



**CAYMAN ISLANDS  
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT  
ELECTRONIC VERSION**

**2014/15 SESSION**

**26 November 2014**

*First Sitting of the Fourth Meeting*

*(pages 657-694)*

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

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PRESENT WERE:

**SPEAKER**

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

**MINISTERS OF THE CABINET**

Hon Alden McLaughlin, MBE, JP, MLA	<i>The Premier</i> , Minister of Home 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, JP, MLA	Minister of Finance and Economic Development
Hon Osbourne V Bodden, JP, MLA	Minister of Health, Sports, Youth and Culture
Hon G Wayne Panton, JP, MLA	Minister of Financial Services, Commerce and Environment
Hon Tara A Rivers, JP, MLA	Minister of Education, Employment and Gender Affairs

**EX OFFICIO MEMBERS OF THE CABINET**

Hon Jennifer Ahearn	Temporary 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, JP, MLA	Second Elected Member for George Town
Mr Alva H Suckoo, MLA	Fourth Elected Member for Bodden Town
Mr Joseph X Hew, MLA	Sixth Elected Member for George Town

**OPPOSITION MEMBERS**

Hon. W. McKeever 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

**APOLOGIES**

Mr Winston C Connolly, Jr, MLA	Fifth Elected Member for George Town
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**OFFICIAL HANSARD REPORT  
FOURTH MEETING 2014/15 SESSION  
WEDNESDAY  
26 NOVEMBER 2014  
10:47 AM  
First Sitting**

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

**The Speaker:** I will invite the Honourable Minister of Education, Employment and Gender Affairs to grace us with prayers this morning.

### PRAYERS

**Hon. Tara A. Rivers:** Shall we 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

**The Speaker:** I now call upon the Temporary Member to be sworn in and ask her to take her seat at the Clerk's dais.

**OATH OF DUE EXECUTION**  
[Administered by the Clerk]

**Hon. Jennifer M. Ahearn, Acting Deputy Governor:** I, Jennifer Margaret Ahearn, do solemnly and sincerely affirm and declare 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 Member of the Legislative Assembly.

**OATH OF ALLEGIANCE**  
[Administered by the Clerk]

**Hon. Jennifer M. Ahearn, Acting Deputy Governor:** I, Jennifer Margaret Ahearn, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors, according to law.

**The Speaker:** On behalf of the Honourable House I would like to welcome the Temporary Member and ask her to take her seat please.

Please be seated.

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

#### APOLOGIES

**The Speaker:** I have received apologies from the Fifth Elected Member for the district of George Town, Counsellor Winston Connolly. I have also received apologies for late arrival of the Honourable Leader of the Opposition.

#### CONDOLENCES

**The Speaker:** I am sure that all Members of the Honourable House would wish me to extend our deepest condolences to the family of the late Shenni Bodden-DaCosta, seeing that her family has served this country in various capacities for a number of years.

Madam Clerk.

### PRESENTATION OF PAPERS AND OF REPORTS

#### DEVELOPMENT AND PLANNING (AMENDMENT) REGULATIONS, 2014

**The Speaker:** I recognise the Honourable Minister responsible for Planning.

Honourable Minister, before you start, if you would permit me, I meant to say it, but it alluded my memory, to also welcome and acknowledge the presence of former MLA from the district of West Bay, Mrs Daphne Orrett. We welcome you to our proceedings today, Madam.

Please continue, Honourable Minister.

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

Madam Speaker, I beg to lay on the Table of this honourable House, the Development and Planning (Amendment) Regulations, 2014.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak to it?

**Hon. D. Kurt Tibbetts:** Madam Speaker, when the time comes on the Order Paper for the Government Motion for these Regulations, I will speak to them at that time.

Thank you.

**The Speaker:** I got the attention of the Honourable Premier.

Honourable Premier?

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

Madam Speaker, I crave your indulgence to be able to read to the House, a letter which I just received from Mr. James Duddridge, MP, and Minister for Africa, the Overseas Territories, and the Caribbean.

**The Speaker:** Honourable Premier, do you wish to lay it on the Table?

**The Premier, Hon. Alden McLaughlin:** Yes, Madam Speaker.

**The Speaker:** So ordered. You may now proceed.

**Letter from Mr. James Duddridge, MP,  
Foreign and Commonwealth Office, London**

**The Premier, Hon. Alden McLaughlin:** As I said, Madam Speaker, the letter is addressed today, 26<sup>th</sup> November 2014, to me as the Premier and Minister for Home and Community Affairs. It reads as follows:

“Dear Premier:

“Thank you for your letter of 10 November enclosing the Cayman Islands Government’s Strategic Policy Statement for fiscal years 2015/16, 2016/17 and 2017/18. I know that your Government has committed to make sound management of Cayman Is-

lands’ public finances a top priority and congratulate you for the positive progress that you have made.

“I understand that the FCO’s Economic Advisor for the Overseas Territories, Mr. Homewood, has reviewed the SPS with your officials and commends the Minister of Finance for the cooperative and positive approach it has taken in these discussions.

“I note that the Cayman Islands Government is on track to deliver a fiscal trajectory which brings it into compliance with the FCO’s borrowing guidelines by 2015/16, as outlined in the FFR. It is important that the significant progress made by the Cayman Islands Government is maintained and that you continue to keep a watchful eye on public expenditure. My officials look forward to continuing to work closely with you and your team as you prepare your Budget for 2015/16.

“I would also like to extend my personal gratitude to you for agreeing to chair the Economic Development Session at the Joint Ministerial Council. I look forward to welcoming you at the JMC and discussing your plans for the Cayman Islands.

“James Duddridge.” [UNVERIFIED QUOTE]

Madam Speaker, with your permission, I would like to lay a copy of this on the Table of this Honourable House.

*[Letter dated 26<sup>th</sup> November, 2014, Laid on the Table by the Premier, the Honourable Minister of Home and Community Affairs.]*

**2015/16 STRATEGIC POLICY STATEMENT**

**The Speaker:** I recognise the Honourable Minister responsible for Finance.

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

Madam Speaker, on behalf of the Government I beg to lay on the Table of this Honourable House the Strategic Policy Statement of the Cayman Islands Government for the 2015/16 fiscal year ending 30 June 2015.

**The Speaker:** So ordered.

Does the Honourable Minister responsible for Finance wish to speak to his statement?

**Hon. Marco S. Archer:** Yes, Madam Speaker, thank you.

**The Speaker:** Please proceed.

**Hon. Marco S. Archer:** Madam Speaker, the Government’s 2015/16 Strategic Policy Statement (which I will refer to as the SPS from here on in) which has just been tabled, outlines the Government’s medium-term fiscal plans, policy priorities and broad strategic out-

comes. It also establishes the Government's fiscal targets for the next three financial years; those being 2015/16, 2016/17, and 2017/18, and will form the basis of the budget planning process for the next three years.

Whilst a presentation of a three-year strategic policy statement is mandated by the Public Management and Finance Law (PMFL), Madam Speaker, I am not here today to speak simply about compliance with the statutory requirement, even though that may be very important. My purpose today in speaking to the SPS that has just been tabled, is to demonstrate the importance of and evidence for strategic planning, which is a defining characteristic of this Government, Madam Speaker.

Strategic planning is essential to the success of our country and is at the core of prudent financial management. Although the wants and needs of the country are many, Madam Speaker, it remains essential for the Government to engage in strategic and sound fiscal planning to ensure the sustainability of our thriving and successful economy.

Madam Speaker, through the strategic planning process the Government is able to identify the needs that are most important to our community and to allocate the funds necessary to meet those needs.

The process also allows us to look ahead and make provisions for the necessary investments that will take these Islands to the next level. The goals of this Government are to reduce the cost of doing business and to elevate the overall quality of life for Caymanians and residents alike. Madam Speaker, those being, a higher standard of living, better and more affordable health care, higher academic achievement in our schools, and stronger and more competitive tourism and financial services industries.

Improvement in the quality of life, Madam Speaker, comes in many forms; be it creating additional jobs and achieving full employment, be it improving the transportation network so that families can spend fewer hours sitting in traffic and more time interacting with their children, or finding ways to reduce the cost of doing business in order that we can reduce the cost of living so that families do not have to work so many hours to meet the monthly expenses of the household. Madam Speaker, this Progressive led Government is working hard to build a better community for the benefit of current and future generations.

The Strategic Policy Statement of the Government sends a clear signal to citizens and residents of these Islands and to the private sector, that the Government will not be an impediment to progress, that public finances are being restored, the public sector debt is declining, and the Government has a credible plan to move the country forward for a bigger and brighter tomorrow. Working together, Madam Speaker, we will build a stronger community with a diverse economic base where businesses and individuals can continue to thrive.

Madam Speaker, this Government strongly believes that the means to restore public finances and the fortunes of these Islands is not just through greater taxation and bigger government. Rather it is through sound economic policies that are conducive to economic growth and increased economic opportunities for our citizens and residents.

Madam Speaker, the domestic economy continued to recover in 2013 and higher growth is expected for 2014. This is conditional on the sustained strengthening in demand for tourism services and modest growth in the financial services industry. As you know, Madam Speaker, the GDP of a country is the monetary value of all the finished goods and services produced within its borders during a specific period of time. And in this case, Madam Speaker, we are referring to that period of time as a year. It is widely regarded as a benchmark indicator for economic performance.

The economic outlook for these Islands over the next three financial years shows sustainable growth in Gross Domestic Product (GDP), relatively stable inflation rates and declining unemployment. Based on economic performance of 2013 and the first six months of 2014, estimated GDP for the 2013/14 fiscal year stands at 1.6 per cent, while the forecast for 2014/15 remains at 2.1 per cent.

Madam Speaker, those growth rates are the strongest growth rates estimated so far for the country during the post-2008 global financial crisis. We have seen economic growth in the wholesale and retail trade, hotels and restaurants, transport, storage and communications, real estate, renting, business activities and construction.

Madam Speaker, over the upcoming three financial years the Cayman Islands GDP is expected to grow by an average of 2.6 per cent. It is interesting to note that amongst economists there is a general consensus that presently an average annual growth rate between 2.5 per cent and 3.5 per cent of GDP is considered respectable. Whilst the Government will continue to play its part in facilitating economic growth it is important to note that the Government's spending is not expected to be the sole driver for the forecasted increase in GDP. Instead, growth in the economy will rely heavily on domestic private consumption and investments. This should be primarily stimulated from construction projects, such as hotel and condominium developments and major infrastructure ventures, including the George Town cruise ship berthing facility, Owen Roberts Airport Terminal upgrades, the East/West Arterial Road extension, and the new Solid Waste Management Facility. Madam Speaker, where the GDP of a country is growing at a moderate but sustainable rate, and its inflation levels are kept in check, that is an excellent indicator of a thriving economy.

The Consumer Price Index, which measures inflation, which represents the variation in prices paid

by the typical consumers for retail goods and services, is expected to grow by an average of 2.3 per cent in the three-year period covered by the SPS.

Madam Speaker, the unemployment rate varies with economic growth and the anticipated creation of increased employment opportunities. In the Cayman Islands we are anticipating a reduction in the unemployment rate from 5.9 per cent in 2014/15 to 5.7 per cent in 2015/16, down to 4.9 per cent by the fiscal year 2017/18. The Government, through the National Workforce Development Agency, will work to ensure that a decline in unemployment does not only relate to the aggregate workforce but, more importantly, Madam Speaker, to the Caymanian unemployment rate. We have to be clear, Madam Speaker, as to for whom we are building this country. Nevertheless, it is accepted and expected that the unemployment rate for non-nationals will also decline over the same period.

Therefore, Madam Speaker, it is fair to say that the Cayman Islands is currently in a sweet spot in regard to its current and forecasted GDP growth; that is a relatively low inflation with declining unemployment rates.

With respect to the fiscal strategy, Madam Speaker, the Government's medium-term fiscal strategy is focused on continued fiscal prudence in the public sector, the facilitation of continued private sector growth, development of key infrastructure projects, and continued investment in our people.

Madam Speaker, looking at prudent fiscal management, as a result of this Government's fiscal prudence there have been no new revenue measures thus far, and it is our hope that this will remain the case during the three-year period covered by the SPS.

On the expenditure side, the cost of operating the public service is forecast to remain relatively static with an increase of just 1 per cent between the current 2014/15 expenditure budget and the SPS financial targets for the 2017/18 year. This forecast position does not take into account any efficiency gains which may accrue from the implementation of any accepted recommendations contained in the Project Future Report, otherwise known as the Ernst and Young Report, Madam Speaker.

To ensure public sector expenditures remain in check and further enhance the prudent management of public sector finances, the Government will be taking steps to improve the procurement process. The Ministry of Finance and Economic Development will be leading the initiative to leverage the immense buying power of the Cayman Islands Government through a centralised procurement system.

To further that effort, Madam Speaker, the Ministry recently concluded a recruitment of the Director of the Central Procurement Office. Standardisation in specification and policies is expected to yield numerous benefits such as reduced costs, reduced future maintenance on vehicles, machinery and equip-

ment; greater transparency in the procurement process; and greater compliance by private sector merchants wishing to do business with the Government. The Ministry will now be moving swiftly to develop the policies and procedures that will be used going forward to ensure that the citizens of this country receive optimum value for every dollar that is spent.

Madam Speaker, the Government is working hard to keep public sector expenditures in check. Presented today is a modest, credible, and achievable plan on how this Government intends to manage its affairs in the upcoming financial years.

Madam Speaker, there is a clear economic and moral case for providing some relief to the civil service workers, and I am proud to be a part of the Government that has managed the financial affairs of the country in such a manner as to be able to afford to do this is in the 2015/16 financial year without significantly increasing the cost of running the Government. Government's budgeted net operating expenditure for the current 2014/15 financial year is \$529.7 million. The expected net operating expenditure figure for 2017/18 is \$535.7 million. This is a modest increase of \$6 million, or 1.1 per cent increase, over a three-year period. However, Madam Speaker, this is \$30.8 million less than the actual expenditure as at the 30<sup>th</sup> June 2013, which stood at CI\$566.5 million.

The Government, like the private sector, is also subject to the same pressures of inflation. Therefore, the ability to keep Government's expenditure more or less constant is a result of increasing efficiency. Moreover, the cost of living adjustment is offset by other areas of expenditure which show decreases over the SPS timeframe, such as, reduced interest costs and reductions in other executive expenses with respect of provisions established in the current 2014/15 budget that are not required to be repeated in subsequent years.

Notwithstanding the planned cost of living adjustment, the Government's fiscal plans show marked improvement in several key indicators of fiscal health within the public sector. Annual operating surpluses are expected to be \$124.5 million in the 2015/16 year; \$134.8 million in 2016/17; and \$168.3 million in 2017/18.

Over the same period, Madam Speaker, the Government's net worth is expected to grow from an estimated \$1.594 billion as at the 30<sup>th</sup> June 2014 to a forecast figure of \$1.948 billion as at the 30<sup>th</sup> June 2018. This, Madam Speaker, is before the impact of the past service health care liability, which I will speak to later in this address.

During the three-year period covered by the SPS the entire public sector will repay approximately \$127.6 million in debt principal. This will reduce the public sector debt balance to a forecast amount of \$509.7 million as at the 30<sup>th</sup> June 2018. The annual interest costs on the entire public sector debt amounted to \$39.2 million for the 2012/13 financial year,

which coincides with the start of this Government's term, Madam Speaker.

As a result of the debt principal repayments, interest costs for the entire public sector are expected to fall to \$28.2 million during the 2017/18 financial year. This \$11 million reduction is enough to fund the entire scholarship programme of the Ministry of Education, which provides increased opportunities for Caymanian students to receive tertiary education.

Madam Speaker, for the 2013/14 financial year the Government had an overdraft facility and the overdrawn balance peaked at \$22.6 million on the 20<sup>th</sup> December 2013, but this was well within the overdraft limit. On the 14<sup>th</sup> January 2014 the Government's operating bank account balances became positive and remained positive to the end of the 2013/14 financial year. In contrast to the existence of an overdraft facility during the 2013/14 financial year, the Government will not require an overdraft facility to fund its operations during the 2014/15 and subsequent financial years.

This again is a result of prudent financial management, which has now placed us in a position whereby our operating cash is sufficient to fund the operations of the Government throughout the entire 2014/15 and subsequent financial years without the use of an overdraft facility. Therefore, there has been a significant improvement in the management of Government's cash resources.

Madam Speaker, as I have just outlined, the Government expects to have healthy surpluses throughout the forecast period and a significant decline in its debt balances. As is often said, Madam Speaker, cash is king.

The Government is also required to have sufficient cash balances to cover a minimum of 90 days of expenditure for financial years 2015/16 and onwards. For the 2015/16 financial year it is expected that the Government's cash balances will provide coverage for 96.3 days of expenditure at the measurement date of 31<sup>st</sup> December 2015. For the financial years 2016/17 and 2017/18 the ratio is expected to be 156.1 days coverage and 202.6 days coverage, respectively. Therefore, Government will comply with the 90-day minimum requirement as set out in the FFR.

Government is forecast to have a total cash balance of \$256.1 million at the end of the current 2014/15 financial year. At the end of the 2015/16 year, that balance is expected to rise to \$337.8 million, and to \$404.7 million at the end of the 2016/17 financial year, and \$514.5 million by the close of the 2017/18 financial year.

What that means, Madam Speaker, is that by the 30<sup>th</sup> June 2018, if there are no natural disasters, the economy performs as expected, and we are able to contain or further reduce operating costs, the central Government is forecast to have more cash in its bank accounts, that being \$514.5 million, than the to-

tal outstanding debt balance of the entire public sector of \$509.7 million. That will be a monumental achievement, Madam Speaker, for this country considering where we were just a few short years ago.

With respect to facilitation of private sector growth, as we all know, Madam Speaker, the private sector is the engine that drives our economy. The Government will, therefore, ensure that measures taken will be conducive to an environment which fosters continued private sector growth and job creation locally.

In the current 2014/15 financial year the Government announced measures to reduce the cost of doing business for private sector businesses. These measures included a reduction in the import duty rates for licensed traders, various fee reductions for small businesses, and a reduction in the import duty rate on diesel fuel used for electricity generation. The Government plans to continue these reduced rates and fee waivers as they are beneficial to the economy and will continue to evaluate opportunities for further reductions to the cost of doing business.

Madam Speaker, in addition to the measures announced in the 2014/15 Budget, the Government will continue to support small- and medium-sized enterprises (or otherwise known as SMEs) in a targeted and cohesive manner. Internationally it is accepted that the development of SMEs has shown the greatest potential growth for job creation, sustainable economic development and the production of affordable goods and services.

One of the biggest challenges to the development of the SMEs in the Cayman Islands is access to credit. As the Government works to reduce the level of debt outstanding at the Cayman Islands Development Bank and strengthen its balance sheet, it will also seek to make continued capital injections to enable the institution to resume its role as a facilitator for the development of small and medium-sized enterprises.

Madam Speaker, mistakes were made in the past which led the CIDB to the brink of bankruptcy. This Government has taken a more measured approach in ensuring that the entrepreneurs have appropriate guidance and coaching through the Department of Commerce and Investment to develop their ideas. Where a business shows true potential, the CIDB will be placed in a position to provide appropriate credit facilities for the further development of that business. With respect to development and modernisation of her infrastructure, the Public Sector Capital Programme is set to remain modest as the Government continues to improve public sector finances and reduce debt.

The Government's Strategic Plan provides for a \$47 million investment in capital expenditures for the immediate 2015/16 financial year. Of this amount approximately \$20 million will provide ongoing support to statutory authorities and Government owned compa-

nies. This means the Government will only have approximately \$27 million available to spend on true capital projects. However, Madam Speaker, as many Caymanians will tell you, it is not what you make, it is what you make of it. Therefore, there are times when we simply have to cut our garment to suit our cloth. The Government will, therefore, not lament the relatively small amount afforded for capital. Rather, we will focus on the most effective use of our resources.

Having said that, Madam Speaker, we are therefore, allocating approximately \$47 million for capital investment and expenditures in the 2015/16 financial year. Thereafter we plan to allocate \$57 million and \$47 million respectively in fiscal years 2016/17 and 2017/18.

Concentrating on the 2015/16 financial year, the SPS indicates the following allocations to Government agencies: \$22.6 million to the Ministry of District Administration, Tourism and Transport; \$8.8 million to the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure; \$5 million to the Ministry of Education, Employment and Gender Affairs; \$3.3 million to the Ministry of Health, Sports, Youth and Culture; \$2.2 million to the Ministry of Financial Services, Commerce and Environment; \$3.5 million to the Ministry of Home and Community Affairs; \$1.4 million to the Ministry of Finance and Economic Development; and \$0.2 million to Judicial Administration.

Madam Speaker, investment by the Government in the country's infrastructure is important. As an illustration of this, the Government has, therefore, decided to pledge a firm commitment of \$15 million over two years—2016/17 and 2017/18—to fast track the redevelopment of the Owen Roberts International Airport and bring relief to the travelling public.

Turning now to our debt strategy, Madam Speaker: The Government remains steadfast in its goal to significantly reduce public sector debt. In addition to the repayment of the normal principal amounts which are falling due this financial year, the Government will also do an early retirement of approximately US\$10 million in bonds currently held by the Cayman Islands Development Bank. Consequently, as of the 30<sup>th</sup> June 2015 the total public sector debt balance is forecast to be \$631.4 million, comprising \$523.5 million for the central government and \$107.9 million for public entities. These amounts are expected to decline over the periods of the SPS to arrive at an overall public sector debt balance of \$509.7 million as at the 30<sup>th</sup> June 2018.

Madam Speaker, when that target is achieved it will represent a 35.7 per cent decrease in public sector debt from the outstanding borrowing figure of \$793.4 million recorded at the end of the 2010/11 financial year.

Madam Speaker, I am proud to say that this Government has structured its affairs in a manner so that no more than 9.8 per cent of its recurrent revenue is required to service its annual debt obligations over

the SPS period or from 2015/16 to 2017/18. A 9.8 per cent debt servicing ratio will satisfy the PMFL requirement for the debt servicing ratio to being no more than 10 per cent from the 1<sup>st</sup> July 2016 onwards, whilst also allowing the Government to repay the existing debt at an aggressive pace. This will be achieved through a prudent debt management strategy, which includes the setting aside of approximately \$18 million of future debt servicing payments in a restricted sinking fund during the current 2014/15 financial year. A portion of our future debt repayments will, therefore, come from this fund instead of from our recurrent revenue.

Madam Speaker, importantly, no new long-term borrowing is planned during the entire SPS period.

Turning to our liability management plan, Madam Speaker, as one would expect from a prudent government, the management of its affairs is not limited to what presently exists. We must also be cognizant of and make plans for how we are going to manage in the future. After all, Madam Speaker, that is the primary purpose to which we are here today.

Much has been said about the future health care and pension liabilities of the public sector and rightfully so. This Government will not bury its head in the sand and pretend that it does not exist. Rather, the Government plans to fully ventilate the issue, take ownership of it, and, most importantly, do something about it.

Since taking office the Government has been making annual contributions of some \$11.6 million towards the post-retirement defined benefit plan for civil servants. The \$11.6 million contribution is above and beyond the normal 12 per cent pension monthly contribution paid as a percentage of monthly pensionable earnings. The Government plans to continue making this \$11.6 million annual contribution and has included appropriate provisions to do so in its fiscal plans.

In the area of post-retirement health care benefits, the Government commissioned an actuarial study on the future impact of the status quo, that is, what will happen if we do nothing and the present regime is allowed to continue and mature? The study considered future potential benefits for civil servants as well as seamen and veterans as there are legal, constructive and moral obligations to provide for these groups. According to the results of the actuarial study, based on what obtains today, the potential future liability of providing for these groups is approximately \$1.18 billion. This is predicated on various assumptions, including the rate of inflation for health care costs, the number of individuals who will qualify for these benefits, interest rates, life expectancy, and various other factors, Madam Speaker.

What is clear, Madam Speaker, is, that something must be done, and done soon. The Government is now engaging in discussions and further analysis to



determine ways in which current changes would impact the extent of future liability and how best to introduce those changes.

As I said, Madam Speaker, the Government plans to fully ventilate and take ownership of this issue. It is not a problem that was created overnight and its solution, likewise, will not be found overnight. That said, the Government will not be deterred in finding a solution and will work in a transparent and consultative manner to address this national issue.

Madam Speaker, whilst the number is a big number, and I am under no illusions about the manner in which this will be sensationalised, what I can say is that by owning this issue and making plans for it, the Cayman Islands will be much further ahead of many other countries in its fiscal and risk management strategies.

With respect to the operating surplus the Government has been criticised for the large operating surpluses in its fiscal plans. However, Madam Speaker, these operating surpluses are necessary to strengthen the Government's balance sheet so that when future liabilities, such as those of health care, are settled and recognised, the Government will still be in a positive net worth position.

In other words, Madam Speaker, through our fiscal planning we are laying the groundwork to be able to adequately deal with what we know lies ahead. The Government should be applauded for having the courage to take this on and to deal with it in a transparent and forthright manner.

Madam Speaker, turning to public sector financial reporting, the Government came under much criticism recently when it sought to lift up and encourage three Caymanian public sector certified public accountants who achieved improved results on the audit of their respective 2013/14 annual accounts. Some people were quick on their calculators to point out that this was only 3 out of 42 agencies, and so that meant that only 7 per cent had received a favourable audit.

Madam Speaker, just four short years ago the Auditor General issued disclaimers of opinion on 10 (or almost 25 per cent) of the public sector reporting agencies. And only about 1 in 3 or 33 per cent received a clean or unqualified opinion. Today I am pleased to report to this Honourable House that according to statistics provided by the Office of the Auditor General, as at the 31<sup>st</sup> October 2014, the Audit Office had completed 23 of the 42 audits for agencies of the public sector. Of the 23 agencies completed, 16 (or 70 per cent) received a clean or unqualified opinion, and 7 (or 30 per cent) received a qualified opinion. No disclaimer of opinion has been issued.

Now, Madam Speaker, compare that to where we were just four years ago and I believe that you will agree that we have been achieving real progress.

Madam Speaker, as the Minister with constitutional responsibility for finance I fully recognise and

accept my role in ensuring that public finances are planned, utilised and accounted for in a prudent manner. I will not shy away from holding people accountable when they fail to meet these requirements. Nor, Madam Speaker, will I be deterred in encouraging and recognising people when they work hard and achieve good results. The Government will, therefore, continue to encourage and support the talent we have in the public sector and work hand in hand to provide the resources that will improve public sector reporting to the point where full accountability is provided to the people of the Cayman Islands in a timely manner.

In conclusion, Madam Speaker, the outlook for the Cayman Islands is one of renewed optimism and confidence. In its first financial year in office the Government exceeded expectations for its operating surplus and closing cash balances. In its second year it sought to bring some relief to the economy through reduced taxes and improved incentives for small businesses. In its third year the Government will seek to bring relief to civil service workers who have been struggling with pay stagnation for eight years.

The two primary pillars of our economy remain vibrant with growing stay-over tourism and a flourishing financial services industry. Overall, the economy is forecast to have moderate to sustainable growth and unemployment is expected to fall below 5 per cent over the next three financial years.

Madam Speaker, a country without goals is like a ship on the ocean without a destination. This Progressives led Government is committed to the goals of a stronger economy, improved public safety, a healthy society, and a culture of good governance. This Strategic Plan makes key provisions for the achievement of these goals. It allocates resources for the continued support of our tourism and financial services industries, education, and our law enforcement agencies. It also outlines strategies that will lead to job creation in the private sector and improve opportunities for Caymanians.

Importantly, Madam Speaker, it shows the Government returning to a position of compliance with all key principles of responsible financial management as set out in the Public Management and Finance Law (2013 Revision). This return to a position of compliance is consistent with the medium-term fiscal strategy that the Progressive led Government agreed with the Foreign and Commonwealth Office in August 2013. That plan is on track and scheduled and on target.

Madam Speaker, it is said that a dream is just a dream, but a goal is a dream with a plan and a deadline. This Government is privileged to lead a great team of people. We are not without dreams. However, what differentiates us is a credible plan for the achievement of those dreams. A main goal of this administration was the restoration of public finances. This Strategic Policy Statement shows that the plans laid by the Progressives led Government to achieve

that goal is coming to fruition and that the country is poised to realise the dreams of restored public finances and the other benefits that flow thereafter, Madam Speaker.

Thank you.

[Applause]

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** There are no statements for this morning.

### GOVERNMENT BUSINESS

#### MOTIONS

##### Suspension of Standing Order 24(5)

**The Speaker:** I recognise the Honourable Premier.

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

Madam Speaker, I beg to move the suspension of Standing Order 24(5) to enable two Government Motions: Motion No. 3 of 2014/15, Adoption of the Strategic Policy Statement for 2015/16 financial year; and Government Motion No. 4 of 2014/15 entitled, The Development and Planning Law (2011 Revision) and the Development and Planning Amendment Regulations 2014.

**The Speaker:** The question is that Standing Order 24(5) be hereby suspended to allow two Government Motions to be dealt with at this Meeting.

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

**AYES and one audible NO.**

**The Speaker:** I believe the Ayes have it.

Accordingly Standing Order 24(5) is hereby suspended.

**Agreed: Standing Order 24(5) suspended.**

#### GOVERNMENT MOTION NO. 3/2014-15— STRATEGIC POLICY STATEMENT FOR 2015/2016 FINANCIAL YEAR

**The Speaker:** I recognise the Honourable Premier.

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

Madam Speaker, I beg to move Government Motion No. 3 of 2014/15 entitled the Strategic Policy Statement for the 2015/16 Financial Year.

**WHEREAS section 23(1) of the Public Management and Finance Law (2013 Revision) states that a “strategic policy statement for the next financial year shall be presented to the Legislative Assembly by a Member of the Cabinet appointed by the Cabinet to do so on their behalf for approval within two months, and if the Legislative Assembly has not within that period resolved to approve, amend or reject the statement, it shall be deemed to be approved”;**

**AND WHEREAS the Government has now prepared and presented its Strategic Policy Statement for the 2015/16 financial year;**

**BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the 2015/16 Strategic Policy Statement as the indicative parameters on which the 2015/16 Budget is to be formulated.**

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

Does the Honourable Premier wish to speak to his Motion?

**The Premier, Hon. Alden M. McLaughlin:** Yes, thank you, Madam Speaker.

Madam Speaker, this Motion seeks the approval of this Honourable House for the Government's 2015/16 Strategic Policy Statement, which the Minister of Finance and Economic Development has just tabled and ably spoken to, and outlines this Administration's key fiscal priorities and broad strategic outcomes for the Cayman Islands. It also puts forth the Government's financial targets for the next three financial years, covering the period 1<sup>st</sup> July 2015 through 30<sup>th</sup> June 2018.

Madam Speaker, when I stood before this Honourable House a year ago to move a similar motion seeking the approval of this House for the 2014/15 Strategic Policy Statement, it was with hand on heart and prayer in the air that this Government would succeed in meeting the objectives set forth in that document. I believe we have, Madam Speaker, in the main, so far delivered on our pledges and continue to make strides to keep the Cayman Islands on a steady and upward course.

Madam Speaker, through this Statement, it is our intention to let the House and the general public know of Government's broad budgetary policies. While the Strategic Policy Statement is not as detailed as the Annual Budget, it is meant to be used for medium-term planning purposes.

In reviewing Cayman's financial outlook for the next projected budget year and further into the future, we see a positive outlook with continued fiscal

restraint, which is necessary in the short term. We are poised for compliance, prepared to maintain a declining debt balance while increasing our cash balances.

Once again, I complement the Minister of Finance and the team for their hard work. I also commend everyone in Government for restraining their budgetary requests for fiscal year 2015/16. Their understanding of our need for fiscal prudence meant they did not bring all of their “wants” to the table and while it would be my desire to give everyone everything they want, it just is not possible.

I have to stress that the 2015/16 budget year is crucial for Government as we have to comply with all Framework for Fiscal Responsibility ratios, and come December 2015 we must legally comply with the mandated cash day’s ratio of 90 days. As the Minister of Finance has said, we forecast cash days to be 96.3 in the 2015/16 budget year and increasing to 202.6 in the forecasted 2017/18 budget.

While the upcoming fiscal year is crucial, Madam Speaker, I should note that we are facing some early budget pressures in the current year. As usual, we have already exceeded the current budget we set for dealing with refugees as it is an unpredictable area. Add to that the more than \$5 million made in concessions and waivers from the previous administration and you realise we still face some fiscal challenges.

But there is good news, Madam Speaker. Our managed vacancy programme is working with early savings noted in personnel costs and the Government will retain positive cash outcomes throughout the fiscal year, meaning we will not require an overdraft facility. Revenues of \$5 million collected in the first quarter from annual permanent residents work permit fees are already \$2.1 million more than the full budget year projections.

More good news, Madam Speaker, is that Cayman Airways and the Port Authority are two statutory authorities that are reporting positive early results. We have also recorded a \$2.7 million positive variance in stamp duty on land transfers for the first quarter. Things are getting better, Madam Speaker.

As the Minister of Finance has said, based on the economic performance of 2013 and the first six months of 2014, estimated GDP growth for year end 2013/14 stands at 1.6 per cent while the forecast for year end 2014/15 remains at 2.1 per cent.

Madam Speaker, these growth rates are the strongest estimated so far for the country during the post-2008 global financial crisis period. We have seen economic growth in wholesale and retail trade; hotels and restaurants; transport storage and communication; real estate, renting and business activities; and construction.

Because we are fiscally prudent, we project overall revenue of \$661,224,000 for the 2015/16 budget year, up from the \$648,172,000 unaudited figure in the 2013/14 budget. We are forecasting to grow

the economy year on year with Government revenues expected of some \$672,205,000 in the 2016/17 fiscal year and \$703,993,000 in fiscal year 2017/18.

Additionally, Madam Speaker, because of the outstanding operating performance in 2013/14, Government’s closing cash balance for that fiscal year was \$10.9 million higher than originally budgeted.

Because of this, the Progressives-led Administration was determined in the 2014/15 fiscal year to relieve some of the heavy pressures being borne by the local economy, and decided to reduce the cost of doing business in the Cayman Islands. As we all know Madam Speaker, the private sector is the engine that drives the economy.

And so, Madam Speaker, since we have taken office we have reduced the import duty on diesel fuel imported to Caribbean Utilities Company and we reduced import duty to licensed traders by 2 percentage points to 20 per cent at a cost of some \$4 million in projected lost revenues.

Madam Speaker, I hasten to remind everyone that the reduction in import duty for diesel fuel imported by Caribbean Utilities Company will take effect on 1<sup>st</sup> January next year.

In addition, Madam Speaker, we have:

- Reduced the duty on building materials to 15 per cent from as high as 22 per cent for some items.
- Removed the import duty on critical ingredients for local bakeries.
- Amended the Customs tariffs to give a duty rate of 10 per cent to electric motorcycles and electric segues—the same rate as for electric cars, and a 15 per cent duty on hybrid motorcycles—the same rate for hybrid cars.
- Implemented a series of changes to Trade and Business Licensing Fees as an incentive to support the creation and development of new businesses. Businesses with 10 or fewer employees are being permitted to pay their annual licence fee in quarterly instalments instead of the typical one-time full payment.

So, Madam Speaker, we have been looking after the private sector. But while we are taking care of the private sector, Madam Speaker, we are also working internationally to woo investment in and further shore up our Financial Services Industry.

The Government, through the Ministry with responsibility for Financial Services, Commerce and Investment will seek to partner with Cayman Finance to carry out a jurisdictional branding exercise to further promote the Financial Services Industry. That Ministry, Madam Speaker, will also review and propose changes to the Liquor Licensing Law, the Trade and Business Licensing Law and the Local Companies (Control) Licence Law.

The Government will also commence review work on the development of a legislative framework to

deter anti-competitive practices by businesses operating in the Cayman Islands.

To ensure the continued competitiveness of our jurisdiction, significant work continues to be done to modernise the Intellectual Property Legislation relating to patents, trademarks and copyright.

Madam Speaker, Miguel de Cervantes tells us in his novel *Don Quixote* that the "Proof of the pudding is in the eating." In Cayman the proof that the Progressives-led Administration is living up to its promises of restoring stability to the country is in our continuing good stewardship of the country and fiscal prudence.

Madam Speaker, it is because of this fiscal prudence that I can announce today that this Government intends to give the civil service a 4 per cent cost of living adjustment starting in the 2015/16 financial year. This Government did not want to give less than the 3.2 per cent taken from the civil service by the previous administration; in fact, we would have liked to have given more. But Madam Speaker, this is all we can afford at present.

Madam Speaker, the previous cost of living adjustment of 3.2 per cent afforded to civil servants adjusted their salaries for inflation up to 2008 levels at that time. When the previous elected Government reversed that adjustment, civil servant salaries reverted back to their 2006 inflation adjusted levels.

Since 2006, inflation has grown by 11 per cent. That means the present purchasing power of Civil Servants is approximately 11 per cent less in today's dollars than what they were eight years ago in 2006.

Additionally, Madam Speaker, at that time the Government placed a ban on all within-grade salary increases, placed restrictions on the payment of duty and acting allowances, and stipulated that employees who reach the retirement age and are rehired under fixed term contracts be placed at Point 1 of their salary scales. This resulted in a pay decrease of up to 26 per cent for some civil servants.

Madam Speaker, statistics compiled show that more than half of all civil servants earn below \$3,333 per month. And it should not go without note, Madam Speaker, that three out of four employees working for the civil service are Caymanians. This situation has caused a fall in the living standards for many Caymanian families who have chosen to serve their country through a career in the civil service.

And whilst it may not bode well for retirement security, Madam Speaker, the truth of the matter is that Caymanians have a relatively higher propensity to spend. This means, a huge percentage of the income earned is not stashed away in a savings account, rather, it is re-circulated within the economy for the purchase of goods and services.

So the fiscal and economic impact of this cost of living adjustment is not isolated to the single line of "personnel cost" on the Government's financials. Ra-

ther, economic analysis proves that an increase in worker take home pay will naturally lead to:

- an increase in Government revenue, from increased consumption;
- an increase in employment as a result of increased demand for services;
- a reduction in the demand for social benefits as families are able to afford more on their own;
- an increase in construction, as families are better able to qualify for mortgages or afford home improvements; and
- also proves to be a highly effective means of dispersing economic stimulus.

Madam Speaker, perhaps the argument could be expanded to say that the Government, like the private sector, is subject to the same pressures of inflation. Therefore, the ability to keep Government expenditures more or less constant while giving this increase is a result of increasing efficiency.

Madam Speaker, notwithstanding the planned cost of living adjustment, the Government's fiscal plan shows marked improvement in several key indicators of fiscal health within the public sector.

Our dedicated civil servants have gone far too long without pay increases that their friends and colleagues have enjoyed over the years in the private sector. And this Government, Madam Speaker, believes it is time for them to get their due.

As you know, Madam Speaker, this Strategic Policy Statement is the first step in preparing our annual budget. The main points of Government's fiscal strategy are prudent fiscal management, facilitation of private sector economic growth, an educated and work-ready populace and development and modernisation of Cayman's infrastructure.

This Government remains dedicated to transparent and prudent fiscal management with the key objects of complying with all principles of the Framework for Fiscal Responsibility. We have, Madam Speaker, developed a set of Broad Outcomes early on in office to guide our work during this term. They are:

- a strong, thriving and increasingly diverse economy;
- a work-ready and globally competitive workforce;
- a more secure community;
- a more efficient, accessible and affordable public service;
- modern, smart infrastructure;
- a fit and healthy population;
- a centre of excellence in education;
- a culture of good governance;
- sustainable developments in Cayman Brac and Little Cayman with sensitivity to the Islands' unique characteristics;

- conservation of our biological diversity and ecologically sustainable development;
- a robust agriculture sector suited to the needs and resources of the country; and
- equity and justice in a society that values the contributions of all.

And so, Madam Speaker, speaking to the first of those broad principles, a strong, thriving and increasingly diverse economy: This administration continues to find unique ways to diversify Cayman's economy because we all know that our economic wealth drives every aspect of the society. We have several ongoing and proposed construction projects and plans are on track for the cruise ship berthing facility, Owen Roberts International Airport terminal upgrades, George Town revitalisation, East-West Arterial road extension and the new solid waste management facility.

Over the course of this upcoming financial year, Madam Speaker, the Government will invest \$5 million towards its efforts to revitalise George Town and improve the experience for residents and visitors. This will include the provision of an enhanced transportation network that supports connectivity to major traffic arteries.

New employment is expected to be created directly and indirectly from these projects.

Other ways in which Government will implement a strong, thriving and increasingly diverse economy include an improvement to the public transport system, by completing public restrooms and introducing seating at the George Town bus depot and increasing taxi, tour and omnibus permits, and extending operating hours for taxi and omnibus operators. Madam Speaker, we have given 40 new taxi and 15 omnibus licences to Caymanians, meaning we have taken increasing tourism numbers to create jobs; and we have actually been able to deliver new jobs into the economy.

We will also implement regulatory framework enhancements for upcoming assessments and reviews by international standard-setting bodies; such as the IMF Financial Sector Assessment Programme review in 2017.

Government will also continue the preparatory work necessary for the fourth round of Mutual Evaluation in which the Cayman Islands' Anti-Money Laundering/Counter Terrorist Financing framework would be assessed for technical compliance with, and effective implementation of, international standards as set out in the revised Financial Action Task Force (FATF) 40 Recommendations. The Cayman Islands fourth mutual evaluation is scheduled for the fourth quarter of 2017.

Madam Speaker, we also plan to encourage collaboration between the Cayman Islands Turtle Farm and other local attractions, with entities and entrepreneurs in the tourism industry, such as tour bus

companies, water sports companies and hotels to offer visitors packages thereby producing additional positive impact on the island's economy and employment.

The Civil Aviation Authority of the Cayman Islands will continue to grow the Cayman Islands Aircraft Registry, in what has become a very highly competitive global marketplace. The Civil Aviation Authority endeavours to build smart infrastructural systems to manage regulatory activities with e-initiatives, while maintaining financial self-sustainability and contributing to core Government revenues.

Government will implement a strategy for marketing new products that can be listed and traded on the Cayman Islands Stock Exchange locally and internationally, in particular, the new rules for shipping and mining companies.

Madam Speaker, we also plan to introduce a pilot programme offering VIP concierge services for business people to be fast-tracked through Immigration and Customs when they come into and leave the country.

Madam Speaker, the next broad principle is a work-ready and globally competitive workforce: While we are doing all we can to help the private sector create jobs, we are also mindful that the employment issues in Cayman have to do with more than just the economic conditions of recent times. There is a growing feeling of dissatisfaction among many Caymanians about their treatment in the labour market. The hiring of capable and willing Caymanians and paying them a good and fair wage for work should not be a matter for debate.

Government knows we need to have a workforce skilled for employers' demands. It is crucial not only to Cayman's economy, but in keeping unemployment as low as possible.

Through the Ministry of Education, Employment and Gender Affairs, the Government will take the role of a partner and facilitator in the training, development and employment of Caymanians who are actively seeking employment or career progression.

Initiatives planned in this regard include the development of legislation to underpin the National Workforce Development Agency, the implementation of a national apprenticeship programme, a national job link programme and the establishment of a national quality assurance framework for training institutions.

The Government's strategic plan also includes additional financial incentives to attract and retain highly skilled teachers for our school system. The Honourable Minister with responsibility for Education and Employment will speak more about this initiative in due course.

The Government will convert the hurricane shelter site on the Bluff in Cayman Brac into a new school campus in its efforts to improve educational facilities throughout the Islands.

Another measure we have undertaken, Madam Speaker, is the opening of the long-awaited internationally accredited Cayman Islands School of Hospitality, which opened in September this year with 25 students. It is Government's intention to increase that enrolment to 50 over the course of the next fiscal year.

Other actions Government will take to ensure a competitive workforce include improving the employability of unskilled or semi-skilled members of the workforce such as young parents, and recovering addicts, by providing programmes that increase their job skills and literacy levels, prepare them for suitable careers, and provide therapeutic support as they transition into employment.

Madam Speaker, the third broad principle is a more secure community: Of course, Government realises that all the work done to grow the economy, attract investment and train up our citizens to take up roles of employment would be pointless if we do not pay particular attention to our security in the Cayman Islands. Public Safety is a core responsibility of the Government and is not something we can outsource to anyone else. We must therefore continue to make smart investments to support our law enforcement agencies and uniform branches. Included in the Government's fiscal plans is the purchase of an enhanced communication tower for first responders. Also included are additional funds to improve security at Northward Prison thus ensuring we do not fall afoul of our human rights obligations. This is shown as a planned \$2 million equity investment to the Ministry of Home Affairs.

The Progressives-led Administration is also prepared to continue to expand the implementation of the Crime Reduction Strategy considering short- as well as medium-term solutions relevant to early intervention, reducing re-offending and increasing enforcement and situational prevention.

We will provide social work and community development services to vulnerable children and families in order to strengthen community ties and build stronger family bonds as well as systematically restructuring the child protection services offered by the Department of Children & Family Services to ensure compliance with the provisions of the Children Law and Regulations.

Madam Speaker, there will be an analysis of all public agencies involved with the continuum of care of children and families to develop a comprehensive strategy to proactively address and treat the identified issues as well as continue to develop and enhance family programmes and treatment services to reduce risk factors and increase protective factors, and address issues such as trauma, grief, depression and anxiety, substance abuse or co-occurring disorders, thereby preventing further escalation in crime.

The fourth broad principle, Madam Speaker, is a more efficient, accessible and affordable public

service. Madam Speaker, this Government continues to see the benefits of making the services it provides easier to obtain and more affordable to the users. By guaranteeing the integrity in the purchase of goods and services by the public sector as well as value for money, we reduce costs and ensure greater efficiencies in managing Government. We will continue to improve and increase E-Government services, develop and implement E-filing for other banking, insurance and fiduciary areas of the Monetary Authority, and implement an electronic filing and payment system for director registration and licensing.

And Madam Speaker, I am happy to be able to announce that we have just appointed our first director of E-Services who will commence work on the 1<sup>st</sup> December.

Madam Speaker, the fifth broad principle is modern, smart infrastructure. Madam Speaker, because we do plan to grow the economy through increased development and work opportunities, it is vital that Government ensures we have the necessary and appropriate infrastructures in place to deal with that growth.

One of the challenges of successive Governments has been the George Town Landfill. While we are going through the proper, transparent and accountable procedures for a long-term solution to solid waste, we are managing the existing site as best we can. Government is buying new equipment as needed, management has been improved, and we are seeing the benefits.

Madam Speaker, I am happy to inform this House that the multi-national engineering company AMEC has been awarded a consultancy contract to prepare a national strategy to determine the direction of solid waste management in the Cayman Islands for the next 50 years. We remain committed to implementing the first National Solid Waste Management System Strategy and the Integrated Solid Waste Management System following proper procurement processes, as per the Framework for Fiscal Responsibility. To facilitate that upfront process, the Government has allocated \$1 million in the immediate 2015/16 budget and a provisional further million in the following year.

Madam Speaker, tourism continues to play a major role in our economic success. The Government must, therefore, take steps to promote and safeguard this industry by ensuring the safety and comfort of our visitors. In this regard, the Government will be making a relatively significant investment in the facilities used for air and cruise arrivals.

The Government has allocated \$5.5 million towards the further development of a cruise berthing facility in George Town. However, the Government remains resolute in its efforts to ensure the cruise berthing project delivers value for money and, most importantly, that any action taken will not have a dis-

astrous effect on our environment. The \$5.5 million investment will ensure those criteria are met.

Recent increases in our overnight visitors have provided a tremendous boost to the local economy. However, complacency is a luxury we cannot afford. The Owen Roberts International Airport has served us well for 30 years, but it is now reaching its maximum capacity. As the facility that provides the first and last impression for our stay over guests, it is critically important that the Government moves swiftly to improve the airport, and in so doing, better our tourism product.

To continue to ensure the necessary and appropriate infrastructure is in place, Government remains committed to investigating the possibility of introducing a landfill tipping fee for waste brought in from private companies and citizens. This would include a review and subsequent amendments to Public Health Regulations.

We will review the management and operation of cemeteries, and possibly implement appropriate legislation as necessary, and develop a strategic plan to diversify the sources of energy available to the Grand Cayman electrical grid in a manner that stabilises, and hopefully reduces, energy costs longer term and potentially creates a vibrant new business sector.

Government plans to reduce ground water infiltration by using a CCTV system to identify and repair sewer mains and rehabilitate manholes and extend the existing wastewater collection system into Governor's Harbour and connecting all residents in that area to the public sewerage system.

We also intend to create distinct zones for the Water Authority whereby the net inflow can be compared against the water sales to strategically identify problem areas within the distribution system and reduce non-revenue water.

As you can appreciate, Madam Speaker, an efficient transportation network is essential for the economic development of a country. It saves the commuting public time and money, improves the efficiency of land use and facilitates commerce through the movement of customers and supplies.

The Government's planned expansion of the Linford Pierson Highway and improvement of various arteries around the George Town area will be augmented by private sector efforts to extend the East-West Arterial Highway and further develop the Eastern districts. An investment of approximately \$27 million to the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure over the next three financial years will be used to execute the planned improvements and expansions, which include completing the widening of the Linford Pierson Highway from Bobby Thompson Way to Crewe Road, completing the widening of Godfrey Nixon Way from the Esterley Tibbetts Highway to Eastern Avenue and completing the widening of Smith Road from Huldah Avenue to Hospital Road.

Madam Speaker, the sixth principle is a fit and healthy population. While aiding the private sector in creating jobs, growing the economy and ensuring infrastructure is in place to meet our growing demands, if we did not have individual quality of life through health and fitness, all would be for naught, Madam Speaker. Government cannot legislate for health and wellbeing, but it can be a model to its citizens. I commend the men and women in the civil service who I see taking exercise on a weekly basis via their walking club. To help our society to get or remain fit and healthy, the Government will continue to develop and enhance family programmes and treatment services to reduce risk factors, increase protective factors, and address issues such as trauma, grief, depression, anxiety, substance abuse or co-occurring disorders, thereby improving the health and wellbeing of society.

The Government will promote and conduct public education on the community's responsibility toward the elderly and disabled to improve and strengthen their quality of life as well as develop action plans for the implementation of the National Sports Policy. We will also continue to review and improve facilities where required to meet the needs of the community as well as foster and promote sports tourism and work with national sports associations to develop strategic plans to improve the quality and increase the quantity of physical education in schools, in line with long-term athlete development principles.

The seventh principle, Madam Speaker, is a centre of excellence in education. The Progressives-led Government is committed to continuing to develop a world-class education system that positions our children and young people for success in further learning, employment and life.

One of the projects Government will continue to support is the continued construction of the John Gray High School. Whilst there is a significant cost element attached, the Government strongly believes that an educational environment, rich in opportunities to increase workforce readiness, is a worthy use of public resources.

We are a First World country and our children deserve a first class education system that is conducive to effective learning. Therefore, we will invest in the future leaders of these Islands by providing the proper developmental infrastructure that offers them the best opportunity for future success. In this regard, Madam Speaker, the Government has allocated approximately \$6 million to the Ministry of Education, Employment and Gender Affairs to continue with the construction of the new John Gray High School in phases and to carry out other minor capital works. In addition, we are prepared to develop and initiate a new legislative framework for education with full implementation of the national curriculum and introduce an enhanced governance model for education, which creates new levels of partnership with parents, the community and the private sector, with more devolved

responsibilities and greater accountability among all stakeholders.

Government will fully implement the Cayman Islands Early Childhood Curriculum Framework and the Education Council Guidelines for Early Childhood Care and Education Centres (2013) and will continue to implement the 'response to intervention' approach to support the most at-risk students.

We will formalise and implement a public-private-partnership strategy for the re-opening of the historic George Town Library building as a cultural centre and promote and grow the School for Hospitality Studies.

We plan to expand the curriculum of the Cayman Islands Law School to introduce an LLM (Master of Laws) degree programme in International Finance: Law and Regulation, in order to further enhance the school's stellar track record as a reputable institution for tertiary education.

The National Gallery will be maintained as a leading education facility and resource in the Cayman Islands and assist in the establishment of secondary and tertiary level arts education in the Cayman Islands in order to encourage the development of local artists.

The [eighth] principle, Madam Speaker, is a culture of good governance. Madam Speaker, as we have matured into a modern society, the demands on our courts system have also substantially increased. Continued growth in our financial services sector and our various service offerings, creates complex legal matters requiring significant court resources. Further, the enactment of various good governance laws, such as, the Freedom of Information, the Children's Law, the Anti-Corruption Law and the Bill of Rights, has likewise served to increase the work of our Judiciary.

Justice delayed is justice denied, and presently, our judicial facilities are inadequate to provide timely adjudication of various matters coming before the courts. Increasingly, citizens are waiting months and in some instances, years for matters to be dealt with by the courts. For several years, The Hon. Chief Justice has been asking for the provision of a new court facility to improve the efficiency of the Judiciary.

In this SPS, the Government has allocated \$200,000 to start the process, which will include a detailed business case and a subsequent procurement process in line with the FFR. A portion of the funding for this construction is expected to come from the existing Mutual Legal Assistance Treaty Forfeiture fund.

Other measures Government will take, Madam Speaker, over this fiscal year, include the development of a travel policy for all Ministers and Members of the Cabinet and for statutory authorities and government owned companies, as well as moving to develop a national plan—Vision 2030—as a strategic blueprint for the sustainable development of these Islands.

The quality of the Government's media services will be enhanced by increasing local content,

improving news content across platforms toward building listeners' connection to Radio Cayman and increasing reporting on all aspects of government, in collaboration with Government Information Services and Cayman Islands Government TV. We will also encourage more community engagement by increasing opportunities for people in the districts to interact with Radio Cayman and improve sponsorship of programmes, in addition to spot advertising, to help pay for public programming.

The Government will continue strengthening of the Department of Labour and Pensions so as to provide more effective and efficient mechanisms for managing compliance and enforcement of private sector pension and labour matters. And we support the finalisation and facilitate the effective implementation of new amendments to the Labour Law, the National Pensions Law, the Pensions Investment Regulations and the General Regulations as well as facilitate the work of the Minimum Wage Advisory Committee. Through the Monetary Authority, we will formalise regularly scheduled meetings with key private sector groups such as Cayman Finance, AIMA, CISPA, the Bankers Association, Insurance Managers Association, STEP and the Director's Association.

The ninth principle, Madam Speaker, is sustainable developments in Cayman Brac and Little Cayman with sensitivity to the Islands' unique characteristics.

Madam Speaker, you are keenly aware of Government's desire to see Cayman Brac and Little Cayman grow and thrive. I enjoy my time spent on the Sister Islands and I understand well the need for jobs and a stronger economy. There is some good news for the economy on the Brac with the weekly visit of a four-masted 16-sail ship that carries around 150 passengers. Not only will the visits expose new people to the Sister Islands, but it will also stimulate the economy and could provide incentive to further develop the Brac tourism product. To ensure the Sister Islands are sustainably developed, Government plans to complete the fourth changing room at the facility and the track and swimming pool at the Cayman Brac Sports Complex to encourage sports tourism, as well as complete works to convert the Bluff hurricane shelter site into a new Cayman Brac school campus, as I have already mentioned.

On the Brac also, we will improve scheduled Cayman Airways Ltd. air service using large turboprop aircraft and complete the terminal expansion at the Charles Kirkconnell International Airport to allow for international flights into Cayman Brac.

As for other infrastructure, the Government will continue the installation of various size water mains along the North Coast (from West End Crossroads to District Administration Building) and continue work on the Bluff site to carry out preliminary hydro geological investigations to construct a new water production/storage and distribution facility.



The tenth principle, Madam Speaker, is the conservation of our biological diversity and ecologically sustainable development.

If we are to maintain the Cayman Islands as a pristine and sought after tourist and investor destination, we have to ensure that our biological diversity and ecology are sustained while development continues. Our Cayman Turtle Farm and mosquito borne diseases have both made headlines in the recent past and to that end, Government will continue researching optimal control methods for *Aedes aegypti*, the vector for dengue fever and chikungunya and contribute to the conservation of sea turtles in the wild around the Cayman Islands, by resuming annual releases of turtles as soon as the appropriate tests and sample collections are completed.

The eleventh principle, Madam Speaker, is a robust agriculture sector suited to the needs and resources of the country.

Just as all of those previously mentioned items are strategic to a successful government, economy and country, so too is Agriculture. Government will develop the national food and nutrition security policy and strategic plan 2016, develop a land lease to farmers policy and seek to host the Caribbean week of Agriculture in 2016.

Principle twelve, Madam Speaker, is equity and justice in a society that values the contributions of all. Madam Speaker, everything Government is proposing also depends on strong families and communities throughout the Cayman Islands. We have a passion to make a positive difference now and for future generations by ensuring that human development is a national priority.

Madam Speaker, there are presently over 100 students at the Lighthouse School, which caters to children with special needs. These are our children and they will one day grow into adults. The Government has a moral responsibility to ensure that there are appropriate facilities to deal with the growing population of adults with special needs. Included in the SPS is a provision of approximately \$8.5 million over two years for the construction of a proper mental health facility. This facility, when built, will also facilitate vocational training and support services for adults with special needs.

Government plans to finalise the Cayman Islands Disability Policy and its implementation planning, ensuring that the needs of disabled persons in our communities are met by amending or implementing legislation and enhancing infrastructure.

We plan a new Sunrise Centre facility, using a public/private partnership arrangement, which will commence construction in financial year 2016/17 and be completed in 2017/18. The new Sunrise Centre will provide continued vocational training and support services for adults with disabilities.

Also in the works are a National Register of Persons with Disabilities, a National Resource Centre

for Persons with Disabilities and the creation and operation of a National Council for Persons with Disabilities with a supporting Secretariat to champion disability interests. We will also develop a public education campaign to promote the inclusion of persons with disabilities and provide supported living programmes for persons with disabilities to ensure the achievement of the highest level of independence possible.

Madam Speaker, Government will also develop a National Policy on the Elderly and advocate for legislation or resources required to ensure the rights of the elderly are protected and their needs are addressed in our community and undertake a collaborative research project on gender issues in education, in particular the underperformance of boys and young men in the education system.

We will continue to work towards extension of the Convention on the Elimination of All Forms of Discrimination against Women to the Cayman Islands, and promote gender equality and provide awareness of the Gender Equality Law and CEDAW through training and communications.

Government will also implement the National Youth Policy and construct Youth Development Indicators to lead data driven strategies for youth development.

Madam Speaker, this Strategic Policy Statement keeps us on the path we began in May 2013 of long-term fiscal responsibility. It also sets forth our very clear policy objectives that are aimed at ensuring a strong, stable and healthy Cayman society for generations to come. We are keenly aware of our need to develop, but we are even more cognisant that the development we seek and welcome must not leave our people behind or harm our environment.

The Progressives-led Administration will continue to push the country forward. We will continue to aim high, for our people deserve no less.

We are committed to all that we have put forth in this Strategic Policy Statement and I ask all Honourable Members of this Legislative Assembly for their support of Government Motion No. 3 of 2014/15, which seeks the approval of the 2015/16 Strategic Policy Statement.

I thank you, Madam Speaker.

**The Speaker:** We will now take a luncheon break and reconvene at 2:00 pm.

**Proceedings suspended at 12:29 pm**

**Proceedings resumed at 2:30 pm**

**The Speaker:** Please be seated.

Proceedings are resumed. Does any other Member wish to speak? Does any other Member wish to speak? Final call, does any other Member wish to speak?

I recognise the Honourable Minister responsible for Education.

## GOVERNMENT BUSINESS

### MOTION

#### GOVERNMENT MOTION NO. 3/2014-2015 THE STRATEGIC POLICY STATEMENT FOR 2015/2016 FINANCIAL YEAR

*[Continuation thereof]*

**Hon. Tara A. Rivers, Minister of Education, Employment and Gender Affairs:** Thank you, Madam Speaker.

I rise to support the SPS document the Government has just tabled, and to give some brief remarks to expand upon an area that was touched on briefly by the Minister of Finance and the Premier, and that is to do with the area of the Government's focus and commitment to improving the employment prospects for the country.

As the Minister of Finance stated and as is reflected in the SPS document, the Government continues to support the training, development and employment access through the work of the National Workforce Development Agency and through the emphasis the agency puts on helping to assist Caymanians upskill, as well as access employment opportunities.

The SPS document also reflects a number of other areas. This Government recognises that the approach to tackling the issue of unemployment has to be a whole-government approach. You will notice in the SPS that the Government speaks to the need for a stronger collaborative working relationship between the various agencies in government, including the Immigration Department, the Department of Children and Family Services [NDWA], and otherwise. The way our legislative framework is and has been structured for many, many years, our primary piece of legislation dealing with employment policy is the present Immigration Law, which is the latest iteration from the original Caymanian Protection Law. As the SPS reflects, the Government recognises that there has to be greater cooperation, greater collaboration, and greater emphasis on placing, developing and facilitating greater transparency in the job opportunities that exist in the market and, therefore, creating and facilitating a greater and more transparent work permit process.

Madam Speaker, the Government has worked very hard over the past year to ensure that the Immigration Department and its boards are aware of Caymanians who have registered with the NWDA to show that they are ready and available for work. The Immigration Department is now aware of this because of the collaboration over the past year. The Government is committed to continuing to encourage further col-

laboration between the departments by hopefully promoting further transparency with respect to which companies have jobs currently held by work permit holders that will be coming to market upon expiration. Hopefully, the public will be able to access that information in a more transparent manner.

Madam Speaker, we recognise that we need to do more with the system we have now with respect to making sure that information is readily accessible. Waiting to see which ads come out in the relevant newspapers two weeks in a row is not what we need to ensure that employment opportunities are actually made readily available and accessible. The emphasis in the coming year will be looking at how we can improve this information sharing from Immigration and its databases to the NWDA to give a better picture.

The Government must continue to commit to making information as to which jobs that could be held by suitably qualified persons, suitably qualified Caymanians, are actually currently available and coming on line as a result of an expiring work permit, or otherwise, accessible on a rolling basis. The emphasis of the Ministry is to continue to promote having a more transparent database at the Immigration end while figuring out how that should actually work. We look forward to working with the relevant ministries and departments as it relates to the Immigration boards and database regarding work permit process.

Madam Speaker, the Government must also recognise that because of the primary nature of the Immigration Law and its role with respect to facilitating employment in the country, there are certain inadequacies that still exist and that we need to look at strengthening the legislative regime as it relates to job advertisements and what is required currently under the Immigration Law as it relates to accessing information about job availability. It is no longer acceptable to have a situation where people overseas can find out about jobs long before we know locally which jobs are available. These are the things that Government needs to look at critically to determine how to move forward in addressing these concerns.

Madam Speaker, I want to draw the connection of the whole approach taken by the Government as to the issue of job and job creation discussed in the SPS. As discussed on page 18 of the SPS, the development and construction projects which the Minister of Finance talked about as being a key vehicle for job creation as expected in the coming year, the Government must continue to do as it has done this year, by making sure that mechanisms are built into any incentive packages, any concession packages, any discussions, any conversations, any development projects. And to ensure that real mechanisms and real opportunities are provided for real jobs for Caymanians; that discussions are had from the get-go and actual action taken to ensure suitably qualified Caymanians are given the real opportunities and that companies and developments are incentivised to ensure that they

look to attract and hire Caymanians. There is no point in talking about job creation if we are not actually able to access those jobs. So, these are some of the ways that Government is looking to ensure that actual qualified Caymanians are given the ability to access these opportunities and that these developers are given the impetus to take action to find qualified Caymanians.

Madam Speaker, another thing that the Government is considering, to which I am happy to say that the Ministry of Education, Employment and Gender Affairs has already taken steps to do, is ensuring that employment continues to stay front and centre as a focus for this Government as a whole. Every single one of us in here recognises and campaigned on the great importance of the need to ensure that we continue to provide opportunities for real employment for our people.

One of those ways is to look at the Cayman Islands Government procurement process and find ways to incentivise people who the Government contracts and engages with in tendering processes for various projects in regards to various ministries. And to find ways to include incentives, recognise and give credence to those companies that can demonstrate that they have actually employed or are seeking to employ Caymanians in the process. In this regard, the Ministry has adopted a policy to recognise and give opportunity to companies that can demonstrate they are seeking or taking qualified Caymanian employees on board to deliver the services to the Ministry and the various departments through whatever the construct of the contract is.

By taking a whole-government approach to this (and this is something that I encourage the entire Government to adopt, and it is something for the Deputy Governor's office to consider), as I said, individual ministries are contemplating doing a similar move. The Ministry of Education, Employment and Gender Affairs has taken this step and look forward to having a more targeted approach taken by the entire Government to demonstrate that we not only recognise the importance of creating real opportunities, but that we can also find ways to incentivise in an appropriate manner, which still ensures the job gets done by the best and most appropriate persons, while obviously making sure that the real opportunities trickle down to the qualified Caymanian population who are able to do the job.

Madam Speaker, with those few words, I thank the Minister of Finance for tabling this and I look forward to continuing to work with this Government to find solutions and take this country forward in the way that we are embarking on now, and into the future as we need to go. Thank you.

**The Speaker:** Does any other Member wish to speak? Does any other Member wish to speak? Final call, does any other Member wish to speak?

If not, I call on the mover to exercise his right of reply.

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

I am delighted that the Strategic Policy Statement and the presentation made by the Honourable Minister of Finance and subsequently the discussion of the policy direction of the Government by me, appears to have been met with general agreement. I thank all Members on the Opposition benches for their tacit support of the Government's policies and fiscal plans.

I just wish to clarify one matter that has arisen since the delivery and my announcement that the civil service would be receiving a 4 per cent cost of living adjustment with effect from 1 July 2015. There is apparently some confusion around whether or not it is 4 per cent, or whether there is some other figure. I am not going to mention any of the other figures that have put to me because that is just going to add to the confusion. I just want to assure the civil service and everyone else that it is 4 per cent cost of living adjustment (COLA) with effect from 1 July 2015.

So, Madam Speaker, with those few words, I thank all honourable Members of the House for their support, spoken and tacit, of the Government's Strategic Policy Statement, which will set out the broad parameters for the development of the 2015/16 Budget of the Cayman Islands Government. Thank you, Madam Speaker.

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the policy priorities, aggregate financial targets and financial allocations set out in the 2015/16 Strategic Policy Statement as the indicative parameters on which the 2015/16 Budget is to be formulated.

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

**AYES.**

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

**Agreed: Government Motion No. 3/2014-15 – The Strategic Policy Statement for the 2015/16 financial year passed.**

## GOVERNMENT BUSINESS

### MOTION

**GOVERNMENT MOTION NO. 4/2014-15—THE DEVELOPMENT AND PLANNING LAW (2011 REVISION) THE DEVELOPMENT AND PLANNING (AMENDMENT) REGULATIONS, 2014**

**The Speaker:** Honourable Minister of Planning, Lands, Agriculture, Housing and Infrastructure.

**Hon. D. Kurt Tibbetts:** Thank you, Madam Speaker.

I beg to move Government Motion No. 4/2014-15, entitled The Development and Planning Law (2011 Revision) - The Development and Planning (Amendment) Regulations, 2014.

**The Speaker:** The Motion has been duly moved. Does the Minister wish to speak to it?

**Hon. D. Kurt Tibbetts:** Yes, Madam Speaker.

Let me read the Motion so that it is clear to everyone:

**WHEREAS section 42(1) of the Development and Planning Law (2011 Revision) provides that the Cabinet may make regulations;**

**AND WHEREAS section 42(3) of the said Law provides that no regulations shall be made pursuant to the said Law unless a draft thereof has been laid before the Legislative Assembly and a resolution approving the draft has been passed by the Legislative Assembly;**

**AND WHEREAS the draft Development and Planning (Amendment) Regulations, 2014 were laid on the Table during a sitting of the Legislative Assembly;**

**BE IT THEREFORE RESOLVED THAT the draft Development and Planning (Amendment) Regulations, 2014 as amended be approved by the Legislative Assembly in accordance with the provisions of section 42(3) of the Development and Planning Law (2011 Revision).**

Madam Speaker, as Members will recall, at the last meeting of the Legislative Assembly Government gave its commitment to present the Development and Planning (Amendment) Regulations for debate and passage through this House. The purpose of these amendments is to assist both the public and the Planning Department with operational efficiency. For example, now the public can look to the regulations for all the rules and the criteria by which development in the Cayman Islands is regulated.

I will probably not go through every one, because some of them are very consequential, but I will try my best to highlight and explain the main changes to the regulations that are of any importance. Regulation 2 amends a number of definitions in the principal regulation. The first one is the deletion of the definition of "approved Agent." There was a fair amount of debate about that at the last meeting. But let me explain the rationale why the Central Planning Authority [CPA] has recommended that this definition be deleted.

As it is presently worded, the provision for "approved Agent" places an onerous burden on the CPA because when we read through, the CPA is expected to act as a regulatory body for enforcing aspects of the Trade and Business Licensing Law. After all of the other requirements in the definition, the definition as it stands says "and approved by the CPA." Meaning, after all is said and done, the CPA is still expected to be able to approve either an individual or an entity as someone or some entity that is allowed to make a planning application.

I have said before, and will say again, as we speak, we are working on it. It is our intention to regulate the industry by presenting to the House, as early as we possibly can get the legislation drafted, amendments to the Builder's Bill, which was never enacted, and also a new Professional Registration Bill, which will see the licensing of contractors, architects, engineers, and surveyors who are practicing in the Cayman Islands.

Madam Speaker, we also are simplifying the definition of "dwelling unit" by adding at the end of the word "housekeeping unit" and deleting the words "with exclusive cooking, eating, living, sleeping and sanitary facilities."

Madam Speaker, as at right now, the definition of "dwelling unit" specifies that there must be exclusive cooking, eating, living, sleeping and sanitary facilities in the structure. While a dwelling unit will inherently include the specified items, by including them in the definitions, there have been conflicts created with other regulatory statutes. As a result, there are instances in the case of apartments, for example, where a certificate of occupancy [CO] cannot be issued presently without the specified appliance in place when, in fact, such items are usually the choice of the purchaser. It is kind of a chicken-and-egg scenario, whereby developers who build apartments have everything else finished and all of the inspections are done, but until the apartment is sold and whoever buys the unit decides on what they want for appliances, it makes no sense for the developer to buy appliances, put them in, and a lot of times those who sell them will not take them back. So it causes a real problem.

As a result, the Building Code adequately accommodates for the provision of appliances, giving the Planning Department the confidence that a CO can be issued while some of these items are not actually placed in the structure.

There is also an amendment to the definition of "Hotel/Tourism zone 2" to include the area designated as such on the plan which is set out in Schedule 4. The map in this Schedule simply updates the existing map to reflect all of the parcels within the area that are zoned "hotel/tourism." But I want to go a little bit further, because the other changes to the Hotel/Tourism zone 2 are also addressed in the Regulations.

We are changing the definition of the word "lot" to include strata lots, by replacing the definition with "lot' means a legally registered parcel of land and includes a land strata lot." What happens is the regulations give the word "lot" to have the meaning ascribed to the word "parcel" in the Registered Land Law. The Registered Land Law (2004 Revision) defines the word "parcel" as meaning an area of land separately delineated on the registry map and given a number. So, we have these varying definitions which give rise to a scenario where strata lots are not shown on the registry map and, therefore, are not "lots" for the purposes of the Development and Planning Regulations. So, they are not subject to minimum lot size requirement and this has resulted in numerous strata lot subdivisions with lots that are significantly undersized but the CPA has no control over the issue since the strata lots are not lots as per the regulations. We are clarifying that issue so that these lots can have uniform minimum sizes.

There is also the question of a definition of a building permit. In defining a building permit we are inserting after "parking area" the word "'Permit' means the permit issued under the Building Code Regulations (2013 Revision)." Madam Speaker, this is simply a modernisation of the regulations to reflect what is now defined in the Building Code.

Under this definition the department will be able to use a number of building permits for various stages of construction and various circumstances during the construction process. For example, a foundation permit, or a green card, can only be issued if a foundation will be built at that time, or a fit out permit if interior work is to be regulated and so forth. So this gives the latitude to have not just one building permit, but a varying number of building permits specifically designated to what that permit is allowing to be done.

We are also making an amendment to the definition of "quarry." In November of 2012 the definition was added to the regulations. Over the past year it has become fairly obvious that the definition required a minor amendment in order to bring clarity to the types of activities that would be considered quarrying. So, the existing definition is being replaced with **"'quarry' means a place where rock, ore, stone, peat or similar materials are excavated for off-site use to supply material for construction, industrial, manufacturing or other purposes; and 'quarrying' includes blasting, primary processing (such as washing, screening, crushing or storage of the material excavated) and the making of concrete or asphalt from the material excavated."**

Just to use a fairly simple example to explain without this change what actually could have been allowed to happen: If there is a development taking place and there is excavation being done and aggregate is being created, the developer does not have a licence to quarry. Normally speaking, once you excavate on a site, whatever aggregate you excavate is

used on the same site for whatever purposes, whether for grading, land reclamation or whatever, then you do not need an actual quarry licence because it is not being taken off site. But with the definition put in in 2012, what could have actually happened is that with a fairly large development, someone could have erected a concrete batching plant on the site, used whatever aggregate that was reclaimed from that site and put to the stage that could be used to make concrete and that entity could create that on site and move it off site and sell it, which was not the intention. This defines quarrying and it puts a line squarely between what is quarrying and what is not.

These amendments simply seek to ensure that the definition remains current.

Regulation 3 amends regulation 6 of the principal regulations by saying in subsection (a), **"in sub-regulation (1) by deleting the words 'on the prescribed forms' and substituting the words 'on forms provided by the Director'"** [of Planning].

Currently, regulation 6 states that applications for planning permission must be made on the prescribed forms. But there is no schedule in the regulations that depicts what these prescribed forms are and what specific forms are to be used. So, the regulation is changed to specify that applications must be made on the forms provided by the Department of Planning. This negates the need for a schedule to be included in the regulations and it allows the forms to be modified, deleted or added to, as needed, from time to time.

In sub-regulation (2) we are repealing paragraphs (a) and (b) and substituting the following paragraphs (and this is all to do with the same business of prescribed forms): The new subsection (a) reads: **"(a) No person shall, without a Permit, construct or change a building or structure or carry out, in respect of any land, building or structure, any work that requires planning permission; and the holder of a Permit shall not in respect of any land, building or structure to which the Permit relates, carry out any work other than the work authorized by the Permit."**

And (b) will read: **"Prior to commencing the construction of, or the change to, a building or structure, a person shall obtain a Permit and, for that purpose, shall lodge with the Director an application for a Permit, which shall be accompanied by the fees (if any) set out in Schedule 2."**

We are also repealing sub-regulation (3), and the new sub-regulation will read: **"(3) An application for planning permission with any setback adjacent to the sea shall include a Mean High Water Mark survey physically defined on ground no more than six months prior to the application being submitted, and the survey plan shall be authenticated by and registered with the Department of Lands and Survey."**

Madam Speaker, first of all, it should be noted that this sub-regulation (3) previously applied to "ap-

proved Agent”, but by deleting this definition and a re-numbering exercise, this now applies to the high water mark surveys. Having said that, this regulation incorporates a policy of the department whereby high water mark surveys must be submitted with applications for coastal development. Section 8(10) of the Regulations stipulates the required minimum setbacks from the high water mark depending on the zoning. However, nothing in the regulations currently requires an applicant to demonstrate where the high water mark is located so that the required setbacks can be measured. The department’s policy attempted to regulate this, but it was found to be difficult and cumbersome to implement, hence the inclusion in the regulations.

Regulation 4 amends regulation 8 of the principal regulations and its sub-regulations to address parking requirements for churches. We are repealing sub-regulation (1)(i) and substituting the following subparagraph: **“(i) churches and other places of worship, including ancillary uses (such as church halls, classrooms and recreation rooms) - one space per 150 square feet.”** That is making the parking requirements uniform, and I will explain.

Presently the parking requirement for a church is calculated at one parking space for every eight seats. Unfortunately, there is no mechanism available, or there is no specific parking requirement for church halls or ancillary usage within the overall church buildings. You have many church compounds nowadays which have the actual church itself, the church hall and it might have some congregation area or some after school area, or whatever. And because of how the regulations read now, the parking requirement of one space per eight seats, is the only requirement for the entire church property and it is almost impossible to properly calculate it. So, the same requirement one space per 150 square feet will be uniform across the board when the calculations are made.

If truth be known, many of these institutional premises have too few parking spaces. This is not to infringe or anything else, but to engage in proper planning.

We are also addressing building heights in the Hotel/Tourism zones 1 and 2. We are repealing sub-regulation (2)(e) and substituting the following paragraph: **“(e) in a Hotel/Tourism zone, shall not exceed sixty-five feet or five storeys, whichever is the less, but when the building is a hotel or apartment in Hotel/Tourism zone 1 or in Hotel/Tourism zone 2, the maximum permitted height is one hundred and thirty feet or ten storeys, whichever is the less.”**

Currently each zone has a different maximum allowable building height. This regulation facilitates the same maximum allowable height of a development in both zones.

We are repealing sub-regulation (3) because there was an inconsistency and carryover in the regu-

lations from the changes to accommodate ten storey buildings, thus it has been deleted.

Regulation (8)(10)(d) in the principal regulation addresses setbacks for canals and inland waterways. As we speak, this regulation stipulates that where a shoreline is a canal or inland waterway, there shall be a twenty foot setback from the high water mark. It reads, **“a [minimum] of twenty feet from the high water mark.”**

Through the recent review of an application for a development along a canal, it was realised that a canal does not have a high watermark pursuant to the definition found in the Lands Survey Regulations. So, in order to ensure that there was a required setback along a canal, the aforementioned regulation is amended. As a result, in sub-regulation 10(d) the words “a canal or” are deleted, and a new sub-regulation is added as follows [in clause 4(f)]: **“(ea) in areas where the shoreline is a canal, all structures and buildings, including ancillary buildings, walls and structures, shall be setback a minimum of twenty feet from the physical edge of the canal.”**

The whole purpose of that is simply to say, instead of a high watermark, wherever the edge of the canal is, the setback is twenty feet. That’s all.

*[Inaudible interjection]*

**Hon. D. Kurt Tibbetts:** In certain matters, like what I am hearing from across the floor, Madam Speaker, the CPA has variance procedures which they can apply when it comes to matters like that. But it is impossible to have every single thing addressed. This is meant for main structures. The CPA has variance procedures when it comes to other matters once the application is made and the point is addressed to them.

Sub-regulation (10)(e) defines high watermark setbacks in the Hotel/Tourism zone. Prior to November 2012, the required setback from the high watermark in the Hotel/Tourism zone was 130 feet for the first 3 storeys and an additional 15 foot setback for each additional storey. In November 2012 the regulations were amended with the intent of stipulating that the additional 15 foot setback would be required for the fourth storey and above. Unfortunately, the amendment that was approved stated (and I will quote), “with an additional 15 foot setback for the third through the seventh storey.” That was a bit ambiguous. So, a strict reading of this clause could actually mean that you only require one additional 15 foot setback and not an additional 15 foot setback for each of the storeys. This amendment is only reflecting what was originally intended. Therefore, the sub-regulation is amended by deleting the words “for the third through the seventh storey” and substituting the words “for each of the fourth through the seventh storeys” to clear the air that for each one there is a further 15 foot setback.

*[Inaudible interjection]*

**Hon. D. Kurt Tibbetts:** Fourth through seventh is actually four. Yes.

*[Inaudible interjection]*

**Hon. D. Kurt Tibbetts:** Madam Speaker, sub-regulation (4)(g) deals with notices to adjacent landowners by inserting after the words “notice of such application” the words “shall be made on the form provided by the Director.” And it amends regulation 8(12A) of the principal regulation that simply says that notice of an application for planning permission must be served on adjacent landowners, but it does not specify a specific form. Applicants serve notices in varying formats and it causes confusion in the process.

Sub-regulation (h) deals with building height variances. The regulations now provide the Central Planning Authority a certain level of discretion when reviewing planning applications. This discretion is often applied through what is commonly referred to as a variance. But regulation 8(13) is now written in such a manner that the CPA has no discretion to allow variances for building height, and ties the CPA’s hands on this matter and does not allow the flexibility to accommodate situations where terrain characteristics or even creative architectural design warrant minor exceptions to the maximum building height.

At a meeting on 2 October 2013, the Central Planning Authority resolved to recommend to the Ministry that this regulation be amended to allow discretion for building height variances. So, the proposed amendment is as follows: “in sub-regulation (13) by deleting the words ‘Notwithstanding sub-regulation (1),’ and substituting the words ‘Notwithstanding sub-regulations (1), (2).’”

Madam Speaker, the criteria for reviewing certain types of applications for development were originally set out in section 6 of the Law, but it is considered an operational matter by both the CPA and the department and the recommendation is that this is better suited in these regulations. The amendment is as follows: “by inserting after sub-regulation (13) the following sub-regulation- ‘(14) Where the Authority or Board receives an application for permission to carry out planned area development or special purpose developments,’ (that is, the planned area development is what is commonly referred to as a PAD) “the Authority or Board,” (the word “Board” is used for the Development Control Board) “as the case may be, may- (a) consider the likely impact of the proposed development on the infrastructure of the Islands as well as on the educational, social, medical and other aspects of life in the Islands; (b) consider whether there are other issues of national importance which are relevant to the determination of the application for development and require evaluation; (c) consider

whether there are technical or scientific aspects of the proposed development which are of so unfamiliar a character as to jeopardise a proper determination of the application for development unless there is a special inquiry for the purpose;” (For instance, if there is need determined for an environmental impact assessment.) “(d) identify and investigate the considerations relevant to, or the technical or scientific aspects of, the proposed development which, in its opinion, are relevant to the question whether the application should be approved; (e) assess the importance to be attached to those considerations or aspects; (f) consider whether the development proposed in the application should instead be carried out at an alternative site; and (g) arrange for the carrying out of research of any kind appearing to it to be relevant to an application.”

Those are considerations which the CPA will now have to bear in mind.

Regulation 5, of this amendment, amends regulation 9 of the principal regulation to allow for hotel development in a residential zone. What happens now is the Development and Planning Regulations allow the CPA to grant planning permission for non-residential uses in a residential zone, provided certain processes are followed. This stems from a recent situation where an applicant was proposing a planned area development (a PAD) that included hotel development within the mix of proposed uses. For procedural purposes, the Authority considered hotel development to be commercial and applied the procedural requirement of section 9(3) of the regulations. This procedure was challenged. After obtaining advice from the Attorney General’s chambers, it was determined to be more prudent to differentiate hotel development from commercial development when considering PAD applications.

So, the amendment required will read as follows: (a) in sub-regulation (3), (i) by deleting the words “Commercial, agricultural” and substituting the words “Commercial, hotel, tourism-related, agricultural.” That will specifically identify hotel building within that zone once it is part of a PAD application, that it can be allowed.

Subsection (ii) amends an inconsistent procedural requirement for notification of adjacent landowners by deleting the words “from an owner” and substituting the words “from an adjacent owner as provided for in regulation 8(12A), (12B) and (12C) and lodged within twenty-one days of the final advertisement.” Madam Speaker, the reason for this change is that there is again an inconsistency between three existing procedural provisions in the regulations.

Regulation 8(12) states that, only adjacent landowners within a certain radius may object to an application for planning permission within twenty-one days of notification.

Regulation 8(12E) states that, only adjacent landowners within a certain radius may object to an

application for planning permission within twenty-one days of notification.

The existing 9(3) states only that an owner can object to an application for planning permission and there is no time limit for lodging the application. So, this inconsistency is obviously an inequitable one. We believe that all three of these provisions should accord with each other.

It is necessary to repeal sub-regulation (6)(a), (7)(a) and (8)(a) of Regulation 9, and sub-regulation (3)(a) of regulation 15 of the principal regulations in order to delete the density provisions for houses, semi-detached and duplexes. I will explain.

Presently, minimum lot sizes and maximum density for houses, semi-detached and duplexes in all three residential zones (low density, medium density and high density) and the beach/resort residential, contradict each other. For example, in a low density residential zone, the minimum lot size for a house is 10,000 square feet and the maximum density is four houses per acre. But the density of one house on a 10,000 square foot lot equals to a density of 4.35 houses per acre. So, one contradicts the other and if you went by 10,000 square feet, you would get more than four houses per acre. Likewise, sub-regulation (6)(i), (7)(j) and (8)(j) within the regulations address side setbacks in residential zones and speak to the provision for 50 per cent of the height of the building. But they are deleted because that really is not relevant when we speak to the other regulations which have the side setbacks.

Regulation 7 amends regulation 24 by repealing sub-regulation (2)(a) and substituting the following paragraph- "(a) involve a parcel of land or a group of adjacent parcels of land that equals or exceeds forty acres, and may include parcels on both sides of a road."

In the existing regulation 24(2), certain criteria must be satisfied for an application to qualify to be considered as a planned area development. These criteria address such issues as parcel size, mixture of uses, infrastructure, et cetera, as I have spoken to before. Sub-regulation (2)(a) states that the application must involve a parcel of land or a group of contiguous parcels of land that equals or exceeds 40 acres.

Madam Speaker, the intent of this single criterion was to ensure that a PAD had sufficient land area that you could do a proper master plan and recognise that not in all situations would one parcel of land be available that would be at least 40 acres in size. The provision allowed for an applicant to group together smaller lots that would come up to at least 40 acres. But, Madam Speaker, it used the word "contiguous." In the strictest definition of the word "contiguous" that would not allow for a parcel or parcels to be split by a road. So, you could have five or six adjoining parcels which would make up 40 acres, but because a road goes through a portion of it, they would not be considered "contiguous." Hence the minor amendment to

replace the word "contiguous" with the word "adjacent" and also stipulating that the parcels can be on both sides of a road.

Also, Madam Speaker, we have an amendment to clarify the intent of land for public purposes. The regulation allows the CPA to require applicants for subdivisions to set aside up to 5 per cent of the land for public purposes. That land for public purposes [LPP] can be used for public purposes, including active and passive recreation and public rights of way. However, the regulation is really not clear as to whether the term "public" refers to the general public, or whether it refers to the public within the subdivision from which the LPP was created. We believe that since the LPP remains in private ownership it would seem more reasonable to specify that the use of LPPs intended for the use of the owners within the associated subdivision for which it was set aside. In order to clarify the intent of that regulation, we are making the amendment.

Regulation 9 addresses the location of required public rights of way in the hotel/tourism zone. Regulation 32 requires any applicant to set aside and dedicate to the public a six foot right of way to the sea where there is a shoreline frontage of 200 feet or more. In some instances, however, there may already be suitable existing public access to the sea and a new public right of way may be better located on an alternative site. The wording of the existing regulation does not state that an alternative site can be allowed. But neither does it state that it cannot. Therefore, to give the Central Planning Authority this flexibility, we are amending this regulation and deleting the words "from the public road to the sea. Such" and substituting the words ", per every two hundred feet, from the public road to the sea, either on the subject property or on such other property as may be deemed suitable by the Authority."

Regulation 10 amends regulation 34 by deleting the words "but, in the case of an owner/occupier who possesses Caymanian Status no special permission for the occupation of part of an uncompleted building is required if such part complies with the approved plans."

Madam Speaker, regulation 34 provides a requirement for a Certificate of Occupancy (CO) to be obtained prior to the building being occupied. But the regulation also provides the exemption for an owner of a building who has Caymanian status and states that no permission is required to occupy part of an uncompleted building, if that part complies with the approved plans. What inevitably happens is that someone with approval to occupy part of a building moves in and then as they keep going along, because this exemption allows a Caymanian to do so, there are many, many who simply have no further communication or dealings with the Planning Department and the department is not able to go through the necessary inspections. It is a matter of safety for the general pub-



lic, and there really is no win because we want to give our Caymanians an advantage if possible, but with the exemption there is no way to make them come back to the department for the requisite and necessary inspections and we just do not see any other way out. That is what it boils down to. We have wrestled and battled with it back and forth and tried to think of everything we possibly could.

Madam Speaker, before I go on, I want to speak generally to the amendments to the fee schedules. It has recently come to our attention that there is some confusion in the development industry as to how the particular fees for submitting modifications to approved building permit plans are being administered. The planning application fee schedule currently omits a fee for institutional buildings. And the building permit fee schedule currently omits a fee for both agricultural and institutional buildings. Because there is no fee specific to those categories I just mentioned, the commercial fee rate is being applied as it is the only fee available.

Somebody could want to build a greenhouse, and they are charged the fee that a commercial building is charged. That is what happens now, and we are correcting that by specifically categorising some of these things. We are of the view that applying the commercial fee is not fair in these circumstances. We believe there should be a specific fee and that is a lower fee for agricultural and institutional buildings. In order to address these matters we have made the changes to the schedules and I will get to that in a little while.

Regulation 11 amends the principal regulation by inserting after regulation 37, "37A – Infrastructure fund". There was some contention when we made the amendments to the Planning Law, but this was previously in section 38 of the Development and Planning Law, and as part of the consolidation effort and in keeping with the regulations pertaining to the operational aspects, these fees simply have been removed and placed into the regulations.

Regulation 37A will now read: "(1) There is established an infrastructure fund for the purpose of providing funds for development of roads, affordable housing and other infrastructure in the Islands.

"(2) The fund shall be administered by the Ministry of Finance and allocations and disbursements approved by Cabinet and shall consist of moneys received under subsection (4)."

(3) In this section -

(a) Area A means the areas designated as such on the plan set out in Schedule 6;

(b) Area B means the areas depicted as such on the plan set out in Schedule 6; and

(c) Area C means the areas depicted as such on the plan set out in Schedule 6.

(4) A person to whom planning permission for development is granted pursuant to an application made on or after the date of commencement of sec-

tion 26 of the Development and Planning (Amendment) Law, 2014, shall contribute to the infrastructure fund as follows—"

And, Madam Speaker, let me just finish one more paragraph and then I will get to all of the fees and explain them.

Regulation 12 amends Part I of Schedule 1, while regulation 13(2) amends paragraph 3 of Schedule 2 to address the waiver of fees for a one-time addition to a house not exceeding 10 per cent of the ground floor or 500 square feet. Madam Speaker, this too had some very lively debate when we were amending the Planning Law, and I gave a commitment to have in the regulations the circumstances under which someone could add 10 per cent to an existing building, a one-time 10 per cent, which was no more than 10 per cent of the ground floor, or a maximum of 500 square feet.

So, they will now be able to do that addition, Madam Speaker. They will have to make their application and get their tests and get their inspections. But there will be no fee. At no stage of the game will there be a fee. Where there will be a fee, which is not a fee, but a penalty, is if they do this without going through the various inspection processes. Once they allow proper inspection to be done, they will have to pay nothing. Madam Speaker, I do not know how else we can do it. That is how that section of the amendment to the regulations will read.

Regulation 14 amends Schedule 4 of the principal regulations by inserting after the plan relating to Hotel/Tourism zone 1, the following plan, which is, zone 2. And the Schedule displays that, Madam Speaker.

The Schedules with regard to the fees: In Area A, what obtains until this is approved is that a house, duplex or related structure or structures and any extensions thereto in zone (a), pays \$6.50 infrastructure fee per square foot. A hotel building is only paying \$4.50; a commercial building is only paying \$4.50; an apartment is only paying \$4.50. So, we do not think that that is . . . I do not know whether it was the intent, but we do not think that is how it should be. So we are reducing that fee to \$3.50 per square foot.

There is an addition of when there is subdivision of land. There is a \$200 fee per lot for under the infrastructure fee. That is simply to assist with street lighting. I certainly am not complaining, but I say this because of my own experiences. There is not a day crossed when we do not get requests for street lights. And on many occasions, the requests are not for one street light, but it is a brand new subdivision with 30 or 40, 50 or 60 homes in it, and several roads. The bill simply keeps mounting.

My view is, in order for Government not to be in a situation of having to say, *Listen, we don't have any funds to do this*. When the subdivision is being created and this infrastructure fee of \$200 is collected, it does not really affect the price of a lot in the big

scheme of things. But this will go a long way to getting the street lighting up, even if it does not physically take care of the long-term operational expenditure. But we are hoping to get LED light soon and hopefully that will make a big difference in the price.

Madam Speaker, in [Area] B, a house, a duplex or related structure between 3,000 and 4,000 square feet was \$2.50; from 4,000 to 5,000 square feet was \$3.00; and exceeding 5,000 square feet was \$5.00. An apartment building, a commercial building, a hotel building, an institutional building were all \$2.50. We consider that somebody building their own home to live in it, certainly, should not be paying more per square foot than somebody building an apartment or a hotel, either to sell or rent. So, we are reducing those fees: 3,000 to 4,000 square feet from \$2.50 to \$1.00; from 4,000 to 5,000 square feet from \$3.50 to \$1.50; and exceeding 5,000 square feet from \$5.00 to \$3.50.

The truth is, Madam Speaker, what people used to be very conscious of is if they were looking to do a fairly elaborate home, once they knew where the window was, they would make sure to tell their architect to make sure the square footage was one square foot less than whatever the maximum was. So it really was not serving any purpose and we think we would much rather be reasonable about the situation and perhaps encourage people to develop.

There is also in [Area] B for a subdivision. It is \$100 per lot. In Area C, which is the largest area on the map in Grand Cayman, Area A is mostly down along the Seven Mile [Beach] strip, Area B is kind of in South Sound (if you understand what I am saying, Madam Speaker), and then all the rest is considered Area C.

We are also very conscious about the street light situation and how much the bill is mushrooming up. So, there will be a fifty cent per square foot fee for construction in Area C. We have tried to balance the situation out with those amendments to the Schedules. I think I have covered just about all of the main amendments to the regulations.

Madam Speaker, let me see if there are one or two more items that I might need to cover. Where I spoke about Hotel/Tourism zone 2, the map indicates the area designated as Hotel/Tourism zone 2, which I spoke to earlier, and which has been approved as a re-zone.

Madam Speaker, as I said, these changes are meant to improve the efficiency of the department and they certainly are meant to improve the experience of those working in the industry, and also, certainly, the aim is to encourage sustainable development for the Islands. So I would ask Members of this honourable House as they look at these amendments to give their support so that the necessary legal action can take place and that we can put them into force and have them in working order. Thank you.

**The Speaker:** Does any other Member wish to speak? Does any other Member wish to speak? Final call . . . I recognise the Member for East End.

**Mr. V. Arden McLean, Elected Member for East End:** Thank you, Madam Speaker.

I was waiting for the Leader of the Opposition. It is protocol that I do that. It was not about beauty or anything personal.

**Hon. W. McKeeva Bush, Leader of the Opposition:** You were waiting for me?

**Mr. V. Arden McLean:** Absolutely! I know what the protocol is in here.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Madam Speaker, I rise to give a short contribution to this Motion before the Legislative Assembly, the Development and Planning (Amendment) Regulation 2014.

I believe it is common knowledge that I had much to say surrounding the Development and Planning Bill which came to this honourable House in the last meeting. At that time an amendment was made to that [amending Bill] to reinstate the provision which requires the regulation to come back to this honourable House for an affirmative resolution.

Madam Speaker, I want to thank the Minister for complying with that, however, I think I need to record my disappointment in the Government that so eloquently opposed such action in the past when they were on this side, wherein we came to this honourable House this morning and the Government suspended Standing Order 25(5), I think it was, to allow this Motion to come to the floor for debate when we had no knowledge of it coming to the legislature.

As a member of the PPM while we languished in the Opposition, I too joined the chorus at that time about the way the UDP Government was conducting the business of this honourable House. Since I am still out here, I now make my own objections without any help. Madam Speaker, we know the tenets of democracy and how they apply especially to minorities. We know about the need for fairness, protection of minorities. The Premier (who was then Leader of the Opposition) and I fought many battles in here concerning it. And here I am now, having to fight him concerning it. The more things change, the more they remain the same. That is unfortunate.

Be that as it may, Madam Speaker, I have had to go into high gear to try and digest some of these regulations. I know the Minister is going to say we had them. But there are quite a few changes since I had them. I challenge this Government to not practice what they opposed during their tenure in Opposition with this kind of suspending of Standing Orders to allow these things to come here and not give the

Members on the other side the opportunity to review them so that we can have meaningful contribution, debate, on behalf of the people we represent.

**The Speaker:** Member for East End, I have given you some latitude to post discuss the suspension of Standing Orders, but can I ask you to now move on to your debate on the Motion before the House?

**Mr. V. Arden McLean:** Madam Speaker, I guess there is no direction for me to go in where I do not hit a blockade. But that's the nature of this business. I shall bow to your ruling and move on. They will not stop me today, though.

Madam Speaker, there are—

**The Speaker:** Member for East End, just out of an abundance of clarity, because there are some people who don't quite understand the Standing Orders as well as you do, there was ample time for you to make those comments when we did the suspension earlier this morning. You didn't, but I still allowed you to expound upon them on this substantive motion. I just asked you now to move on. I am not barricading you; you already had a right and I gave you an extra right at this juncture.

**Mr. V. Arden McLean:** Madam Speaker, I do not think you are going to barricade me, I do respect that I have to move on because . . . Madam Speaker, let me move on lest I cross the line with the Chair.

Madam Speaker, first of all, I need to find out from the Government if this amendment has been assented to and approved, because this Development Plan (Amendment) Regulation says that it is being done in accordance with section 42 of the Development and Planning Law (2011 Revision), and section 42 of the 2011 Revision was repealed.

Madam Speaker, I am merely trying to see if we got this right, because the Development and Planning Law (2011 Revision), as I have it here—and I may have the wrong one—section 42(3) says, "**Repealed by section 12 of Law 30 of 2010.**" So I do not know how we are going to be able to do these because we could not amend the revision, could we? That would have to come at the next revision to have that put back in there. So, it would have to be the 2014 amendment, as far as I know. So I would invite the Government to look at that to see, or maybe the Attorney General can tell us what that means.

Madam Speaker, there are a couple of things I want to discuss on this matter. Let me start by looking at clause 2(e) "**by inserting, after the definition of the words 'parking area', the following definition – 'Permit' means a permit issued under the Building Code Regulations (2013 Revision).**" I do not see anything in the Building Code Regulations (2013 Revision) defined as "permit." I did not find it. Usually my eyesight is not that bad, but I will certainly

invite others to look for it and let me know exactly where "permit" is defined in the Building Code.

Madam Speaker, I see under regulation 6(3) where Government has included a requirement for "**An application for planning permission with any setback adjacent to the sea shall include a Mean High Water Mark survey physically defined on ground no more than six months prior to the application being submitted . . .**" Madam Speaker, whilst I am elated to see this there, I beg the Minister to ensure that what we mean by "High Water Mark" is properly defined. We have been down this road as long as I can remember. Is it the vegetation line or where the last black grass came up, or whether they wait until low tide and go out in the sea and take low tide, which is out along black grass? Then when the tide rises, it only comes into where it was prior to the low tide and they take it there.

Certainly, Madam Speaker, I am not prepared to be disrespectful to any surveyor. I would not want to do that. But I cannot say that all of them are honest . . . not honest, but I believe what has happened is that they are engaged during those periods, particularly . . . people watch these tidal movements, you know. And they know when they are coming. And they engage the surveyors at that time and submit what they record there. But there needs to be some average method applied, because everybody has stretched our little Island to the point that they are enlarging it so they can get more area to tell you that you can't walk across that section of the beach. That's why they do it.

I wonder if they heard about Jack. But that is precisely why people do it. Everybody comes with their neon signs and call us paradise. And you see them going to church on Sunday morning too, praying and preaching for low tide.

Madam Speaker, I think the challenge for the Minister and the Government is to properly define as to what, where, how, and when that can be done. I understand within the last six months, but they may very well capture a good low tide within the last six months. The deliberately wait for it and then apply within the last six months, make those boundaries within the last six months then apply. I am sure the Minister will remember when he and I sat on Planning and at the time it was the vegetation line. But then somewhere along the line we changed that.

Madam Speaker, I want to turn now to clause 4 which amends regulation 8. I believe I spoke to the Director of Planning some time ago about this. I did not come away from him with a clear understanding, which is somewhat unusual because he usually has more patience than Job with the Member for North Side and me, but I did not come away with any excitement from it and I did forget to call him back. As I calculated, a building in the tourism zone which is sub-regulation 10(e) I think . . . yes, "**(e) in a Hotel/Tourism zone, shall not exceed sixty-five feet or five storeys, whichever is the less, but when the**

**building is a hotel or apartment in Hotel/Tourism zone 1 . . . , the maximum permitted height is one hundred and thirty feet or ten storeys, whichever is the less.”** Madam Speaker, I believe I picked up the wrong one there.

It is the one . . . or it is 7 . . . Madam Speaker, my point is that . . . I think it is in the area where we talk about the four storeys being used as a set-back and we are changing it now to four for each of the fourth through the seventh floors as opposed to each for the third through the seventh storey. But that says 10(e), Madam Speaker . . .

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Oh, I had it wrong, Madam Speaker. I had the other side—**“8(10)(e) in a Hotel/Tourism zone, all structures and buildings up to three storeys, including ancillary buildings, walls and structures, shall be setback a minimum of one hundred and thirty feet from the high water mark, with an additional fifteen foot setback for the third through the seventh storey;”** and we are changing that to the “fourth” through the seventh storey. Four floors will attract an additional 15 feet per floor.

So, 130 plus 90 would be the base of that hotel. Madam Speaker, therein lies my lack of understanding of it. I don't know if the base will be at 130, that's up to the third storey, and then you keep setting back, stagger it, because that does not cut it. And I know I was confused with that, because this can mean that in the literal sense if you are going to build seven floors, up to three floors you only need 130 feet, period. So, if I am going to build a house in a Hotel/Tourism zone I need to give 130 feet back. But if a hotel is going to be built, from the fourth, fifth, sixth, seventh, there needs to be set back 15 feet each up top. That just does not make sense because whatever damage the building was going to do, the foot is already there.

We are confused, I believe.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** You're at eight. I am looking at the 2013 Revision.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** No, no, no, I was confused with it too. You have to look at the 2013 regulations to understand that part of it.

So, Madam Speaker, the way I am interpreting this is that you cannot go straight up unless you have 190 feet from the setback. You can't go with a straight building straight up seven floors, unless you have a 190 foot setback. One hundred thirty plus sixty is 190 feet. Now that is not going to cut it on areas,

and we are going to talk about redeveloping along West Bay Road in a little bit too, because of the enhanced value that we as a people are not getting value from when we pay taxes on it.

Whatever damage we are . . . I do not know what we are trying to avoid by staggering them on the top. If it is 130 feet from the sea we might as well go straight up at 130 feet and give them the density.

**Mr. D. Ezzard Miller, Elected Member for North Side:** You can't define aesthetics in law.

**Mr. V. Arden McLean:** Madam Speaker, I know we love to define aesthetics by the pictures in our brain. That's how we do it; what is aesthetically pleasing by the wishes of individuals. We cannot do that. If we are trying to create an aesthetically pleasing building then we need to make them design it to be aesthetically pleasing. We don't have to legislate laws to stagger these buildings back and back and back. They will soon look like the Taj Mahal!

Basically that is what it is when you go to stagger these buildings back. Let's go up one floor, one straight building.

I see the young man from Planning is listening. I do not know what the Minister will do about it, but . . .

Now, Madam Speaker, the other one I have some concerns with is in that same clause 4(f), (f) by inserting after sub-regulation (10)(e) the following paragraph - **“(ea) in areas where the shoreline is a canal, all structures and buildings, including ancillary buildings, walls and structures, shall be setback a minimum of twenty feet from the physical edge of the canal.”** Now I can see us getting ourselves into problems with that. People have boat docks to do, they have changing rooms to do, and they have the pools to do. They want gazebo, they hang over their dock and then they want the gazebo in their little building for the cleaning of their fish and the what-have-you. I do not know where the Authority would have the authority to give variance in that instance. I do not know where it is in the law. I see the Authority giving variances, but I do not think they are authorised to do so.

The current Minister responsible for this and I have had many lick-outs in Planning when we had some kids inheriting their parents' house that was 10 feet from the boundary and they then wanted to go to the second floor and we could not give them the variance to encroach on that boundary. And then we made them set it back in five feet which ran them into astronomical construction costs. And he and I had many fights with that. And we were advised then, but we have changed Attorney Generals now too since then. So, that one advised we could not do any variance and we had to go with the law. I want the Minister to explain to us, if he would, how we are going to allow people to do that in there.

Madam Speaker, I want to briefly speak to the seventh storey and setting back. We made an amendment to the law to allow 10 storeys on West Bay Beach, now we are making another amendment to do that up at Beach Bay. Now, on West Bay Beach we all know it has been crowded for the last 30 years. But we are seeing the redevelopment of these properties. So, there is a development of 30 owners and they participate in the redevelopment with the developer. And because they are 10 storeys, the density has gone up and they get 60 apartments out of it. The current owner of the building has an increased value on the properties and we are not getting anything from it. It is not being assessed as increased value on that property because if you were buying it outright it would have been \$3 million, whereas the prior would have been valued at \$1 million. But they get a new building, new apartment, and it's valued at \$3 million and they just move into it. And the only person paying stamp duties just happens to be those who buy the new ones.

We need to try and capture some of that money, somehow, somewhere.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Did you say that's a horny one? You need to break the horns off. Somehow we need to get part of that. Everybody speculates on us and takes us over the coals. I am sure the Minister of Financial Services who is the one that has it, will come up with some innovative ways of changing that . . . oh no, that's Lands and Survey. Everybody has to do something in this one. Yes. We need additional fees off that. That's simple.

Madam Speaker, I believe that we need to seriously look into that. We do not have to necessarily do it at what the usual rates are because people have lived and invested here for 30 years at least. But if you have an enhanced value, they need to pay on their enhanced value, some percentage of it.

I notice under clause 5 where the Government is repealing sub-regulation 6(a), which is the maximum density (this is in residential), which amends regulation 9: **“(1) In a residential zone, the primary uses are residential and horticultural. Applicants for permission to effect any development in a Residential zone shall ensure that the massing, scale, proportion and design of such development is consistent with the historic architectural traditions of the Islands.”** And then it goes on to say- **“(6) In high density areas, detached and semi-detached houses and, if in suitable locations, guest houses and apartments are permissible provided- (a) the maximum density is eight detached or semi-detached houses or four two-bedroom or six one-bedroom duplexes per acre.”**

I heard the Minister make some explanation on it, but I wonder what they are going to be now. Is it

going to be left up to the Authority? I do not see anything being put back in to replace it. It is being repealed.

I understand the 50 per cent height of the building a little further on, because that just doesn't make sense. But then in low density the two bedroom duplexes per acre are being taken out as well, which is 8(a). They are taking that out too. The maximum density is four detached or semi-detached houses or two three-bedroom duplexes per acre. I do not see it being replaced. And if my eyesight has failed me, then I would invite my people to do that.

Madam Speaker, let me move on to clause 6. I am sceptical. Clause 6 amends regulation 15 by repealing sub-regulation (3) . . . no, clause 7, Madam Speaker. Sorry. I do apologise. **“The principal Regulations are amended in regulation 24 by repealing sub-regulation (2)(a) and substituting the following paragraph”** which is the PAD, planned area development. And I hear the Minister saying that under the old regulation it has to be contiguous. And he is trying to allow them to cross the road.

Madam Speaker, the problem we have with that is . . . and I guess you could not get away from it if a person owned both sides. The problem you have is aerial intervention.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Yeah but that is a long time. And it is nah any big piece of land in Cayman. No, they bought on both sides. You don't worry about that BoBo. They bought both sides on speculation. Every one of those roads have been 'bout ya long time!

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Well, I can think of at least two places I heard of, that are trying to do PADs now that this will be trying to facilitate. The one in North Side is supposed to be on both sides of the road. And I understand that Dart is doing both sides of the road in West Bay, so it could apply to that as well.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Which two sides of the road up there? He nah going on that seaside.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** That's we piece of land up there.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Oh, I don't know. I am just saying I have my own concerns about that.

Madam Speaker, in clause 8 I see where we are amending regulation 28, including the definition of **“public’ in relation to a subdivision, means land-owners within the subdivision.”**

Now—

#### **Moment of interruption—4:30 pm**

**The Speaker:** Member for East End, we have reached the hour of interruption. I will recognise the Honourable Premier.

#### **SUSPENSION OF STANDING ORDER 10(2)**

**The Premier, Hon. Alden McLaughlin:** I move the suspension of Standing Order 10(2) in order for the business of the House to continue beyond the hour of interruption. I can indicate to Members that we would like to finish off by 7:00.

**The Speaker:** The question is that Standing Order 10(2) be suspended to allow the House to continue its business beyond the hour of 4:30 pm, the anticipated conclusion time no later than 7:00 pm.

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

**Ayes and one audible No.**

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

**Agreed: Standing Order 10(2) suspended.**

**The Speaker:** Member for East End, you may now continue your debate.

**Mr. V. Arden McLean:** Madam Speaker, I believe I was on clause 8, which amends regulation 28(6). I trust this Government has thought about this because we have had our own problems in subdivisions where the Authority mandated that certain areas be left for public use, such as boat ramps. And I can think of at least two in subdivisions and it was a condition of their approval that it would be open to the public to launch their boats for fishing and the likes. Later it became a source of contention between the general public and the change of landowners. So, I need to see what kind of explanation the . . . because we talked about setting out public open space too and combining them over the years.

Madam Speaker, I want the Government to inform us on what that process is and who will be allowed in there. And I understand if you enhance that open space for that subdivision. But there are many who, in this country, were given permission subject to the public using some of those open public spaces.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** LPP or POS. LPP was given, (land for public purposes). The permission was given at the time of those approvals for boat ramps to be put in. That is the 5 per cent. And they have run the public off of it. So tell us if you are trying to get rid of those.

I was trying to be nice with unna, and unna wants to take me on?

I do not want to be called names up inside here. I am sick of that now. I am being very nice. Take it as I give it.

Madam Speaker, I want to look at clause 9. **“The principal Regulations are amended in regulation 32 by deleting the words ‘from the public road to the sea. Such’ and substituting the words ‘, per every two hundred feet, from the public road to the sea, either on the subject property or on such other property as may be deemed suitable by the Authority; and such.’”**

Madam Speaker, I trust the Attorney General is going to be listening to this one (clause 9). I noticed he was looking quite keenly at the Minister when he was introducing it. I would expect the same attention now.

Madam Speaker, regulation 32 currently says, **“In Hotel/Tourism zones, the Authority, when granting planning permission in relation to land which has a shoreline of two hundred feet or more in a development other than private single dwelling units, shall require the owner to set aside and dedicate to the public a right of way of not less than six feet in width from the public road to the sea. Such right of way may be within the area set aside for setbacks under these regulations.”**

Now, Madam Speaker, the Minister knows that as a Minister, I, myself, had more problems with this. This Attorney General knows too (unless his memory slips him). But I have been to him for legal opinion on those prescriptive rights, over those same rights of way. I went so far as to register the majority of them along West Bay Road, along with the ladies from West Bay, Ms. Alice Mae Coe, and some others, and Ms. Ezmie Smith was part of that committee. I know Mr. Carson was too. Now, those are already prescribed, a lot of them undeveloped properties that are over 200 feet wide. What is the intent of this? Madam Speaker, if you are going to do what the previous Government allowed Dart to do, then, I cannot support this, which is under that agreement, combine all of them and put them in one piece of property down the road.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Holdman's [Phonetic] corner or something such. That is not the objective of access to the beach. Are we going to get everybody down there and say no one should walk through their place? There are prescriptive rights, and you cannot get away from that.

Now, the Attorney General may want to stand up and tell me that I don't know what I mean by prescriptive right. But, Madam Speaker, I want to know how we are going to get past that. In this day and age, every time you ask the Government to do something they tell you, *Oh, we can't do that because of human rights*. How are we going to take away the rights of individuals; that prescriptive right that they have down there? You can give, but you can't take away. Therein lies my concern. And I am sure the Attorney General will explain that. But I can think of . . . it just doesn't make sense.

What would you have to do down there? It could only be a landowner who has land in a different location. Where are we going to put um? Up there on that iron shore or what? Is that where we are going to make our people walk to the beach? How are we going to do that? The instances of one proprietor, one landowner owning, let's say 600 feet of beach, and three sixes is 18 feet out of that, by law. How many of those are left along West Bay Beach that you are going to get 600 feet out of it? Dart might have it, but that's about all. There are very few pieces of property left. And then where are we going to put our people who, for years have walked along these properties to go to the beach? Are we going to take the people who are supposed to go to the public beach? We can't increase the property there by the Governor's house because there are condos on one side, the Governor's house on . . . Unna going to make them buy that or what? Governor's house? That's the only thing unna can do.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** It's about time.

Madam Speaker, I am concerned with how this is going to work. Yeah, if you get someone down there with 300 feet, you get a six-foot right of way. What are we going to do? Get that proprietor to go down the road to buy a six-foot right of way? Or are they going to buy 100 feet of beach down the road? It has to be similar. It cannot be any less than what we are entitled to. So, I just do not understand why we are doing this. It has to be of similar value, or better. I need to know before I can put my signature on this.

Madam Speaker, in this day and age, judicial reviews come up quite often; might not win, but we go to them. This is about prescriptive rights in many instances. I am not trying to be an objectivist, but hear ya now; that is that old Mose, you know, the Minister of Tourism.

Madam Speaker, I want to turn to clause 11, this infrastructure fund. I want to go over to clause 11(4), "**A person to whom planning permission for development is granted pursuant to an application made on or after the date of commencement of section 26 of the Development and Planning**

**(Amendment) Law, 2014, shall contribute to the infrastructure fund as follows."**

With your permission, can I read the section 26 of the 2014 amendment Bill?

**The Speaker:** Please proceed.

**Mr. V. Arden McLean:** Thank you.

Section 26 was amended in the Development and Planning (Amendment) Bill, 2014, at clause 17. And it says, "**The principal Law is amended in section 26 by deleting the words 'Storm belts' where they appear in the marginal note and in the section and substituting the words 'Mangrove buffer.'**" What does that mean?

Madam Speaker, section 26 in the substantive Law reads, "**Storm belts as indicated on a development plan shall not be the subject of development or clearance other than by persons authorised in that behalf by the Authority and to the extent and in the manner, if any, directed by them.**"

I suspect that is a mistake, because it could never be only the people that do the buffer who have to pay infrastructure fees. Something is not right there. You are right with that, Minister. Something is not right there. It says "section 26." I see your young man over there looking with gazed eyes. It is section 26 of the Development and Planning (Amendment) Law, 2014. Madam Speaker, while they look for that, I will go on.

Madam Speaker, I cannot support the Government in under 37(4) again, when the Minister in his introduction said that the \$200 for the subdivision of land under infrastructure fund fee is for lights. I cannot support that because the time should be nigh that we protect our people. And whoever is doing a subdivision needs to put these lights in. Even if in time government takes them over, but we cannot afford this anymore.

I was going to do a land transfer for a young couple (a young lady from East End and a young man from Bodden Town). They are married and have a child. I said for them to meet me at the LA. Both of them came. I could not sign it because it was in an entity's name and then on the paper they had the individual names. I told them I could not do that. Anyway, I called for the person. I went to speak to the person. I could not understand the lady or she could not understand me, but there was a bad language barrier. I understood she was sending her husband and she was going to tell him where I am. When he called the couple he was nearly Bodden Town looking for the Legislative Assembly building.

*[Laughter]*

**Mr. V. Arden McLean:** Somewhere by Linford Pierson Highway.

Anyway, he eventually got here. I found out that I was talking to his wife and then I could not un-

derstand him. The moral of the story is, he had come in here on speculation, bought property, subdivided it, does not have any street lighting and he is selling it off. No concern for the safety of the purchasers and then government has to pick up the tab. Why are we taking the onus on us again?

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Just like Planning required them to put in water, roads, electricity, part of that electricity *shine on*. Maybe later! Maybe we say after five years when the subdivision is full-out, government will take them on. Then we have a responsibility to watch out for the interests of our people. The Minister is right. I just asked him for one last week. I am constantly asking for streetlights; all of us, Madam Speaker. But when these subdivisions were built, the other thing that needed to happen a long time ago was with the roads. We allow them to do only one application of chip and spray and two years later you need to shine flashlights to see which pothole you are in and how deep it is. But it is not expensive to do two applications.

If you are building 100 lots and it is going to cost you \$200,000 to put in the road, you have to divide that over the lots you know.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** You have to do asphalt because that is now a standard. And why has it become a standard? Because, of the same developers not doing the double application which would last 10, 12 years of chip and spray. Sometimes we have to ensure that government does not pick up these tabs. Why do you think we have to spend so much money? And everybody walks away with it making their millions off the sale of these properties and cannot spend a measly . . . I don't know how much those streetlights are now, \$150? And you only need to put them strategically in there—maybe five, maybe six.

What they do not understand is that when you put the lights in and you tell people, *Oh we have security* (and you are making them pay for it), it attracts people to your subdivision. Instead of single women or women travelling alone who are fearful of the dark, you know? And then you cater to the women's needs and their security and they have to make their husband come to that subdivision you know.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Of course.

Anyway, Madam Speaker, I think the Government needs to rethink that and require that anyone doing subdivision also puts in security lighting.

I see one Bill coming here now where we are telling the secondhand dealers that they have to put up security lights and cameras and all kinds of thing.

Anyway, Madam Speaker, I don't see anything here for in Area B, where there is anything under 3,000 square foot house. So, they can build under 3,000 [square feet] and be allowed to go in that area or what? I see 3,001 to 4,000 square feet, \$1.00 per square foot. And, 4,000 to 5,000 square feet, \$1.50 per square foot; and exceeding 5,000, \$3.50 per square foot.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Under 3,000, is it free?

**Mr. D. Ezzard Miller:** That is what that says.

**Mr. V. Arden McLean:** That is not what this says.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** And in Area C, there is fifty cents per square foot of the gross floor, of the development and \$100 per lot of subdivision. Maybe I am missing something here. But in Area C, I would think that somebody doing a little 1,900 square foot house would have to pay \$950. And in Area B I do not know what it is, there is no application here. I do not see it.

Madam Speaker, I go on to clause 12.

**Hon. D. Kurt Tibbetts:** It never was.

**Mr. V. Arden McLean:** Don't tell me it never was, because—

*[Inaudible interjection]*

**Mr. V. Arden McLean:** So what are we applying all those charges with? You are not charging anybody for under 3,000 square feet?

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Holy God. Okay.

It seems rather unfair that Mr. Miller's and my Area C have to pay and nobody else is paying. Unna really getting out of hand ya now.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** No. The Minister needs to help us out now.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** No, take off the 50 off of Area C.



[Laughter]

**Mr. V. Arden McLean:** No, no, no, no, no, no, no. Uh-uh! You are going to the reverse of what I want.

Madam Speaker, he is talking about changing up to 4,000 for fifty cents. No. I am asking to reverse my section to say, [pay] nothing up to 4,000 in Area C, which is, mine and my good friend from North Side. We have been paying all along and nobody else has been paying. It's time now for us to get relief.

**The Speaker:** You mean your constituencies.

**Mr. V. Arden McLean:** Yes my constituencies.

We are in Area C, and we have been paying infrastructure fee forever and unna not giving us any roads. Area B is not paying and you are giving them all the roads out there? Somebody . . . we need to reverse it at least for a little while, Madam Speaker.

**Mr. D. Ezzard Miller:** Five years. Put it on them now and give us a break.

**Mr. V. Arden McLean:** Madam Speaker, be that as it may, I am glad to see that the Government has changed its position on clause 12, that is if you're adding on a little piece onto your house because at first my understanding was that anything, any building, whether it is new, 10 per cent or whatever, would attract the same rate. So, I am glad to see . . . I heard the Minister say on the radio that when the regulations came out we would see. I am glad to see he had a change of heart.

[Inaudible interjection]

**Mr. V. Arden McLean:** Madam Speaker, one of the things that he has not had a change of heart, though, which I asked him, I begged him to do, was to clearly define the removal of shoreline debris following inclement weather. He has gone up to \$250. It was \$200, right? It was \$250, I believe, Madam Speaker. But he has not clearly defined that it is by mechanical means. I think that that needs to be clearly defined that this is by mechanical means, as I understood it from him during the [presentation of] the Bill; that it is backhoes and bulldozers and the stuff because they want to have greater control over how they move and shift the beach. But I do not want somebody in Planning Department to go to East End and charge the people of East End for raking up their beach.

God forbid. We have a policeman in East End (and we all know who he is). He cleans his beach every day. Mr. Gilbert McLaughlin. Every bit of gulf weed that is there, he uses for fertilizer and stuff. God forbid if the enforcement officer goes up there and tells him he can't clean his beach unless he pays \$250. So that is just one in my constituency. There are many others. But it does not clearly define it and I know how these

things go, Madam Speaker. If you do not clearly define it and leave it, some civil servant is going to put their own interpretation to it and then we are going to have our problems.

Madam Speaker, I think I have said enough. I would like the Government to answer some of my questions. And they should really look into that one about section 26 of the Law.

Madam Speaker, I thank you for the opportunity.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Final call, does any other Member wish to speak? [pause]

If not, we will take a short 10 minute break.

**Proceedings suspended at 5:03 pm**

**Proceedings resumed at 7:29 pm**

## **GOVERNMENT BUSINESS**

### **MOTION**

#### **GOVERNMENT MOTION NO. 4/2014-15 THE DEVELOPMENT AND PLANNING (AMENDMENT) REGULATIONS, 2014**

[continuation thereof]

**The Speaker:** Please be seated.

I recognise the Honourable Minister for Planning, [Lands, Agriculture, Housing and Infrastructure].

#### **AMENDMENT TO MOTION**

**Hon. D. Kurt Tibbetts:** Madam Speaker, I think my first task is to lay on the Table of the Honourable House an amendment to Government Motion No. 4/2014-15, the Development and Planning (Amendment) Regulations, 2014.

Just seeking guidance, as I lay, should I read before I lay or just lay it?

**The Speaker:** I would ask that you read it so that Members will—

**Hon. D. Kurt Tibbetts:** Okay. That's fine.

**The Speaker:** —be familiar—

**Hon. D. Kurt Tibbetts:** So that we could be aware. I just wanted to make sure.

**The Speaker:** —and we probably need the consensus of the House for the temporary Serjeant to come and assist you in laying it as well.

[Laughter]

**Hon. D. Kurt Tibbetts:** Okay.

I am sure that the House would give leave for that to happen.

And, Madam Speaker, just to quickly say that because this is a regulation and it is for affirmative resolution and we do not have a committee stage, is why we are having to go through this process and, if nothing more, we have discovered a new way to do things whenever it happens again, I think. I hope.

Anyway, Madam Speaker, the amendment reads as follows:

**AND BE IT FURTHER RESOLVED that the Draft Development and Planning Amendment Regulations, 2014 be amended:**

**(a) in regulation 11, in the new regulations, 37A(4)(b)(i) proposed for insertion in the principal regulations by deleting “3,001 to” and substituting “up to”; and**

**(b) in regulation 11, in the new regulation 37A(4)(c) proposed for insertion in the principal regulations by deleting “\$0.50” and substituting “\$0.25.”**

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak to the laying of this paper?

**Hon. D. Kurt Tibbetts:** No, Madam Speaker, I am going to, with your permission and your guidance, have just one little go at it.

Thank you.

**The Speaker:** I once again recognise the Honourable Minister responsible for Planning, who, before we took our luncheon break, was about ready to rise to exercise his right of reply. Since then, there has been a *novus actus interveniens* in a form of an amendment to the Motion. And I would ask if he would deal with that at this stage before moving on to his reply.

**Hon. D. Kurt Tibbetts:** Thank you, Madam Speaker.

I certainly am not going to try to repeat what you just said. I promise you.

[Laughter]

**Hon. D. Kurt Tibbetts:** I know where my limitations are.

But what the procedure calls for is, and as I read, Madam Speaker, the amendments that I just tabled, what I want to do, with your permission, is to read the Government Motion No. 4, as it will now read with those two very minor amendments.

**The Speaker:** Honourable Minister, if you would just move the amendments—

**Hon. D. Kurt Tibbetts:** Amendments first.

**The Speaker:**—first, so I can put the question on that and then. . . yes.

**Hon. D. Kurt Tibbetts:** Yes. Yes.

Madam Speaker, as I have laid the amendments on the Table, the proposed Motion, as amended, has been circulated. I beg to move the amendment to Government Motion No. 4 of 2014–15.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak to his amendment?

**Hon. D. Kurt Tibbetts:** No, Madam Speaker. As I said, with your permission, I would just like to have one go of it because the two amendments are very, very minor.

**The Speaker:** Could I just ask . . . Honourable. . . sorry.

**Hon. D. Kurt Tibbetts:** Forgive me. When I move it, I should read it. So I will now read it. Thank you.

The motion, Madam Speaker, as amended will read:

**WHEREAS section 42(1) of the Development and Planning Law (2011 Revision) provides that the Cabinet may make regulations;**

**AND WHEREAS section 42(3) of the said Law provides that no regulations shall be made pursuant of the said Law, unless a draft thereof has been laid before the Legislative Assembly and a resolution approving the draft has been passed by the Legislative Assembly;**

**AND WHEREAS the draft Development and Planning (Amendment) Regulations, 2014 were laid on the table during a sitting of the Legislative Assembly;**

**AND WHEREAS subsequent to the laying of the Draft Regulations, additional amendments have been proposed;**

**BE IT THEREFORE RESOLVED that the Draft Development and Planning Amendment Regulations, 2014 as amended, be approved by the Legislative Assembly in accordance with the provisions of section 42(3) of the Development and Planning Law, (2011 Revision).**

And, Madam Speaker, with your permission, just for clarity, the actual amendment from what I just read is just the “WHEREAS” section speaking to *subsequent to the laying of the Draft Regulations, additional amendments have been proposed*. That is the first amendment of the Motion itself.

And then, in the “RESOLVED” section the words “as amended” have been added to the Motion itself.

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

If you would, just oblige the House by starting with “In accordance with the provision of,” for the record.

**Hon. D. Kurt Tibbetts:** I was just trying to move it along, Madam Speaker, but for clarity:

In accordance with the provisions of Standing Order 25(1), I, the Honourable Minister of Planning Lands, Agriculture, Housing and Infrastructure, seek leave in accordance with Standing Order 25(2) to move the following amendment to Government Motion No. 4/2014–2015 as follows:

Those two amendments that I just mentioned are:

- (a) To insert a new Whereas section to Government Motion No. 4/2014–2015 to read as follows— “AND WHEREAS subsequent to the laying of the Draft Regulations, additional amendments have been proposed and laid on the table of the Legislative Assembly; and
- (b) To insert the words “as amended” after “Regulations, 2014” in the Resolved section.

**The Speaker:** The amendment has been duly moved.

Does the Honourable Minister wish to speak to the amendment?

**Hon. D. Kurt Tibbetts:** Again, Madam Speaker, unless I have to, I would just like to make one of it.

Thank you.

**The Speaker:** Thank you.

Does any other Member wish to speak to the amendment? Does any other Member wish to speak the amendment? Final call—does any other Member. . .

Member for East End.

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

I was trying to get my bearings with this to see where the Minister is going. I know he spoke to me briefly about it because I had asked in my contribution that the Government look at the removal of the \$0.50 per square foot in Area C, which is designated as the general areas of Cayman; that is, the residential areas which include all of the proper of most of the districts. It appears like the Government has decided to reduce that to \$0.25. [It is] still a little more than I wanted there, but Madam Speaker, you know, I hear they are giving, they are promoting a Cayman Thanksgiving now, so I guess we will have to give thanks for small mercies—and it is small, I must say, but I guess it is better than the \$0.50. Half of what it was.

Now, Madam Speaker, there were some other ones that I had spoken of, and I trust that the Minister will give us those. But let me just say thanks to the Minister for listening to my cry and responding and

reducing the infrastructure fee, for my constituents in particular, by 50 per cent. We would have liked it reduced by 100 [per cent], but 50 [per cent] is better than none.

*[Crosstalk]*

**Mr. V. Arden McLean:** And I trust that the next time we come back to this Honourable House, something will be impressed upon the Government to reduce that even more.

Thank you very much, Madam Speaker.

**The Speaker:** Does any other Member wish to speak to the amendment?

If not, I will put the question that the following amendment be made to Government Motion No. 4/2014–2015 as follows:

To insert a new WHEREAS section to Government Motion No. 4/2014–2015 to read as follows:

- (a) AND WHEREAS subsequent to the laying of the Draft Regulations, additional amendments have been proposed and laid out in the Table of the Legislative Assembly; and
- (b) To insert the words “as amended” after “Regulations, 2014” in the Resolved section.

**The Speaker:** All those in favour, please say Aye.

**AYES.**

**The Speaker:** Those against, No.

The Ayes have it. Accordingly the amendment has been passed.

Now I will call upon the Honourable Minister to continue his reply on the Motion, as amended.

**Agreed: Amendment to Government Motion No. 4/2014-15 passed.**

**GOVERNMENT MOTION NO. 4/2014-15  
THE DEVELOPMENT AND PLANNING (AMENDMENT) REGULATIONS, 2014, AS AMENDED**

**Hon. D. Kurt Tibbetts:** Madam Speaker, thank you very much. And just to make sure, I am winding up everything now. Thank you.

Madam Speaker, let me first of all very quickly say a big thank you to you and the Honourable Attorney General, and Madam Clerk, and also my technical team, and the Deputy Clerk, and also Ms. Myrtle Brandt from the Legal Drafting Office for all of the help in getting these two small amendments done. We certainly didn't want to have two bites at the cherry, so I do apologise to the Members of the House for the delay, but I think we were charting some new territory here, so again, just a special thanks.

Madam Speaker, the two amendments that have just been approved . . . just to put them to bed very swiftly, we originally proposed for Area C to have a fifty cent per square foot infrastructure fee. And in looking at it and listening to the Member for East End, the Member for North Side, and also not only microphone on the floor of the House, but listening to other colleagues, we are content, understanding that we have to have some fee to try to cover, if nothing more than administrative costs with these applications, we are content to let that be twenty five cents instead of fifty cents. And, at least the Government will recoup some of the costs.

The other section, actually, where in Area B of the infrastructure fee, we only noticed it when brought to our attention by the Member for East End that there was no charge at all for houses that fall under 3,000 square feet. So, that was an oversight from when the original amendments had been done to the regulations sometime back. And what we have simply proposed and has been accepted is where it says from 3,001 square feet up to 4,000, we will simply delete the 3,001 square feet and it will simply say "up to 4,000 square feet." Which means whatever square footage area for an application for a home from any size up to 4,000 square feet will be that charge. So that is the change to that. We will have that sorted out.

Madam Speaker, very swiftly (and I am not necessarily doing the discussion in chronological order), the Member for East End was asking about the amendment in section 2(e) when there was a definition being put in for the word "permit." And he was pointing out that in the Building Code Regulations, 2013, he found no definition for the word "permit" in that. The fact is that the Building Code itself has usage of the word and the definition. So, when we speak to the 2013 Revision with the regulations, that also encompasses the actual huge document, which is the Building Code itself, and that has it in it. But to speak to the legal terminology, we have to use the Building Code Regulations (2013 Revision) which encompasses the Building Code itself. So—

*[Inaudible interjections]*

**Hon. D. Kurt Tibbetts:** Exactly so. That is why—

*[Inaudible interjections]*

**Hon. D. Kurt Tibbetts:** But that is why, when we speak to the Building Code, and when we speak to the forms that are used in the Department of Planning, that is where you get the different ones. If we left the Law how it was, it would only speak to one permit. This way we are allowed to use the word "permit" for all the various stages of the development, so that you can have a permit for a foundation and you don't just get one permit which is supposed to do everything. So, you can have it for various stages because many

applications do not come in for whole shebang one time, you get an application and for certain sections.

Madam Speaker, there is also the discussion that keeps coming forward with the amendment we have made to the regulations which, at least for Planning purposes, gives some clarity to High Water Mark and where setbacks have to be taken from. And that amendment calls for a plan (which has been approved by Lands and Survey and authenticated by them) that is no longer than six months old prior to the application that is put in. And the Member for East End has touted that that does not go far enough from the point of view that an actual definition for the High Water Mark is something that we need to be looking at.

I have to tell you, Madam Speaker, this saga, and as he alluded to, I can remember when we were on the Central Planning Authority in the 1980s, going back as long as that, there was constant debate of where the High Water Mark should be. I have had extensive discussions, not only with the department, but also with Lands and Survey, and I am not so sure that I can stand here and tell you that I have an answer yet. It is something that we are constantly looking at and, I guess, Madam Speaker, if for nearly 30 years we haven't found it, I don't know what to say up to this point.

I don't make light of it because it causes many problems. It causes landowners to take advantage of moving tides and sand and extending their waterfront properties, the boundaries, when they choose the right time to get a survey done and then six months later, when you look at the survey peg, it is out in the water 15, 20 or sometimes 30 feet. And they are still claiming that that is their boundary. So, I know the difficulty and what we have proposed here is not a cure-all, but it is certainly makes it easier for the department and the CPA to look at when an application comes in and we will continue to look at that. It is just one of those things that there is not an easy answer for.

Madam Speaker, there was also the question raised about when we have the setbacks for a canal because there is no High Water Mark for a canal, there is just a boundary. And when we are speaking to the canal and we say twenty foot setback, the point was brought about, *What happens to a boathouse or anything of that nature?* I think the Member for East End was saying that he didn't see anywhere that allowed for the variance procedures. Section 8(11) in the regulations, allows for those variance procedures to take place.

This setback is for any main structures. And it is very difficult to word it to encompass all of the things that we are talking about. That is why the CPA has the ability and the authority to employ these variance procedures. And if somebody makes an application and the CPA knows that it is a boathouse, and the boathouse is closer than the 20 feet, nobody is going to argue. I mean, just a like a dock in a canal, or

whatever. I am certain that this does not create any difficulty for people who own canal lots, want to build their homes, and whatever other ancillary structures that have to be built. There is no difficulty. Otherwise, we would have known of that by now with all the complaints that we would have had. And I think it works fine.

Madam Speaker, the Member for East End also asked about the two sections deleted, which spoke to how many houses per acre. And I used the example, but what he asked about was that if there is nothing in the regulations which specifically refers to that, how then is it regulated? The fact of the matter is that we do have setbacks, front setbacks, side setbacks, rear setbacks, and there is also specification in the regulations as to the site coverage that is allowed, and there are also requirements that are specific to the Building Code. And the Central Planning Authority and the department are quite satisfied that when all of the conditions of the setbacks and the site coverage and code requirements are met, that they then don't have to even worry.

Let's say for instance, if you have (and I am hypothetical here) 13,500 square feet, or whatever the amount is that is required today, 12,500 or whatever, and you can build a duplex on it and a duplex is built on that and all the setbacks required are met, and the density requirements and all of the code regulations are met, then, the CPA or the department, for that matter, is not really concerned at that point in time whether each side of the duplex is a three bedroom, two bedroom, or for that matter, a four bedroom. So, that is not a major concern once all of the other setbacks, and all of the other requirements, are met.

As it read in the regulations now, they just didn't match up. So, there was always a question by the CPA, this is what the minimum square footage is for such a density, and this is what you can build on it. But if it says four houses per acre and you actually work it out, and it is 4.35 per acre, how do you build 4.35 houses? And that's the only reason. So, while I hear what the Member is asking, the answer lies in all of the other requirements that they have to meet.

*[Inaudible interjections]*

**Hon. D. Kurt Tibbetts:** And then, Madam Speaker, for the word "contiguous" the Member brought the point out, and the way I understood it was that he didn't think that there were many parcels that would come up to 40 acres, which would be on both sides of the road. And, Madam Speaker, just to say that the principle of this idea has no bearing where it is, but it was just thought by the technical team that if a person has 40 acres of land and it is really on both sides of the road . . . I mean, even in the district of North Side you have fairly large parcels to which roads that have been built have divided those parcels in two. And if you add three or four of those parcels up, the beach

side may not be very large but what goes out on the roadside of it, are fairly large tracks. So, the thought was purely not to limit anyone who had property of that nature or who wanted to purchase and amalgamate property of that nature to develop, to not be able to do so. And that's purely what it's all about.

Madam Speaker, there is a famous . . . well, I say famous, famous between us. The famous section 26, in clause 11(4) of the amendment where it speaks to "**A person to whom planning permission for development is granted pursuant to an application made on or after the date of commencement of section 26 of the Development and Planning (Amendment) Law, 2014, shall contribute to the infrastructure fund as follows—**" What really happened with this, why this refers to [section] 26 is the end product of the amendments which were approved in the last meeting of the House to the Development and Planning Law when all of the sections were re-numbered, section 26 is the new number which refers to this. Although, prior to that very last document being completed and all of the amendments put in, including all of the committee stage amendments, which were numerous (if we remember), that section 26 was a totally different number in what was proposed, but by the renumbering we ended up with that. So, I think the Member understands fully how we have arrived at the "26."

I have gone through the other two amendments, Madam Speaker, and I don't profess that I have remembered everything. I have tried to cover as much. There is one more point which I want to just quickly speak to. It is the business of the rights of way to the beach, six-foot rights of way to the beach, and doing an amendment to the regulations which would allow the Central Planning Authority to be able to decide, given the circumstances, whether they would wish for those rights of way to be relocated if it was better suited and if they thought the public would receive better benefit of it.

Some questions have been raised and scenarios pointed out to us which, if we simply limit the thought to those scenarios, we can see difficulty, but, of course, those scenarios would only be some scenarios of various other scenarios. So I want to say to Members who may have questions about this is, is that at this point in time I don't have a solution to do otherwise, but I give the commitment that we will have a long and hard look at this to make sure that there is no inclination or possibility of disenfranchising the people in any form or fashion because it is not meant to do that by any means. Certainly, I will report back with whatever we come up with in that regard.

I believe that covers most of the important points that were raised today, Madam Speaker, and I once again apologise to the House for the length of time taken, but at least (I think) we will get a better result having made the amendments that we were allowed to make. And I want to thank you, once again.

I commend the amending regulations to this Honourable Legislative Assembly and once there is safe passage we will move forward with the procedure which is called for in order to enact these regulations. And I will look at the points raised that I have spoken to, that we will see, again, if in the very near future we need to bring any more amendments after strong deliberations.

Thank you, Madam Speaker.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED that the draft Development and Planning Amendment Regulations, 2014, as amended, be approved by the Legislative Assembly in accordance with the provisions of section 42(3) of the Development and Planning Law (2011 Revision).

All those in favour, please say Aye.

**AYES.**

**The Speaker:** Those against, No.

The Ayes have it.

Accordingly Motion 4/2014–2015 is duly passed.

**Agreed: Government Motion No. 4/2014–2015 – The Development and Planning (Amendment) Regulations, 2014, as amended, passed.**

## BILLS

### FIRST READINGS

#### SECONDHAND DEALERS BILL, 2014

**The Clerk:** The Second hand Dealers Bill, 2014.

**The Speaker:** The Bill is deemed to have been read a first time and is set down for Second Reading.

#### TRADE AND BUSINESS LICENSING BILL, 2014

**The Clerk:** The Trade and Business Licensing Bill, 2014.

**The Speaker:** The Bill has been deemed to have been read a first time and set down for the Second Reading.

#### SUMMARY JURISDICTION (AMENDMENT) BILL, 2014

**The Clerk:** The Summary Jurisdiction (Amendment) Bill, 2014.

**The Speaker:** The Bill has been deemed to have been read for the first time and is now set down for Second Reading.

I recognise the Honourable Premier.

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

Madam Speaker, before I move the adjournment of this Honourable House, I would just like to give Members an indication of the way the Government is thinking about dealing with the balance of the matters that we have before this House.

We have just done the First Reading of the three Bills that the Government proposes to deal with. In this Meeting there are, I believe, eight questions and there are five Private Members' Motions. A significant number of the Government Bench Members will need to travel next week. So, what we are going to propose is that we try to get through the balance of Government Business tomorrow and Friday.

Tomorrow we will be able to answer, I think, three questions, which the answers are ready for. So, we will deal with those. There are, I think, 24 or more reports that have to be laid and then we would want to suspend the relevant Standing Orders so that Government Business could take precedence tomorrow. We get through the Government Bills. I won't be here because I have to leave at midday on Friday but the House will continue.

We propose then to adjourn the House on Friday evening and to resume, not the following Monday, but the Monday after that. So it would be, I think, like the 15<sup>th</sup>.

*[Inaudible interjections]*

**The Premier, Hon. Alden M. McLaughlin:** I think I am right, Madam Speaker.

I am saying that we wouldn't resume the Monday—

*[Inaudible interjections]*

**The Premier, Hon. Alden M. McLaughlin:** Yes, we will resume Monday the 8<sup>th</sup>. I am wrong. I am wrong. Thank you.

*[Inaudible interjections]*

**The Premier, Hon. Alden M. McLaughlin:** Monday the 8<sup>th</sup>, [December] 2014. And we would have just the Private Members' Motions to deal with exclusively, because I am assuming we will get through the Government Business in those two days.

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

**The Speaker:** Honourable Leader of the Opposition.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Madam Speaker, I would want to support the Government in getting through their business, but there are some important Private Members' Motions, as

important as any of those Bills on the Order Paper. While I want to try to be agreeable, I am not akin to shoving aside our business for another 15 days, or more, or whatever it is.

*[Inaudible interjections]*

**Hon. W. McKeever Bush, Leader of the Opposition:** Well, I understand that, but as I said, the Summary Jurisdiction Bill, which deals with justices of the peace, and these other draconian laws that I see coming are important to the Government, but Private Members' Business is most important to us as well. So, I want the Government to bear that in mind.

**The Speaker:** Honourable Premier.

## ADJOURNMENT

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

Duly noted.

Madam Speaker, I move the adjournment of this Honourable House until 10:00 am tomorrow morning.

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

All those in favour, please say Aye.

**AYES.**

**The Speaker:** Sorry, the Ayes have it, but I did not at that time catch the eye of the Opposition, although he did speak to me about raising a matter on the adjournment, and I gave the approval. So, I would ask if he would so do.

## PUBLIC MATTER FOR WHICH THE GOVERNMENT HAS RESPONSIBILITY

*[Standing Order 11(6)]*

### GEORGE TOWN PORT STAFF CHANGES

**Hon. W. McKeever Bush, Leader of the Opposition:** Madam Speaker, I rise to make an inquiry from the Minister who has responsibility for the port as to what is the situation at the George Town Port.

Madam Speaker, I've always said that the Islands have two main lifelines—the Port and Cayman Airways. They are of national importance. Madam Speaker, people from all walks of life—business people and the man in the street, civil servants and others—have contacted me as to recent reports of changes in staff, sooner or later, and particularly so in management. This gives serious cause for concern, more so, it has been a week since these reports and

nothing has been said by the Minister responsible, nor by the Port Authority Board, to clear the air or to put the peoples' minds to ease on what is the situation at the Port. Certainly, as Opposition Leader, it is my constitutional duty to make this inquiry and to solicit from the Minister what is the position to date.

As I said, Madam Speaker, we have two lifelines. The Port is a major and significant partner in the national life of these Islands. Uncertainty in the lives of those who must operate our Port, and have done and are doing a very good job there, and those who operate the businesses through it, cannot be left dangling without the staff and the country having a solid understanding and knowledge of what to expect.

So, I am soliciting a response from the Minister on what we all can expect. And if the Minister can't do that at this time, Madam Speaker, I understand and give way for that, but I certainly would hope that by tomorrow morning the Minister would be able to give some sort of indication as to what the situation is.

Thank you, Madam Speaker.

**The Speaker:** Honourable Deputy Premier, do you wish to take his invitation to respond tomorrow morning? Or do you wish to respond under Standing Order 11(6)?

**The Deputy Premier, Hon. Moses I. Kirkconnell:** Madam Speaker, I am just looking to see if I have available some correspondence, and if I have that I am quite happy to answer it tonight.

**The Speaker:** The Standing Order gives you 20 minutes. Okay.

*[Pause]*

**The Speaker:** Honourable Deputy Premier.

**The Deputy Premier, Hon. Moses I. Kirkconnell:** Thank you, Madam Speaker.

Madam Speaker, to answer the Leader of the Opposition, I, too, and we as the Government Ministers and backbenchers, have also been made aware by the employees at the Port and had questions. I was supplied as the Minister with a correspondence letter that went out yesterday afternoon around four o'clock and I am happy to read it to you. It says:

"On Tuesday, 18<sup>th</sup> day of November 2014, several Government Ministers were contacted by aggrieved staff of the Port Authority of the Cayman Islands. These concerned members of the Port staff requested that Ministers investigate a malicious rumour that was upsetting the entire Port staff. The harmful rumour stated that the members of the Port Authority of the Cayman Islands recently approved a resolution" ('Port Authority,' I am assuming this is the board) "to terminate all Port staff.

"In addition, whoever wants to retain their old jobs will have to reapply under new terms and conditions. However, this reapplication process comes with a caveat that no current Port staff will be guaranteed any job or position upon reapplication. Categorically states without fear of contradiction that the above has no basis in truth whatsoever. As for the creation of such a harmful rumour and having had time to review its negative effects, said rumour was obviously designed in such a manner as to disrupt our entire organisation. Consequently, such acts will not go unchecked and are addressed accordingly."

Madam Speaker, [it says], "I strongly recommend that the individuals who have started and perpetuated this mischievous rumour can be found guilty of misconduct and terminated, pursuant to section 52(1)(a) of the Labour Law (2011 Revision). Therefore, I respectfully suggest that any such utterances of untruth cease. In addition, the action outlined above, I further suggest that individuals responsible contact myself or any other Member of the Authority with apology and reason why [they] decided to create such a rumour.

"I thank you for attention and consideration of this matter." [UNVERIFIED QUOTE]

And that was from the Board.

**The Speaker:** Honourable Leader of the Opposition.

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

Madam Speaker, I understand that letter, which seems to be coming from a person in its body. But it stated that it was coming from the Board of Directors, but in the body if you hear how it is stated, it sounds like it is coming from an individual. Besides, the point is, Madam Speaker, I still haven't heard from the Minister in regard to what, and if management have been given any kind of letters, understanding the situation. Are there going to be changes? That is what I want to find out. That is basically it.

**The Speaker:** Honourable Deputy Premier.

**The Deputy Premier, Hon. Moses I. Kirkconnell:** Thank you, Madam Speaker.

I think that this was very clear that the rumours and the statements were untrue and there will not be any members released from the Port Authority. I am not sure how else that can be answered.

**Hon. W. McKeeva Bush, Leader of the Opposition:** No, because—

**The Speaker:** Honourable Leader of the Opposition—

**Hon. W. McKeeva Bush, Leader of the Opposition:**—I would hope as Minister—

**The Speaker:**—I will allow a final intervention as it is on the adjournment.

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

I would suggest to the Minister that he himself, because the Ministers do not sit on the Board, and that is why I framed what I am saying the way I said it, he might not know. What I would suggest to the Minister is, that he contact staff [members] himself, to find out whether anybody has been given, and, what is the situation in regard to laying off or firing or whatever the terminology that you want to put it, of important management at the Port.

Madam Speaker, thanks for your indulgence.

**The Speaker:** Honourable Deputy Premier, do you wish to respond?

**The Deputy Premier, Hon. Moses I. Kirkconnell:** Thank you, Madam Speaker.

Madam Speaker, I am quite happy to do that. I will investigate it.

Thank you.

**The Speaker:** The House now stands adjourned until 10:00 am tomorrow morning.

**At 8:15 pm the House adjourned until 10:00 am, Thursday, 27<sup>th</sup> November 2014.**