met holistically.

October is the Month of Older Persons. I invite all Members of this honourable House to participate in the many activities planned. However, as a country we need to do more. We need to ensure that the elders continue to be included and protected. This year we will review the services provided to the elderly by Department of Children and Family Services.

Madam Speaker, the Government wants to recognise those who have gone before us by celebrating our heroes in "cultural heritage", the theme for National Heroes Day 2014.

The nomination form for National Heroes day has the following definition: "Cultural Heritage is fundamental to a people's memories, identity, and crea-

tivity, and adds to the richness of cultures. It is the legacy of tangible physical artifacts and the intangible attributes of a people that are inherited from past generations, maintained in the national identity, and bestowed for the benefit of future generations."

Madam Speaker, it is sometimes said that our society is judged by how we treat our most vulnerable, including our intellectually or physically challenged. As a society we have a duty to do our best for our most vulnerable. Section 16 of our Constitution – the Bill of Rights – establishes that "...**government shall not treat any person in a discriminatory manner in respect of... rights under...the Constitution.**" This section includes persons with mental or physical disability.

The Cabinet Office in partnership with persons with disabilities and other key stakeholders will be completing a national policy for persons with disabilities. The vision of the policy is, "ensuring persons with disabilities live with dignity, are respected and participate fully in society."

Madam Speaker, I must confess, this is a matter that is near and dear to my heart. This process commenced under the previous PPM Administration and originated within my then Ministry. Continuing to build on the foundation set during our previous administration, I am pleased to see that the last Government recognised the important work that had been done and continued the process.

These efforts over successive administrations are leading up to the creation of a comprehensive national policy and bespoke legislation aimed at bettering the lives of persons with disabilities. To this end the draft goals of the policy are to ensure persons with disabilities have a quality education in the most appropriate inclusive setting, and access to lifelong learning; have equal access to employment opportunities, fair pay and benefits; have access to the highest standard of health care; enjoy their highest level of independence and full inclusion in society; and finally, the policy will ensure that we collect, analyse and disseminate information on Persons with Disabilities to help inform policy, legislation and services.

History shows that too many policies have been shelved or partly implemented over the years. To increase the likelihood of implementation effectiveness of the National Disability Policy, action plans will support policy objectives, strategies, goals and the vision. The ultimate aim is to ensure persons with disabilities can live with dignity, are respected and are able to participate fully in society.

As Premier, I have taken a personal interest in seeing this process through and I am pleased to say that I have the full support of my colleagues especially in the key Ministries of Education, Employment and Gender Affairs and Health, Youth, Sports and Culture. A better, more just Cayman is a Cayman that finally enshrines protection for the most vulnerable in our

community. Nothing can be more edifying and Christian like.

Madam Speaker, we also need to pay more attention to those among us who we have lost, and are losing, to debilitating diseases like diabetes, hypertension and cancer. Although there is already an established Cancer Registry, the reporting of the incidence of cancer has been very poor. This means that the data collected does not accurately reflect the incidence of cancer, or provide accurate information regarding the most prevalent types of cancer. In order to better target prevention programmes, educational efforts, and oncology services, we need to have better information regarding the incidence and prevalence of cancer in these Islands.

At last year's National Healthcare Conference, there was a breakout session that focused on cancer, and one of the recommendations from that group was to enhance the collection of data regarding cancer in the Cayman Islands. The proposed new legislation from the Ministry of Health will make it mandatory for healthcare providers to report incidences of cancer to the registry and make provisions regarding the confidentiality of the registry. The legislation is currently in initial drafting stages, and should be completed during the course of this financial year.

As we continue to identify the non-communicable diseases that are doing us the most harm, we are in the process of identifying a major overseas healthcare provider to explore partnerships to further enhance our capacity to provide our residents with world-class healthcare.

The Health Services Authority will be issuing a Request for Proposal seeking an overseas healthcare provider to establish a formalised partnership to facilitate training of HSA staff in all areas (healthcare providers and administrative staff), assist the HSA to further establish their robust framework of policies and procedures based on global best practice standards, investigate the feasibility of pursuing international accreditation of the George Town Hospital, and, if determined feasible, establish a critical path to achieve it, and, assist the HSA in reaching a standard of excellence in customer service, patient-centered care, and financial management.

We are also working on the Mental Health Law and Mental Health Commission Law, which represent significant advancements in the legislative framework for mental health. One of the key components of the new legislation is the creation of the Mental Health Commission, a new oversight body for mental health in the Cayman Islands. Once appointed, the Mental Health Commission will act as an appellate body for patients who are involuntarily detained under the Mental Health Law, advocate for and promote increased education and awareness of mental health issues in the Cayman Islands, provide policy advice to the Minister of Health and the various health councils,

as well as providing a central point of data collection for mental health statistics.

The Ministry of Health will work with the Mental Health Commission to investigate the feasibility of undertaking the WHO [World Health Organization] AIMS (Assessment Instrument for Mental Health) study, which was developed by the World Health Organisation to assess key components of a mental health system, and thereby provide essential information to strengthen mental health systems. Through the WHO AIMS it is possible to identify major weaknesses in mental health systems in order to have essential information for relevant public mental health action.

While we are committed to taking care of our people, the Government is also taking steps to get the House of Government in a state of wellness. As we seek to strengthen the institutions of Government to protect against abuse of office and corrupt practices by those in Government, Cabinet, supported by the Cabinet Office, has begun to review Cabinet's Guidelines and develop a revised Code of Conduct for Cabinet. This has not been done since September 1995 and Cabinet still functions under this guide to the Operations of Executive Council, which is woefully out of step with the 2009 Constitution.

In 2005, the previous PPM Administration commenced the process of updating the new Cabinet Guidelines and now that we have a modern Constitution this is all the more essential. We have therefore again made this a priority.

Furthermore, once the process of updating this critical document has been completed, it is the Government's intention to publish these revised Cabinet Guidelines as a public document for the very first time! In anticipation of the revised Cabinet Guidelines, the Cabinet Office will be posting to the Government's website, also for the very first time the existing 1995 Guide to the Operations of Executive Council, which until now, has been a restricted document. This will hopefully give the people of these Islands a greater understanding of the structure and functions of the Cabinet.

The review, which began when we took up office, is expected to align processes and procedures with the 2009 Constitution and will be informed by international best practice. While there is a code of conduct in the existing Guide to the Operations of Executive Council, we have found this to be too limited in its scope. The landscape of policymaking has changed dramatically and the public demands for good governance, accountability and transparency, warrant a revised and up to date Code of Conduct.

Therefore this new Code of Conduct will seek to address some of the following areas:

- Ministers interests in greater detail, clearly addressing interests of family and close associates.

- The management of conflicts of interest (recognising that some conflicts simply cannot be avoided), but outlining measures to deal with them.
- The handling of constituency interests recognising that as Ministers we still have to represent constituents and at times this may intersect with our ministerial duties.
- The handling of gifts.
- Ministerial travel including approval, costs, reporting, accompanying family members and staff.

We will also seek to enshrine in the Code, the seven principles of public life, known as the Nolan Principles, which include Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.

It is for us as the elected government to take ownership of the new Cabinet Guidelines and the revised Code of Conduct. By signing on to this we are making a public declaration of the standards to which we will hold ourselves as Cabinet, setting the bar for any future Government. As Premier, I will hold myself, as well as my Cabinet Members, accountable to this standard. It should also be noted that the guidelines and the Code of Conduct will also apply to the ex-officio members of Cabinet, but it is for the Governor to hold them accountable in that regard. It is expected that the review will be finalised before year end, thereby fulfilling another of our promises set out in our manifesto.

The Government is also focusing on public sector reform. The original design of the public sector reform model, promulgated more than a decade ago, contained three components that were to be supported by three pieces of legislation. The Public Management and Finance Law and the Public Service Management Law were passed to cover the financial and personnel aspects of the model but the governance component of the trilogy was never introduced.

The Public Authorities Bill was prepared and consultations took place during 2006 but there was little support for it from the public authorities so it was shelved. The Auditor General in recent reports has highlighted a number of governance issues pertaining to public authorities and a number of these issues have been played out in the media, in terms of appointment to boards and conflicts of interests.

The Government has commissioned a review of all statutory authorities and government companies. The primary objectives of the review team are twofold: to improve the governance of statutory authorities and government companies and to improve the financial performance of statutory authorities and government companies.

Following on from the report that developed the present ministry/portfolio structure, the Government will be reviewing in depth all public entities with

a view to identifying for Cabinet those that are no longer fit for purpose and need to be abolished, those that are misplaced and need to be transferred or require separation where there are governance, regulatory of human rights conflict issues or combining those where synergy would better serve the needs of the country. The review will also focus on those functions that would be better carried out by the private sector, either through privatisation or by the contracting out of services.

Meanwhile, in its continuous effort to modernise legislation on our books, the Law Reform Commission will be introducing a number of Bills relating to important social issues. These include:

The Family Property (Rights of Spouses Bill), 2013, which seeks to give recognition to *de facto* relationships of duration of five or more years. Such persons would have the same rights in a family home and to division of property as married persons and can apply to the court for financial remedies in the same way. The Bill also provides that each spouse to a union or marriage shall be entitled to one-half share of a family home on the grant of a decree of dissolution of a marriage or the termination of cohabitation; on the grant of a decree of nullity of marriage; and on the grant of a decree of judicial separation. The entitlement though, Madam Speaker, I caution, is not an absolute one and the court will retain the power to vary such entitlement.

The Sexual Harassment Bill, 2013, was submitted to the Attorney General earlier this year and seeks to eliminate sexual harassment in workplace and other institutions. Both sexes would be protected under this legislation.

The Legal Aid Bill, 2012, is at drafting stage. That Bill seeks to reform the system of legal aid in the Islands in order to ensure the more efficient management of such aid. The Bill also provides for the establishment of a legal aid office with a legally qualified attorney as director and other supporting staff.

The Law Reform Commission is working on a paper and Bill relating to conditional fee agreements to provide for a different way of funding legal actions in order to give persons greater access to justice. A conditional fee agreement is defined as an agreement with a person providing advocacy or litigation services which provides for legal fees and expense, or any part of them, to be payable only in specified circumstances.

The Maintenance Bill, 2013, seeks to reform the law of maintenance by giving men an equal right to maintenance and by expressly setting out the matters which must be taken into account by the court when considering maintenance applications by both genders.

In accordance with section 5 of the current Matrimonial Causes Law a woman has only to prove ordinary residence for two years in order to be able to file for a divorce under the Law, while a man has to

prove the more difficult fact of domicile. The Matrimonial Causes Amendment Bill, 2013 seeks, among other things, to eliminate this inequality and to apply the same criteria to both sexes based on nationality or residence.

These are all important social issues that as a mature society we intend to make right.

Madam Speaker, a series of factors have coalesced to cause renewed interest in the production of food locally. The health conscious among us want fresh, naturally grown and reared food. More and more people are recognising the cost savings to be derived from backyard and community farming and there is greater interest and acceptance in using local produce in fine dining restaurants catering to the hospitality industry. All of this plays into the Government's policy of greater food security.

The Department of Agriculture's efforts are designed to increase production efficiencies, expand production, increase food security and enhance safety of domestic food supply.

Working closely with farmers through commodity groups, the aim is to identify and target crops and livestock initiatives that offer the greatest potential for import replacement and the constraints that must be addressed to achieve these objectives.

At a broader community level, the focus will be on the promotion and support of backyard farming as a means to both increase domestic food production and encourage healthier dietary habits among the population.

The department's marketing support for the sector will continue to be focused on support of "The Market at the Grounds" which has proved a successful model to date. There is a need to expand linkages with the tourism sector; providing farmers' greater access to local hotels and restaurants while supporting the growth of culinary tourism. The Market at the Grounds has already proven itself as a successful model for providing greater exposure for local produce and fostering linkages between the producers and chefs. A number of leading chefs now visit and purchase weekly from the market, with the menus in their restaurants featuring and promoting local fare. The department and the market vendors are actively looking at ways to build on this success and to continue to broaden the exposure for local products both to the restaurants and directly to visitors themselves.

One key area already identified and recommended for immediate attention, is the development and expansion of what is known as agri-processing. It is critical that the sector move away from a traditional focus on primary production and encourage and promote secondary processing that will both enhance value added returns and enable agri-entrepreneurs to tap into previously unavailable markets and in so doing, enhance linkages with the tourism sector.

Owners and operators of motor vehicles will be pleased to learn that the petroleum inspectorate

will be working with fuel importers to establish quality standards for all petroleum products, while the Department of Vehicle and Drivers Licensing will be looking to improve its service by electronic vehicle registration and offering more of the department's services online.

Meanwhile, the Water Authority has planned the continuation of various pipeline extensions and upgrades in Grand Cayman. Additionally, the Authority will commence work on the upgrade and extension of the piped water distribution system in Cayman Brac.

Madam Speaker, as I said earlier, critical attention is being given to keeping the Crime Reduction Strategy alive by the National Security Council, supported by the Policy Coordination Unit in the Cabinet Office. In order to have meaningful impact on crime, relevant Government agencies, civil society, private sector and the public all play an important role in the Crime Reduction Strategy.

The strategy covers four approaches to reducing crime: Early Intervention; situational prevention; enforcement; and reducing re-offending. In recent years we have perhaps focused on enforcement due to the increase in serious crime. While we must continue to ensure that law enforcement is provided adequate resources to fight crime, in order to have any significant medium- to long-term impact, we must emphasize early intervention, prevention and reducing re-offending. This takes all hands on deck, from parents, teachers, residents, civil society, the private sector, communities as well as Government.

Numerous programmes to fight crime exist. Obviously, lack of programmes is not our problem. But to really make a dent in crime we must ensure a coordinated effort toward enhancing synergy, communication, accountability and effectiveness of these various programmes and efforts. Here are some quick examples of how this should be working:

- Government and other entities involved with implementing parts of the Crime Reduction Strategy must provide progress updates to the Cabinet Office when requested and be accessible for monitoring purposes.
- Civil society organisations receiving public funds to implement programmes must prove their effectiveness in order to secure future Government funding. (The mere existence of a programme does not equate to effectiveness).
- Both government and the private sector could do more to hire ex-offenders in appropriate jobs. I am pleased to say that the Civil Service is finalising a policy on employing ex-offenders and that Cabinet is actively looking at significant amendments to the Rehabilitation of the Offenders Law to ensure that we give persons who have made a mistake a chance to reintegrate into society.

Madam Speaker, the Government is optimistic that coordinated efforts will bear fruit. Our people deserve no less. While not wishing to single out any particular programme due to the stellar efforts of many, too often we hear of doom and gloom and not enough about outstanding efforts. I am going to break with that principle and I would like to highlight the work of the Youth Anti-Crime Trust (Youth Act), which recently partnered with the Department of Education, Police and Prison Services in delivering Youth Crime Prevention Day to high schools.

Students heard firsthand from prisoners who visited their schools and others about the importance of taking personal responsibility for choices and the consequences of poor choices. Through role play, students also experienced the loss of freedom that comes with convictions for breaking the law. They were on “lock down” throughout the day, escorted to and from workshops by prison and police officers, with the restrictions that would be applied to prisoners. An important aim of the Trust is a reduction in suspensions in the school system and a decrease in youth criminal offences contributing to a safer society for all. This is just one example of where coordinated action can yield promising results.

The steadfast commitment and coordinated actions of all stakeholders toward reducing crime is vital toward significant short-, medium- and long-term implementation progress.

Madam Speaker, as much as we appreciate the men and women who make up our forces, we know that we need mechanisms in place which also hold them accountable, too. The Attorney General developed the Police Bill 2008, which was enacted in 2010, and which established the Police Public Complaints Authority as a statutory body. Although this law has been enacted, the Authority has not been set up as it has been determined that to do so would be an unacceptably costly exercise. However, the absence of an oversight body to deal with complaints against the police leaves Government vulnerable if there is a major police incident that requires independent investigation into the conduct of a police officer.

The Government has therefore agreed to amend the Police Law to provide for a Commission that will act as an independent civilian oversight body for the Police and will receive and order investigation of all complaints made by a member of the public against a police officer and/or a civil servant acting under the auspices of the Police Service. The necessary amending legislation will be brought to this House shortly. It is envisaged that any complaint regarding death or serious injury as a result of police action will be investigated by a team of investigators from overseas.

The Commission will be supported by the existing Commissions Secretariat with the additional resource of an independent investigator. If the facts of

the case show potential alleged criminal activity on the part of a police officer, the Commission will pass the file to the Director of Public Prosecutions (DPP).

I turn now Madam Speaker to that other important economic pillar—Tourism.

Sports Tourism is an area ripe for further expansion. We have already seen such successful events as the NORCECA [North, Central America and Caribbean] Beach Volleyball events, the Cayman Invitational Track Meet, the CARIFTA [Caribbean Free Trade Association] track championships, and more recently, the CONCACAF [Confederation of North, Central American and Caribbean Association Football] under-15 boys' football tournament that brought some 700 players, their coaches, family, and friends, to our shores during August of this year.

Plans are already under way for the CONCACAF under-20 women's tournament in January, which will bring international media exposure to the Cayman Islands through the broadcast of the tournament on Fox TV.

On Cayman Brac, the certified FIFA pitch will be improved with amenities such as changing rooms and bleachers. This will allow for internationally recognised soccer matches to be played on Cayman Brac.

We are also blessed with ideal conditions for watersports such as sailing, fishing, and kite-surfing, all of which will see international competitors coming to our shores over the course of the next year.

The promotion of sports tourism presents an opportunity to not only promote the Cayman Islands as a tourism destination, but also enhances the profile of sports in our community which has the potential to lead to more and more of our residents choosing to embrace active lifestyles and life-long participation in sports.

Just as in sports, there is a playing field—globally and locally—for commerce there is also a playing field. Similar to the way we have fought for a level playing field internationally, the Government is pursuing several initiatives that intend to ensure a level playing field locally.

A tremendous amount of work has already been done and it is proposed that there will be substantial amendments to the Trade and Business Licensing Law to modernise its provisions, allow for greater efficiency in its administration, and ensure a level of enforceability to address the imbalances that are often highlighted by local businesses. We hope to bring this Bill to this House in the first quarter of next year, recognising that public consultation and education will be a very important part of the process.

And there is more to come. We already have created two working groups; one to review the Local Companies (Control) Law, and the other to review the Liquor Licensing Law. Both of these, but especially the latter, have seen their fair share of controversy. But Government will not shy away from tackling diffi-

cult, yet important issues, and from striving to put in place an even better framework to foster and support local business.

There are several passionate and competent members of this Government with a keen interest in supporting entrepreneurship and ensuring that our small businesses have a fair shot at success. We will create a task force to evaluate current small business programmes, explore new initiatives, and drive the implementation of new services that will increase the viability of this dynamic and important sector of our economy.

A tremendous amount of work is being done to support our business environment, but we will not lose sight of the equally important duty to protect and conserve our natural environment and resources.

The long awaited National Conservation Bill will be brought to this House before the end of this year. This important legislation has the support of my caucus, and we have ensured that the Department of Environment will be in a position to support this legislation once it is passed. The draft Bill being presented will be substantially the 2009 version prepared by the former PPM Administration, updated to address concerns raised by the past UDP Administration and independent Members.

Madam Speaker, I should say that while Government plans to allow Members of the House and the public significantly more time than the required 21 days to review the draft Bill, we do not anticipate significant amendments, and we look forward to unanimous support for this seminal legislation. This Bill has been in the consultative process now for the best part of ten years.

The Government is also committed to continuing the consultation on proposals to enhance our current system of marine parks. The Department of Environment research shows that while the marine parks are providing some protection, a confluence of factors has caused serious changes to our reefs, and the current protections therefore are no longer enough. These factors include population increase (resident and tourist), overfishing, coastal development, invasive species, disease of coral and other marine organisms, and climate change.

The future for our marine resources is bleak without decisive and timely corrective action. An appropriately configured and enhanced system of marine parks is the best tool available for actively managing our marine resources in order to achieve fisheries sustainability, biodiversity conservation, and ecosystem resilience, in the face of the existing and emerging threats.

Further, we recognise the importance of addressing climate change. We acknowledge the sobering message of the report by the Intergovernmental Panel on Climate Change, a summary of which was released on Friday, 27 September. Climate change is real, it is caused by human actions, and it continues

unabated. Cayman simply cannot afford to ignore the conclusions of this worldwide committee of eminent scientists, as the implications for the continued rise in sea levels will have severe consequences for future generations if left unchecked. The Government therefore intends to adopt the draft climate policy, produced in 2011 by a multidisciplinary public/private sector initiative led by the Department of Environment, and to begin urgent work on an implementation plan.

And lastly, in an effort to honour our commitments made under the Convention on International Trade in Endangered Species of Flora and Fauna, Government will take all necessary steps to bring into force the updated, local CITES-implementing legislation—the Endangered Species, Trade and Transport Law, which was passed by this honourable House in 2004.

Madam Speaker, we must do all that we can to protect the environment on all three Islands to ensure that we preserve paradise for future generations of Caymanians and tourists alike. Just as we are protecting our flora and fauna, we are making moves to improve the infrastructure to make our visitors' stays more comfortable and accommodating.

Over on Cayman Brac, enhancement of the Charles Kirkconnell International Airport will include expansion to accommodate security and screening equipment for the processing of international flights. The first phase of the enhancement will be an area for hold baggage screening, which will consist of such equipment as an X-ray machine for checked baggage. This improvement will allow for the processing of international flights in Cayman Brac, which will provide an important economic stimulus for that Island. Further phases of enhancement will include an expanded departure lounge and an enlarged arrivals facility.

Madam Speaker, the redevelopment of the Owen Roberts International Airport is proceeding in line with the procurement process set by the Foreign and Commonwealth Office. The Strategic Outline Case for the redeveloped airports facilities across the three Islands will be considered by Cabinet this month. This document will form the basis for a request for proposal (RFP) for an Outline Business Case to be produced, similar to the cruise berthing facility. Following this process, tenders will be invited for the construction of the first phase which is envisioned to be an expanded departure lounge facility.

The Strategic Outline Case mentioned earlier will also examine the way forward for a Cayman Islands Airports Authority owned and certified airport in Little Cayman. This airport will be built to international standards and will allow for more cost effective turbo prop aircraft to service Little Cayman. The airport is to be constructed on Cayman Islands Airports Authority property, with the runway being the first phase.

Keeping our attention on the Sister Islands, the Hurricane Shelter site on the Bluff is to be converted to a High School to replace the present Lay-

man Scott Senior School site. This project will be undertaken in phases, with the initial concept drawings being currently discussed by Ministry of Education, Ministry of District Administration, and the Public Works Department.

Madam Speaker, we desperately need berthing for big cruise ships that, as of now, are passing us by on a daily basis. The procurement process for the cruise berthing facility remains on track. The outline business case is to be considered by Cabinet this month. Once approved by Cabinet, the outline business case will be released to the public. After public consultation, the request for proposals for an Environmental Impact Assessment is to be developed and disseminated.

The Royal Watler Cruise Terminal has recently been enhanced with new tents and benches to improve the cruise visitor experience. Further organisational improvements are to be made in the immediate term in order to prepare for a significant increase in cruise visitors next year.

The current version of the Port Authority Law is the 1999 Revision, which is some 14 years old. There are various provisions in the law, which are to be reviewed and considered for an update.

Madam Speaker, as Her Excellency mentioned, another ongoing project is the George Town Landfill. The Ministry will embark on the RFP process, in accordance with the requirements of the Framework for Fiscal Responsibility, with the goal of a comprehensive sustainable, integrated waste management solution for the Cayman Islands. It is anticipated that due to the significant capital investment that would be required to properly address this issue, the business case will recommend a public/private-partnership for the delivery of the solution.

This RFP will include all three Islands, and it is expected that it will result in recommendations to achieve waste reduction, enhance recycling, and determine the feasibility of waste-to-energy as a component of the waste management system.

Madam Speaker, there were two reports issued by the Office of the Auditor General in July and August 2011 that have been critical of the management of procurement. In addition, the new Constitution set up the Commission for Standards in Public Life, which is mandated to review and establish procedures for the awarding of all public contracts. A working group was established and a new legislative framework for procurement was recently agreed to by Cabinet.

A new Procurement Bill will be brought to the House shortly and Government will establish a three person Central Procurement Office in the Ministry of Finance to be headed by a suitably qualified and experienced Director of Procurement.

The Central Procurement Office will be responsible for establishing procurement policies and procedures, developing and maintaining standard

government procurement documentation, procurement oversight, carrying out some centralised procurement, advising government entities on procurement and training of employees involved in procurement. The Office will also undertake contract and post implementation reviews. The Director of Procurement will also be a member of a new Public Procurement Committee which will replace the Central Tenders Committee.

In addition, the "competitive dialogue" form of procurement to provide appropriate procurement options for complex procurements will form part of the new regulations. There will be an amendment to the regulations to clarify roles and strengthen oversight for procurement that takes place in the \$50,000 to \$250,000 range.

There will be a mandatory requirement for business case production in a standard format prior to a project being implemented for all projects over a quarter of one million dollars (\$250,000). The existing Public Sector Investment Committee will be reactivated and the membership appointed by the Minister of Finance. Policies and procedures will also be developed to ensure that adequate project management is in place for all significant projects.

Madam Speaker, there has been an increasing interest from international health researchers to come to the Cayman Islands to conduct health research and clinical trials. High costs and an onerous regulatory pathway have driven many clinical trials and innovative medical therapies outside the US.

Due to our proximity to the US, our stable political climate, our reputation for public safety, and our attraction as a destination, companies are looking to the Cayman Islands as a possible location for their research and clinical trials. The Health Practice Commission has already received applications from a number of groups looking to conduct their research and trials here.

There is an opportunity for the Cayman Islands to facilitate the development of centres of excellence in health research and clinical trials, but this must be done under a suitably robust and efficient regulatory regime in order to ensure that risks are not outweighing benefits and our international reputation as a medical tourism destination is protected and enhanced.

To this end, the Ministry of Health and the Health Practice Commission will be forming a taskforce to make recommendations on appropriate policies and procedures to facilitate the development of this emerging area while ensuring appropriate research standards and patient safety are being adhered to.

While we are luring private sector investment, we are also aware that we have to nurture the small businesses already here. The Progressives made very clear in our manifesto, our desire to help small businesses and to pursue the benefits of e-

Government by providing transactional services and informational services online. The Progressives Manifesto stated the following: that we would, "Streamline the bureaucratic requirements that currently hamper the setting up of new businesses," and "Encourage and enforce the use of technology for service improvements, better efficiency and improved cost effectiveness of the Civil Service".

The Cayman Islands has a high saturation of computer users (74 per cent) Internet users (65 per cent) and cell phone owners (98.5 per cent). It is planned that the Government will use technology to a greater extent to enhance its service delivery to the business community and cut "Red Tape". The percentage of Internet enabled mobile phones is not known; however, mobile devices are on the increase and need to be taken into account when developing the strategy.

In conjunction with the private sector, a review of government transactions will be undertaken of government departments with a view to maximising the use of information technology to provide better services to the public. The purpose of the review is to create greater efficiencies in government and increase responsiveness through the establishment of procedures that eliminate inconsistency and bureaucracy and develop systems that do not impede innovation; create unnecessary barriers to trade, investment and economic efficiency.

The liberalisation of Information and Communications Technology (ICT) networks and services, the promotion of competition in the provision of such networks and services and the development of e-Business continue to be a top priority for the Government.

It is anticipated that further competition in the Internet provision and Broadcasting (television) markets will develop within this fiscal year. As a result, consumers can look forward to greater choice, including more local content, and more competitive prices in terms of their Internet and television service. The ICT Authority will continue to develop the regulatory environment for telecommunications, sound and television broadcasting, all forms of radio operations including amateur radio, and the .ky internet domain.

This year will see the continued rollout of fibre (fibre optic cable) across Grand Cayman, allowing more people across this Island access to faster Internet speeds.

The Authority has recently assigned spectrum to both mobile providers who will introduce the latest high speed mobile broadband technology available today, known as LTE (or, Long Term Evolution). The introduction of this new service will keep Cayman on par, with regard to mobile technology, with such countries as the United States, Canada, and the United Kingdom and is expected to be available by the end of January next year.

In addition, the Authority aims to build on its current consumer protection measures looking to ensure that consumers are properly protected from unfair commercial practices, including such things as raising consumer awareness on pricing issues, addressing misleading advertising and providing for appropriate switching processes for when a consumer changes their telephone or broadcasting provider.

Two existing Licensees, Logic and LIME, have recently entered the Broadcasting market and another is preparing to (Infinity). Also, each is (or will shortly be in the case of Infinity) building out their respective fibre optic networks which will provide customers with much greater Internet speeds. The incumbent broadcasting licensee, WestStar, is also continuing to build out its fibre optic network across Grand Cayman. All will be able to provide enhanced TV services as well as high speed internet services. As a result, customers can look forward to greater choice, including more local content as each Broadcast provider is obliged to provide a stated amount of local content, and more competitive prices in terms of the internet and television service.

The Information and Communications Technology Authority will continue to develop the regulatory environment for telecommunications, sound and television broadcasting, as well as all forms of radio operations.

Finally, Madam Speaker, as you would have observed we have not been idle in the four months since we took office. Much has been done, but there is much more to do. This Budget, which the Minister of Finance is about to present, will underpin these plans and provide the confidence and the environment and the oxygen to stoke the economic fires of these Islands.

Many hands and hearts and heads have contributed to the preparation of this Budget and I wish to take this opportunity to express my profound gratitude to those who have burned many hours of midnight oil to bring this most important document to completion. I also wish to express my thanks to the many civil servants who are charged with implementing our many policies, programmes and projects.

In Paul's first letter to Timothy he tells Timothy to "guard what has been entrusted to you." In May this year the people of this country entrusted the Progressives to form a government to get this country back on course. As Leader, I have striven from the very outset to honour that trust by forming as inclusive a Government as possible.

I am grateful to you, Madam Speaker, who despite having been the previous Premier in another administration, was prepared to join the Progressives and serve as Speaker. I am grateful too, to the three Independent Members of the C4C who have joined the Government and have brought new perspective and abilities to the Government team. I am no less thankful to the members of the Progressive team for

their wisdom and commitment to providing Cayman with the best Government possible. The result is an administration of immense depth and ability, and which I am most honoured to lead.

Since we took office we have kept and are still keeping the faith and serving the people of the Cayman Islands honestly and earnestly. I thank God for His grace and mercies and with His continued guidance we continue to work towards a better tomorrow, keeping the country on course through vision, teamwork and perseverance.

I thank you, Madam Speaker.

The Speaker: Thank you, Honourable Premier.

GOVERNMENT BUSINESS

BILL

FIRST READING

Appropriation (July 2013 to June 2014) Bill, 2013

The Clerk: The Appropriation (July 2013 to June 2014) Bill, 2013.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

SECOND READING

Appropriation (July 2013 to June 2014) Bill, 2013

The Clerk: The Appropriation (July 2013 to June 2014) Bill, 2013, Second Reading.

The Speaker: I recognise the Honourable Minister of Finance and Development.

Hon. Marco S. Archer, Minister of Finance and Development: Thank you, Madam Speaker.

Madam Speaker, I beg to move the Second Reading of a Bill shortly entitled, the Appropriation (July 2013 to June 2014) Bill, 2013.

The Speaker: The Bill has been duly moved, does the Minister wish to speak thereto?

Hon. March S. Archer: Yes, thank you, Madam Speaker.

BUDGET ADDRESS 2013/14 “Economic Growth through Fiscal Prudence”

Hon. Marco S. Archer, Minister of Finance and Economic Development: Madam Speaker, it is with considerable optimism that I present the first Budget

of the newly elected Government, and my first as Minister of Finance and Economic Development.

Although these are trying times, I am optimistic for the people of the Cayman Islands. A people who have experienced the impact of a weak economy for far too long; a people who have suffered with unemployment, rising cost of living, and rising crime; a people who almost lost confidence in the very institution of government and its purpose.

But, we are not a people who succumb to circumstance. We are resilient, we persevere, and always strive to rise above our challenges. And, Madam Speaker, our ability to transform the challenges of today, into opportunities for tomorrow, will be largely dependent on a fiscally prudent government.

This Budget and the amounts set out in the Appropriation (July 2013 to June 2014) Bill, 2013, allocates resources to meet these challenges, and is aimed at getting the economic fundamentals right, with accountability, transparency, and prudence being the new modus operandi throughout all of government. As we seek to grow our country's economy, we acknowledge the constraints in our expenditure plans, while wholeheartedly embracing the need to be fiscally prudent. As such, I have entitled my Budget Address, “Economic Growth through Fiscal Prudence.”

It is important to understand the context of my theme. A government's fiscal policy during difficult times is considered prudent when it is geared toward enhancing revenue mainly through economic growth, while targeting reductions in expenditures to lower the overall fiscal deficit, rein in public debt, and avoid increasing interest payments.

The public sector, therefore, should not accumulate debt at a faster rate than the growth of the domestic economy. Prudent fiscal management also involves generating operating surpluses to support capital expenditures, and accumulating cash reserves to lessen the effects of an economic slowdown. Madam Speaker, it is upon this foundation of fiscal prudence that this Budget is built.

If we learn anything from history, perhaps we should heed the famous Roman statesman, Marcus Cicero, whose timely wisdom came 55 years before the birth of Christ. I quote: **“The budget should be balanced, the treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and the assistance to foreign lands should be curtailed lest Rome become bankrupt. People must again learn to work, instead of living on public assistance.”**

Cicero's words ring true today as it did in his time. His influence eventually led Rome towards a balanced budget, reduced public debt and lowered unemployment. Rome then went on to have almost 400 years of prosperity. The lesson I am trying to convey is that our hard times will end and we should strive for an end that is sooner, rather than later.

Madam Speaker, the fiscal policy of the Cayman Islands Government over the medium-term adheres to the definition of fiscal prudence. Revenues and expenditures are planned in such a manner that instead of increasing public sector debt, such debt will be declining. Our fiscal policy targets a modest revenue increase that is non-inflationary, and at a rate that is below projected economic growth, so as not to stifle our fragile economic recovery. This will be accomplished by a decline in total government spending without compromising necessary social investments.

Consequently, total debt of the Cayman Islands Government as a percentage of GDP is forecast to decline from 25.6 per cent in Fiscal Year 2012/13 to 23.2 per cent in the current fiscal year, and further to 17.1 per cent by the end of Fiscal Year 2016/17.

Some may be questioning whether fiscal prudence can indeed lead to economic growth. Normally one associates fiscal prudence with contractionary policy measures. However, this is not always the case. Fiscal prudence can lead to economic growth by reducing the private sector's tax burden, leaving businesses with important capital to expand their operations and create additional jobs.

Madam Speaker, fiscal prudence contributes to macroeconomic stability, primarily in three ways: First, by stemming the growth of government expenditure, a prudent fiscal policy can minimize excessive demand in the economy and reduce inflationary pressures. In this way, households and private businesses alike can benefit from the low inflation, encouraging consumption and investments and ultimately, employment growth.

Second, the government's debt-reduction plan over the medium-term is helpful to local investors that depend on the global financial market. It is a general principle that the private sector's cost of borrowing from global financial markets will be lower, once the credit rating of the government of the jurisdiction they are operating in is high. Our debt-reduction plan ensures that the currently high credit rating that the Cayman Islands Government enjoys will remain. This is particularly crucial in these times of turbulent global financial markets which tend to increase the cost of borrowing due to higher risk premiums.

Third, and finally, Madam Speaker, fiscal prudence can also lead to long-term economic growth provided social investments are prioritised in the spending program. It is generally accepted that long-term economic growth depends heavily on investments in the education sector and other necessary capital investments to maximise the productivity of the work force. Therefore, a larger share of these items in the Government's Budget, notwithstanding the Budget's overall reduction in the medium-term, will ensure a positive impact of our fiscal policy on long-term economic growth.

Though we are facing a number of sizeable challenges, this administration will not only rein in

spending, but we will also become more rational in the way we approach public spending. Our current fiscal position implores us to make tough but thoughtful decisions. We must live within our means, and question every dollar the Government spends whether that is within a core government department or in one of our statutory authorities or government companies.

In the Progressives' 2013 Manifesto, Members of the People's Progressive Movement laid out a vision of a prosperous future for our Islands in recognition of the great potential we hold. Today, along with the independent MLA's, our Government remains committed to that vision. This Budget is the declaration of our intent to begin fulfilling the promises we made to the nation by putting us on a path to fiscal sustainability.

Together, we must carefully assess our strengths and weaknesses, and focus on the strategies that will help us achieve our goals. These strategies must include:

- 1) Restoring trust and confidence in the government, by working more efficiently, promoting transparency, and reducing the overall cost of operating government. In particular, emphasis will be placed on building partnerships within core government and with the Statutory Authorities and Government Owned Companies, so that each unit is not working in isolation; making key investments in our people and our future, by continuing to provide the best opportunities for education locally and overseas, including appropriate training and vocational initiatives.

- 2) Upholding fundamental human rights, as it relates to reducing crime and ensuring a fair and efficient judicial system for all.

- 3) Encouraging and supporting appropriate investment which will put us on a path to economic stability.

Madam Speaker, given our present fiscal position, certain levels of services and initiatives have had to be decreased or delayed in order to fulfil our long- and short-term commitments. And although we have rejected general across the board cuts that threaten our priorities in education, employment, and the provision of basic social services for the neediest persons in our society, nonetheless, we pride ourselves in practicing practical prudence, and we have ensured that the 2013/14 Budget allocates the necessary resources to keep pace with the growing demands for healthcare, education and social services, while protecting our borders and exploring opportunities for business prosperity.

We also recognise that we cannot do this alone and will work together—our Cabinet and the other Members of this honourable House—to make the necessary decisions and implement the systems and processes to make our plan work.

2012/2013 FISCAL POSITION

Madam Speaker, I would now like to review with you the Government's unaudited fiscal performance for the previous fiscal year which ended on 30 June 2013.

The Entire Public Sector recorded a net operating surplus of \$63.3 million. The Government's net assets were \$1.3 billion. The cash balance was \$117.06 million and core government debt stood at \$575.9 million. These results formed the basis from which the analysis and work necessary for the preparation of the 2013/14 Budget would begin.

2013 - 2017 MEDIUM TERM FISCAL STRATEGY

Madam Speaker, earlier I demonstrated in very straightforward terms, how fiscal prudence leads to economic growth. I will now demonstrate how the Government's Budget for the 2013/14 financial year, is grounded in fiscal prudence.

Madam Speaker, the very essence of Government's fiscal prudence in the preparation of the 2013/14 Budget can be clearly illustrated by reference to the "Medium Term Fiscal Strategy 2013-2017" which was finalised and sent to the Foreign and Commonwealth Office (the "FCO") of the Government of the United Kingdom, on 15th August 2013.

On 22 August 2013, Minister Simmonds, the FCO's Minister for Africa, the Overseas Territories, Caribbean and International Energy, conveyed his agreement to the Medium Term Fiscal Strategy. Approval was granted without the need to travel to London to participate in a defence of the Strategy. This clearly illustrates that there is an improved relationship between the United Kingdom and the Cayman Islands Government.

The Medium Term Fiscal Strategy was developed in order to bring the financial operations of the Government in full compliance with the parameters set out in the Framework for Fiscal Responsibility (the "FFR") under the sixth schedule of the Public Management and Finance (Amendment) Law, 2012.

The FFR sets out four guiding policy principles:

1. Effective medium-term planning, to ensure that the full impact of fiscal decisions is understood.
2. Putting value for money considerations at the heart of the decision-making process.
3. Effective management of risk. and
4. Delivering improved accountability in all public sector operations.

This Government is committed to using these sound principles to guide our policy development.

The FFR also specifies the financial targets with which the Cayman Islands Government is expected to achieve full compliance by the end of the 2015/16 financial year. These targets are:

1. Net Debt of the entire public sector should be no greater than 80 per cent of Operating Revenues.
2. Debt Service, that is, the annual payments related to all public sector borrowing commitments, should be no greater than 10 per cent of core government's operating revenues; and
3. Liquid Assets, or the cash balances at the lowest point during the year should be no less than 25 per cent of annual operating expenditures.

Madam Speaker, these targets are extremely aggressive, but if we manage the country's finances in such a way that we are able to achieve compliance with them we will ensure that the Cayman Islands will have the resources to continue progressing its development without unnecessarily burdening future generations.

The Medium Term Fiscal Plan gives us a path to FFR compliance and formed the frame within which the 2013/14 Budget would be prepared. I am happy to report that we have met these targets and have a Budget which puts us firmly on the path towards FFR compliance and fiscal sustainability.

Under the agreed Medium Term Fiscal Strategy, Operating Expenses are forecast to decline by 2 per cent annually from now until 2014/15, and then ease to a 1 per cent increase through 2016/17.

Operating revenue is forecast to increase moderately at an annual growth rate of 2 per cent between 2013/14 to 2015/16, and then 4 per cent growth in 2016/17. This rate of growth is in line with the GDP forecasts which show a 2.3 per cent growth in 2013/14; 2.5 per cent growth in 2014/15 and 2.3 per cent in 2015/16.

Madam Speaker, a country's revenue burden is said to be declining if the growth of revenue collection is slower than economic growth, such that the ratio of revenue to GDP falls over time. This ratio for the Cayman Islands will be declining from 23.9 per cent in Fiscal Year 2012/13 to 22.4 per cent in Fiscal Year 2016/17. This clearly demonstrates our commitment to reducing the tax burden which is expected to positively impact the economy by making more resources available for private sector investment and employment opportunities.

Revenue generation in the Cayman Islands is directly linked to our general economic performance and our fiscal strategy does not seek to make any structural changes to this model by introducing any new or increased tax burden on the society. Instead, we are focusing our efforts on revenue management by:

1. Encouraging economic growth through private sector investment—as the economy grows so does Government revenue.
2. Improving the collection of revenues from existing measures by identifying and closing

loopholes; and implementing clear policies limiting the grant of waivers and concessions from various Government fees such as import duty and stamp duties. These policies are currently being finalised and will be published before the end of October.

Over the medium term, Cayman's economy will benefit from large scale projects from both the public and private sector, such as: the redevelopment of the Owen Roberts International Airport Terminal, the construction of a modern cruise ship berthing facility, the development of the new Kimpton Hotel on Seven Mile Beach, redevelopment of the former Hyatt Beach Suites Hotel, the development of a new hotel near the Cayman Health City Hospital, and the development of a new hotel in Beach Bay, Bodden Town. These capital projects when combined with the expected strong growth in the financial services sector and strong tourism arrivals point to a very robust economic outlook.

Consequently, the Medium Term Fiscal Plan calls for no new borrowings by the Government over the forecast period, instead the Government will be focused on paying down its debt and, where possible, restructuring its debt portfolio to cut interest costs and remove potential uncertainties around the repayment of bullet bonds.

Madam Speaker, I will now turn to some of the economic forecasts underpinning the Medium Term Fiscal Plan. In Fiscal Year 2013/14, barring any major spikes in international oil prices, inflation is estimated at 1.6 per cent. Inflation is expected to increase marginally to 2.3 per cent in Fiscal Year 2014/15 and to 2.5 per cent in Fiscal Year 2015/16 as gradual economic recovery in the rest of the world exerts upward pressure on food and fuel prices.

Madam Speaker, economic growth in the past fiscal year also had a positive impact on labour supply and employment. The total labour force expanded, with employment growing by 2.5 per cent. The improvement was particularly strong in 2012, in a number of sectors such as: hotels and restaurants; construction; manufacturing; mining and quarrying; and administrative and support services. However, the unemployment rate remained at 6.1 per cent in the 2012/13 Fiscal Year as not all new entrants to the labour force found employment.

In the 2013/14 Fiscal Year, the unemployment rate is projected to decline to 5.9 per cent. In the succeeding years, the unemployment rate is expected to be lower than 5.9 per cent as the envisioned projects and other local services with strong linkages to these projects generate greater employment opportunities. Sustained improvement of the tourism and financial services sectors is also expected to absorb new entrants to the labour force.

2013/14 FISCAL OUTLOOK

Turning now to the details of the 2013/2014 Budget. Operating Revenues are forecast to be \$644.6 million; Operating Expenditures are forecast to be \$517.9 million; and Financing Expenses are forecast at \$31.4 million. This results in a core government net operating surplus of \$95.3 million. After factoring in the forecast net operating surplus of the statutory authorities and government owned companies of \$5.0 million the entire public sector is forecast to record a net surplus of \$100.3 million. Capital Investments are forecast to be \$51.9 million.

Core Government debt is forecast to be \$548.8 million at 30 June 2014, based on no new long term borrowings and principal debt repayments of \$26.3 million during 2013/14.

Cash Balances are forecast to increase during the year by \$44.9 million growing to \$161.9 million at 30 June 2014. Of this amount \$59.9 million will be in the operating bank account and \$102 million in the various reserve funds such as the General Reserve Fund, the Environmental Protection Fund, the Infrastructure Development Fund, etc.

However, even though we find ourselves in a surplus position, with today's fiscal challenges comes the opportunity for Government to demonstrate greater wisdom in spending the people's money. This Government is committed to doing just that and together with the Civil Service we will strive to deliver solid financial performance during our tenure.

The Government's revenue outlook is stable, and is not dependent on any unproven measures. This year will see the implementation of only one new tax measure, Licensing and Registration of Hedge Funds Directors. This measure was originally announced last year by the previous administration but was delayed in order to allow for proper consultation with the financial industry.

When examining and agreeing the operating expenditure limits set out in this budget the Government was challenged to balance the needs and demands of the society with resource limitations. As you are aware Madam Speaker, the demands on government's expenditures are driven by a number of factors, this year, the primary drivers of expenditure are:

1. necessary education and training initiatives;
2. unemployment related issues;
3. rising health care costs;
4. rising crime rates;
5. continued reliance on government's social assistance programs; and
6. new constitutional requirements.

With every household and business in Cayman being forced to scrutinise their expenditures, as a responsible Government, we too, have looked at our operating expenditures to ensure that our citizens are getting the best value for their tax dollars.

The operating expenditures of the Government are impacted not only by the operations of the core government but also by the operations of the various statutory authorities and government owned companies (the "SAGCs"). These SAGCs are an integral part of the Cayman Islands Government because they exist through delegated authority to carry out certain functions and to minimise liability risks. But as a result of their existence they are in a position to have first call on the revenue they collect. Therefore any effort to improve the financial performance of the Cayman Islands Government must include the SAGCs.

Last financial year the Government spent approximately \$110.8 million on outputs from the SAGCs. For 2013/14 this has been reduced to \$100.7 million by implementing a number of innovative measures.

On 14th August the Ministry of Finance held a meeting with the larger SAGCs to discuss matters related to annual budgets, how to achieve greater collaboration between SAGCs and improving financial performance. During that meeting it was discovered that while some SAGCs collect most of their revenue in US\$, but expenditure is in CI\$, there were others that collected the bulk of their revenue in CI\$ but purchased large quantities of US\$ from the local banks for their overseas expenditure. Consequently, it was agreed that they would collaborate whereby those with excess US\$ cash would sell to those in need at a fair exchange rate.

Madam Speaker, I am pleased to say that thus far this arrangement could potentially save one entity US\$350,000 in foreign exchange costs and enable another to receive an additional US\$100,000 in foreign exchange revenue; a combined benefit of US\$450,000 during this fiscal year. Madam Speaker, I am speaking of hundreds of thousands of dollars between two entities during this 2013/14 Fiscal Year, but, across all SAGCs, this will amount to millions of dollars within a few years. As is often said, a dollar saved is a dollar earned.

Madam Speaker, coming out of that August 14th meeting, it was also agreed that the Cayman Islands Airports Authority (CIAA) would no longer charge rent to the Customs Department and the Immigration Department. Instead the CIAA would receive revenue directly from other coercive fees diverted from core government.

The net effect of this decision is zero but the overall benefit is that it allows core government to reduce its operational expenditure and avoid the need for increased tax revenue, thus reducing the pressure to add to the cost of living and doing business in the Cayman Islands. Along the same lines the, Government will take a policy decision to exempt core government agencies and SAGCs from paying import duty. While this measure means that the Government will appear to earn less revenue, it also means lower

operating expenditures for both the SAGCs and core government.

Another area of partnership between the SAGCs and the core government is in the area of cash management. Based on their business cycles and the underlying cash flows there are times when SAGCs have surplus cash on hand lying idle while the core government is running an overdraft. By partnering with the SAGCs to have them place their surplus cash on deposit with the Treasury Department, the Government is forecast to save approximately \$89,000 in interest expense by 31 January 2014.

Madam Speaker, the four initiatives launched with our SAGCs that I just spoke of—collaboration on foreign exchange transactions; the removal of rental charges on core government departments by SAGCs; the removal of customs import duty; and improved cash management—all lead to a reduction of operating costs for the Cayman Islands Government. And by reducing operating costs, we will in effect reduce the need for new and inflationary revenue measures over time.

A number of other measures have been initiated within the public sector to determine where expenditure can be further reduced, these initiatives include:

- The continuation of the Budget Delivery Committee.
- Rent savings: where possible various agencies are moving into vacant spaces in the new Government Administration Building in lieu of private rental accommodations.
- A voluntary separation programme which gives certain employees the opportunity to voluntarily leave the Civil Service; thereby driving down personnel costs over the medium to long term.
- Providing more efficient social programmes.
- Limiting outputs purchased from SAGCs while driving improved financial operating results in these entities.

I would like to re-emphasise that major cuts to essential programs and services were not considered. Depriving our society of fundamental support will likely cost these Islands much more in the future in terms of economic development and social issues. Nonetheless the 2013/14 Budget incorporates necessary, targeted and sensible reductions to Government expenditure.

Madam Speaker, the 2013/14 forecast for core government operating expenses of \$517.9 million represents a \$6.8 million reduction from the 2012/13 levels. The major components of the operating expenses reflected in the Appropriation Bill now before this honourable House are:

- Personnel Costs, forecast to be \$237.6 million, this includes a provision of \$11.4 million to be paid into the Public Service Pensions

Fund towards the Government's past service liability for civil service pensions benefits.

- Supplies and Consumables are forecast to be \$90.9 million. This represents an increase of \$3.4 million over 2012/13 but is driven primarily by having to account for a full year of operating costs of the new Clifton Hunter High School and additional classrooms at primary schools as well as costs associated with the upgrade to the government's financial management information system (IRIS).
- Outputs from statutory authorities and government companies are forecast to be \$100.7 million this is a reduction of \$10.1 million from 2012/13 and is primarily the result of the initiatives I spoke of earlier along with the reassignment of \$5.5 million in coercive revenues to the Cayman Islands Monetary Authority and \$4.5 million to the Health Services Authority which has allowed the Government to reduce its output funding to these Authorities by the same amount.
- Outputs from non-governmental output suppliers are forecast to be \$25.2 million. The appropriations within this category of expense fund a wide variety of programmes provided by agencies external to the government. The major items in this category are:
 - \$14 million to fund overseas medical care for indigents and uninsured persons;
 - \$2.5 million to provide Legal Aid services to qualified persons;
 - \$1.6 million to provide rental housing accommodations to persons in need;
 - \$1.5 million in funding to the Cayman Islands Private Schools Association; and
 - \$1.4 million to fund the NCVO Pines Retirement Home to provide residential care to indigent, elderly and disabled persons.
- Transfer Payments are forecast to be \$33.2 million. While this is a \$1.5 million increase over the 2012/13 Budget, the appropriations within this category provide funding for many important programmes including:
 - \$13.6 million for local and overseas scholarships;
 - \$7.8 million for poor relief payments to the most vulnerable persons in our community; and
 - \$6.7 million in benefit payments to our most needy seamen and veterans.

The planned capital investments of \$51.9 million is intended to fund some \$27.3 million in core government assets such as roads, land, building improvements, vehicles and equipment. A sum of \$24.6

million will be invested in SAGCs primarily to fund the debt service obligations of these entities.

In terms of compliance with the Principles of Responsible Financial Management set out in the Public Management and Finance Law and the Framework For Fiscal Responsibility the 2013/14 Budget forecasts the following levels of compliance with the principles:

1. Net Operating Position: Should be Positive: – for 2013/14 this has been achieved with a \$100.3 million operating surplus forecast;
2. Net Worth: Should be positive: for 2013/14 Net Worth is forecast at \$1.36 billion;
3. Debt Service: Should be no more than 10 per cent of core Government Revenue: – For 2013/14 this is forecast to be 12.2 per cent;
4. Net Debt: Should be no more than 80 per cent of Core Government Revenue: for 2013/14 Net Debt is forecast to be 72.4 per cent ; Cash Reserves should be no less than 90 days of estimated executive expenses.

For 2013/14 this is forecast to be 6.5 days. While this may seem low to some it is important to point out that as per the FFR, this ratio is calculated at the point in the year when the core government's cash balances are at their lowest. Based on the forecast profile of cash inflows and outflows this is expected to occur at 31 December 2013 when the unrestricted cash balances are expected to be \$9.8 million. Therefore, taking the cash balances at 31 December allows for a more robust measure of cash reserves.

Having said this, I am making it clear that although our fiscal resources are limited, we are making investments where possible, while maintaining effective levels of support for our people.

CONCLUSION

In closing, I would like to re-state my optimism for our country and by working together we can achieve a prosperous future.

While there remains a lot to be done over the next four years, we have taken the initial steps of identifying our vision of what we wish to accomplish and establishing the resource framework within which to operate. With the right attitude we can convert our challenges into opportunities.

Madam Speaker, we cannot allow our people to fall behind. As legislators, we all have a responsibility to act prudently and make decisions which address the needs and concerns today while setting a firm foundation for the future. This Budget affords us the opportunity to reshape Government. We are changing how we do business; we can no longer proceed with "business as usual." We must learn to do more with less.

During the campaign trail, we made many promises, which we intend to keep. However, with our fiscal constraints, we have to make prudent choices. We have to prioritise some projects while deferring others. We have to adjust to our current realities.

However, with this Budget, this Government has taken a major step forward to a brighter future for these Islands, one in which the country will have the financial resources to weather future economic storms should they arise and a future that is filled with endless opportunities for personal growth, economic growth and the wellbeing for our people.

The people of the Cayman Islands have a long and proud history of being creative, resilient, industrious, caring and hardworking, and we must now seek to draw on these values and characteristics which have served us well through the ages to now move the country forward in a new age. Madam Speaker, this Budget is responsible, balanced, and facilitates economic growth and clearly sets the country on a fiscally responsible path.

Finally, the preparation of the Government's Budget is an enormous undertaking and this year would not have been possible without the hard work and commitment of many and I wish to thank the Honourable Premier; Cabinet Ministers, Official Members; Councillors, Chief Officers and their staff. Also, I especially wish to thank the Financial Secretary, Mr. Kenneth Jefferson and the team within the Ministry of Finance, including Chief Officer, Mrs. Sonia McLaughlin; Senior Assistant Financial Secretary, Mr. Michael Nixon; Deputy Accountant General, Mr. Ronnie Dunn and the staff of the Budget and Management Unit.

It has been both an honour and a privilege to present this Budget today. I now humbly commend the Appropriation (July 2013 to June 2014) Bill, 2013, to this honourable House and ask all Members for their support of the Bill.

The Speaker: Thank you, Honourable Minister of Finance.

MOTION FOR DEFERRAL OF DEBATE ON THE BUDGET ADDRESS

The Speaker: I once again recognise the Honourable Minister of Finance.

Hon. Marco S. Archer: Madam Speaker, I beg to move the following resolution:

BE IT RESOLVED THAT the debate on the Budget Address be deferred until Thursday, 10th October 2013.

The Speaker: The question is: Be it resolved that the debate on the Budget Address be deferred until Thursday, 10th October 2013, at 10 am.

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

Ayes.

The Speaker: The Ayes have it. Debate is accordingly deferred.

Agreed: Debate on the Budget Address deferred until Thursday, 10th October 2013.

The Speaker: I recognise the Honourable Premier.

MOTION FOR THE THRONE SPEECH, THE POLICY STATEMENT AND THE BUDGET ADDRESS TO BE DEBATED SIMULTANEOUSLY

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

Madam Speaker, I move that the debate on the Throne Speech, the Policy Statement, which I delivered "Getting Back on Course", and the Budget Address, just delivered by the Minister of Finance, those three documents be debated simultaneously on Thursday, 10th October 2013, at 10.00 am.

The Speaker: The question is: BE IT RESOLVED that the debate on the Throne Speech, the Budget Address and the [Policy] Statement be debated simultaneously on Thursday, 10th October 2013.

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker, before we take the vote—

The Speaker: Honourable Leader of the Opposition.

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

I am not rising to debate at this time; I am rising to query. Since we have had two different motions for deferral, who can I expect will wind up the debate on the Budget and Throne Speech? Is it the Minister of Finance? Or is it the Premier who moved this Motion?

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, what I delivered this morning—which has been the convention at least since 2001—was a Policy Statement on the part of the Government. I am entitled, in the usual way, to debate the Throne Speech and the Budget Address and to contribute to the overall debate. I can tell the House—the Leader of the Opposition in particular—that I intend to reserve what I have to say for the very end.

The Minister of Finance will obviously deal with the Budget issues as they are raised in the context of the general debate, because there are three documents being debated, and I would expect that he would go just before I conclude the overall debate.

Hon. W. McKeever Bush, Leader of the Opposition: Madam Speaker, I don't want to—

The Speaker: Honourable Leader of the Opposition.

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

I don't want to prolong, but there is a matter as to procedure because if the Premier intends to do as he says, then, Madam Speaker, there should be a motion since all the Premier did was give the Policy, but it was a statement. And so if there is an intention to debate that statement there ought to be a motion if he intends to wind up (and it sounds to me that that is where he is heading).

I have no problem with it, Madam Speaker, but I just want to know the process that we are going to use which we can expect.

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, that is precisely why, in my moving the motion just now, I referred to the Policy Statement. Because, as I said, the practice over the last dozen or so years has been that the Policy Statement, which is delivered by the Leader of Government, does form an integral part of the debate. And I did not want there to be any question about that. But as a Member of the House, generally, I am entitled to contribute to the debate of the Budget, the Throne Speech in any case. But rather than us go down a road of confusion and people being taken by surprise, I have outlined how I propose to deal with that matter.

I would expect, in the usual way, the conventional way, that the Leader of the Opposition would be the first to respond on Thursday—

Hon. W. McKeever Bush, Leader of the Opposition: Don't expect anything that you are not going to hear.

The Premier, Hon. Alden McLaughlin: —on Thursday when debate ensues.

The practice is, not just in this House but in parliaments across the Commonwealth, that the Budget Address and Throne Speech of the Government are responded to first by the Leader of the Opposition. But that is a matter for him. And if there are questions about who the Leader of the Opposition is, that is not for me to resolve.

[Laughter]

Hon. W. McKeever Bush, Leader of the Opposition: Madam Speaker, I am not going to prolong, but—

The Speaker: Honourable Leader of the Opposition—

Hon. W. McKeever Bush, Leader of the Opposition: —and I am not even going to attempt—

The Speaker: Please state your point.

Hon. W. McKeever Bush, Leader of the Opposition: Yes. I will reply to what was just said. Thank you kindly.

I am not even going to reply to it, Madam Speaker. There is a motion before the House which the Premier has moved—BE IT RESOLVED that the Throne Speech and Budget Address be debated simultaneously on Thursday, 10th October.

And if he wants to wind up, which, as I said, he sounds as though he wants to do (while he is concerned about where I am going to be speaking, Madam Speaker), this motion should be amended to say: "the Throne Speech, the Budget Statement and the Budget Address," or the Policy Statement, or whatever they are calling it.

The Premier, Hon. Alden McLaughlin: That's what I said. That is the motion I moved.

Hon. W. McKeever Bush, Leader of the Opposition: [Inaudible]

Mr. V. Arden McLean, Member for East End: Madam Speaker, if I may.

The Speaker: Before recognising the Member for East End . . . on a point of clarity, the Honourable Premier, when he did move, although it was not in printed form, he did say the "Policy Statement" and that was precisely how the question was put and the House voted on it.

I recognise the Member for East End.

Hon. W. McKeever Bush, Leader of the Opposition: We *nah* voted on it.

An Hon. Member: We never voted yet.

Hon. W. McKeever Bush, Leader of the Opposition: We never took any vote.

Mr. V. Arden McLean: Madam Speaker, if I may.

Hon. W. McKeever Bush, Leader of the Opposition: All I am saying is that there needs to be a formal amendment.

Mr. V. Arden McLean: Protocol dictates, and the provisions in the Standing Orders say, that the Order Paper . . . Ministers and Members of Government can do statements. There is no response to a statement.

Now, the Second Reading of an Appropriation Bill, the mover, the sponsor of that Bill, has the right to respond. The Premier has no right to respond to his

statement. He has a right to debate the motion, but he has no place under Standing Orders to use his statement, or to be the last to respond to a Second Reading of a Bill sponsored by another Member. There is no place for that.

Hon. W. McKeeva Bush, Leader of the Opposition: Correct!

The Premier, Hon. Alden McLaughlin: Madam Speaker, I think we are all getting ahead of ourselves on this matter.

There is a motion before the House. How the debate is handled over the course of the next few days is a matter for the House and, indeed, principally for yourself as Speaker. I don't think we should go down the road of every Member of the House getting up and telling you what they think the procedure is. I think that you, having been in that Chair these many years, and having served in every position possible in this House, are quite capable of determining what the Standing Orders say. And so I leave it in your capable hands, Ma'am.

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker, on a further point of this procedural matter.

The Speaker: Honourable Leader of the Opposition, this will be the last intervention. Please proceed.

Hon. W. McKeeva Bush, Leader of the Opposition: Thank you very much.

All I am saying, Madam Speaker, is that there is a motion. If there is intention to debate the Policy Statement—which was a statement made by the Premier as the Minister—then there needs to be an amendment (and that is all I am saying) if we are going to include the . . . Well, I think we can. I think that we can move that the statement be debated. And I think that is the Premier's intention.

I have no problem with it. All I am saying is that for us to debate it we need it to be included. Well, I didn't quite catch, Madam Speaker, that the Premier had included the words "Policy Statement." But, nevertheless, there needs to be an amendment because we have a written motion before us. That's all I am saying, as far as procedure is concerned.

As to when I will speak, me and God know that.

The Speaker: The question is: BE IT RESOLVED that the debate on the Throne Speech, Budget Address and the Policy Statement by the Premier be debated simultaneously on Thursday, 10th October 2013.

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

Ayes.

The Speaker: The Ayes have it. The Throne Speech and Budget Address and the Policy Statement will be debated simultaneously on Thursday, 10th October, 2013.

Agreed: Throne Speech, Budget Address and Government's Policy Statement to be debated simultaneously.

ADJOURNMENT

The Speaker: I recognise the Honourable Premier for the motion for adjournment.

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

Madam Speaker, I move the adjournment of this honourable House until 10.00 am, Thursday, 10th October, 2013.

The Speaker: The question is that this honourable House be hereby adjourned until 10.00 am, Thursday, 10th October 2013.

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

Ayes.

The Speaker: The Ayes have it.

At 12.33 pm the House stood adjourned until 10.00 am, Thursday, 10th October 2013.