



**CAYMAN ISLANDS
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT
ELECTRONIC VERSION**

2013/14 SESSION

16 October 2013

Fifth Sitting of the Third Meeting
(Throne Speech and Budget Meeting)
(pages 217–232)

**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 Franz I Manderson, Cert. Hon, JP	Deputy Governor, ex officio Member responsible for the Civil Service
Hon Samuel Bulgin, QC	Attorney General, ex officio Member responsible for Legal Affairs

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

Hon Anthony S Eden, OBE, JP, MLA	<i>Deputy Speaker</i> , First Elected Member for Bodden Town
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

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

APOLOGIES

Hon W. McKeeva Bush, OBE, JP, MLA	<i>Leader of the Opposition</i> , First Elected Member for West Bay
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1. PRAYERS

OFFICIAL HANSARD REPORT
THIRD MEETING 2013/14 SESSION
WEDNESDAY
16 OCTOBER 2013
10.31 AM
Fifth Sitting

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

The Speaker: I recognise the Honourable Minister of Financial Services, Commerce and Environment to grace us with prayers.

PRAYERS

Hon. G. Wayne Panton, Minister of Financial Services, Commerce and Environment: 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. The House is now resumed.

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

APOLOGIES

The Speaker: I received apologies for absence from the Leader of the Opposition, who is currently off Island; and apologies for the late arrival of the Honourable Minister of Health, Sports, Youth and Culture and the Honourable Minister of Finance and Economic Development.

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

The Speaker: I have not received notice of any statements for this morning's sitting.

GOVERNMENT BUSINESS

BILL

SECOND READING

**APPROPRIATION (JULY 2013 TO JUNE 2014)
BILL, 2013**

**DEBATE ON THE BUDGET ADDRESS AND
THRONE SPEECH TOGETHER WITH THE
GOVERNMENT'S POLICY STATEMENT**

[Continuation thereon]

The Speaker: I recognise the Honourable Minister of Planning, Agriculture, Housing and Infrastructure.

Honourable Minister, I understand you have one hour and thirty minutes remaining for your debate, sir.

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

I doubt very much whether I will utilise all of that time, Madam Speaker, because I have specific and clear instructions not to!

On now, very quickly, to the subjects under my Ministry, I will first of all speak a little bit about the Department of Planning. When the Member for North Side was speaking to that subject he made the point that he held the view that perhaps it was time to phase out the Central Planning Authority and get to the point where just about everything application-wise

was dealt with administratively by the Department. I believe he knows, but for the information of the public, presently there are many applications, especially small residential applications and applications for additions and renovations in the residential area, which are handled administratively, most times, unless there are variance procedures which need to be exercised.

Having said that, just so the Member will appreciate, in many instances when discretion has to be used, and this happens in Planning, especially, fairly often, it would be very difficult to expect civil servants to deal with many of these applications, especially when it comes to commercial applications. It would be putting them almost in untenable circumstances to expect them to deal with it and, in many instances, depending on the particular situation, going by the letter of the law doesn't necessarily . . . and it sounds funny, but it's true, and experience teaches us that going strictly by the letter of the law is sometimes not giving us the best end results for all concerned; hence, the reason why the law allows for certain variance procedures to take place. But those decisions are made by the Central Planning Authority.

Madam Speaker, perhaps, that is one of the driving reasons why I would have to say to the Member for North Side that, certainly, we are attempting . . . and I will explain what has been ongoing for some time and continuing now. We are making every attempt to make the process as user-friendly as possible, but, at the same time, there are certain checks and balances which have to be maintained.

In recent months, there has been an ongoing training programme within staff of the Department (that is, planning examiners, building control inspectors), both in electrical, plumbing, mechanical and structural. There is an ongoing process of cross-training that is going on and the reason for that is that hopefully they will be completed by calendar year end and we knew that while this was going on there would be some disruption to the service for customers. But, Madam Speaker, it is for everyone's benefit in the very short term.

Madam Speaker, when all of this cross-training is done, instead of having three or four different examiners examining a plan, because each one is only qualified to examine certain aspects of that plan, we will have individuals who are cross-trained and certified that one person can examine a plan in all the various areas. And that will speed the process up.

What we are also following on, which was started during your tenure, is the online Planning system. Some of the phases have already been rolled out and we are planning to very swiftly roll out phases three and four of the online Planning system which allows for electronic submission of plans and electronic plan review of plans. For many of the (should I say?) regular clients of the department, that will make things a lot easier and speed the process up. So, the architectural firms (and otherwise) can go online and

make their applications. How the fees will be collected, to quickly explain, it will be like you have money in the bank and you use a debit card and you keep drawing down. And when you don't have any more money you keep putting money in the bank and keep drawing down. So all of that can be done electronically and that will speed the process up.

The other thing that is being done, which is going to happen in this fiscal year, is termed the deployment of infield tablets. What that will do for the various inspections which have to take place at various phases of construction is allow . . . let me just pause and say what used to happen.

All of the inspectors would go out for the day making their various appointments and carrying all of their notes, making their inspections on the various building sites. And then they would either have to go back late in the evening or continue the next morning before they go out again to catch up and load all of that information into the computer so that they could have proper records of the inspections. Now, by doing it with these tablets onsite, the information is immediately transmitted into the database and, therefore, it lessens the load and cuts the physical labour in half, allowing for a lot more efficiency in the process.

So, Madam Speaker, while we haven't seen all of the results of this quite yet, by the time the training is over in another month or two, and by the time January rolls around, I am fairly confident that everyone will notice the difference in the levels of efficiency. I trust that while that may not be everything for the Member for North Side, that certainly will enlighten him and help him feel a little bit better about the process, which is ongoing.

The department is also updating the Cayman Islands Building Code. They are moving very swiftly from the 1999 Standard Code being used as the basis for the examinations and decisions, to the 2009 International Building Code. By doing that, it brings the standard right up so that it can be called internationally accepted standard.

Madam Speaker, on to the Lands and Survey Department, there are many things quietly happening there. I will just mention a few brief things.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: I hear Members speaking. I don't know exactly what they are talking about because they didn't mention it in their contribution. So, I don't know how to address those specific issues.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: I certainly will engage.

Madam Speaker, further to the completion of the survey files scanning project in 2012, all land registry documents (and this is not a mistake, Madam Speaker), approximately 30 million of them will hope-

fully be scanned over the next two years. And, with budget approvals permitting, all of that will be done which will allow for much better record-keeping. Not just for now, but for years and years to come; generations to come.

Madam Speaker, the GIS [Geographical Information Systems] section will be developing the next generation of its website. This has certainly been a good source of revenue and a world class delivery metre in all land-related data. The new official map is also being worked on. The 2013 version will soon be completed. This free map provides valuable information to tourists and visitors. It is distributed in the airports, hotels, condos, shops and restaurants. Certainly, the Department of Tourism also distributes it to perspective tourists via their overseas offices.

Madam Speaker, as I said, there are many other areas which could be worth mentioning in regard to the Lands and Survey Department, but perhaps when we go into Finance Committee I will have opportunity to keep slipping them in, since time is of the essence.

In the area of Agriculture, the department is continually seeking to develop sustainable agriculture production in order to promote measures of self-sufficiency and also, very importantly, food security for the people in the Cayman Islands, and certainly to preserve and protect the state of wellbeing of plants and animals. So, to this end the department provides policy advice and administrative support to the Ministry on scientific, technical and strategic matters relating to the agricultural sector.

Madam Speaker, this year (that is the 2013/14 fiscal year), the department is going to be concentrating on national food security through a multi-pronged approach, that is the expansion of protected agriculture systems for production, promotion of backyard and community gardens, and improvement to the livestock sector.

I dare say that presently it is safe to say that we are experiencing a period of renewed interest in agriculture, both from producers and consumers. People are increasingly becoming aware of the challenges to world food production, the importance of food security and the benefits to personal health and economies of communities and countries of consuming fresh, wholesome locally produced food.

Madam Speaker, I wish to mention some specific things that are happening in this area. First of all, plans are afoot and ongoing for the next Agricultural Show, which takes place Ash Wednesday next year. There is going to be an all-out effort to make this the best one ever! There are some other things happening.

I want to mention the department and, indeed, the Ministry's association with a regional organisation with the acronym CARDI, the Caribbean Agricultural Research and Development Institute. By being an associate member of the CARICOM [Caribbean Com-

munity and Common Market], several years ago we sought access to this organisation through the Secretariat General of the CARICOM. There were head-to-head meetings. There were exchanges of letters. And finally, although associate members of CARICOM had not been allowed full membership in CARDI prior to this, we have been allowed access to membership in this organisation.

There are several benefits to be derived from that membership. We expect that by January of next year we will have the CARDI extension office set up by the Department of Agriculture. That office will consist of and be manned at all times by two technical regional experts, not the individuals, but their specific skill sets and expertise, to be decided on by us here in the Cayman Islands.

By being allowed membership in CARDI, we pay an annual subscription fee. The benefit from that is that they will have two people on the ground here in the Cayman Islands year-round, and also, we will provide a local administrative person to staff the office. But those persons will be paid by the regional organisation (that is, CARDI). So, really, we pay our subscription, and, in turn, we have access to this technical expertise year round.

We can chose what we want to focus on, whether it's animal husbandry, crop production or any special diseases that may suddenly be either imported or discovered here on Island. So, not only will we have that expertise available to us, but if there is anything special that comes up and we need the benefit of other expertise, we will have access to all of that expertise which is in the entire region.

Madam Speaker, I honestly believe that that is going to make a tremendous difference in the quality of the services that the department can deliver, once we can get this office started.

There is also much talk about the government property in East End. The Member for East End, himself, has a keen interest on behalf of his constituents. I dare say many other Members will have interests in this property because the intention . . . and there is a committee that is now meeting to give us a report back by end of next month for us to decide on the way forward. The intention is to divide up that property. I think it is in excess of 200 acres (if memory serves me right). In fact, it's perhaps close to 300, all told. But the intent is to divide that up into plots of varying sizes depending on the needs, and for farmers to have access by way of a peppercorn lease to these various plots to be used for varying purposes all related to agriculture.

Madam Speaker, for those of us who know the general lay of the land of that property, some of it is wet, some of it is very hard, and some of it is arable. But, by and large, the majority of it can be used for various purposes. For instance, with some work with heavy equipment I know that portions of it can be used to create grasslands for grazing for cattle. There

is always a problem for the cattle farmers here on the Island with most of them not having enough property to rotate their animals in the various areas for grazing. And there are many people who are interested in farming and actually do not have land to farm.

So, I believe that we will be able to get more and renewed interest in the agricultural sector by making this land available. We just have to work out the exact methodology to be used. And that's what the committee is working on now. I am going to be pressing on to the best of my ability to get that situation ongoing from early in the New Year. I believe that that will give some impetus to the farming community.

The Market at the Grounds has certainly proven to be a worthwhile effort. We intend to put some new fire into that and get some renewed interest. I understand that those people who participate in the Market at the Grounds are also presently very seriously looking at creating another permanent location in what used to be the old Farmer's Market. They are seeking to lease the property from the Cayman Islands Airports Authority (who own the property), with a view to renovating the building and having it also as (they mightn't like me saying this, but I would like to call that one) the satellite Market at the Grounds since the one up in Lower Valley was the original one.

Regardless of what we term it, it is all about location, location, location. While some people enjoy the thought of a Saturday morning drive up to the Market at the Grounds in Lower Valley, [some] are of the view that if they also have a location in George Town and have it open during the week it will not only encourage, but increase, sales of the products. That means that farmers would be encouraged to produce more. So, I believe that will also be a good effort. And certainly the Ministry and the Department will support it wholeheartedly. Hopefully, it will turn out to be a success. I believe that the drivers behind it are very capable of making it just that.

On to the Petroleum Inspectorate: Because this is a very small government operation, and because there are perhaps not many tangible results of their work, oftentimes people might actually wonder if it makes sense to have this unit. But I can tell you, Madam Speaker, that there are several important tasks which this very small unit continues to perform. One of the very important tasks they are doing now and are going to make a regular effort to do is physical fuel inspections at the service stations.

A lot of times, Madam Speaker, things do not happen until something else happens and that causes you to react. Even if that were the case, just after I took office we heard many complaints from individuals regarding the quality of fuel being sold on-Island. Many people were saying that they were having trouble with their vehicles and it was costing them money to have their vehicles repaired. So we have instituted regular inspections. But, having deployed them to actually inspect, when doing their testing they have dis-

covered water in diesel tanks. They have discovered water in the gasoline tanks. I say this publicly because I chose this avenue to put the distributors on notice.

The way it works with the bulk distributors and the retailers is that anything above ground is the responsibility of the retailers. And anything below ground is the responsibility of the bulk distributors. I also know that the two bulk distributors have changed hands in recent times. So, my putting them on notice is not a slap in the face at this time; it is a tap on the shoulder to say, *You're kind of new here fellows. You're not new in the business, so take stock and do what you have to do because we are going to be using all the regulations that exist, and the law.* And if we need to amend, we are already looking at amending to ensure that these entities do what should be done by way of regular inspections and having all of their equipment kept in a manner which doesn't cause these things to happen.

Madam Speaker, it is our belief that much of the . . . I mean, in the tests the level of dirt and everything else in there tells us that in most instances the tanks are not being properly maintained. They must realise that when it comes out of the pump and the consumer says that Rubis or Esso or whoever sells bad gas that it doesn't mean that bad gas has arrived in the country. It is simply that the tanks holding the gas contaminate the gas or the diesel by the time it reaches the consumer. So that is just a part of what the Petroleum Inspectorate deals with. But I was just highlighting that.

So, they are going to be working in collaboration with the major players in the petroleum industry to ensure that what has to be done is done properly to protect the consumers. They are not so much about prices. But they are ensuring that everyone who sells fuel to the public has displayed properly what the prices of the day are. It might not be admitted, but I am absolutely certain that because everyone has to display their prices it has helped to sharpen the pencils with what those prices are because they know that everybody driving a certain distance will see the prices at every station and get used to who sells it the lowest and that will be the one they buy the fuel from. We all know that regardless of the service, in most instances fuel is almost about the same.

The Department of Vehicle and Drivers' Licensing (DVDL) is very active, besides what they do on a regular basis. They are now reviewing and updating the Road Code (again). Two of the very important activities going on at present at DVDL are the putting together of the package that will allow for a satellite licensing office in the Bodden Town area to service the eastern districts. I am sure the two Members from the eastern districts, and the Members for Bodden Town, will be happy to hear this, as will the people who live up that way.

It is a fact that because of the location of the majority of the quarries in this Island (being up that

way) that that area is where the majority of the heavy equipment is kept on a day to day basis. So part of the idea, not only for the householder who owns a vehicle, but also for those people who own heavy equipment (trucks, backhoes, et cetera) . . . instead of having people go out to them, setting appointments to do it when they can, they will have easy access to this location. And the location will accommodate all of this type of equipment along with regular vehicles.

Madam Speaker, in many instances people complain that when they go to get their vehicle licensed or even to renew their driver's licence, that the line is so long that to try to do it on lunch break doesn't work. West Bay is open on a Saturday, but then West Bay is not convenient for people who live in the opposite direction. So I am certain this will be another service to the public that will be much appreciated once we get it going.

The other thing the department is looking at immediately (I don't expect it will be started until very late in this fiscal year, but all of the groundwork is being done now) is at the electronic vehicle registration. Once we can achieve that, it will help the efficiency of vehicle inspections and licensing. It is going to be a very handy crime prevention tool. I am not going to go into all of the details, but just to give an example of how this will work, Madam Speaker, and it will have to be phased [in]. You will be able to top up your vehicle registration.

In other words, the system will be set up where the databank will know that the vehicle of the Third Elected Member for West Bay is licensed up until December. If December rolls around and that licence has not been topped up, there is an automatic ticketing system. The police don't have to chase you down. It is an administrative process and people will be fined.

So, while people will be fined more regularly if they don't keep their vehicle licence up to date, it also allows people the benefit of not having to pay for a year at a time. In other words, it is just like your cell phone that you top up. The only difference is, is that when the money is finished on the cell phone you simply can't use it, you can't call out. And you get no fine for that. But on this one you will.

There are many other benefits to the whole system which means that people will not have to go to the office so much on a regular basis. It is very similar to the online services for the renewal of drivers' licences and vehicle licensing. The whole effort, once the capital expense is made over a two or three year period . . . there will be some capital expenditure. But by and large it will create a much more efficient system and it will be one that will require much less manpower to operate efficiently. I believe that that certainly will make life a lot easier for most of us.

The only thing I am going to say about the Department of Vehicle and Equipment Services at this time is that we are now in the process of having a very

serious look at that department. There are many things that need to be done, and many things will be done to make that department more efficient.

Madam Speaker, just a few more areas that I want to touch on.

I want to say a few words about the Public Works Department. Having just taken over again for the last four months, I am satisfied now—which at no time before could I have said, since my involvement with Government—that that department is doing more today than it ever did with less. Over the last five years the department has moved from something like 164 staff down to 118. Staff has been reduced by 50. The outputs which are being achieved by the department are more now than before. So it doesn't mean that everything is perfect. But what it does mean is that that department is actually working in an efficient manner.

Note what I said, Madam Speaker. Staff is down by 50. And that makes a lot of difference. The truth is that many of the other government departments, ministries and portfolios which the Public Works Department interacts with on a regular basis with the work that they do, have commended them to me, saying they are much more satisfied than they used to be with what they are producing. I don't want to say that to make them feel like everything is cool. But those are deserving words of encouragement.

Madam Speaker, they provide facility maintenance for nearly one million square feet of public facility. So, besides all of the other work and special projects they do, they are also going to be assisting the ministries and portfolios spearheading the cruise terminal project, the airports development project, the prison security development project, and also developing sports facilities capable of accommodating international competition.

Madam Speaker, I have to take just a few minutes to speak about facilities management and the new Government Administration Building. I can hear right now ringing in both of my ears a former member of this Legislative Assembly (that is, Mr. Ellio Solomon, and I speak nothing personal). I can hear him now talking about the new Government Administration Building and how it took \$6 million a year to operate it, and how it should be sold, and it is a noose around the neck of Government. Madam Speaker, let me tell the world this: I seek nothing, not even thanks, for any contribution I made towards that building being built. What I do know is that it made all the sense in the world. Let me just quickly tell you, in one instance.

Madam Speaker, what we knew as the Glass House (which has much sentimental value to many of us, I know, but facts are facts) is nearly 40 years old. In the very last going off, that building had a gross square footage of 35,000 square feet. It was using, just electricity, nothing else, \$45,000 a month worth of electricity. The new building which has a gross square footage somewhere in the region of 30,000 square

feet, is not quite, but nearly seven times the size occupancy-wise of the old building.

The average electricity bill for that building now (not when he was hollering was going on, and more people have come in since then) is \$85,000 a month. That alone tells the tale of the way the building was built and the efficiencies that allow for savings on a daily basis. Many of its occupants now were in other premises paying electricity elsewhere, which was a cost to the government. So this was not about anything else other than it made good sense.

By now we would have been paying in excess of \$13 million a year in leased premises. By now that is what we would have been paying out of general revenue just for leased premises. And, Madam Speaker, the building belongs to the people of this country. Conservative estimates for its lifespan are at least 60 years. So, there will be plenty of other people beside us thinking about it. We won't even be here, and it will still be here.

Madam Speaker, the real reason I mentioned that is because of the way that building is built. There is almost skeleton staff [personnel] who commandeer that whole circumstance. I have to give them kudos for how conscientious they are. I know of a recent incident because they took it on their own to do certain maintenance, which they are qualified and capable of doing, they are saving government nearly \$50,000 a year because they don't have to call somebody in to do it. And they could have called them in, nobody would have known any different. But they said, *No, you really don't need to do this because we can do this and we can get it certified that we did the right thing.* And that's the kind of approach we need to take, because it is the only way we are going to succeed in the motto of doing more with less.

Madam Speaker, we are hopeful that by year end we will have very close to 85 per cent occupancy in the building. For instance, the Department of Tourism leased premises for half a million dollars a year. The Department of Tourism is moving into the Government Administration Building. I really don't need to do any more to prove the case. And I would be very grateful if at least some people, who I know have enough sense to know, would just leave it alone and let the building serve its purpose, as I would like it to.

Madam Speaker, as you heard from your colleague, the Deputy Premier, the Water Authority is sending the trenching machine up to the Brac next month (what my good friend calls the warm ear [SOUNDS LIKE]) to begin the extension of the work in the Brac to provide piped water to the residents.

Madam Speaker, it is not my responsibility, but I have to smile, and with your permission and that of the Deputy Premier, I am going to charge you both with making sure that the trencher does not disturb the new pretty road. Tell them to go outside of that! Anyway, I am just saying that because I would like very much for it not to happen. We will see how we

can manage that. I have talked to them about it, because I know that they were very conscious of it. I guess they are going to do everything possible not to have to go within that 24 feet. Hopefully that will work well.

The Grand Cayman water distribution system: The Water Authority is continuing the upgrade of pipeline sections throughout that system and extending pipelines as required. I believe it was the Member for North Side who spoke about piped water to the residents. I certainly intend to talk to the Water Authority. I know the position they have always taken is that they are not responsible for providing the underground pipes. And, Madam Speaker, it has been several years now that before new subdivisions could get numbers for their lots they have to do that. But I believe the Member was speaking about those roads that were in place for many years now prior to this being the policy of the CPA [Central Planning Authority] and the Planning Department. And the truth of the matter is . . . and I have to tell you that I agree with the Member in principle, that in many instances, on an individual basis it is very costly for people to get piped water because not all of these subdivisions are developed and the cost cannot be spread.

I believe that we should look at a system whereby we can spread the cost even if all the money is not collected up front. I just want to assure the Member that I am going to be talking to the director about that to see if there is a more palatable, equitable and acceptable policy that we can put in place.

Madam Speaker, the matter is *sub judice*, so I am not going to go into any details. But suffice it to say that Cabinet recently approved an extension for the Cayman Water Company and their operations and the licence under which they operate because there is a dispute where judicial review has been sought. I can't say much more, but let me say this: The Ministry is going to be working very closely with both parties, because the Water Authority is the regulator, to get the matter resolved. Cabinet is not minded to do any further extensions of this licence until the matter is sorted.

Madam Speaker, the ERA [Electricity Regulatory Authority] has a new board and a new managing director. They are in full swing. The first thing we had to do was try to head off another judicial review being sought by Caribbean Utilities Company over the matter of the diesel generation bid which was taking place last year. I don't want to go into any details, because I don't have to. Everybody knows lots of stuff was going on with the ERA not so long ago. I am sure people will be content to know that all of that is past us and we are now back in full swing.

I am very grateful to Caribbean Utilities. We were able to talk through the situation and they withdrew their application for judicial review. And now we have started the process all over again, giving the

commitment that the process will be transparent and acceptable to everybody by way of being open.

Madam Speaker, moving on very swiftly to the ICTA [Information and Communications Technology Authority]: The ICTA has a new board in place. Not with all new members but some new members. And the one thing I will quickly say in this regard is that, again it takes certain things to happen for people to realise the importance of other things. When the MAYA-1 Cable went down, not so very long ago, many people in this country were in a panic because, Madam Speaker, that submarine cable is only one of two which gives access to bandwidth in the country. If both were to go down it would almost cripple communication, especially financial services and attached industries, besides just the regular day to day operations of small businesses and everything else. Madam Speaker, it is a scary thought. And we take everything for granted and do not pay attention until something like that happens.

We have met with other providers since then and we are actively encouraging, and other providers themselves who utilise the space on MAYA-1 have actually realised it and we are looking to get at least two, if not three more cables, coming to the country with a connection, most likely, from Jamaica. And, Madam Speaker, that in itself will make for better competition and will allow more access to business and certainly, I believe, will make us feel much more secure in that area.

The ICTA has recently assigned spectrum to both mobile providers that will introduce the latest high speed mobile Broadband technology available today. That is known as LTE [Long Term Revolution]. This new service will keep Cayman on par with regard to mobile technology with such countries as the United States, Canada, United Kingdom and others.

Madam Speaker, it is anticipated that further competition on the Internet provision and broadcasting (that is, television) in those markets will develop within this fiscal year. And so, consumers can look forward to greater choices, including more local content and more competitive prices in terms of Internet and television service. The 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.

Now, Madam Speaker, this year will also see the continued rollout of fibre optic cable across Grand Cayman which will allow more people access to faster internet speeds.

So, Madam Speaker, all in all, those areas I am satisfied with presently and there are many things which the boards and those who work in those authorities have to do and certainly the Ministry is keeping abreast assisting where possible.

The very last thing I want to speak about, Madam Speaker (and I will be brief with this one), is

the National Housing Development Trust [NHDT]. It would only be God, no human (and I do not say this lightly), to explain to me how people with good sense could come to the conclusion that an arm of the Government should build houses to compete with private sector to rent to people that they will never be able to own, and, on top of that, Madam Speaker, come to Finance Committee and tell us that that is the best financial model that they could create, because it showed that the National Housing Development Trust had assets on its books.

The National Housing Development Trust was never ever envisaged to build assets, Madam Speaker. The NHDT mission is simple; to empower as many people as they possibly can in the Cayman Islands to own their own homes.

Madam Speaker, we have a new board. There was a mishap with the new chair but, thank God, he is back on the road. I believe he has already held his first meeting. He has done his visits and certainly there is much to do in that area.

Madam Speaker, how we left it . . . and that same former Member . . . you know what I really should not even bother. But, Madam Speaker, that same former Member—I remember and I am sure you do too—stood up in this Legislative Assembly time after time to castigate me because I did nothing, when all of the time all of the groundwork was done and really since he was the Councillor for housing he really had a lot to just pick up and run with. But just because it was not them that did it, they had to change everything. So, that is what they ended up with.

Madam Speaker, I do intend in very short order to meet with the financial institutions that participated in the GGHAM [Government Guaranteed Home Assistance Mortgage] programme and renew the relationship with them so that people who can afford to make their mortgage payments (but do not have the collateral or the cash to put upfront) can still be able to get their own homes.

Madam Speaker, that programme helped 327 households achieve home ownership. And I believe that there are hundreds more which it can assist. It involves a certain risk to government, but the risk is not one that is too high a risk to bear because as loans are paid down the risk lessens. And, Madam Speaker, the backbone of any society is one which is made up of families who own their own homes and have something to work forward for to go home to every evening or every night when their working time is done.

There are so many today, Madam Speaker, who are losing their own homes and who are in trouble because of a lot of situations (including that of the global downturn). I'm sure everybody here knows all about it and you try to assist but by ourselves we cannot do that.

Madam Speaker, there is also a look-see and we have already had one conversation with the finan-

cial institutions. I am sure that as soon as we are able to, once we can get out of this process again, that the Premier will instigate other meetings for us to see how we can bring some relief until things get better. And, Madam Speaker, those financial institutions who are charged with having to report to foreign offices, I don't care who they are, but they have to help in times like these too (and I intend to do everything from my end to ensure that we at least get some relief for people until they can get back on their feet again).

They say that they are already doing it, but I do not believe they are doing enough. It cannot be for all of the calls I get daily. And, Madam Speaker, those are the only times when I wish that I had money because if I did I would know what to do. But it is just physically impossible to be able to deal with those matters because most of them are not a couple of hundred dollars. Most of them involve several thousand dollars.

So, Madam Speaker, having said that, I am sure that I have spent enough time and hope that I do not have to pay any penance for the time I spent. But let me say to you, Madam Speaker, that I am grateful for your indulgence.

Once again, welcome back in the Chair. And to my colleagues and to all of those in the Service who were instrumental in preparing this Budget and getting us to the point where we are now seeking to have it approved, let me say congratulations to all of them, Madam Speaker. And the best part about all the process that we have just gone through is that unless London has a very evil mind for us, which I doubt very much, it has to be a little bit easier next year, I believe.

Madam Speaker, once again, I also want to say to my colleagues (who I referred to earlier in my contribution as the Class of 2013) that I want them to know I am completely content with all of them and I pledge to all of them my continued support in all that I can do in the position I serve.

Thank you, Madam Speaker.

The Speaker: The House will take a suspension for five minutes.

PROCEEDINGS SUSPENDED AT 11.44 AM

PROCEEDINGS RESUMED AT 11.58 AM

The Speaker: Please be seated. Proceedings are resumed.

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

I recognise the Honourable Minister responsible for Finance.

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

I will start my contribution to the conclusion of the Second Reading of the Appropriation Bill before the House, by thanking all honourable Members of the House for their support of this Bill. The public would have heard all honourable Members who made a contribution to this second reading, either expressing explicit support for the Bill or there was an absence of any stated opposition of the Bill in their contribution. Once again I thank all honourable Members for their explicit or tacit support of the Bill.

Notwithstanding their support of the Bill, certain honourable Members have expressed concerns with particular activities, such as the areas of policing and crime, and have stated an intention to address these aspects keenly during Finance Committee by questioning witnesses that appear before the Committee. I wish to address one particular point raised by the Member of North Side about the earmarking of \$75 million [out] of the \$100.3 million operating surplus to be added to government's bank account balances.

Let me start by acknowledging that the honourable Member for North Side had very good intentions in mind for the Cayman Islands when he made the suggestion of earmarking of \$75 million. However, the Government is unable to carry out this suggestion for legitimate reasons. The operating surplus will be used to fund or finance the following activities:

- (a) Approximately \$52 million during the current 2013/14 fiscal year will be used to allow government to pay for capital expenditures that entail additional executive assets being acquired during the year, such as land purchases, road development and enhancements to buildings and facilities; and government's investments in the statutory authorities and government-owned companies.
- (b) \$26.3 million of the operating surplus will be used to repay principal on debt during the year 30 June 2014.

Interest during the year on government's debt of \$31.4 million has been accounted for in arriving at the forecast operating surplus of \$100.3 million. Hence, as these two amounts of \$52 million and \$26.3 million totaled \$78.3 million, it is not possible for Government to earmark \$75 million of the operating surplus directed to its bank account balances, for that would mean that government does not incur any capital expenditure and investments at all during the current year. Nonetheless, because of the non-cash nature of depreciation which is charged or expensed in arriving at the \$100.3 million operating surplus figure, government bank balances do indeed increase during the fiscal year by approximately \$44.9 million, which is shown on the cash flow statement at page 309 of the Annual Plan and Estimates tabled in the House on 7 October.

Again, I acknowledge the good intentions of the honourable Member in making the suggestion.

Madam Speaker, I also want to address the point raised by the Deputy Leader of the Opposition that an operating surplus figure of \$100.3 million was too much to be taken from the local economy by the Government. As I have just stated, the vast majority of the operating surplus will be retained in the local economy because the operating surplus figure will be used to (a) allow the government to pay for capital expenditures (as stated earlier) that entail additional executive assets being acquired during the year and its investment in statutory authorities and government owned companies. The total of these two categories equates to approximately \$52 million, the majority of which will be retained in the Cayman Islands. (b) The \$26.3 million of operating surplus will be used to repay debt principal during the year which will end 30 June 2014. Again, a significant portion of which is made to a local commercial bank. So we see that the money, even though being extracted from the economy, is being reinvested in the economy.

Nonetheless, I thank the Deputy Leader of the Opposition for his observation, care and concern for what the Government does.

Madam Speaker, the honourable Member for East End questioned the validity of the unemployment rate being 6.1 per cent at the end of the year ending 30 June 2013. The rate is valid, as I will now explain.

The unemployment rate of 6.1 per cent is with respect to the fiscal year ended 30 June 2013. This is the overall unemployment rate and is derived using an average unemployment rate for the calendar year 2012 and 2013 of 6.2 per cent and 6.0 per cent respectively. These are the overall unemployment rates for the Cayman Islands which includes both Caymanian and non-Caymanian unemployment rates.

For Cayman, the unemployment rate for 2012 is based on the 2012 Labour Force Survey, and it was 10.5 per cent, while the forecast for calendar year 2013 is 9.3 per cent. These figures give an average of 9.9 per cent for Caymanians for fiscal year 2012/13. These numbers are consistent with the GDP growth for 2012 and the forecast growth for 2013 and the assumptions regarding various development projects including the construction of the Cayman Health City project.

Madam Speaker, the unemployment rate for non-Caymanians with respect to the 2012/13 fiscal year has been estimated by the Economics and Statistics Office based on the results of the Labour Force Survey at 2.8 per cent. When this 2.8 per cent rate is combined with the estimated 9.9 per cent rate for Caymanians, the resulting overall average for the Cayman Islands with respect to the fiscal year ended 30 June 2013 is approximately 6.1 per cent overall unemployment rate, stated by the Budget Address last Monday.

The overall forecast unemployment rate for 2013/14 is 5.9 per cent. Included therein is a forecast unemployment rate for Caymanians of 8.9 per cent and 3.2 per cent for Non-Caymanians. The reduction relative to the prior fiscal year is based on expected GDP growth which is supported by the various development projects, including the start of operation of the popularly named Cayman Islands Health City. Therefore, Madam Speaker, there isn't any concealment and there is no inaccuracy. The unemployment rate for Caymanians is higher than the overall rate and is a matter of great concern for the Government and one which the Government intends to resolve.

Madam Speaker, I have not commented specifically on the contribution from the Honourable Leader of the Opposition because, as I examined my notes, I did not find much that I needed to respond to. Here are some of the remarks made by the Honourable Leader of the Opposition. *It is not the Opposition's role to criticise everything the Government does. The Opposition will give the Government the widest possible berth.* Therefore, Madam Speaker, as I said earlier, I do not find it necessary to respond to any of the other comments the Honourable Member made.

In conclusion, I wish to thank all honourable Members for their explicit or tacit support of the Appropriation Bill now before the House, and respectfully ask that they so vote for the Second Reading of the Bill. Thank you, too, Madam Speaker, for your close attention paid during the contributions made by honourable Members of this House.

Thank you.

The Speaker: At this time we will suspend for lunch and reconvene at 2.00 pm.

PROCEEDINGS SUSPENDED AT 12.08 PM

PROCEEDINGS RESUMED AT 2.06 PM

The Speaker: Please be seated. Proceedings are resumed.

Does any other Member wish to speak?
I recognise the Honourable Premier.

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

I believe I am the last remaining Member of the House to speak after the debate on the Budget Address, the Throne Speech and the Policy Statement that I delivered on behalf of the Government last Monday.

Madam Speaker, I have listened with interest to much of the debate. When I was not able to actually listen to it myself I followed it by way of reports. I believe that I have the substance of what was said by all Members of this honourable House. I wish to thank all Members for their contributions.

As I indicated when I delivered the Policy Statement and in the ensuing exchanges which occurred, our plan of action was for Her Excellency the Governor to lay out, essentially in point form, the broad policy plan of this administration, and for me to provide some flesh to those bones in the Policy Statement and then for the Minister of Finance to underpin those policies with the Government's fiscal plan and economic projections.

Madam Speaker, following, we had debate from both sides of the House on the Government's policies, plans, and budget proposals. The Ministers in this administration took the time to expand upon what was said by Her Excellency and I by going into some detail with respect to their ministries and the subjects for which they have responsibility. So I believe that the House and the broader community will now have a good idea, not just of the frame of this Government's policies for the ensuing year, but would have also been provided some significant detail with respect to those policies, plans and positions.

So, Madam Speaker, it is for me at this point, really, to wrap up the discussion on these matters in a way that I hope is helpful, and then for us to proceed to Finance Committee a little later this afternoon.

I want to start by addressing what is now quite a longstanding criticism of the way the Government's Budget is prepared and presented; criticisms which I believe have considerable merit. There is an editorial in today's *Caymanian Compass*, again. I don't have it with me, and I can't recall its title, but it is quite critical of what they regard as a lack of detail provided by the Budget documents with respect to various expenditures. What they seem to be calling for is a return to the times when the Budget actually had line-item by line-item precisely how much Government expected to spend on each pencil that was used in the Government Administration Building.

Madam Speaker, I don't think we ought to every get back to that point. But there is substance to the criticisms that many of the descriptions in the current Budget are unnecessarily big. What needs to be appreciated, Madam Speaker, is that the whole budget process we have now is predicated on what are called outputs or outcomes. So the issue for examination is really what it is that Government seeks to achieve rather than how many programmes or policies, or how many meetings or discussions actually go in to getting that particular result. The Auditor General himself has also been critical of much of the budgeting process and the reporting. I think that we would be foolhardy as an administration to ignore those views.

So, Madam Speaker, as has been alluded to by the Minister of Finance and, certainly, the Councilor in that Ministry (the Second Elected Member for George Town), part of our plan over the next little while is to give careful examination to the Public Management and Finance Law (PMFL) and see what can be done to make the processes dictated by that par-

ticular piece of legislation more efficient and to remove, insofar as that is possible, some of the rather cumbersome steps involved. We are at the middle of October. By the time Finance Committee is wound up as I hope (by the end of this week), we would just be about five weeks away from when I, on behalf of the Government, will be required under the present legislation to deliver to the House the Strategic Policy Statement with respect to next year's Budget, and we start the whole budgeting process all over again.

We have seen that it is possible to develop a budget process which isn't restricted to a single fiscal year, as is the case in Jersey. And we are certainly looking at the prospect of changing our system so that we don't have to go through all the tremendous amount of work and effort it takes. It essentially takes up about nine months of the year to get the Budget presented. If we can reduce the length of time and resources devoted to budget preparation year on year, those resources can be better diverted and utilised in other aspects of managing the affairs of government, generally.

So, I want to say to the House and the broader community that Government is conscious that there is a lot of work that must be done in relation to the Public Management and Finance Law and that we are turning our attention to that. Sometimes I think it is forgotten that we were elected only four months [ago], and that we have had a huge number of major issues with which to grapple in that time. But we understand. And I certainly do, Madam Speaker, having had the benefit of having been in Government before and having served in just about every position, except the office of Speaker, since I have been here. That has given me a certain perspective and a clear understanding of how important it is that we get the systems right. Because when we don't get the systems right, we spend and waste so much time and energy trying to not fires and to chase down issues which really ought not to be issues. So we are working, not just on the good governance front, but also on the administrative front to get the affairs of Government in as good order as we possibly can.

Madam Speaker, I have taken the view and the position that as Premier I am essentially the manager of the Government. Quite frankly, if it were possible for me to divest myself of all ministerial responsibilities, that is something I would have welcomed. But with only seven members of Cabinet (which is an increase from five), plus the Attorney General and Deputy Governor, the workload still needs to be spread around. It would have been grossly unfair, particularly with many members of my team who are not just new Members of Cabinet, but also new legislators, to have burdened them with these two Ministries for which I have assumed responsibility (Home Affairs and Community Affairs).

My experience in Government before and my experience in this House generally, as I have ob-

served the way government works, is that unless there is somebody at the helm keeping the ship on course, plotting the course, you can often wind up with more than one Government. In other words, ministries and ministers pulling in different directions, which does not help to achieve the overall objectives the Government is trying to achieve. So, Madam Speaker, I try (I don't always succeed, but I try) to meet with each Minister individually once a week to get their ideas and perspectives to help them as best I can, with my experience and knowledge, to deal with the issues that are troubling them or giving them real challenge and to help ensure that they stay on course that the Government (not just the Minister) has set and that they seek to achieve the overall objectives of the Government and not just those of the particular minister concerned.

As I said, I know, from my own experience, how easy it is to get caught up in your particular set of issues and subjects and to lose sight of the broader objective, and how important it is that perspective is kept in relation to the entire work of Government. And those meetings are in addition to the regular meetings of caucus where all Ministers and Councillors and the Deputy Speaker attend so that we can collectively look at what it is Government is seeking to achieve and where it is Government is seeking to go.

Madam Speaker, in the context of all of that I listened with a wry smile on my face through part of the contribution by the Third Elected Member for West Bay—who has just arrived here after three attempts to win the seat. I first wish to congratulate him for having been swiftly promoted to the position of Deputy Leader of the Opposition. I guess in the land of the blind the one-eyed man is king. But, Madam Speaker, I would say to him that before launching a full frontal assault on me, as the new Premier, he should think very carefully about the role he has assumed as Deputy Leader of the Opposition.

Whatever my failings and mistakes may be, or might have been—because I am human I will err; I have in the past and I no doubt will continue to do so, although I do my best, based on experience, to limit the occasion on which that occurs—I have been elected now four times. And to do that means that by and large the people I serve must have found something satisfactory about me. With the benefit of only four months in office, he perhaps should be a little more careful with his criticisms of other Members of this House.

Madam Speaker, that is really all I am going to say in relation to the Third Elected Member for West Bay, except to say that he is drinking from a poisoned chalice. My advice to him is to sip slowly; otherwise his tenure here may be very short.

Madam Speaker, I want to deal with some of the matters involving internal security and the police. I believe that the Member for North Side, rather unfairly, characterised what had been said by Her Excellen-

cy the Governor and I in our contributions as being after-thoughts. I believe if one looks at the Policy Statement and the Throne Speech, one would come to a different conclusion. But, that aside, there is no question that the issue of internal security is a matter of grave concern, as I said in my Policy Statement and as has been repeated by virtually every Member of this House who got up to speak, and the concerns expressed by the Member for North Side and the Member for East End, in particular, and indeed the Leader of the Opposition, are real, and the Government certainly takes them very seriously.

I should perhaps say now that I take a very different view about my responsibility as Premier, and that of the Government through the National Security Council, than did, perhaps, my predecessors in office with respect to responsibility for internal security. The new 2009 Constitution created for the first time the National Security Council, the effect of which has shared responsibility for internal security between Her Excellency the Governor and the elected Government, as well as some persons from civil society.

The Council is made up of the Governor, as Chairman, the Premier and two other Ministers, the Leader of the Opposition and two persons representing civil society as well as the Deputy Governor, the Attorney General and the Commissioner of Police. The latter three are ex-officio Members, so they hold the position by virtue of their office.

Section 58(4) of the Constitution provides: **“The National Security Council shall advise the Governor on matters relating to internal security, with the exception of operational and staffing matters, and the Governor shall be obliged to act in accordance with the advice of the Council, unless he or she considers that giving effect to the advice would adversely affect Her Majesty’s interest (whether in respect of the United Kingdom or the Cayman Islands); and where the Governor has acted otherwise than in accordance with the advice of the Council, he or she shall report to the Council at its next meeting.”**

So, Madam Speaker, the effect of that section, the creation of this Council is that the Governor is required to accept the advice of the Council on matters relating to internal security with the exception of operational and staffing matters, and, is required to act in accordance with the advice unless there are very powerful reasons which he or she concludes go against the interests of the United Kingdom. So, the Council, if it is working effectively is, indeed, quite a powerful body.

In addition, I was invited by the previous Governor to accept responsibility for the budget of the Police Service, which I did do (some would say foolishly). So, responsibility for the Police in that respect has been transferred from the office of the Deputy Governor to the Ministry of Home Affairs, of which I am the Minister. There is, in my view, real constitutional and,

to the extent of the budget, certainly, administrative responsibility conferred on not just myself but on Government as a whole (as the Government is represented on the Council by me and two Ministers).

So, I do not take the view that this is a matter principally for Her Excellency the Governor to deal with, that is, issues involving the police, internal security and crime generally. And, Madam Speaker, I have said as much to Her Excellency and to the Commissioner of Police and his designates, as well as to the Honourable Attorney General and the Deputy Governor. I think everyone knows how I feel about this matter. I do not intend to hide behind the constitutional provision which is usually used to say that this is a matter for Her Excellency and that the elected Government can't do very much more besides vote the budgets.

I intend to put my hand up and say as the elected Representative who holds the office of Premier, I have real responsibility for what transpires in my country generally. And that includes what happens on the crime front. That includes what happens in relation to internal security. But I made plain to Her Excellency and to everyone else that my acceptance of that level of responsibility means that the elected Government will have a real say and influence on what transpires with respect to internal security. It will not and cannot be limited to us simply being asked to vote for money in a vacuum.

Madam Speaker, there seems to be some issues with my microphone, I am being advised.

The Speaker: The House will take a short suspension at this time to work out some technical difficulties with the transmission of the Premier's [speech].

[pause]

The Premier, Hon. Alden McLaughlin: [recording starts mid-sentence] . . . all I said before because I can't remember it.

The Speaker: Can you just give me a second to confirm from upstairs that it is being transmitted and recorded?

[Pause]

The Speaker: Thank you for your indulgence. The House is now resumed. Please proceed.

The Premier, Hon. Alden McLaughlin: Thank you, Madam Speaker. I hope that what I have said for the last half hour or so was recorded because I certainly won't be able to remember it.

The Speaker: I hope so too, Honourable Premier. But I have pretty much recorded verbatim if the need arises for confirmation.

[Inaudible interjection]

The Premier, Hon. Alden McLaughlin: I meant, Madam Speaker, particularly the listening public and those who may be viewing these proceedings on the television, whether they would have the benefit of what I said because, unfortunately, my notes consist of about five lines. So, I won't necessarily be able to recall all that I've said.

But as I was saying, I have said to Her Excellency and the others that my acceptance of the responsibility and that of the Government for a role in internal security cannot be limited simply to us being asked to approve the police budget, because budgets are not created in a vacuum. Budgets are created to underpin certain programmes, policies and plans. And that we must have a real role to play in the development and execution of those plans and policies.

Madam Speaker, over the course of the last years, really, we have seen a significant upward trend in serious crime, particularly violent crime and crime involving the use of firearms. We do have spikes from time to time, but I believe that if we track it the trend is generally upward. And that is a situation that we absolutely have to arrest (pardon the pun). I have made that plain before; we cannot and must not concede and accept that this is just the price of progress in a developing country with a population that continues to grow. That is not acceptable from our standpoint. We have to find more effective means of reducing the incidents of crime, generally, but particularly serious crime and especially crime involving the use of firearms.

Madam Speaker, over the course of the last few weeks in particular, I think the police have done an exceptional job in investigating the crimes, murders and robberies that have taken place and in bringing to book a significant number of suspects in relation to those. Just this morning the police were able to arrest two persons in connection with the murder of Earl Hart. That was the result of a targeted exercise executed in the very early hours of this morning. So, I believe that on the investigative front the police are doing much better now than was the case in the past. I believe also, in relation to prosecutions, that all indications are that the quality of evidence that is being gathered and presented to the court, case preparation and so forth, is significantly better than has been the case in the past.

But, Madam Speaker, the Government's view is that the Force has to become effective at preventing the incidence of crime. We have, as a country, invested many, many millions of dollars in providing equipment and training, in staffing up the Force in terms of the numbers. But, Madam Speaker, my concern continues to be about not so much the number of resources we have, but the capacity or capability of the Force to deal with serious crime on a sustained basis.

Over the course of the next few days and into the weekend, the country can expect and will see that the police are out in significant numbers. There will be an over-show of strength and operational plans will be executed to disrupt the known criminal element and to keep visitors and residences safe and to seek to avert the possibility of reprisals with respect to the killing this past weekend. But, Madam Speaker, that is good and that is what I believe we need to be doing right now. We need to shut down as far as we can any further development or evolution of this spate of killings.

Our concern as a Government, and mine as Premier, is that we need to get the Police Service to a point where it has the capacity; it has the capability to operate in this way of disrupting what is going on, preventing these crimes from happening on a sustained basis. It cannot just be when we have a serious incident or serious set of incidents. And we cannot continue down the road where we have to import significant numbers of trained people as was the case in 2011 (I believe was the last time we did that) to bolster our Police Service to be able to carry out these kinds of operations. We have to build that capacity locally.

It is something that we said back in 2011. Some of us were saying it before that. There has to be an acceptance on the part of the Commissioner and those in charge of the Police [Service] that Cayman is not what it was—and I am saddened to say that—and that we cannot operate on the basis that the use of firearms by police officers is voluntary, that we are going to have to move to a point where certainly new recruits that come in have to understand that they will be required to go through proper firearm training and that we have to get the capacity in the [Service] locally to be able to do what is necessary on a sustained basis so that the bad men, the bad boys out there begin to understand and believe that if they are driving or walking the streets with a firearm in their possession that the chances are that they will be stopped, they will be apprehended and will find themselves in custody and the firearm seized.

Based on my knowledge, there are still far too many bad men (I can't think of another word to call them) who walk or drive around with absolute impunity on the basis that the chances are that they are unlikely to be stopped or questioned by a police officer and, therefore, they can take the firearm wherever it is that they wish to go. We have done, and are proposing to do, more with respect to ensure that there are consequences which flow from possession and handling of a firearm. Many of the cases in recent times that have been lost have been lost on technical grounds that even though the person charged and his or her DNA is on the firearm, the mere fact that the DNA is on the firearm does not equate to possession of the firearm. It simply means that the person has handled the firearm at some point.

So, Madam Speaker, one of the changes that will be proposed very shortly is the creation of a new offence of handling a firearm which ought to make it simpler to get a conviction in relation to people who are illegally handling or unlawfully handling illegal firearms. We have to get a system in place that is more efficient and more effective at prosecution. It is simply taking far too long between the time we actually arrest someone and when we can actually get them before the court. Part of that relates to the need for better access to forensic facilities to be able to do their ballistics tests, the DNA tests and any of the other tests that are necessary to provide the evidence to prosecute these matters.

A big part of it also has to do with the availability of courtrooms (believe it or not). And I am going to talk a little later about the critical need for us to find more court facilities to be able to deal with the issues we are facing in Cayman.

Madam Speaker, we are looking at ways to improve the coverage and capabilities of the national CCTV (closed circuit TV) system that we have, looking at ways to improve the lighting around these so that we are able to read the images better. The CCTV service is proving to be invaluable and we need to bolster its strength and the quality of the photographs or the images that we get from it.

Madam Speaker, what I can say is that this Government does not want to be at odds with the Commissioner or the Governor or the RCIPS. We want to be able to work in tandem with them at improving internal security in these Islands. While there have been significant successes, particularly in recent times with the apprehension of significant numbers of suspects, we do believe that we are going to have to look very carefully again at the whole approach to policing.

We hear the concerns, in particular, of the MLAs from North Side and East End about the lack of adequate coverage in their districts. We hear it not just from them; we hear it from their constituents. I was in East End last night.

[Inaudible interjection]

The Premier, Hon. Alden McLaughlin: No, Minister *[sic]* McLean.

[Laughter]

The Premier, Hon. Alden McLaughlin: You like the sound of that, eh?

[Inaudible interjection]

The Premier, Hon. Alden McLaughlin: Thank you, very much, elected Member for East End. But you are right. This hasn't just been happening now; it's been happening for a long time. But we are just in Govern-

ment now. And the assurance that I wish to give is that we are not prepared to simply accept the reasons or excuses for why there isn't adequate coverage in the eastern districts.

[Desk thumping]

Mr. V. Arden McLean: [inaudible]

The Premier, Hon. Alden McLaughlin: Well, what I can say to the two Members who are cautioning me about making promises I can't keep is that, quite frankly, if we are not able as a Government, and if I am not able as Premier, to exercise some degree of influence over these kinds of decisions, then they might as well take the police budget and all of the responsibility back to themselves and deal with it, because I am not going to stand here and try to defend these positions, take the licks politically and otherwise (as we say in this business) for the responsibility if I am not going to be able, if the Government is not going to be able to effect some improvement in relation to these matters. I am simply not going to do it.

[Inaudible interjection]

The Premier, Hon. Alden McLaughlin: Madam Speaker, there are significant issues around the Prison Service as well. We would have known about the recent escape of three, two of whom have been recovered, the third we believe to be elsewhere outside the jurisdiction.

Madam Speaker, there is no question that significant monies have got to be spent to improve the state of security at the prison. Even with all of the challenges that we face financially, the Government has pledged a significant sum in this year's budget to dealing with improving the situation there. We are also in the process of constructing a modern custody suite which will be compliant with the Bill of Rights to replace the substandard facilities at the West Bay Police Station and the George Town Police Station.

So, Madam Speaker, I don't stand here this afternoon and promise Members of the House or the broader community that we are going to fix everything in another month or two. What I am pledging is that the Government really and seriously takes the issue of internal security and crime in this country very, very seriously. We are gravely concerned about it. We are concerned about it from the point of view of those of us who live and work here, those of us who call this place home.

In addition, Madam Speaker, if we do not ratchet down the incidence of serious crime in particular, burglaries too—burglaries and violent crime are a major problem. If things continue as they are, let alone escalate, Cayman's reputation is going to change from one where we have been regarded as one of the safest places where you can live and work and visit to

one where you have to be seriously concerned about your personal safety. We are already seeing worrying signs of this at places like TripAdvisor. I went there myself yesterday and looked, and was quite distraught at some of the postings.

We really cannot allow the perception to continue to grow that visitors cannot come here and walk on Seven Mile Beach on a moonlit night without fear. We have got to stop the purse snatching, the robberies, even if no one is hurt. It won't be long before someone is. And God help Cayman, and all of us and our tourism industry, the day some tourist gets seriously hurt as a result of these incidents. Our economic existence depends on us getting this situation under control.

I said this morning in the police briefing to Her Excellency the Governor, the Acting Commissioner and the DPP that whatever the Government needs to do to ensure that we address these issues properly, the Government is prepared to do. But that is not to be translated as us simply saying, *Here is another \$2 million, \$3 million, \$4 million, \$5 million, \$6 million*, because we do not believe that throwing more money at the [Service] is going to resolve these issues.

Madam Speaker, we accept that the reason why things have gotten to this stage is because of serious social issues that we have. And we do have to try to fix, to address, those underlying factors. But we have to deal with those who are now committing these offences or are likely to commit these offences and the police, I'm afraid is the agency that has that responsibility, that capability and that capacity. So they are on the frontline and they are required to deliver.

Madam Speaker, I just want to wrap up this part of what I intend to say today by saying that as a Government we are very conscious of and very grateful to those officers who day in and day out put their lives—literally these days—on the line to serve this community and to seek to keep us safe and secure. Many of them are being asked to do this in the most difficult and dire circumstances. Some of them, in recent times, have apprehended armed suspects while being unarmed themselves, which I think requires a special kind of courage. But we need to get to a place where we are not putting our officers in those kinds of situations. And although some will resist this that means that we need to send armed officers to apprehend persons we believe are likely to be armed.

I am not suggesting that we arm every police officer who walks on the street. I don't want anyone to believe that. But we do need sufficient numbers of them armed on a regular basis that they can disrupt, apprehend, create a whole different atmosphere, environment and culture among the criminal element who understand that the police are prepared to meet the prospect of force with greater force. That, I'm afraid, is the only language that the kind of people we are speaking about will understand.

Madam Speaker, I probably should say something about the Fire Service. It was not dealt with in my Policy Statement, nor was it dealt with in the Throne Speech. But it is a matter that falls under the Ministry of Home Affairs to which we have turned our attention. We know that there are some serious issues at the Fire Service, that they have issues in relation to the strength of the Service. We are working to ensure that they are able to recruit a significant number of new fire officers.

We know that at the Fire Service many of them have been working for long periods of time with little, by way of vacation, much by way of overtime, that they are not paid overtime and, thus, many of them have accumulated huge numbers of time [in lieu] and that we need to deal with the issue of leadership. They still do not have a chief fire officer appointed. They still have an acting chief fire officer. I have directed that we have a proper outside-led review of the Fire Service to determine its strengths and weaknesses, and where its deficits are with firm recommendations as to what needs to be done to get the Service back up to the standard for which it was once well known. So, over the course of the next few months we hope to have this exercise carried out

Madam Speaker, finally, I wish to address one issue which is causing me concern and that was also raised by the Leader of the Opposition, and that is constituency allowances. I don't ask for much, generally. I volunteered for this job, and I got it, and I battled for years to reach this position. I did so, like many of my colleagues, by giving up a very lucrative career. So the pursuit of great wealth has never been my ambition.

When I took the office of Premier, I dispatched with virtually all of the trappings that came with the office, the allowances, the paid gardeners, chefs, cooks, drivers, bodyguards and all that sort of stuff. I say all of that not to do anything more than this: But the one position that I take, and which I will not change, is that I and all of my colleagues, need to have the ability to do the work of our constituents. More than a dozen years ago it was determined that there would be constituency allowances for each elected Member. The allowances were to assist with being able to service the needs of our constituents. Many of us set up offices. Some did not. Regardless, everybody got constituency allowances.

Over time, those of us who were able to share offices did so to be able to provide some level of savings to Government. But it cannot be right to ask elected Members to fund constituency work from their salaries. All of us, regardless of which side of the House you are on, help people every day that we are alive, I believe. It is just part of the way it is. Anyone who thinks they can avoid that just needs to be here for a few months and they will understand different. But for Members to be expected to rent offices, pay the utilities, pay staff, run the offices, use their per-

sonal phones and whatever else it is, and have to fund significant portions of that from their salaries is just unreasonable.

Madam Speaker, I have been here coming up on 13 years. Constituency allowances were agreed, the figure was agreed with the Chief Secretary (now the Deputy Governor), and they were paid to elected Members on that basis. Every elected Member does not get the same sum, because every elected Member is not in the same circumstance. In East End and North Side the cost of running an office is what it is, but it is only one Member in each constituency. So that one Member has to pay for all of those costs.

In George Town what we have tried to do (even though it is not ideal, because the place is really too small for, now four Members of George Town on the Progressive Team) is share offices and schedule our appearances there so that we don't crawl all over each other. But if each Member decided they wanted a separate office the cost to government would be phenomenal. We have three staff members, but only two of them are paid by us as Representatives. The other is paid directly by government. I should say that we also combined in George Town the MLA office with the party headquarters so that the party can help supplement some of the overall costs. It just makes more sense. But it is unreasonable in the extreme to expect that we can run an office with four MLAs on \$6,000 a month and pay staff members, leases, and do all of these things.

So, Madam Speaker, I have spoken at length with the Deputy Governor about this. But if we are unable to resolve it outside of Finance Committee, I am proposing to resolve it in Finance Committee. It is Finance Committee that votes the funding for the government. If the matter cannot be dealt with appropriately here, it can be transferred to the Cabinet Office or somewhere else where we can deal with it. This month we have had to run an overdraft which I personally guarantee to be able to pay staff in my constituency office. This is unacceptable.

As I say, I want nothing for myself; but I will not accept and will not compromise my ability and that of my colleagues to service our constituents! So, we are going to resolve this [matter] this week for sure, one way or the other.

Madam Speaker, I believe that we have gone through the Budget presentation, the Throne Speech presentation and debate in probably as good a time as I have ever recalled since being here. I think Members have behaved very well, very responsibly. I want to thank all the Members of my team. I want to thank those who laboured long and hard within the public service over the course of the last few months getting us to this particular point. I want them to know that their efforts and labours have not gone unnoticed, and that we are most grateful for all that they have done.

I want to particularly single out the Minister of Finance and his team, the Financial Secretary and the

Deputy Financial Secretaries and the Chief Officer and the Director of the Budget and Management Unit for all of their hard work. I must speak about the tremendous effort they have made to get us to this point where we were able to deliver a Budget. It has not been easy for those on the outside—I should say the challenges have been immense. To get the approval of the Foreign and Commonwealth Office [FCO] and the Minister, Mark Simmonds, has taken a tremendous amount of effort.

So again, I want to thank all of them for all that they have done. I should say that Minister Simmonds will be visiting us next month, albeit only for a day. But I will take the opportunity to express our gratitude for the cooperation and sensitivity, even, that we have received from him and his office since we were able to win the Government some four months ago.

Madam Speaker, I thank you for your patience and guidance over the course of this last little while. I will now resume my seat and we can take the vote on this matter.

Thank you.

The Speaker: The question is that the Appropriation (July 2013 to June 2014) Bill, 2013, be given a second reading.

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

Ayes.

The Speaker: The Ayes have it. The Bill is accordingly passed.

Agreed: The Appropriation (July 2013 to June 2014) Bill, 2013, given a second reading.

The Speaker: I recognise the Honourable Premier for the motion to adjourn until the conclusion of Finance Committee.

ADJOURNMENT

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

I move the adjournment of this honourable House to enable the House to resolve itself into [Finance] Committee and that the House do stand adjourned until the conclusion of the meeting of Finance Committee.

The Speaker: The question is that this honourable House be resolved into Finance Committee and it is hereby adjourned until the conclusion thereof.

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

Ayes.

The Speaker: The Ayes have it.

AT 3.11 PM THE HOUSE STOOD ADJOURNED UNTIL THE CONCLUSION OF STANDING FINANCE COMMITTEE.