



**CAYMAN ISLANDS  
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT  
ELECTRONIC VERSION**

**2015/16 SESSION**

**25 May 2015**

*Fifth Sitting of the First Meeting  
Throne Speech and Budget Address  
(Pages 149-184)*

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

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PRESENT WERE:

**SPEAKER**

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

**MINISTERS OF THE CABINET**

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

**EX OFFICIO MEMBERS OF THE CABINET**

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

**ELECTED MEMBERS**

**GOVERNMENT BACKBENCHERS**

Mr Anthony S Eden, OBE, JP, MLA	<i>Deputy Speaker</i> , First Elected Member for Bodden Town
Mr Roy McTaggart, MLA	Second Elected Member for George Town
Mr Winston C Connolly, Jr, MLA	Fifth Elected Member for George Town
Mr Alva H Suckoo, MLA	Fourth Elected Member for Bodden Town

**OPPOSITION MEMBERS**

Mr Bernie A Bush, MLA	<i>Deputy Leader of the Opposition</i> , Third Elected Member for West Bay
Capt A Eugene Ebanks, JP, MLA	Fourth Elected Member for West Bay

**INDEPENDENT MEMBERS**

Mr D Ezzard Miller, MLA	Elected Member for North Side
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**APOLOGIES**

Hon. W. McKeeva Bush, OBE, JP, MLA	<i>Leader of the Opposition</i> , First Elected Member for West Bay
Mr Joseph X Hew, MLA	Sixth Elected Member for George Town
Mr V Arden McLean, JP, MLA	Elected Member for East End

**ABSENT**

Hon Osbourne V Bodden, MLA	Minister of Community Affairs, Youth and Sports
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**OFFICIAL HANSARD REPORT  
STATE OPENING AND BUDGET  
2015/16 SESSION  
MONDAY  
25 MAY 2015  
10:32 AM  
Fifth Sitting**

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

**The Speaker:** Good morning. I will invite the Honourable Deputy Premier to grace us with prayers today.

### PRAYERS

**The Deputy Premier, Hon. Moses I. Kirkconnell:** Let us pray:

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

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

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

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

**The Speaker:** Please be seated.

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

### APOLOGIES

**The Speaker:** I have received apologies for absence from the following Members: Honourable Leader of the Opposition, who is ill; the Elected Member for East End, Mr. Arden McLean, who is away in Jamaica for the funeral service for his mother-in-law; the Honourable Councillor, Joseph Hew, MLA, who is out of the jurisdiction. I have received apologies for late arrival from the Honourable Minister of Community Affairs, Youth and Sports, who is dealing with an important matter in the district of Bodden Town. I have also received apologies from the Honourable Premier.

### QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

**The Speaker:** The Elected Member for North Side.

#### QUESTION NO. 5: STUDENTS COMPLETING HIGH SCHOOL 2015

**Mr. D. Ezzard Miller, Elected Member for North Side:** I beg to ask Honourable Minister Education, Employment and Gender Affairs: Can the Honourable Minister state how many students will be completing high school this year from Government and the private sector high schools?

**The Speaker:** Honourable Minister responsible for Education.

**Hon. Tara A. Rivers, Minister of Education, Employment and Gender Affairs:** Madam Speaker, the total number of students completing high school this year from both Government and private sector high schools is expected to be 533. Government schools are expecting 378 students and private schools are expecting 155 students to complete high school.

**The Speaker:** If there are no supplementaries, we will move to the next question.

The Elected Member for North Side.

**QUESTION NO. 6: ENROLMENT FOR  
THE EDNA M. MOYLE PRIMARY SCHOOL FOR  
SEPTEMBER 2015**

**Mr. D. Ezzard Miller:** I beg to ask Honourable Minister Education, Employment and Gender Affairs: Can the Honourable Minister state what is the projected increase in enrolment for the Edna M. Moyle Primary School for September 2015, and what resources have been provided in the 2015/16 Budget to address this increase?

**The Speaker:** Honourable Minister of Education.

**Hon. Tara A. Rivers:** The answer: the projected increase in the enrolment for the Edna M. Moyle Primary School for September 2015 is three students. This takes enrolment from a total of 95 from the 2014/15 academic year to an expected total of 98 in the 2015/16 academic year. Current budgeted resources would be sufficient to accommodate the projected increase.

**The Speaker:** If there are no supplementaries, we will move to the next question.

The Elected Member for North Side.

**QUESTION NO. 7: EDNA M. MOYLE PRIMARY  
SCHOOL BUS SHELTER**

**Mr. D. Ezzard Miller:** I beg to ask Honourable Minister Education, Employment and Gender Affairs: Can the Honourable Minister state what was the total cost of the bus shelter including the changes to the car park, at the Edna M. Moyle Primary School?

**The Speaker:** Honourable Minister of Education.

**Hon. Tara A. Rivers:** Madam Speaker, the answer: The total cost of the bus shelter at the Edna M. Moyle Primary School was \$38,135.75. This amount includes the planning application, building permit fees, and changes to the car park.

**The Speaker:** Are there any supplementaries?  
Madam Clerk.

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

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

**GOVERNMENT BUSINESS**

**BILLS**

**SECOND READING**

**APPROPRIATION (JULY 2015 TO JUNE 2016)  
BILL, 2015**

**DEBATE ON THE BUDGET ADDRESS AND THE  
THRONE SPEECH TOGETHER WITH THE GOV-  
ERNMENT'S POLICY STATEMENT**

*[Continuation of debate thereon]*

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

I recognise the Honourable Deputy Governor.

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

I wish to join Honourable Members of this House in congratulating Her Excellency, the Premier and the Minister of Finance for their speeches and presentations a few weeks ago. I think they all did a fantastic job and we should all be very proud of our accomplishments as set out in their presentations and speeches.

Madam Speaker, I would also like to join Members of this House in expressing condolences to the families of those persons who have lost loved ones over the past couple of weeks, especially Ms. Lynette George in the Ministry of Home Affairs, who lost her husband, and the Member for East End, who lost his mother-in-law. On behalf of the civil service I want to offer our sincere condolences.

Madam Speaker, today, is a very proud day. We have come a long way in a very short period of time. I remember a few years ago sitting at a meeting called by the then Deputy Governor, Mr. Donovan Ebanks, and our Financial Secretary did a presentation on where we were with government finances. At the conclusion of the presentation, the Deputy Governor said, "So, FS, if I understand what you are saying, the government is going to run out of money in a couple of months." And he said, "Yes."

Today, if we fast forward a few years, we are boasting over \$120 million surplus. Now, Madam Speaker, that is an excellent achievement and we should all be proud. But in achieving that excellent performance, there was a lot of sacrifice. The civil service responded and took a salary cut. We rolled back allowances, we stopped travelling, and we cut back on our training. We did a number of things, Madam Speaker, to ensure that we were a responsible civil service and that we were doing everything possible to put the country back on a sound financial footing.

Madam Speaker, sacrifice has been rewarded by the Government today in that we will be getting that 4 per cent salary increase in another month or two. We are very grateful for that and I again want to record my thanks to the Premier and the elected Mem-

bers of Government for recognising the tremendous sacrifice that the civil service has made over these past years.

Madam Speaker, we have done a lot in the civil service. We understand that more needs to be done. We have done our best to keep costs down. The civil service has reduced by 9 per cent since 2008, up until 2014. We did that while offering new services, and that is a tremendous achievement. But, Madam Speaker, we understand that any line item in a budget that represents 45 per cent of the business' budget will attract scrutiny, so we have to continue to be frugal. We have to continue to do our part to ensure that we keep our costs down.

Our Minister of Finance reminds us constantly that we are not out of the woods yet, and that we need to be very frugal in our spending and make wise decisions. One of my favourite quotes is "Proper planning and preparation prevents poor performance." The Government has an excellent plan and we in the civil service are delivering that plan. The financial plan that was put forward and approved by the FCO has been followed and has gotten us to where we are today. We did not rush. We took our time and have delivered excellent results.

Madam Speaker, as I said, more is required. The Government has quite rightly raised the issue of our healthcare costs and we understand that we need to take a business approach to that to ensure that our healthcare liability is reduced. Just to say a bit more about that, I was reading the *Compass* editorial this morning. I am not sure what to make of it, but basically it accused the Government of taking this issue down the road. Madam Speaker, I go back to my favourite quote: "Proper planning and preparation prevents poor performance." We cannot change something like healthcare provisions overnight. It requires careful planning. We have to understand what the implications are for the civil service, civil servants, HSA. We have to ensure that we are not hurting ourselves in terms of not being able to recruit persons into the civil service. And we will do that.

Section 110 of the Constitution makes it very clear that the terms and conditions of civil servants is a matter for Her Excellency. But the Government is right to raise the issue and we have a duty to ensure that we investigate this matter properly and we present a business case to the Cabinet along the lines of what I just said. And we will do that, Madam Speaker. But I think the *Compass* is being grossly unfair by accusing the Government of pushing this issue down the road. Madam Speaker, we cannot do these things overnight and it requires careful preparation. We have to consult with our staff. We have to address their concerns. And this is something that takes time. So it is not right, in my opinion, for the *Compass* to criticise the Government for taking its time and doing things properly.

Madam Speaker, we have tackled the civil service pension reform. We no longer offer the defined benefits plan. As a matter of fact, two-thirds of our staff are on the defined contribution plan. That shows that the civil service is willing to tackle the difficult issues.

Madam Speaker, we have done a lot in the civil service in terms of being a good employer and a good corporate citizen. I am very pleased to say that 74 per cent of the civil service is Caymanian. Again, I think that is great. When I gave a presentation to MLAs a few weeks ago and we raised this issue, I think, Councillor Connolly quite rightly said it should be better. And I agree. We should be raising that level of 74 per cent, and I intend to do that with the support of chief officers and heads of departments. But, Madam Speaker, that is a tall challenge when you consider that 70 per cent of our non-Caymanian work force is employed in four critical departments, namely, Education (32 per cent); Police (25 per cent); Prison (8 per cent); and the Department of Children and Family Services (5 per cent).

Madam Speaker, we have had struggles in terms of finding sufficient quantities of qualified Caymanians to fill these roles, but we are going to continue to do our part to make that happen. While I join the Minister of Tourism in being very, very proud of the fact that Seven Mile Beach was voted number 1 in the world, what I know he will agree with me on is that our most important asset is our people. I am very happy to say that we are doing our best to have some dynamic Caymanians in our civil service.

Madam Speaker, how are we doing this? How are we attracting more Caymanians to the civil service? I am very proud to say that in the past year we have placed some 55 CIFEC students in non-paying internships across government allowing these high school students to gain valuable work experience. But even more, Madam Speaker, it is that we have hired 87 summer interns last year in a paid capacity. That is something that is very near and dear to me, bringing people in on internship, because at age 15 I was an intern at the Immigration Department. And to be truthful, I actually disliked what I was doing, but I saw Immigration Officers in their uniforms and I saw the work that they were doing, and I said, *One day, I would like to be an immigration officer.* And the rest is history, Madam Speaker. But I started as a summer intern, and I want to make sure that our Caymanians get that opportunity to realise their dreams and to be able to work in the civil service. And we are doing our part to make that happen.

Madam Speaker, even more good news! In 2014, some 267 civil servants have been promoted or had their salaries increased following job evaluations. Again, I am very proud to say that 89 per cent of those were Caymanian.

We are also working with the Minister of Education to specifically target our scholarship recipients

for summer placements this year. The Royal Cayman Islands Police is also running successful campaigns to attract Caymanians.

Madam Speaker, in the meeting that I had with MLAs, they shared some very useful ideas about how we can attract even more Caymanians into the civil service, and I thank them for their candor and for their ideas. But, Madam Speaker, there are healthy signs of Caymanians obtaining employment and promotional opportunities in senior roles within the civil service. I have invited some of our bright stars here today; they are in the Gallery, and I want to spend a bit of time to highlight some of the superstars that we have in our civil service.

Madam Speaker, in my own Portfolio for the Civil Service, we have two dynamic and highly capable young Caymanians who have recently joined our ranks. We have Ms. Lauren Knight. She is the new Internal Audit Manager. She is a qualified CPA.

**The Speaker:** Honourable Deputy Governor, if I could just interject on a matter of procedure. There can be no interaction between the Floor and the Gallery. I am sure we all appreciate them, Government and Opposition alike, but we could ask if you would refrain from direct interaction so that I will not get accused of being in favour of yourself or any other Member, I would be most appreciative.

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

But they can stand when I mention their name?

No?

Okay. Thank you, Madam Speaker.

Madam Speaker, Ms. Knight is our new Internal Audit Manager. She is a qualified CPA and she holds a Bachelor of Science Degree in Business Administration.

Ms. Krista Seymour-Mohammed has recently joined the Portfolio of the Civil Service as a Deputy Chief Financial Officer. She returns to government following a three-year stint in the private sector. She holds a Master's Degree in Business Administration, and a Bachelor's Degree in Finance. She also has an advanced diploma in accounting and business and is in her final stages of obtaining her ACC qualification with the support of the Portfolio.

In the Ministry of Education, Ms. Diane Connolly was recently hired as a Manager for the Training and Development Unit in the National Workforce Development Agency. She holds a Master's Degree in Public Policy and Management and is a certified trainer.

Ms. Patricia Forbes is an educator of 28 years, and has recently been promoted to Deputy Principal at John Gray High School. She holds a Bachelor's Degree in Business and a Master's Degree in Education Management.

We all know Mr. Gene Hydes. He is a veteran within the Department of Labour and Pensions and has recently been promoted to position of Head of Inspections. He recently achieved certification as an Occupational Health and Safety Professional and Specialist.

Ms. Loyal Linwood has recently been promoted to Deputy Director, Labour, at the Department of Labour and Pensions.

We also have Ms. Clara Smith who was recently appointed to the post of Assistant Director of the Department of Labour and Pensions. Clara has a Certificate in Labour Leadership Skills from Cornell University and is a certified FOI Practitioner.

Madam Speaker, within the Ministry of Home Affairs, the Department of Community the Department of Community Rehabilitation has developed a succession plan which attracts newly qualified persons to the role of probation officer graduate and grooms them to acquire the necessary experience to become full-fledged probation officers. Most recently, two Caymanians, Demi McLean and Kacey Pellot-Rosa have succeeded in this programme and have been promoted to probation officers. Demi holds a bachelor's degree in criminal justice, and Cassie holds a bachelor's degree in sociology and political science, and a master's in sociology. How very impressive.

The department currently has five other probation officer graduates who are qualified and gaining the necessary experience to be promoted. I wish to acknowledge the stellar work of the head of the department, Ms. Teresa Echenique-Bowen, and congratulate her for paving the way for qualified Caymanians to enter and progress in this field.

Looking at the Ministry of Home Affairs, Mr. Michael Ebanks has been promoted to Assistant Chief Officer. Mr. Ebanks is a former police officer and previously worked in the Commission Secretariat.

Madam Speaker, the good news continues. In the Ministry of Finance and Economic Development, Everton Parker has recently been recruited as a Deputy Chief Financial Officer. He is a CPA and possesses an MBA and bachelor's degree in finance and economics.

Madam Speaker, sometimes we get a young seed which is full of potential, provided the right environment and conditions apply. And one recent success is the recent transfer of Ms. Brittany Parchment, who was first in the Ministry of PLAHI but she really wanted to be a scene of crimes officer. She had a bachelor's degree in forensic science and we have recently transferred her over to the RCIPS. I met her this morning. She was full of smiles because she is absolutely enjoying herself in that role. I am very grateful to the chief officers and heads of departments who made this lady's dream come to pass.

Other notable placements in the Ministry of PLAHI are, for the very first time we have a Head of Facilities Management, Mr. Troy Whorms, who has

been promoted. He becomes the first Caymanian to hold this position. As you know, he is in charge of one of our most valuable assets, the Government Administration Building. To have a Caymanian in charge of that, is really impressive, Madam Speaker.

Continuing in the Ministry, Dr. Samantha Dorman [Pedley] has recently returned from university and been confirmed as our new Veterinary Officer in the Department of Agriculture. Madam Speaker, her Chief Officer, Mr. Jones, recognised her last year for her outstanding achievements. Two Christmases ago while we were home enjoying time with our families and eating Christmas dinner, she was in the stables looking after a very sick animal. Her husband was bringing her Christmas dinner there. That shows the caliber of Caymanians we have in our civil service.

Madam Speaker, continuing with that Ministry, Mr. Richard Simms has been appointed as the new Director of Department of Vehicle and Equipment Services. He is doing a fantastic job there. We want to congratulate him for the work he is doing.

Continuing in the Cabinet Office, we have a new e-Government Director, Mr. Ian Tibbetts. I think we all believed that we were going to have to recruit from outside the jurisdiction for that role, but we were very fortunate to be able to attract someone with Mr. Tibbetts' background and we are very pleased that he is now the Director of e-Government.

Ms. Jonina Frederick has recently been promoted to the position of Coordinator of Immigration Appeals Tribunal. I attended her graduation recently where she was given a master's degree. And she recently got married too. She's great!

Jamaal Anderson has been promoted to the role of International Affairs Analyst, which is a new position. And Ms. Audrey Bodden has recently been confirmed in the position of Policy Analyst in the Policy Coordination Unit.

Madam Speaker, in the Portfolio of Legal Affairs, we can be very proud of our own Bethea Christian is now a member of the Commonwealth Association of Legal Counsel. It is a very prestigious position. Legislative drafters are in high demand, both here and overseas, and we are very proud of Bethea's accomplishments.

Madam Speaker, in the Ministry of District Administration, Tourism and Transport, we have Ms. Golda Tatum-Carter, who has been recruited from one of the big four accounting firms. She is now our Deputy Chief Financial Officer. She holds a bachelor's degree in accounting and is a CPA.

Madam Speaker, we all know Ms. Rosa Harris, who has been promoted to Director of Tourism. There is no role in Cayman that is more important, and we are so happy that we have a qualified Caymanian in that role. And she is doing a brilliant job, as outlined by the Minister of Tourism in his speech. Rosa is a real success story. She was the first recipient of a Ministry of Tourism scholarship and holds a

bachelor's degree in hotel administration, and an MBA.

Finally, Madam Speaker, John Tibbetts was appointed the Director General of the Cayman Islands National Weather Service in the past year. We all know him. He is somebody who, I must admit, I really don't look forward to meeting, because when I meet him something is going wrong on the weather side. Don't take that personally, Mr. Tibbetts. He holds a bachelor's degree in operational meteorology and trained as a weather forecaster in the Caribbean Institute of Meteorology and Hydrology in Barbados.

Madam Speaker, I want to thank all the Chief Officers, HoDs, who have committed to improving the number of Caymanians in the civil service, and I ask all honourable Members here to recognise these persons who are doing a fantastic job in serving the Government and its people.

*[Applause]*

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

Madam Speaker, this is by no means an exhaustive list, but it really shows the caliber of persons we are bringing into the civil service and, again, I commend all of them and salute them for their hard work.

Madam Speaker, we are continuing to do things to get our recruitment practices right, especially at our senior levels. We have introduced assessment centres to ensure that the persons we are recruiting at the very senior roles have the right fit and the necessary qualifications, experience and attributes to make them outstanding senior managers in the civil service. I know that we have a number of vacancies in the civil service at the HoD level. We are working hard to have those appointments filled. I want to assure Members that we are going to do everything possible to make sure that we have the right people in the right positions.

Madam Speaker, another area that I am really proud of is our ability to improve performance management across the civil service. One of the areas that we have been criticised of in the past is accountability. Madam Speaker, three years ago when I became Deputy Governor, 17 per cent of the civil service had performance agreements. Today, that is 100 per cent. That is by no means a small feat, and it took a lot of determination to make that happen. Again, I thank chief officers and HoDs for their hard work.

Madam Speaker, if we are going to hold our people accountable, they have to know what we expect of them, what type of work we expect them to do and the level we expect them to do it at. So, having performance agreements is essential.

We also received 100 per cent in our assessments. So everyone who got a performance agreement last year had their performance assessed and

now we are working hard to ensure that persons doing those assessments are being fair and reasonable and are having that hard talk that is required to ensure that people know exactly how their performance is being viewed.

Madam Speaker, while we need to have a way of dealing with persons who routinely fall below the accepted level of performance required, which we will do, but we also need to find ways to reward persons who exceed our expectations. And we are looking at ways in which we can make that happen, Madam Speaker.

Madam Speaker, I want to talk about good governance and financial management. The Portfolio of the Civil Service and the statutory authorities that fall under its remit are doing everything to ensure that we abide by the principles of good governance. I am pleased to report that all audits related to the 2013/14 financial accounts for these entities have been completed and tabled in this honourable House. These achievements demonstrate the positive progress the Portfolio is making and its authorities, to ensure sound financial management, openness and transparency. But, Madam Speaker, that can also be said for across the civil service.

Madam Speaker, it was not long ago when the Member for North Side really wanted civil servants to be arrested because they were not doing their jobs properly in terms of submitting accounts on time. And he was right in terms of, there needed to be accountability, and needed to be improvement in that area. Again, my favourite quote: "proper planning and preparation prevents poor performance". We had a plan; we have delivered on that plan. And, Madam Speaker, with the help of the elected Government it has been a great team effort. We have made tremendous improvements in that area.

Madam Speaker, I got an email from the Auditor General just on Friday. He said that there are only 17 accounts left to be audited for the last financial year. Four of them were finalised and the majority of the other audits will now progress and should be finalised by the end of May. He also said that of the 29 audits that have been completed for the 2013/14 financial year, 20 received an unqualified opinion, and the rest received a qualified opinion. Not one has received an adverse or disclaimer opinion. And let me repeat that, Madam Speaker: Not one has received an adverse or disclaimer opinion.

Madam Speaker, we are gone from the days when the public could not rely on our accounts to determine how their money is being spent, to where they can now rely on our accounts. Madam Speaker, it is a tremendous achievement. It is something that the public demanded, and something that we have delivered on.

Again, I want to thank Minister Archer and the Financial Secretary, and all of his team in the Ministry of Finance; our chief financial officers, their deputies

(some of whom are here today), for achieving this goal. Madam Speaker, I am going to be bold and say that all of these audits will be completed by the end of June and we will not, for the very first time, receive any adverse opinions, or any disclaimers.

Madam Speaker, we in the civil service have developed a wellness campaign and improved our efforts to be more socially responsible. I have said to civil servants that we need to get out there, be active, take care of our bodies, and live a healthy lifestyle. It affects us at work, healthy mind/healthy body. And we also need to give back to our community. And we have been doing that, Madam Speaker. We have had dress-down days, we have had clean-up exercises, and we have volunteered at various community events. I am very proud to see civil servants getting out there and doing this type of work. It improves the reputation of the civil service. It shows that we care, and that we are doing our part to make Cayman a better place.

Madam Speaker, I am particularly proud of our big event that we had this year, the Deputy Governor's 5K challenge, which raised over \$50,000 for our Special Olympic athletes. We had over 1,300 people register. It was a fantastic event. Our Premier and other Members of this House participated. And I want to thank the Premier for coming out. We also had tremendous support from the private sector and it was really a fantastic morning, Madam Speaker.

We had our colleagues in the Sister Islands take part in the event this year. It was done simultaneously in Cayman Brac. I want to thank everyone in the Sister Islands for participating. Madam Speaker, this is a shining example of what can be achieved when everyone comes together for a great cause.

Madam Speaker, I think what was really moving for me was that morning a lady came up to me and said, "Mr. Manderson, a lady just told me that after seeing the turnout this morning, and the care and concern, that she had hope again that this was Cayman at its best, and she was so proud to see so many persons come out and support our Special Olympic athletes." [UNVERIFIED QUOTE]

Madam Speaker, I want to again thank all Members of this House for coming out. I challenge all of them to come out again next year. I want to recognise Councillor Hew, who really beat me up pretty bad in the race but I am going to try to get him next time. He was the fastest elected Member and I promised him that I was going to recognise him for that.

Madam Speaker, we have heard and we have read about Project Future. I think we have been accused of allowing the report to bite the dust. Madam Speaker, nothing could be further from the truth. We in the civil service have been mobilising to ensure that we can implement the Cabinet approved recommendations. We set up the Strategic Reform Implementation Unit with Ms. Rodrigues who is leading and doing a fantastic job with her team. Madam Speaker, we

have to be ready for when the elected Government makes its decision. They have already made a number of decisions and we are progressing with those decisions.

Madam Speaker, we set up a steering committee. We have three technical advisory groups that have been established. We have a risk management working group. And we have trained over 75 civil servants in project management fundamentals and project management software. We have consulted with the Auditor General to ensure we are doing things correctly, and he has had very positive comments about the work that we have been doing in terms of good governance, because when we progress the recommendations, we want to make sure that we get it right. Proper planning and preparation prevents poor performance.

So, Madam Speaker, I do not agree at all that this report is biting the dust. The Government is taking a very steady and deliberate approach to this and, Madam Speaker, it is because there are some far-reaching consequences in the report, especially for our most important resource, our people. We cannot rush this. We have to have a very clear understanding as to what this means when we implement some of the recommendations. We cannot just do these things overnight, Madam Speaker. To do it right it takes time.

I want to thank the elected Government for their concern for staff and for their deliberate approach in dealing with Project Future.

Madam Speaker, I want to touch on e-Government. We have done a tremendous amount of work in that area. We have Mr. Tibbetts who has joined us. Councillor Suckoo and I chair the steering group. And we are moving ahead with e-Government. The Member for North Side correctly raised the issue of focusing on one-stop shops and he is right. We need to do better in that area. I recall my time at Immigration where we would ask someone to produce proof that they had Cayman status, and the person would come to us and say, *Give me a copy of my Cayman status certificate*. We are giving them something to give back to us. That just does not make good sense, Madam Speaker. And we need to have the technology to make sure that all of the other departments are speaking to each other and that, for example, when you are applying for naturalization in my office and you have to go to Immigration and the Police, that basically you can just come to my office, pay the fee that you would have paid, and then we will do the searching behind the scenes. That is where we need to go, Madam Speaker. And we are on our way.

Madam Speaker, it is clear that we have accomplished much over the past year. Allow me just a few more minutes to set out some of the plans for the next financial year. The Portfolio of the Civil Service will be embarking on two very important projects over this next financial year: 1) raising the level of customer service in the civil service. We are going to be partner-

ing with the Ritz Carlton and other agencies to ensure that we are providing the very, very best service to our customers, Madam Speaker. They deserve no less. We will develop customer service promises, re-engineering business processes to put the customer at the centre of all that we do, empower staff to make a difference, invest in leadership training (that is absolutely essential), and measuring results, because we have to measure and we have to know whether or not we are making a difference.

We have to invest in our people, Madam Speaker, and give them the necessary training if we want them to improve their performance.

We will also develop a five-year strategic plan. It is important that we all know where we are going, how we are going to get there, and what the key areas are that we need to reform. And we will be doing that along with the Portfolio of the Civil Service. We will revisit the civil service vision, mission and values to ensure that we identify strategic objectives and leadership competencies across the civil service that are necessary to better deliver the political mandates of the Government and improve customer outcomes for the citizens and residents of the Cayman Islands.

Madam Speaker, we will also look to modernize the Public Service Pensions Law. The Government has already talked about raising the retirement age. But we also want to do a comprehensive review of the law and ensure that best practice is being implemented at the board. Additionally, in the upcoming financial year the board will be seeking service level standards which have been informed through customer feedback received in a recent survey.

In looking to the future of the Civil Aviation Authority of the Cayman Islands, I am pleased to report how this entity has strategically positioned itself to foster conservative growth of the Cayman Islands Aircraft Registry. Their focus continues to be on global growth markets, including emerging countries and jurisdictions in the Middle East and the Asian/Pacific Rim, as well as maintaining market shares in the Pan-European marketplace. The Civil Aviation Authority has made positive financial contributions to government revenue over the past 11 years since its reorganisation as the aviation regulator.

Madam Speaker, I would also like to congratulate the Director General on receiving high marks in a recent audit that was done by the UK regulatory agency.

In the 2015/16 financial year the Internal Audit Unit will focus its audit on providing assurance in the area of value for money in procurements through evaluation of entities' expenditure, as well as in the area of revenue and management and control. Internal Audit will aim to provide entities with useful recommendations and information that will assist them towards necessary improvements in management systems. The Unit will also continue to provide consul-

tation services to entities through advice and assistance upon their request.

The National Archives continues to strive towards delivering public services that meet customer demands and expectations. As such the National Archives remains on a steady course of progressing towards the delivery of public services which are prompt, accessible, and innovative, using modern technology. In efforts to also serve internal clients, the National Archives aim to improve its record and information management programme as a means of supporting government agencies transition towards a digital environment.

Madam Speaker, the honourable House is seeking to establish a parliamentary library which we all know is needed and you heard the Premier talk about the Standing Orders being reviewed and his plans to move the Legislative Assembly from under my office to a more independent body, which we all endorse.

Madam Speaker, in conclusion, I am very excited about what we have achieved in the civil service and what we are going to achieve going forward. Madam Speaker, I often say that I am most fortunate. I have a dedicated and talented group of chief officers who all work very hard and give me their support and cooperation that is required for us to make the changes necessary to improve the overall performance and effectiveness of the civil service. The chief officer I work most closely with is Ms. Gloria McField-Nixon, who is here. She is a super star! She does miracles for me, and I want to sincerely thank her for all the hard work that she does. She sends me emails one o'clock in the morning as a regular occurrence.

Madam Speaker, I also have the support of the elected Government. We work well together. They have an abiding concern for the civil service and I am most grateful for that. I want to thank the Premier and his colleagues for their support over the past year. The Premier kept saying that we are one Government and I have done my part to embrace that and to ensure that the Government's priorities are our priorities in the civil service. That is something that is very important to us.

Madam Speaker, I think at the end of the day we all want the same thing, a civil service that is respected, that is cost effective, that delivers the policies of our elected leaders efficiently and effectively; that promotes good governance, and is an excellent employer and provides excellent and innovative services to its customers. The good news, Madam Speaker, is that we are well on our way to achieving these goals.

Madam Speaker, I thank you.

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

I recognise the First Elected Member for Bodden Town

**Hon. Anthony S. Eden, Deputy Speaker, First Elected Member for Bodden Town:** Thank you, Madam Speaker.

I rise to offer a brief contribution on the Budget Address, Throne Speech and the Honourable Premier's Policy Statement.

I would take pleasure in acknowledging those dedicated civil servants that were up in the Gallery and the positive things we heard this morning from our Deputy Governor. Things bode well for the Cayman Islands if we keep on this track.

There are many nice and positive things that have been said about the Budget, the preparation. I too would like to take my hat off to our Honourable Minister of Finance. Like the old saying goes, *We've come a long way, baby!* In the 23 years that I have been here, this is one of the most positive, upbeat and futuristic budgets that I have seen come to this honourable House. I must remember right now that last year they left off any money for housing repairs, that they have graciously included close to three quarters of a million dollars. I want to thank the Premier and all of his Ministers, and those who assisted them in the preparation of this Budget.

It is about our people. If we don't take care of them, Madam Speaker, it doesn't take them long (it may take them four years), but they will know how to clean house. Sometimes they use that old-time broom that some of the old-time Caymanians can still make.

Madam Speaker, it was uplifting to see when some concerns were shared about the Cancer Registry that our Honourable Premier took the opportunity to defer it further for public consultation, as there were some concerns—rightfully so—about confidentiality. It is a certain area that cannot and should not be breached between a patient and a doctor, and that includes names and so on. But I am sure that we will come up with a good solution, something that will benefit our people. And I pray God's protection on those who have come down with this so debilitating disease. We have seen so many suffer. But with God's grace they can be helped.

Madam Speaker, I now turn to one of the other topics in the Budget that is planned to be brought in next year March. I told my Bodden Town colleague, the Minister of Commerce, and the day before yesterday, on Friday, I told the Premier that I do not support it.

Madam Speaker, I will present to this House certain information that people have shared with me. As most of my colleagues know, I am computer illiterate. So I will read some information, and when I have finished, I want to table it with your permission. [*The Washington Post*, March 12, 2015]

**"If you feel groggy, grumpy and tired, and (rightly) blame daylight saving time for your woes, take solace in this: You're not alone, and politicians are taking note.**

**“Elected officials in a dozen states are currently [considering legislation to opt out of changing the clocks, either by] remaining permanently on daylight saving time or standard time.”**

I seems to be, Madam Speaker, that the painful thing is that first change in March and ending in November in the States.

**“Standard time is in place from November to mid-March, after which time clocks move one hour ahead to daylight saving time, leaving eight months with later sunrises and sunsets.**

**“Time can be quite a controversial issue. In 2005, then Indiana Gov. Mitch Daniels suffered some political blowback after he pushed hard for the state to universally adopt daylight saving time. Opponents to daylight saving time say that it causes a major disruption to sleep and that the switch is associated with an increase in workplace accidents and other health risks.”**

Madam Speaker, I must declare my interests, as I am one of a number of colleagues in here that suffers from sleep apnea. But that doesn't matter, because I have been going through this for 45 years. And, thank God, I am still sailing on.

**“The Uniform Act of 1966 established daylight saving time throughout the United States, but states can opt out, and two already have: Hawaii and Arizona.”**

I will just read some more of the States that are opting out: Arizona, Alaska. And the interesting one I found, Madam Speaker, is Florida, our next door neighbour, where most of our connections from Cayman go through. I also heard the philosophy of dealing with New York because of the New York Stock Exchange and stock market and so on and so forth. [Another state is] Idaho, Illinois, Michigan, Missouri, New Mexico, Oregon, the second largest state in the nation, Texas, Utah, Washington.

I beg that my colleagues take notice of this. I feel there will be more States that will come on this bandwagon.

A gentleman by the name of [Matthew Kotchen](#) indicates that Daylight Savings Time wastes energy. He is a professor of economics at Yale University and recently served as the Deputy Assistant Secretary for Environment and Energy at the US Department of the Treasury. He says, **“If you ask someone why we have daylight saving time, the most likely answer you'll hear is that we change the clocks to help farmers.”** (Interesting!) **“But daylight saving time has nothing to do with agriculture, except that farmers have historically opposed it, preferring morning sunlight to darkness when, say, milking the cows.**

**“The annual time changes are about energy conservation. That is why daylight saving time exists in the United States and dozens of other countries, affecting more than 1.6 billion people worldwide. The argument, dating back to Benja-**

**min Franklin and others before him, is that changing the clocks—with a spring forward and fall back—will decrease energy consumption because more sunlight in the evenings will reduce the need for artificial illumination. There are certainly benefits, but energy savings is not one of them—a tradeoff to acknowledge as we enjoy an extra hour of sunlight on those long summer evenings.**

**“But does this actually save energy? Recent studies suggest it has the opposite effect. One study that I worked on took place in Indiana, where daylight saving time was first instituted statewide in 2006. We found that the time change increased residential electricity consumption by 1 percent over all, with monthly increases as high as 4 percent in the late summer and early fall. The consequence for Indiana has been higher electricity bills and more pollution from power plants.**

**“The reason is that daylight saving time reduces demand for residential lighting, yet increases demand for heating and especially”** (in the northern States) **“cooling. So, while Benjamin Franklin's argument still applies to lighting, the more important effect today comes from air conditioners. And in regions where demand for air conditioning is greater and growing, daylight saving time is likely to increase electricity use even more. Arizona, one of the hottest states, may have it right by not changing the clocks.**

**“Of course, many people favor daylight saving time for reasons unrelated to energy, one of which is more time in the evenings for outdoor leisure. But many others find the switch disruptive and would prefer the early morning sunlight. One unifying theme I have found since conducting research on daylight saving time is that virtually no one has a neutral opinion on the subject.**

**“As the debate continues this year, readers and policy makers should keep in mind that despite its intended effect, a growing body of evidence reveals that daylight saving time increases rather than decreases energy consumption. There are certainly benefits, but energy savings is not one of them – a tradeoff to acknowledge as we enjoy an extra hour of sunlight on those long summer evenings.”** [*The New York Times*, March 6, 2014]

Madam Speaker, my concern at this time is for our young people. When I was in Miami a couple of weeks ago, there was an article in there indicating that pediatricians Rx for schools have a later start time. Madam Speaker, I do understand the principle of adding it on in the morning and taking it off at the night, but for those of us who have small children, grandchildren, I will come to further details on that. This pediatrician indicates: **“Pediatricians have a new prescription for schools: later start times for teens. Delaying the start of the school day until at least 8:30 a.m. would help curb their lack of sleep,**

which has been linked with poor health, bad grades, car crashes and other problems, the American Academy of Pediatrics said in a new policy.

**“The influential group says teens are especially at risk; for them, ‘chronic sleep loss has increasingly become the norm.’”**

**“Studies have found that most U.S. students in middle school and high school don't get the recommended amount of sleep -- 8½ to 9½ hours on school nights; and that most high school seniors get an average of less than seven hours.”**

**“More than 40 percent of the nation's public high schools start classes before 8 a.m., according to government data cited in the policy. And even when the buzzer rings at 8 a.m., school bus pickup times typically mean kids have to get up before dawn if they want that ride.”** [\[CNBC 25 August 2014\]](#)

Madam Speaker, I bring this up as I have a family member that will soon be going to the Clifton Hunter School and has indicated that for her to get the bus she will probably have to be getting up at 6:00 am. Unlike me, she is not a morning person. But as I will indicate and show later, breaking that Circadian Rhythm (which is the sleeping rhythm) at this stage in their life is not helpful to these children. They get up at 6 o'clock, some eat breakfast, and some don't, because early in the morning we don't like to eat too much food. They catch the bus and go there. Some of the classes that they will need to attend can be from 7:30, quarter to 8:00, early classes and so on.

So, Madam Speaker, for once, probably the second time, I am asking my colleagues to reconsider this. I know it is beneficial for the businesses, cruise ships and others who come here hoping to get a couple of extra dollars. But let us think about our Caymanians. Something we have lived for; I think either the Premier or the Leader of the Opposition says we have dealt with for 185 years, let's stop following others outside there and live by our own standards.

There was a survey done in the United States where only 37 per cent of Americans believed that Daylight Savings Time should continue, while 45 per cent—almost half—said that this practice was pointless and was not worth the hassle.

**“Changing the clocks, waking up and going to bed at different hours can also create a higher risk of traffic accidents for commuters who normally drive home during daylight hours.**

**“A study published by the New England Journal of Medicine” (which many of us will be familiar with) “suggests that drivers unaccustomed to the time differences due to DST are more likely to get into accidents due to disrupted circadian rhythms and insufficient sleep.**

**“As a society we are chronically sleep-deprived and that small additional losses of sleep may have consequences for public and individual**

**safety,’ said Dr. Stanley Coren in his report” in the New England Journal of Medicine which is a magazine of the highest repute.**

Madam Speaker, continuing with the “Health hazards”: **“Changing an individual's schedule by a single hour might not just interrupt their day, but could also be hazardous to their health. Recent studies have linked the beginning and end of DST to a variety of health problems, including an increased risk of heart attacks and a rise”** (this one is frightening, Madam Speaker) **“in suicide rates.**

**“According to Dr. Sean Duffy, an associate professor of Psychology at Rutgers-Camden, DST is not only a risk to physical health, but it could negatively affect a person's mood. ‘Falling back’ in the winter marks the beginning of early nights, sometimes leading to symptoms of depression.**

**“‘The change in DST in fall is also a marker of the end of the summer season and the beginning of winter,’ said Duffy. ‘This can be depressing for those longing for the extravagances of summer.’”**

**“Interrupted sleeping schedules.”**

**“Setting clocks back an hour means gaining an extra hour of sleep time. For others who might be more sensitive to time changes, however, going to bed an hour later could cause anything but sweet dreams.**

**“According to Dr. Sean Duffy, an associate professor of Psychology at Rutgers-Camden, time changes could upset a person's natural sleeping schedule.”** (Which is what I was talking about earlier.) **“In some cases, the process of adjusting to ‘springing forward’ and ‘falling back’ can affect learning and memory processes by changing the way that the brain functions.**

Madam Speaker, as we all know, I found some of my colleagues this morning . . . **“Sleep is a critical process for the whole body, helping it repair damage, but particularly for the brain, which consolidates memory and helps us learn,”**(This is what was in the article from the pediatrician, talking especially about our teenagers.)

**“‘Most people can handle the one hour switch of daylight saving time but if you are prone to sleep disorders or insomnia, the change in timing can take some adjustment.’”**

Madam Speaker, the last article that I will read to this honourable House is “Springing forward with Daylight Savings could kill you.” And this appears in a [GIZMODO](#) article some time ago.

**“Daylight Savings starts Sunday night, forcing America's clocks an hour into the future. Not only is this the lamest form of time travel ever invented, medical studies have suggested that being forced to get up an hour earlier for work is bad for your heart—like maybe kill you bad.**

**“‘The Monday and Tuesday after moving the clocks ahead one hour in March is associated**

with a 10 percent increase in the risk of having a heart attack,' UAB Associate Professor Martin Young, Ph.D., told Science Daily.

**"Researchers have yet to pinpoint a reason for this phenomenon but have posited theories that three factors could contribute. First, sleep deprivation, which can alter the body's inflammatory response process and contribute to a heart attack. Night owls have a tougher time adjusting to the earlier timing than morning people and are therefore at an increased risk to do so."**

As I alluded to earlier, Madam Speaker, **"Second, the jump forward screws up the body's circadian rhythm, reducing its ability to handle stress and shocks. As Dr. Young explains, 'When time moves forward, cell clocks are anticipating another hour to sleep that they won't get, and the negative impact of the stress worsens; it has a much more detrimental effect on the body.' Third, the jump forward also screws up the body's immune response timing, which temporarily weakens the immune system."**

For the information of the House, **"Daylight Saving Time was originally developed during World War I as a means to conserve fuel. It made a reappearance again after WWII . . . was abolished but ended being optional for individual communities."**

Madam Speaker, it was interesting to note that when the study was done in Cayman (I am shifting gears), the persons who supported it most strongly were the real estate respondents. But, a total of three categories of respondents, government, students and utilities were mostly unsupportive of Daylight Savings Time, with the government category recording 70 per cent against it.

Also indicated in section 10 of the discussion draft, those most affected by Daylight Savings Time if implemented in Cayman were those from the eastern districts. This indicates that support for this initiative may be correlated with proximity to the central business district of George Town.

Number 11, as I alluded to earlier, and I can understand, but I would say to those living in their ivory towers to try to hold on a little bit longer for our young people, that is, the business people. Among financial industry service respondents, the most cited benefit of Daylight Savings Time is that it would enable local operations to remain year-round on the same time zone as New York, which is a significant business market for Cayman.

I can understand, Madam Speaker. We need the dollars. But, what I am pointing out here is the long-term effect for our young people and Cayman. It was suggested to me that the days are long. I decided to pick up my old *Farmer's Almanac*. We will note from August, the number of hours in the day continue to drop, sometimes almost two hours in one day. For example, Madam Speaker, in August, the sun sets at

14:28 hours. By the end of that month, it is down to 13 hours. As we get further and further down, by October, those of you that remember, it is pretty dark by October. Of course, it changes back again . . . it was suggested to be changed back again in November.

I am just putting that forward, Madam Speaker, as my feelings on Daylight Savings Time. There was one other time I also asked my colleagues to consider. That was when we decided to bring back the help under the Immigration Law for our caregivers for the elderly, which we did in a positive manner. Madam Speaker, it is okay for us adults. We can deal with it as we always do. Caymanians are a very resilient people. I ask that we please reconsider some of the things that I have said.

Many of us in here, except the younger ones, do not have any children that will have this problem. Don't think about us. The great difficulties that so many of them out there are now having, let's not compound and complicate. Please think about it.

Madam Speaker, moving on to a motion that I brought last year some time—"Inequity in the Immigration Law". I would ask that in the winding up by the Premier, or someone, one of the Ministers, to please indicate to me where this is at. This was where a permanent resident and spouse become eligible to apply for naturalisation as British Overseas Territories Citizens of the Cayman Islands, following one year, whereas Caymanian spouses have to be, I think, seven years.

Madam Speaker, I now move briefly to crime and the police situation in the Cayman Islands. When I looked at the [Cayman Reporter](#) of Friday 13 to Thursday 19 February, **"20% of population has a criminal conviction"**, that is very unsettling. I say it is high time that we get a grip on this problem that is here amongst our young people. All of the good stuff that we are doing, if we do not get a grip on this with the proper leadership, it is not going to matter. Every week, every few days another crime is reported. On December 16 last year, the leadership indicated that Commissioner Baines had their full support. Madam Speaker, it keeps going on.

This is an article, Madam Speaker, 27 February to 5 March, "Revealed, 582 warrants for arrest outstanding." Madam Speaker, you may now understand my concern over what is happening here. We need to do something about crime in Cayman. We see what seems to be happening. They are getting away with the petty and small stuff. And this House will be sick of hearing me talk about the Traffic Department, which has been abolished for some time. Up until this morning I see cars passing me like travelling at 40, maybe 42 miles per hour, passing me like I am standing still. Sometimes there are days and days I don't see a patrol car on the road.

A couple of days ago I saw a couple of vehicles (I do not know whether they have on a black or blue pants), with a tint on the windows. I know there is

a permissible amount allowed. I don't understand, Madam Speaker, how these vehicles pass inspection! And somebody has to see these cars on the road. It makes you wonder why. I know if you get too much sun inside the vehicle it gets extremely hot, but, Madam Speaker, the rest of us have to abide by what the law says. When are we going to do something with this? It is my belief, and I draw it back to the speeding. If they get away with it a little bit, get away with it a little bit, they finally say, *Nobody is saying or doing anything to me*. The crime then continues to escalate. Madam Speaker, we have been trying this approach to crime for the past several years. Unfortunately there was a description on insanity as doing the same thing over and over and expecting a different result. I do not expect the police to be perfect, Madam Speaker. But I expect to see something done to burglaries and robberies.

A few years ago when I was in Cabinet, it was indicated to us that it was probably five or six people doing these things. Pick them up! If it is more, 15, 20, 30, pick them up and let's find out what's going on and get to the bottom of this situation!

Madam Speaker, we have worked too hard to get where we are with this Government, which is the most dynamic, hardworking, brought us back from the threshold, literally, of bankruptcy to get us where we are, to be going down the tubes because of crime. People turning their head, God forbid, I hope it's not that, but I have had enough of it.

Madam Speaker, I move on, and this will be very briefly, I will deal with this in more detail later on. I often wonder when I read this [article](#) on the 9 January to 15 January, "Lecture series to tackle homophobia and gender equality." I just wonder where is my very good friend, my former colleague in the Legislative Assembly and in Cabinet, Mr. Truman [Bodden]. I did not see him say anything at all. ". . . **Law School has decided to launch its new series of public lectures entitled, 'Legal matters that matter to all.'**"

On January the 19<sup>th</sup>, 2015, I see this wonderful-looking professor, Professor Albert Wintemute, deliver his lecture about how Cayman is homophobic and whatever.

And then my learned colleague, Mr. James Austin Smith, who is part of the Human Rights—Madam Speaker, I have no problem with these things going on, but, when laws are changed they have to come to this Legislative Assembly; not by someone writing to the papers. Madam Speaker, I will draw the attention of this honourable House to our Constitution, section 14 of the Bill of Rights, and I read: "**14 (1) Government shall respect the right of every unmarried man and woman of marriageable age (as determined by law) freely to marry a person of the opposite sex and found a family.**"

I will then go to our Marriage Law (2010 Revision), the definition of "marriage." Madam Speaker,

**"'marriage' means the union between a man and a woman as husband and wife."**

Madam Speaker, I remember the Cabinet I was in (you may have been a part of that, Madam Speaker) when we made that a law. As I said, Madam Speaker, I will deal with this sometime in the future. I just wonder when all of these churches are getting together, especially our Caymanians, how we have been brought up over the literal centuries, living a certain way in our life. Maybe I am missing, I am not seeing where they are raising any fuss or flurry about this. But you see, Madam Speaker, if you do not believe in the Bible, which I do—I have read through it a number of times, six, and heading on the seventh time for the New Testament. If you do not believe in it, then, there is no use in me talking about it, Madam Speaker. I have lived this way and at my age, into my seventh decade, I am not going to bother to change.

Just to close this out, we saw in the paper a couple of weeks ago, Madam Speaker (just for those who may want to check, it was Friday, April 17), about a school drama teacher jailed for three years. Oh my goodness. Is this what Mr. Smith and all of those others out there are talking about, when we moved the age from 18 to 16 for our children to indulge in this practice? Let me warn them, Madam Speaker. I have at this time four grandchildren. And God forbid the day any of them are molested. There are some good, hard switches out there. I am not sure if you can use them in the law or not. But I will! I will know what to do, Madam Speaker.

The many, many things and problems we have in the Cayman Islands, what a thing for these lawyers to be sitting down talking about, lecturing. In my district and in all of the districts of these Cayman Islands, there are houses that need repairing, roofs that are leaking, people that don't have running water, and this is what the money people are going to jump on board of? I pray God's help, Madam Speaker.

Madam Speaker, in closing I just want to read another [article](#) [from "*Tomorrow's World*"] talking about school days. I will table it, Madam Speaker, so that the House can see it.

**"School days, school days  
Dear old Golden Rule Days,  
Reading and 'riting and 'rithmetic  
Taught to the tune of a hick'ry stick.**

**[Dear old] Golden Rule days. Reading and writing rithmetic . . . Taught to the tune of the hick'ry stick.**

**Really, mutual respect for one another, a no non-sense curriculum with a healthy dose of discipline, what happened?**

**"What happened is in 1948, the Supreme Court ruled in the case of McCollum v. Board of Education, that schools cannot allow 'released time' during the school day which allows students to participate in religious education in their public school classrooms.**

Then in 1960 the issue of prayer was challenged by” (listen) Madalyn Murray O’Hair,” (I am sure many of you know who that lady is. She was a confessed atheist.) “who sued the Baltimore,” (Boy, I tell you, Baltimore [school system] has been on the news so much lately. Is it any wonder we are having so many problems when we take God out of the schools?) Maryland school system on behalf of her son because he was being forced to participate in prayer in schools.” (For the love of my sake)

“Further, in 1992 the Supreme Court handed down a ruling that barred clergy-led prayers—invocations and benedictions—at public school graduation ceremonies. ‘The Constitution’” (which was built on God and what is on their money—“In God we Trust.”) “‘The Constitution forbids the state to exact religious conformity from a student as the price of attending her own high school graduation,’ the court said then. Many saw this ruling as evidence as a strong reaffirmation of the highest court’s 1962 decision banning organized, officially sponsored prayers from public schools.”

And then, Madam Speaker, “The proverbial nail in the coffin, sealing the fate of prayer in school came in 1993 when the justices refused to review a federal appeals court ruling in a Texas case that allowed student-led prayers at graduation ceremonies.

“All this seems to have generated ‘The New School Prayer.’”

This was found in the *Detroit News*, Madam Speaker, and I want to share this with this honourable Legislative Assembly and the people listening:

*“Now I sit me down in school/Where praying is against the rule*

*“For this great nation under God/Finds mention of Him very odd.*

*“If Scripture now the class recites/It violates the Bill of Rights.*

*“And anytime my head I bow/Becomes a Federal matter now.*

*“Our hair can be purple, orange or green/That’s no offense; it’s a freedom scene.*

*“The law is specific, the law is precise/Prayers spoken aloud are a serious vice.*

*“For praying in a public hall/Might offend someone with no faith at all.”*

Who cares, Madam Speaker?

*“In silence alone we must meditate/God’s name is prohibited by the state.*

*“We’re allowed to cuss and dress like freaks/And pierce our noses, tongues and cheeks.*

*“They’ve outlawed guns, but FIRST the Bible/To quote the Good Book makes me liable.*

*We can elect a pregnant Senior Queen/And the ‘unwed daddy,’ our Senior King.*

**It’s ‘inappropriate’ to teach right from wrong/We’re taught that such ‘judgments’ do not belong.”**

Just as an aside, Madam Speaker, recently one of the big top evangelists in the States indicated that nothing is really right, nothing is really wrong. I nearly fell out of my chair! And he has so many followers.

*“We can get our condoms and birth controls/Study witchcraft, vampires and totem poles.*

*“But the Ten Commandments are not allowed/No word of God must reach this crowd.*

*“It’s scary here I must confess/When chaos reigns the school’s a mess.*

*“So, Lord, this silent plea I make/Should I be shot; my soul please take! Amen”*

This indicates, “Does that not read as a description of the American schoolyard of today? Incredibly, this was posted in the 1993.

“More than twenty years have passed since the *Detroit Press* published this poem. Has anyone noticed any improvement to the school system, to the classroom, the teacher or student?

“Far from improvement we moved to mayhem!”

Just trying to spite God. But what a shock of surprisition some of us are going to have, Madam Speaker.

“Remember: Littleton, Colorado, rocked by the massacre at Columbine High School on April 20, 1999, where 21 students lost their lives; Red Lake Indian Reservation in Minnesota, March 21, 2005, 5 classmates, a teacher and an unarmed guard at a high school were killed; three girls were murdered on Oct. 2, 2006, in a one room Amish schoolhouse in Pennsylvania’s Lancaster County; the campus of Virginia Tech on April 16, 2007, 32 students were shot and killed: this is only an abbreviated list, there was more!

“All of these headlines scream out ‘Where will all this end?’” Just to spite God.

I just want to read, Madam Speaker, I know there is talk of possible legislation coming from the Education Department, or whatever. I want to leave this with my good friend, the Minister of Education. We as legislators must now decide whether what we do in our schools (and I know with her leadership she is not going to compromise her faith), whether to serve the Mother Country in some of these ideas and perceptions.

I was shocked to see the other day where 5 per cent of those living in Britain now believe in God; a nation that He built that became our ancestors from Abraham on down, to see the cesspool that that great country and the United States have become. It is unfortunate. Madam Speaker, these two verses come from the wisest man who ever lives, except Jesus. It is

found in Proverbs 29:15. **“To discipline and reprimand a child produces wisdom; but a mother is disgraced by an undisciplined child.”**

Solomon goes on to say in Proverbs 23:13-14, true child abuse, **“Don’t fail to correct your children. They won’t die if you spank them.”**

Physical discipline may well save them from death.

Madam Speaker, my approach to the Budget and the Throne Speech is a bit different from my other colleagues. As I look around and see what is happening in this world, and we see what has happened in Iraq, Syria, and Afghanistan, we better keep our eyes open, Madam Speaker. You know, as most of us that read the Bible, all of this is in there—Isaiah, Daniel, Revelation. The Day of Accounting is coming fast. Let us do our part, Madam Speaker, by taking care of our children in the way that our parents taught us, and they found in the Bible.

Please. I am begging these Islands to look at what they are doing.

Madam Speaker, I will close. I wanted to say this earlier on, the clock up there is about seven minutes slow. I don’t know if that is preparing for Daylight Savings Time, or what.

*[Laughter]*

**Hon. Anthony S. Eden:** Thank you, and may God bless us all.

**The Speaker:** We will take the morning break at this time and resume at 12:30.

**Proceedings suspended at 12:15 pm**

**Proceedings resumed at 2:37 pm**

**The Speaker:** Please be seated.  
Proceedings are resumed.

## **GOVERNMENT BUSINESS**

### **BILLS**

#### **SECOND READING**

##### **APPROPRIATION (JULY 2015 TO JUNE 2016) BILL, 2015**

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

*[Continuation of debate thereon]*

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

I recognise the Honourable Minister responsible for Financial Services, Commerce and Environment.

*[Pause]*

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

Madam Speaker, I rise in this honourable House today to present my contribution to the 2015/16 Budget Address, primarily in relation to my Ministry of Financial Services, Commerce and the Environment, but also more generally, and if I have time hopefully I will touch on a few areas in relation to my particular beloved district of Bodden Town.

First, let me congratulate Her Excellency the Governor, and our Honourable Premier, as well as my colleague, Minister Archer, and the teams in respect of both of those who supported in relation to the Throne Speech, the Policy Statement, and the Budget Address.

Madam Speaker, I think what we have had presented, and what we will be considering shortly is a good Budget, perhaps in the circumstances, one of the best the country has had. And certainly as my colleague, Minister Archer has said, it represents a milestone budget given the projected full compliance with the principles of prudent fiscal management as set out in the Public Management and Finance Law as modified by the Framework for Fiscal Responsibility.

Now, Madam Speaker, this is not something that is accomplished with some magic wand. It represents hard work, collective hard work, amongst the ministries, chief officers, caucus, Cabinet—almost always with necessary compromises reflected in difficult decisions on what the priorities are for now—and always with the goal of a budget that works best for the country in the current circumstances and what is reasonably predictable over this fiscal year.

But, certainly, there is an element of magic in my colleague’s, Minister Archer, Ministry and the finance team in the way they work so hard to put this all together. Even after we have made all the difficult decisions, we don’t see these until we get down here and I think they need to be congratulated for, as usual, for doing a fantastic job with that.

Madam Speaker, a budget is something that isn’t necessarily based on one year though we have to lay foundations. It has to go beyond projections and success is rarely the result of one year’s work. It is about building strong foundations with the right ingredients, making adjustments as necessary, and always being aware of what is important to those who helped to make the country a success, their needs and aspirations. We are talking specifically about the public sector as a whole, the private sector, and the broader community, importantly, including our young people. So it takes team work, Madam Speaker, and I con-

gratulate all of my colleagues in a good year past, and a good year to come, in anticipation of the passage of this good Budget.

Madam Speaker, I have heard some Members on the other side of the aisle comment that some of the debate they have heard refers to supporting businesses and they suggested the Budget does nothing to help people. Nothing could be further from the truth, Madam Speaker. The truth is we have to do both. We have not made cuts to programmes to support the needy and the poor. My colleague, Minister Archer, has said that previously and fairly often. We will not balance, and have not balanced, this Budget on the backs of the poor and needy in our country. But, yes, we do have to support businesses as well because those businesses are the ones that create jobs that hire people and create opportunities for those people, those Caymanians, in our country. They create the vast majority of the jobs, so it should be much more than the public sector. So what we do need are policies which help businesses not just continue to exist but to flourish and grow, thereby creating more jobs, more opportunities, for our people and growth in the economy.

Madam Speaker, this creates less demands on Government's social programmes and generates more revenue for Government at the same time. But additional revenue can be used to make further investments in our education system, for example, and in infrastructure.

One of the fundamental tasks that this Government had was to impose discipline, restore respect, restore proper process, restore respect for the rule of law, and to restore relationships with those who deal with Government and with the United Kingdom, our mother country. All of this, Madam Speaker, is with the objective of restoring confidence in the Government and in restoring confidence in our country. Without that essential ingredient, Madam Speaker, the UK, for example, would be uncertain whether they could trust us to continue to practice good governance and sound fiscal management. And the business community, as another example, would be uncertain as to whether they can rely on the Government to continue with sound, predictable policies which would encourage them to make the necessary investments in our people and the country because they believe that it would be a worthwhile investment.

Madam Speaker, another concern would be avoiding a situation where our people wake up every day wondering what outlandish scheme or proposal they will hear announced that day. None of that contributes to confidence, so everything that needed to be done was in relation to re-establishing confidence and making sure that those policies reflected that. I think, Madam Speaker, this is one of the reasons why we have had improvements in economic growth, which is running over 2 per cent now. We have had a consequential reduction as well in the overall rate of unem-

ployment. We have also seen, Madam Speaker, a level of activity set in motion in the public sector with the various projects that we have been progressing and in the private sector, which there is every reason to believe will continue as a result of this new approach and restored confidence.

Madam Speaker, I know many people will know that I enjoy offshore fishing—that is, responsible and not indiscriminate fishing, mind you. And I am often asked what makes a successful fisherman. And the usual answer, Madam Speaker, is that it takes 90 per cent luck and 10 per cent skill. But the important part of the advice is that while it does take that luck, without the 10 per cent skill, it is not likely to matter how much luck you have had. And that scenario is applicable to a lot of things, including, in my view, the approach to running a country. So, Madam Speaker, success is borne out of having the right policies and strategies in place and taking a careful approach which will allow us to maximise the benefit of opportunities that we pursue and those that come our way.

Now, Madam Speaker, there are comments in relation to the Budget surplus, suggesting that in some way it is a bad thing to have a budget surplus. But, Madam Speaker, a budget surplus in this case is a part of a disciplined plan to restore and safeguard the financial future of this country. That fiscal discipline, Madam Speaker, is another significant part of what imbues confidence. It would be too easy to say, *Let's take some, or a lot of the surplus, and find ways of giving it back immediately, today.* That just kicks the can down the road. That continues the problem, Madam Speaker. That would also destroy our credibility as a Government with a plan to address the fiscal challenges of the country and, of course, there is a little problem of the \$312 million bond, which comes due in full towards the end of 2019.

If we do not act responsibly now, and continue to accumulate reserves for those expenses that we know are coming down the road, then, we are failing the country. We will not have the money to meet those debts, and on top of that, the costs of borrowing would increase because lenders no longer have confidence in the Government and the country and the rating agencies agree with them.

We know and accept the concept, Madam Speaker, that "one, one, coco full basket", but it is quite another thing to have the discipline to get that basket full. Too often some politicians might default to the easy position of making as many or making more people happy today than tomorrow. But irrespective of that, Madam Speaker, the result is that there will be suffering greatly tomorrow. And you can't tell them, *Remember, things were better yesterday.*

Madam Speaker, you only have to look at a country like Greece to see a good example of that sort of approach and the long-term consequences and impacts of that. So, Madam Speaker, what we need is that disciplined approach, that strategy to fill that bas-

ket and keep it sufficiently filled to meet the needs of the country over the longer term and not just today.

Madam Speaker, what is critically important with this approach is that it not be viewed as a zero-sum game where the country's Treasury wins and the needs of our people are ignored, or the interests of the people lose in some way. The workings of a country are complex, like our own lives. There must be gains made and needs addressed for as many stakeholders as possible. So having talked about discipline, Madam Speaker, it is important to recognise that within that there has to be this balance, the balance to be struck and adjustments to be made between competing needs. We believe, Madam Speaker, that this Budget strikes the right balance. We believe it addresses those competing needs in a way that best suits our current circumstances and yet protects our longer term interest.

Now, Madam Speaker, it certainly does not address everything that we would want as a Government and everything we would want as individual Ministers and Ministries, both for the ministries, for the country as a whole, or for our individual constituencies. Certainly not! But it is what we can collectively agree today that we can afford right now.

We think the people of this country will agree with this, Madam Speaker. We do not believe that the people of this country would want much more for themselves today and leave the bill to their children tomorrow. So in striking that balance, we are continuing to fulfil our promise to the country that we made as a Government, to reduce the cost of living and the cost of doing business, and we are doing that at the same time as making sure that we also protect the longer term interests of our country as a whole. That is why we now have an aggregate (well, on the passage of this Budget we will now have an aggregate) of \$16.8 million in fuel duty reductions taking effect on January 1, 2016. We already have \$8.4 million as of January this year.

Madam Speaker, we know for certain that that reduction goes directly to the consumers of this country. We know that every single cent gets passed through to consumers because the former PPM Government, and in particular, the Member for East End, when he was the Minister, negotiated a very transparent process which guaranteed that we could see that every one of these things, every cent that we give in terms of duty reduction goes through to the consumers and into their pockets.

Madam Speaker, we have also reduced the duty rate for trading companies from 22 per cent down to 20 per cent. Now, in that case, we have to ensure the competition works and the majority of that benefit flows through to the consumer as a reduction in prices. Obviously, if we see evidence that it doesn't work very well, then we have certain market failures going on and we are prepared as a Government to look at addressing that and taking an alternative approach to

resolve that and make sure that the benefits pass through.

Madam Speaker, the actions of this Government in finding prudent ways to reduce the cost of living and the cost of doing business puts money back in our people's pockets. It promotes growth in business, growth in jobs, and growth in the economy. And that is why we will continue to seek out strategies for achieving that without derailing our plan to achieve financial security for the country. That way, our people continue to benefit. That way we are able to pay off our debts as they come due [and] that way we have the resources available today and tomorrow to make investments in our people and in our country. That way we create the best possible environment to ensure the success of our country and opportunities for our people and ensure that the quality of life of our people is better assured for now and in the future. That is the objective, Madam Speaker, of this Government.

Madam Speaker, I am not one to be involved in this concept of giving licks and giving beatings and all this in this Honourable House. Anything I say in my debate is really intended to reflect the facts, and if it has that effect, then, it is certainly not something that I relish. But, Madam Speaker, I would like to note the comments from the Leader of the Opposition, in his debate where he said that history cannot be thwarted and the facts will rise. Madam Speaker, I agree with him, but I think he needs to consider that you can be entitled to your own opinion, but not your own facts. And far more often than not, it seems that facts are not on the side of his arguments.

Now, just to spend a few moments, Madam Speaker, in terms of facts versus some fiction, the Leader of the Opposition noted that the Government was following his plan, or the plan that he left in office. I don't know about any of the rest of my colleagues, Madam Speaker, but I suspect that like me they found an empty desk and an empty filing cabinet—no plan. We had to roll up our sleeves and get to work, just like any other Government taking office would have to do.

Even if there had been a plan, Madam Speaker, I'm not sure, given the results which have been reflected, that the people of this country having elected us would want us to follow such a plan. What is interesting, Madam Speaker, is, that the Leader of the Opposition in the context of his claim that we were following a plan is really an implicit recognition that whatever this Government is doing it is good for the country. Madam Speaker, I think the comments made really reflect a grudging admission that he is more impressed than not, and that he wishes he could have had the same sort of results.

Madam Speaker, before moving on let me add my comments on the question of one man, one vote and single-member constituencies. The Progressives long ago committed to this new electoral system of single-member constituencies and one man, one

vote—or, to properly reflect the wishes of my colleague Minister (with apologies), one *person*, one vote. This was all published, Madam Speaker, in black and white in that little booklet that we call a “Manifesto.” And we said we would do it in good time for the next election.

Madam Speaker, when the Member for East End brought his motion at the beginning of last year, I didn’t support it at that time. Firstly, because I said we had other priorities and I was restoring trust and confidence in Government. Secondly, we couldn’t afford to be distracted, and I was certainly finding the limited resources available in legislative drafting challenging, given the agenda that we were dealing with. Thirdly, it couldn’t have been considered a priority 42 months away from the next election. So I said then that I would support it a year on, and we are roughly in that time frame, Madam Speaker, and I certainly am happy to see where we are at. I am happy that we have the boundary commission in place and it is doing its important work. And barring some extraordinary event, Madam Speaker, I think it is probably a forgone conclusion that we will have the 2017 election on the basis of one person, one vote in single-member constituencies. No amount of misinformation or scaremongering is likely to change that. Certainly, I know the leadership of this Government is committed to it.

Madam Speaker, just moving off from the general Budget discussion into the particulars of my Ministry, and in the interest of providing a more complete picture in relationship to my ministerial areas, I am not going to limit my comments specifically just to the coming year. I would like people to understand what the next two to three years look like for us as a jurisdiction, particularly in relation to financial services.

We know, Madam Speaker, that there have been rapid global developments in this area. It has been going on for the last two years and it is anticipated to go on for another few years. Madam Speaker, it is well known that I came from the financial services industry and while it is, in terms of value, one of the largest, if not the largest, contributors to our economy, it is one which is facing—has been facing and will be facing—certain challenges going forward. So, I would like to make three key points in relation to this, Madam Speaker, which I don’t make lightly.

Firstly, in all the decades that I have been in practice, I have never seen that acceleration of initiatives that are creating the kinds of pressure that we have in relation to financial services as we do today. And I know my colleagues are certainly aware of it. And so far, Madam Speaker, we are handling the demands and our financial sector continues to flourish, but our job at the Ministry is to ensure that the best possible environment exists, that we continue to maintain our international credibility and performance as a leading international financial centre. These challenges are mounting and we must have the resources to respond appropriately.

So, Madam Speaker, just in terms of a few overarching points, we know that financial services contribute significantly to the public purse. We know that it supports in that way a lot of Government expenditure, infrastructure, maintenance, development, health, pensions, education, sports, youth, culture, all these things, Madam Speaker. We also know that financial services contribute to tourism. We have quite a number of events held here every year and the numbers range from the hundreds to the thousands, in some cases, of those participants in the industry who come from all over the world to visit Cayman, spending in our hotels, restaurants, the attractions, shops, and enjoying, importantly, Madam Speaker, the beauty of our natural environment. They bring their families with them and they often make return trips to Cayman, mainly for holiday purposes. So, there are lots of contributions across many areas, Madam Speaker.

The point of this reminder is to really just reinforce what we stand to lose if we fall too far behind in making the investments that are necessary for the twin goals of promoting and protecting this critically important industry. Madam Speaker, these goals become more difficult to achieve when public finances are limited, our ability to spend is limited, as they have been over the past few years. With this in mind, my second point is about the budget in the years to come.

Madam Speaker, as Cayman’s finances continue to improve, my expectation is that certain allocations will need to be increased in relation to financial services as a percentage of the overall Budget. When funds are limited, of course, hard decisions have to be made. But, Madam Speaker, if nothing is planted, nothing grows. And we have to ensure that we do not put at risk what we know is growing and producing well today. Despite the constrained Budget, which we all have to deal with; we all have to do more with less, and have been doing so, the Ministry has managed to certainly keep the balls in the air—most of them—Madam Speaker, not necessarily all that we would want to.

We have continued on the level of engagement globally. We have continued to gain insights that help us to better analyse and respond to the global pressures that are affecting all international financial centres. We have built and we maintain and continue to build on the legislative and regulatory framework that supports Cayman’s strong reputation. We consistently rank very well on industry surveys and international rankings. We have been recognised by international bodies that oversee and regulate global financial services. And we are on par, Madam Speaker, with, or exceed, many of the G8 countries in relation to our adherence to international financial services standards, which should tell our detractors, Madam Speaker, that our industries’ regulation and practices are extremely solid.

Madam Speaker, we will soon face a number of international assessments, including those conducted by the International Monetary Fund (IMF), the Financial Action Task Force (FATF), and the Global Forum on Transparency and Exchange of Information for Tax Purposes. We have done well, Madam Speaker, in the past in relation to these assessments, but we must continue that. And if we do well on the next assessments, which are just one and two calendar years away, we will have maintained our credibility and positioned ourselves to continue and perhaps improve the level of growth that we have had. However, if we do not do well, there is every possibility, Madam Speaker, that we may be at a competitive disadvantage and we may lose business to other countries. That, of course, Madam Speaker, will further constrain the Budget and the Government's ability to prioritise public spending.

Madam Speaker, no one can dispute that Cayman is affected by global developments. The good news, Madam Speaker, which is my third point, is that this Ministry is certainly very aware of what we are facing as a country and we know the resources that are needed in order to confront the challenges and maintain and enhance our commerce environment, including financial services. Similarly, Madam Speaker, our regulator, the Cayman Islands Monetary Authority [CIMA] is fully conscious of the needs and challenges. There is ongoing collaboration between the Ministry, CIMA, and the Honourable Attorney General's agencies, some agencies under his purview, including the Anti-Money Laundering Unit, to face and address some of the challenges that are coming forth that all international financial centres are facing, but we must perform well against in order to maintain our leading position.

Understanding all of this, Madam Speaker, is no good unless we have the resources and we have the human capital to be able to meet or implement the critical actions that are needed to meet the challenges so we continue standing amongst, if not on top of, the world's best.

In addition to the regulatory challenges and the global standards assessments, we need to enhance the level of collaboration, Madam Speaker, with industry in consultation on business development and, importantly, communication of our world-class standards by comparison alongside those giants in the G8 and the G20. The need to clarify the facts of Cayman's position as an international financial centre will require a sustained effort for some considerable period of time, certainly, the foreseeable future. That will require additional resources beyond what we have at the moment, Madam Speaker. I hope that we will certainly recognise that today what we have in the Budget is a sound allocation of what is available to us. I know we will have work doubly hard to increase productivity, but we will certainly need to be looking for in a future budget, perhaps in the next budget, a

greater allocation of resources to meet the needs and to preserve the successes that we have had over the last 50 years.

Madam Speaker, to transition into comments on the Ministry's achievements during this current fiscal year and its spending plan and goals for 2015/16, I would like to take this opportunity to remind this honourable House and the public that there are five departments under my Ministry, specifically, the Department of Commerce and Investment [DCI], the General Registry, and the Department of Financial Services Policy and Legislation, the Department of International Tax Cooperation, and of course the Department of Environment.

Now, in 2014/15, Madam Speaker, the Department of Commerce and Investment saw the passage of two significant pieces of legislation, which were the Trade and Business Licensing Law and the Secondhand Dealers Law. The Trade and Business Licensing Law streamline the responsibilities of the department and the board, which will lead to more administrative effectiveness. For persons applying for new or renewed licences, what this means is that once due diligence has been conducted the administrative process of issuing actual licences will become even faster than it is now. For the sake of clarity, Madam Speaker, I emphasise that before a licence is issued, due diligence will be conducted to the highest standards to ensure that we are licensing sound trade and business endeavours.

Madam Speaker, the Trade and Business [Licensing] Law also levels the playing field for business, as it includes provisions to curtail illegal vending, requires evidence of compliance with the National Pensions Law and Health Insurance Law and thereby avoids improper competition. For too long we have had complaints that some businesses have found ways to cut costs in these areas, primarily through noncompliance. That is unfair to the competition, Madam Speaker, and it is certainly grossly unfair to the workers, the employees of these businesses, as well. Furthermore, Madam Speaker, the Trade and Business [Licensing] Law provides a common licensing framework for the Secondhand Dealers Law, as it does with the new proposed Liquor Licensing Law and the Film Exhibition Control Bill, which is before this Honourable House for consideration shortly.

The Secondhand Dealers Law, Madam Speaker, was developing cooperation with the RCIPS. It provides greater assurance to the public that the goods they are purchasing from second-hand dealers are not stolen property and will hopefully reduce the incidence of theft by removing the ready market to convert this stolen property into cash.

Madam Speaker, in addition to its involvement in developing new legislation, the DCI was responsible for Government's small business programme. This included administering incentives for micro and small business owners. Now, Madam Speaker, this is a par-

ticular programme that I think has reflected a great deal of success and one of which I am proud that we are being involved with. Madam Speaker, I am heartened of the result to report that of a total of 1,467 trade and business licences were granted year to date under the incentive programmes, versus only 713 for the same period in the previous year. So, Madam Speaker, the numbers of licences that have been granted have more than doubled. This shows that the programme is working and those businesses that obtain the grant of new licences for free and those that renew their licences under the deeply discounted fee concessions are now fully licensed.

Why does that matter? Madam Speaker, it now qualifies them, for example, to participate in important bids—private bids, public bids—where they could not do it before because they did not have proper and valid business licences.

Just to remind the House, Madam Speaker, the small and micro businesses were getting trade and business licences issued for no fee and all other businesses had a 50 per cent discount for George Town and West Bay and a 75 per cent discount for the rest of the eastern districts, including my district of Bodden Town, East End, North Side. That extended to the Sister Islands as well. And within the law there is already also a 75 per cent discount for the Sister Islands, so the net effect of that is that they pay 25 per cent of the fee. But all of these numbers, Madam Speaker, indicate very clearly that it has been successful. We are creating, or have the potential to create lots of new small businesses, double the size that we had over the last year. Yes, Madam Speaker, it is entirely possible that the rate of failure may be higher with those businesses, but equally so, the rate of success is likely to be higher as well. All in all, it makes for a stronger business environment and greater opportunities for our people.

Madam Speaker, we look forward to having every eligible small and micro business owner involved in a programme like this, which, by the way, costs the Government in foregone revenue about \$1.4 million. That is the value of the investment we are putting in this programme because we hope to be able to use it as a base to offer further benefits to business owners who are complying with the laws, who are reflecting an environment of a level playing field and fair competition.

That may, Madam Speaker, involve, for example, incentivising the creation of new jobs and further incentivising the filling of those new jobs by our Caymanians as opposed to work permit holders. That is something that we will be working on in the coming year as well, Madam Speaker, and I hope to make progress in that respect. Obviously, it will have to be something which is supported by whole Government, and, in particular, my colleague, the Minister of Finance. And I am sure that if it has a reasonable

chance of success it will be supported by this Government because it reflects our aims and objectives.

Madam Speaker, the Department of Commerce and Investment also organised the third annual Small Business Expo in April which they believe drew record attendance. In addition to providing practical business-related workshops, the Expo also provided an opportunity for networking and vending. Feedback on the Expo was, as usual, very positive.

So, Madam Speaker, again, why are we doing all of this to support small businesses? It is because we know that small businesses, by and large, create the greatest numbers of jobs in the economy, and by helping them to be stronger and more successful we are also enabling them to be the engines of economic activity and job creation and employment that we know they can be. That results in everything positive, greater growth for the economy, and reduction in unemployment for our people.

Madam Speaker, the DCI's mandate will also be changing in the coming year. We are streamlining its focus. We are requiring it to focus more on core activities which relate to licensing and regulation. We are doing what many other countries do in respect of things like investment promotion and small business support activities by seeking to outsource those services to the private sector. We are considering several avenues in this regard, one of which is with the Chamber of Commerce and there will be more information in relation to these developments in due course.

Madam Speaker, this evolution in the DCI and the DCI's mandate demonstrates a maturing of commerce in Cayman. Certainly, from a global perspective there is recognition that you have conflict between a department that is trying to regulate and a department that is attracting investors at the same time.

So, with the transition into this streamlined licensing and regulatory department, DCI will be able to take on other responsibilities, such as, for example, acting as a supervisory unit for designated non-financial business and professions. Now, this is in line, Madam Speaker, with recommendations emanating from the Financial Action Task Force. And although it covers the DNFBPs [Designated Non-Financial Businesses and Professions], it covers a fairly wide range of activities, including the sales of precious metals, stones, real estate, legal services, accounting services, anything involved with finance except those that are specifically regulated by the Monetary Authority. This is an area, and the performance of DCI in this role is going to go a long ways to strengthening our regulatory regime and bring it in line with practice of international standards and meet the recommendations of the FATF [Financial Action Task Force].

Madam Speaker, another area that DCI has been involved in is the issue of the Sunday trading public consultation. I think we have seen that Government's conclusion in relation to that was that there

was not broad support. Government didn't take a position on it. We were genuinely seeking public input and the conclusion was that there was not broad support to make Sundays significantly different in terms of trading from what we have currently. There simply is a recognition that the activities that were going on and the types of retail activity that were going on needed to be regularised because they were slightly outside the terms of the law. And Government has now acted through the Cabinet, passing a new Sunday Trading Order to replace the existing schedule to the Sunday Trading Law.

The main change to that, Madam Speaker, was to provide that retail activities or enterprises which involve primarily the sale of food and beverages which were less than 4,000 square feet, could conduct business on Sundays. So that regularises the community stores, the convenience stores that have been hitherto serving the community, albeit in contravention to some extent of the existing law.

Madam Speaker, the Premier also highlighted a policy decision of the Government, made after another public consultation carried out by the Department of Commerce and Investment. That decision, Madam Speaker, is that we will be seeking to bring an amendment to the Interpretation Law and take further steps through Cabinet to implement Daylight Savings Time in the Cayman Islands, which is proposed to be for March of 2016.

Madam Speaker, I certainly heard, as we all did, the contribution of my colleague for Bodden Town, the First Elected Member, on this issue. I know he feels strongly about it and no doubt there are others, but part of the results of the consultation clearly indicated that while there was not 100 per cent support, there was significant support for it. I think the Member, my colleague for Bodden Town, indicated quite rightly that there was a lot of support from the financial services industry, there was a lot of support from the tourism industry, and generally outside of that, while the support was positive, it was not as compelling (let's say). But it was certainly very clearly in favour. We spent some considerable amount of time on this process, Madam Speaker, because we know that this something that has been discussed for decades in Cayman. It has been advocated for by all—well, certainly, elements, if not all—of the business community. It is something that we thought should be considered. We thought the time was right to take a decision to move forward with it.

We have, Madam Speaker, certain examples of countries recognising the benefits that are expected from this approach. The Turks and Caicos, for example, recently moved to, reflectively, what you would call "permanent" Daylight Savings Time by moving from Eastern Standard Time to Atlantic Standard Time. We also have states like the Eastern states of Mexico, Quintana Roo (I think it is called) which did effectively the same thing. They moved forward one

whole time zone to the east, so that they were better aligned with the Eastern Seaboard of the US. Now, Madam Speaker, clearly, they were trying to get benefits in doing that from their tourism ministry and synchronising the cruise industry as well with their own time.

We have two reasons. One is the tourism industry. The second is largely the financial services industry. But, of course, Madam Speaker, there are many other aspects that touch our lives as well. So flight schedules, TV content and schedules, all these sorts of things are relevant and what we took into account. Certainly, it is something that we will consider and keep under review, but that is the current position and the decision that has been taken. Madam Speaker, there is a danger, because for every single study, and this is not something that is new, there are lots of times where people have different views on things. And the Internet is a repository of opinions, not necessarily definitive studies with definitive conclusions that have been assessed scientifically. So, for every position one wants to take, one can always find something on the Internet which says the opposite. I dare say that there are many states in the US that currently have Daylight Savings Time that have had, over the years, multiple proposals to change that and go back to Eastern Standard Time, or some other proposal.

Madam Speaker, certainly, I respect the views of my colleague and, equally, I would respect the views of anyone else in the country. We have gone through this process of the public consultation and the level of support was there and that was the reason why we moved forward in respect to that.

Madam Speaker, just in relation then to the General Registry Department that is considered one of the bellwether indicators of the level of activity and the success of Cayman's business environment. So, Madam Speaker, for July 2014 to March 2015, that period, the Registry reported an increase of 5.2 per cent in revenue. There were no changes to the level of fees, therefore, that essentially means that the volume of business has increased by that amount. Now this is good news because it continues to affirm and confirm the position that Cayman's business environment is attractive and its products are attractive. We work hard to maintain that, including ensuring that we have specific new products as often as possible that will reflect the needs of the market place and will continue to put Cayman forward as a jurisdiction which is leading the expectations of the market and benefitting from that, Madam Speaker.

**The Speaker:** Minister, you have 55 minutes remaining.

**Hon. G. Wayne Panton:** Thank you, Madam Speaker. I appreciate that.

Madam Speaker, in terms of legislation, a key development affecting the Registry is the new Ex-

empted Limited Partnership Law and Regulations [the “ELP Law”] which were implemented in August 2014. Now, ELP has introduced new concepts and these have been welcomed. This is a perfect example of the collaboration between industry and meeting expectations and needs of our clients. So this has been very welcomed.

Following the law’s implementation, Madam Speaker, the General Registry processed 2,900 applications for registration, which is an increase of 22 per cent in a number of new registrations for exempted limited partnerships over the previous year. So, clearly, it has been very successful. Now, operationally, Madam Speaker, the Registry also implemented an online system in order to accommodate the exempted limited partnership provisions and added functions to its existing online registration system. As of the 20<sup>th</sup> of April of this year, the system had about 130 subscribers and more than a 1,000 users. It is also, Madam Speaker, implementing a failover system that will allow operations to continue in the event of a local disaster or in the event of system downtimes which exceed a total of 30 minutes, and we are now testing that at this moment.

Madam Speaker, the General Registry has done much, to successfully move Government services into the modern technological age. It is one of those departments leading the e-Government initiative. This is so much so that its accomplishments have been recognised by our international competitors, so they frequently get phone calls asking for advice on how to do things. Which I am not sure the extent to which it suits our purposes to really help anyone else, but certainly that is the case that we are looked at as a leading jurisdiction that someone could seek advice from.

Madam Speaker, in the coming fiscal year the Registry plans to develop a client portal that will allow small businesses to file and retrieve documents electronically. This is similar to the services that are now available to licensed service providers whose clients are overseas. So, Madam Speaker, before I move to the next ministerial department, I remind the public that the General Registry has a central role for commerce and financial services, but it also does vital statistics—births, deaths, and marriages. It is a collection point for public revenue in this respect, but it also captures significant data. It really chronicles the story of Cayman because those statistics are not just numbers; they reflect the sociological and commercial health of our Islands.

This year, Madam Speaker, working closely with the Legislative Drafting Department, the Department of Financial Services Policy and Legislation shepherded through several laws, which are anticipated to contribute very greatly to industry. These include the [International] Interest in Mobile Equipment Law, the Civil Aviation Authority (Amendment) Law, the Bills of Sale (Amendment) Law, and together

these three pieces of legislation implement the Cape Town Convention which is an international treaty that standardises transactions involving movable property, such as aircraft. Now, being current with the Convention puts Cayman in a position where it can, sort of, requalify for participation in certain aircraft finance transactions that we did in the past, but we were losing out on because we were not a party to the Cape Town Convention.

In relation to the insurance sector, the department oversaw the coming into force, Madam Speaker, of the Cayman Islands Portfolio Insurance Companies Regulations, and this was along with an Insurance Law amendment in 2013, which regulations enhance the insurance statutory framework by allowing greater flexibility for insurers incorporated as segregated portfolio companies. That in turn provides more alternatives to risk managers.

Now in the coming year, Madam Speaker, the Department of Financial Services Policy and Legislation, again, has a very ambitious raft of proposed laws. We propose to introduce the Limited Liability Company [LLC] legislation, which will be called the Exempted Limited Liability Company and we think that is going to be attractive to US clients. We also intend to bring before this honourable House the Limited Liability Partnership Bill [LLP] which is intended primarily to benefit the local partnership structures, but it will certainly be attractive to international business as well. And, Madam Speaker, I note that the LLCs and the LLPs will introduce a new source of revenue for the Registry and therefore the Government. And we think this is going to be very successful.

The repeal and replacement, Madam Speaker, of the Public Accountants Law is designed to introduce a modernised system for the regulation of public accountants. A number of amendments are also planned to the Trust Law, to the Companies Law, which deals with certain anomalies. We will also have some amendments to the Auditors Oversight Authority Law and, finally, there will be amendments to regulations under the Insurance Law, which will be intended to introduce a new category of insurance licence.

Now, Madam Speaker, this is a very aggressive agenda, one which is heavily dependent on our access to legislative drafting resources. Of course, other priorities have a way of inserting themselves as well. One example of that, Madam Speaker, is the passporting mechanism under the European Union Alternative Investment Fund Managers Directive. This is going to require us to make amendments to the Mutual Funds Law and the Securities Investment Business Law along with appropriate regulation. To have that in place by August of this year so that the European Securities and Markets Authority can review this, assess it, and make recommendations to the European Council. Not being in that position, Madam Speaker, would essentially have some significantly dire consequences for our funds industry which as we know is

a leading industry globally. So, we have to be in that position and we will have to come back before this honourable House sometime in July to be able to achieve that.

One of the challenges, Madam Speaker, we are facing in relation to this significant legislative agenda is constraints on the drafting resources. My colleague, the Honourable Attorney General, is certainly working very hard to fill some positions, but getting experienced drafts people is not easy. They are definitely in short supply. This is a challenge that we continue to try to address. In fact, Madam Speaker, one of the benefits of the collaboration between Cayman Finance and the Ministry is that Cayman Finance has agreed to fund for a period of two years the hiring of an additional drafts person to deal specifically with financial services related legislation. But, of course, we are suffering from the same issues they are in trying to find and identify appropriate resources. So, it is going to require us to have to think outside the box a bit and perhaps try to get some additional resources in through consultancy means.

Madam Speaker, I move on now to the Department of International Tax Cooperation. While this department does not have a lot of visibility, certainly domestically, it does so more internationally. The mandate includes engagement on an international level in tax cooperation efforts. Acting with the benefit the department's understanding of global tax initiatives, in October last year Cayman signed an OECD multilateral agreement to access the worldwide standard for automatic exchange of information—the automatic exchange of information amongst tax authorities, for clarity.

Earlier this year we committed to the common reporting standard which is the new global standard for automatic exchange of information promulgated by the OECD. So, in connection with the automatic exchange of information milestones, Madam Speaker, during this fiscal year more than 27,000 financial institutions with Cayman connections registered with the US Internal Revenue Service in relation to the FATCA [Foreign Account Tax Compliance Act] registration obligations. Members of our financial services industry has certainly attributed that high level of compliance to the depth of knowledge locally, and the collaboration and the stream of information that was provided to industry by the Department for International Tax Cooperation and the Ministry, and I might add, Madam Speaker, it is very ably chaired in terms of a committee dealing with that by my colleague, the Second Elected Member for George Town, Councillor McTaggart.

So, Madam Speaker, in order to meet the FATCA deadlines, the department launched Cayman's portal in respect to automatic exchange of information. While there have been some growing pains in that respect, they were very brief (thankfully), things seem to be sorted out and we are definitely on target

to meet the requirements for our FATCA obligations. Madam Speaker, in addition to FATCA the portal also has built-in flexibility to be able to accommodate other automatic exchange of information initiatives as they roll out.

So for the department, the next fiscal year will mean implementation of a common reporting standard and it will also prepare for the next peer review in relation to the exchange of tax information upon request, which is expected to occur in 2016. Madam Speaker, this will be our third review conducted by the OECD. Unlike other Global Forum reviews, this one doesn't just focus specifically in relation to technical requirements; it focuses very specifically in relation to effectiveness of the regulatory and technical regime which is in place. Obviously, Madam Speaker, this is a higher standard to meet.

Now, Madam Speaker, I also have the pleasure of having Environment as part of my Ministry and I think it is probably no secret that it is one that I am equally passionate about, not least because of its immense value to our way of life and our identity as Caymanians and, certainly, our invaluable tourism industry which is continuing to grow under the able stewardship of my colleague, Minister Kirkconnell. Now this passion is shared equally by the staff of the Department of Environment as well as many of our Caymanians, residents, and visitors.

So cause for celebration over the last year, chief amongst them, Madam Speaker, was the first convening of the National Conservation Council, whose members moved very quickly to put in place the necessary systems for the commencement of the National Conservation Law [NCL]. Just a few weeks ago on April 22<sup>nd</sup>, which was Earth Day, we had a commencement of significant parts of the National Conservation Law and this was, in my view, Madam Speaker, one of the best gifts that we could give the country at that time.

Now, in addition to the NCL, Madam Speaker, the Department of Environment staff members have had a number of significant achievements this fiscal year. Three of them relate to projects funded by the Darwin Initiative. These include completing the collection of data on the socioeconomic aspects of turtle protection, documenting more than 12 consecutive months of multispecies spawning on Little Cayman and a grouper spawning aggregation area. Madam Speaker, it is amazing the information that is gathered from these surveys. The West End of Little Cayman is a virtual maternity ward for the marine species that we have in this country. And it is, therefore, so vitally important to preserve that, to ensure that we continue to have the benefit of those, and that our children in the future continue to have those.

Madam Speaker, there was a partnering with organisations such as the Guy Harvey Foundation on both the grouper spawning aggregation site and the review of threatened keystone predators, which spe-

cifically includes sharks, groupers, and snappers, with the aim of ensuring that we can enhance the resilience of our reef. Now two noteworthy population surveys were conducted. The first was in relation to Cayman's parrots. This was done by a US fish and wildlife expert. The second was done in relation to the population of the current scourge of Grand Cayman, and hopefully one which does not happen in the Sister Islands, that is, the green iguana. Now this project alone, Madam Speaker, should be celebrated in Cayman and hopefully I will be able to touch on a few aspects of this shortly.

The staff of the Department of the Environment have also dealt with, in terms of reference for the Environmental Impact Assessment for the cruise berthing facility, as well as the proposed 25 megawatts ocean thermal energy conversion installation and guided the environmental assessment board's review of technical documents and studies arising from both projects. It will also complete consultations and proposals for an enhanced marine protected area and parks, in order to submit these to the National Conservation Council later this year or early next year.

Madam Speaker, continuing with the green iguana project, the staff plan to work with the National Conservation Council to finalise an eradication plan for the Sister Islands for these green iguanas and a plan to drastically reduce the population on Grand Cayman through culling and other means. And, of course, it certainly plans to fulfil a full commencement of National Conservation Law by enacting its last two parts, Part 5 and Part 7, which deal with licensing and permitting and general obligations. So, Madam Speaker, the Department of Environment have a very active year ahead and it is one which will be assisted, for the first time, I think, by utilisation of funding directly from the Environmental Protection Fund.

This fund, Madam Speaker, as the House knows, was established in late 1997 and it was specifically established to fund environmental conservation and protection. So we are proposing to use it specifically for the purpose that it was intended—possibly for the first time. Not to say it hasn't been used in the past, Madam Speaker, but just not specifically for those purposes.

Madam Speaker, before I leave Environment, there is much discussion about why Environment has been placed in the Ministry. Some would say it is because I am perhaps the strongest advocate for it, but certainly the Government felt that it was a very important area and one which complemented the Ministry and the particular skills that the Ministry brought to bear.

Madam Speaker, let me go into two more significant developments to mention.

Can I confirm, Madam Speaker, how much time I have left?

**The Speaker:** Thirty-five minutes.

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

Madam Speaker, to go into a few cross-ministry developments, one is intellectual property modernisation and the issue of beneficial ownership. I think we are aware by now, Madam Speaker, that we have a new Copyright (Cayman) Order, which extends the United Kingdom's 1998 Copyright Act to the Cayman Islands. That is not in effect yet. It is proposed to be in effect sometime later this year after a period of further engagement and education on the issues. There are very significant benefits that are perceived as a result of this modernisation of our intellectual property regime.

First, Madam Speaker, we are protecting local content so that our artists, musicians, film makers can have their rights recognised and protected both here and abroad. It also increases Cayman's attractiveness as a position and location in which these types of assets can be held so it is an added complement to the usual transactions that occur in the Cayman Islands because we are a good jurisdiction in which to do international business.

It will also broaden Cayman's access to goods and services, including television programming. And, lastly, and probably most importantly, it has the fantastic potential to create a foundation upon which a new technology-based industry and component of our economy can flourish to create jobs, create employment, create economic growth, particularly for our young people, who we all know seem to be born these days with an innate ability to participate in the digital economy in ways that we never could, having just been introduced to computer probably for the first time at the age of 17, in my case.

So, Madam Speaker, we are looking to broaden Cayman's access to goods and services. We are looking to create this foundation. We are looking to protect the rights of Caymanians. I mentioned the first leg of this that we've accomplished which is the Copyright Order. It has been "Caymanised" to reflect our specific needs. And, certainly, don't let the 1998 reference fool anyone. This law upon which this Order has been based, certainly is a modern piece of legislation reflecting all the modern terms because it has been amended subsequently many times in the UK.

So, Madam Speaker, we are also looking at trademarks. The current process is you have to register a trademark in the UK and have it extended in the Cayman Islands. We are looking to remove that requirement, put in place a new Bill, a new law, through which we can register trademarks locally. We are anticipating this is going to be very revenue positive for the Cayman Islands as well. We will be doing things like protecting the word "Cayman" so that someone can't utilise that word without our permission, the same way that we utilise or we have control, Madam Speaker, over our Coat of Arms.

Finally, Madam Speaker, in relation to patents, we are going to bring new legislation as well in relation to that to facilitate the registration of patents locally to enable access to the international Patent Cooperation Treaty, which offers protection through 140 countries that are signatories to that.

Madam Speaker, the components of the intellectual property modernisation are all expected to be in place by the end of this year, or certainly early the following year. Madam Speaker, the Ministry and the Department of Financial Services, Policy, and Legislation are managing this process and they are quite involved. Certainly, the work that has been involved in relation to copyright protection demonstrates that. And the General Registry will have an important role in relation to that. They will have a specific intellectual property unit during the course of this fiscal year which will facilitate registrations in dealing with the modernisation of the regime.

Now, if I am giving the impression, Madam Speaker, that we are just starting to woo intellectual property business to Cayman, let me point out that we have Cayman Enterprise City [CEC] as our country's first special economic zone which includes the Technology Park, which stands to benefit directly from intellectual property modernisation. And it already, in fact, has a number of companies which carry out IP-based business. So, Madam Speaker, in the context of Cayman Enterprise City there are some exciting things I would like to be able to mention, which are developments in the form of a new Maritime Park, in respect of which CEC will be collaborating with MACI [Maritime Authority of the Cayman Islands] and certain industry partners in the private sector. These are exciting opportunities. It meshes very well, Madam Speaker, and complements our seafaring tradition in Cayman.

Madam Speaker, another important occurrence in relation to CEC has been the successful renegotiation of the definitive agreement which had previously been signed by the now-Leader of the Opposition with the then-promoters and owners of Cayman Enterprise City. I wish to thank, Madam Speaker, the current owners and managers of Cayman Enterprise City for their willingness to engage in the negotiation process and agreeing an amended and restated definitive agreement. That gives Government much greater flexibility which it did not have before in considering new technology-based proposals, Madam Speaker, which may benefit the country greatly. The new agreement accomplishes this while preserving CEC's competitive advantage in terms of legislation concessions which it had previously been given. Now, Madam Speaker, in all my years as a practicing commercial lawyer, I had never seen such a lopsided agreement that had been signed originally. It removed all flexibility from Government, as I indicated. It even provided, Madam Speaker, that Government simply engaging in discussions with a potential party carrying

out similar business to CEC was a breach of the agreement by Government.

On the other hand, Madam Speaker, the agreement contained absolutely no provisions to hold CEC accountable if there was breach of the agreement on their part. There were no performance metrics or obligations which they were required to comply with. And, in fact, the agreement did not even contain an express termination provision, no matter how egregious the failure by either party, in that case. So, Madam Speaker, what was particularly offensive about it was that it required Caymanian businesses that were seeking to benefit from Government assistance in the form of concessions, in this area of business, in the technology-based area of business, to effectively operate from within CEC. That, Madam Speaker, is not something that the Government could accept as being appropriate going forward.

So all of these issues have now been addressed. I find it quite ironic, Madam Speaker, that the Leader of the Opposition spent some time during his debate talking about the proposal of Tech City, which he described as being affiliated with the Shetty Hospital Project. They encouraged the support of that, but he did so, Madam Speaker, seemingly completely oblivious to the fact that what he was proposing would not have been possible under the original definitive CEC agreement. He seemed to be saying that Tech City was contemplated all along as a part of the agreement with the developers of the Shetty Hospital. Quite how that could have been the case when it was specifically prohibited by the very agreement he signed with CEC, is beyond me. Notwithstanding this, Madam Speaker, the Tech City that has been discussed and described is certainly one that can now be considered and supported by Government as a result of the amendments to the agreement. And, again, I express thanks on behalf of the Government to the shareholders and management of Cayman Enterprise City who have made all of this possible.

For the avoidance of doubt, Madam Speaker, I would like to clarify that the new Maritime Park has performance metrics and obligations on CEC set out in the new agreement so that Government has the option of holding them accountable there is a failure on their part to meet an agreed performance, metrics and obligations.

Moving on to the issue of beneficial ownership: Madam Speaker, there is a lot of information on this in the public realm. Without going into too much detail, just very briefly, of course, the Ministry in 2013 initiated the public discussion on this issue. In 2014, we issued a report that summarised the consultation results and outlined Government's current position on legal and beneficial ownership, as well as our position in respect of a central register dealing with beneficial ownership information and corporate transparency. The report, Madam Speaker, includes steps to further strengthen Cayman's regime through enhanced accu-

racy, access, availability and monitoring of beneficial information. We will be through the balance of this new fiscal year, Madam Speaker, be seeking to enhance and implement these through various legislative amendments, just adding more to our legislative agenda, Madam Speaker.

As it was before the UK election, our position remains that Cayman's method of providing beneficial ownership information through our corporate service providers is in line with FATF standards, and that until there is a new global standard, we will continue with the system that we have, enhanced as we have proposed. So we are going to be engaged over the coming year with discussions on this. And, in fact, we have agreed with the Foreign and Commonwealth Office, Madam Speaker, that we will present a proposal to the UK at the next Joint Consultative Council—in early December, I think. It's either late November or early December—setting out exactly what we are doing in detail in that respect.

Madam Speaker, just very briefly, I would like to comment in relation to the proposed new Legal Practitioners Law, which the Honourable Premier highlighted in his Policy Statement. My colleague, the Fifth Elected Member for George Town, also commented in respect of it. This is a thorny issue that we have been dealing with for a decade and a half now, probably. It has been kicked around as a political football. It is time, Madam Speaker, that we implement this piece of legislation to regulate the current practice of law both within and outside these Islands.

It is essential that we do so. For too long, Madam Speaker, it seems that the objective was to prevent any progress on this issue with the (in my view) woefully mistaken belief that no progress on it was a win for Cayman and Caymanians. Madam Speaker, I think the reality is quite the opposite. The status quo, the current legislation which exists—and the Honourable Premier has pointed out from 1969—is the worst possible scenario and situation for this jurisdiction for the appropriate regulation of the profession, and without a doubt in my mind, Madam Speaker, for the interest of our Caymanian practitioners as well.

We now have a situation where there is substantial goodwill, good intentions, and we have the best possible opportunity that we have had in years to resolve this issue in the best interest of all. I feel as the Minister for Financial Services, in which this profession plays a critically important role, that, I must not see this fail, because I will be failing the best interests of the industry. So, I look forward to engaging in relation to the issue with all stakeholders and interested parties in the coming months. I think that it is essential that we succeed with this.

Madam Speaker, just in relation to the statutory authorities which are under my Ministry, we have a total of four: the Cayman Islands Monetary Authority, the Cayman Islands Development Bank, Cayman Is-

lands Stock Exchange, and the Maritime Authority of the Cayman Islands.

In relation to CIMA, Madam Speaker, by way of a sector date, in terms of activity, we have had 28 entities added to our insurance market during the 2013/14 fiscal year. I don't have the latest numbers, but certainly they were good numbers there as well. Cayman remains the second largest overall captive insurance jurisdiction and the number-one jurisdiction for health care captives. Of course, our funds industry which is so dominant certainly remains very healthy. We have got over 11,300 registered funds and that has certainly increased over the year before. Trust company registrations remain relatively steady. The banking sector has had assets in the region of \$1.39 trillion and liabilities in the region of \$1.4 trillion. There were domestic assets of \$34 billion and liabilities were \$60 billion. As at June 2014, the jurisdiction ranked sixth internationally in terms of cross-border assets of \$1.36 trillion, as compared with \$1.5 trillion the year before; so there has been some decline in respect to that.

Operationally, Madam Speaker, we have had the first phase of this electronic form submission system, which is what CIMA refers to by the acronym of REEFS [Regulatory Enhanced Electronic Forms Submission] being piloted, focusing on fiduciary services and insurance as well. Now, once this goes live, the system will allow the preparation and filing of financial filings and reports online. Again, very important component of Government's overall e-Government strategy.

The next phase of it goes live later this year and that will focus on banking and Investments and Securities Division. Now, Madam Speaker, there was an Director Registration Law in relation to which CIMA designed, an online web application to facilitate the registration process and acceptance of credit card payments as well. So they are doing good work in the area of promoting Government's e-Government approach and facilitating the business of the financial services industry.

In relation to the Cayman Islands Development Bank, Madam Speaker, as my colleague, Minister Archer, outlined, Government expects the early repayment of a \$5 million bond by June of this year from existing cash reserves. Now, this is going to save approximately \$83,000 in interest expense. The Ministry is also in discussion with management and the board in relation to innovative ways that funding can be obtained to assist in generating revenue for the Cayman Islands Development Bank and serving important needs in the community. Government will again be contributing \$1.5 million as set out in the Strategic Policy Statement and the Budget. Following on from this, we hope to be able to provide some exciting news in relation to alternative funding methods that are under discussion.

Moving to the Cayman Islands Stock Exchange [CSX], Madam Speaker, just very briefly, we have had volumes and revenue increasing, slightly compared with the previous year, so their performance has improved. In the coming year, CSX will pursue international recognition and increase its marketing efforts in relation to debt securities, investment funds, and other products.

Madam Speaker, in relation to MACI, the Maritime Authority of the Cayman Islands, the registry now has 2,004 units on record and that totals \$4.33 million gross tons, as of 31<sup>st</sup> March 2015. This is a new milestone in the Registry's history and it speaks, Madam Speaker, very clearly to quality of the standards for the Maritime Authority and the Shipping Registry, in particular. The Authority also continues to work on updating major revisions to the Merchant Shipping laws and the Marine Pollution laws.

Madam Speaker, before I conclude, I think I should specifically mention the relationship between the Ministry and Cayman Finance through the Memorandum of Understanding that was signed in the end of 2013. This is an initiative which has proven fruitful and we are working to continue to develop that in terms of our ability to interact with the industry, involve the industry in greater consultation, and also, Madam Speaker, to be able to ensure that the industry is better understood locally and opportunities that are available within the industry are better understood.

Madam Speaker, one of the things that I would like to point out very specifically in terms of the interaction with Cayman Finance, and I am not going to speak in too much detail on it because I am sure my colleague, the Minister of Education, will want to talk about it, perhaps in slightly more detail. But just to say very briefly that it has been a pleasure working with her and Cayman Finance in relation to the initiative to create opportunities for 50 Caymanian students to both get exposure and understand the workings of the financial services industry and the opportunities within the industry, as well as to be able to get internship positions for short periods of time where they would be able to interact with many of the very senior people within the financial services industry. Madam Speaker, I think this is something which reflects a very good opportunity.

**The Speaker:** You have 10 minutes remaining, Minister.

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

This is something that I am particularly happy about and I think it has been well received. I think we will continue with this programme because it is very effective at achieving the goals of certainly my Ministry in terms of communicating the opportunities and the understanding of the financial services industry, as well as the goals of the Education Ministry in terms of

pursuing the opportunities for internships for Caymanians and apprenticeship.

Madam Speaker, this is something that I benefited from when I was a young man, and I dare say many, many others have. I know, certainly, many of our colleagues have done the same. But I want to say, that this is not something that Caymanians should take lightly. These are opportunities that they should pursue. I would love to see them pursuing them with vigour. Anything, any opportunity in this country, you should never be relying on a politician who tells you, *Don't worry. I will get you this and I will get you that.* Politicians can't deliver things. You have to do it on your own, and, by God, Madam Speaker, I can tell you that Caymanians are capable of doing many of these things, absolutely on their own.

We have so many young Caymanians that I am so proud of today, Madam Speaker, that have the ability to reach the upper echelons of any industry in this country and any role in any business anywhere in this country, and outside this country, because certainly within the financial services industry you have to perform at a very high level because you are competing globally.

And, Madam Speaker, I know I have had the unfortunate situation of having the Leader of the Opposition say on several occasions that he got something from me, or he gave me a partnership, or something to that effect, by . . . I just want people in this country . . . I want young people in this country, Madam Speaker, to understand that that doesn't happen that way and I don't care. . . I am far too advanced to be concerned about like things like that. But I do not wish young Caymanians to believe that they can't get there on their own, that they have to rely on somebody else.

We all get and have the pleasure of having people help us, but nobody gives us anything. We have to do things on our own, and we have to earn it on our own. I am absolutely sure that we have Caymanians that are more than capable. We have many, many examples of those who have and we will continue to have many examples of those who have and who will do it as well.

So, Madam Speaker, just to conclude, in relation to the Ministry's achievements during the current year, there are three points I would like to make. First, there are greater challenges than ever before facing the financial services industry, which is a vital component of Cayman's business environment and Cayman's economy. I am confident that we are and can effectively continue to perform at that level and fulfil that role. But, secondly, I think it is beyond doubt that meeting those challenges going forward will require some increase in resources, so there will have to be ways of addressing that. And, third, Madam Speaker, because my Ministry, in particular, is aware of these pressures and we are better able to develop initiatives to help maintain and enhance our commerce envi-

ronment, including financial services, once we are properly resourced, because of global developments this pressure demands a multi-year and forward-looking approach. I'm constantly engaged and ensuring and seeking to ensure that we can continue to build on the successes we have had over the past 50 years as an international financial centre for the next 50 years.

Madam Speaker, before moving on, I would have to take the time to thank the members of my Ministry and the staff that I have are very hard-working people. They are very dynamic, very knowledgeable, engaged, and they have been working very hard. We have all been asked to do more with less. Certainly, that is something that they are committed to doing and will be going forward. I really appreciate the comments from the Honourable Deputy Governor earlier today recognising some of the people who contribute so greatly and do not deserve some of the criticism that is delivered to the public service. So, I would like to thank my staff for the work they have done and thank them again for the work that they will have to do going forward.

Madam Speaker, time?

**The Speaker:** Five minutes remaining.

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

Just very quickly, Madam Speaker, my colleague, the Minister from Bodden Town spoke in relation to our constituency's aims and objectives, and I mentioned earlier that we have certainly not been in a position that we can get everything that we wanted to. We have had effectively to cut our cloth suitably in the context of the overall aims and objectives for the best interest of the country as a whole. But there are things that we are doing in Bodden Town and my colleague mentioned the road through the Harry McCoy Park and creating the parking lot in the back through Anton Bodden Drive. That is something that we are going to pursue with the assistance of my colleague, Minister Tibbetts. That is something that we look forward to doing.

We are also looking at ways to address the question of flooding in the Cumber] area, Madam Speaker. That is something that I have had interaction with a number of the residents there and I am going to continue that. I know that they have had promises made to them in the past, but, Madam Speaker, this Government has been dealing with a lot of things that other Governments have failed to achieve. I think they will have to wait and see whether we can achieve this. I think we will definitely put the effort in and try to make a difference for them in their lives.

A couple of other initiatives, Madam Speaker, one is that we will be doing through our office in Bodden Town initially, but we will be taking it otherwise, some seminars with a local financial services expert

who is an expert on advising in relation to personal finance, in relation to budgeting, in relation to issues concerning, you know, assessing what priorities people should be focusing on. We think that that is going to be very helpful.

Another one, Madam Speaker, is that I am talking to a number Caymanian human resource professionals who on a daily basis do the hiring and the interviews for their businesses. And they see and interact with many, many people who come in. Madam Speaker, one of the big problems is people need advice on how to present themselves and what is important, how not to fall into the trap of thinking that, *Well, this is a fellow Caymanian that I am interviewing with so I can forget that and I can just pretend like we are just talking on the street, like we are friends.* Because those Caymanians are there, Madam Speaker, they are hiring people who they want to make sure add value to the business they are working for and they are judged; their performance is judged by who they hire. So they are in the best position, Madam Speaker, to point out some of the common issues that occur which effectively shoot down the opportunities for some people when they are interviewing for jobs.

So, I am looking forward to having that initiated very shortly, Madam Speaker, and that is something that we want to continue as well, just as an initiative for the Progressives. Certainly, we would be happy to spread that throughout the country because I think it is a very important thing and it presents the best possible opportunities for our people. But, as I said, it is something that I want to start with in my district of Bodden Town initially, because we know we are facing the challenges of both young people and people who have lost jobs through redundancy and who are now looking for employment elsewhere. I think that is something that is very important for us to do as an additional component to all the efforts we are making to help them find employment by identifying opportunities and by passing through their CVs and their résumés to potential employers.

Madam Speaker, with that, I am sure I have exhausted my time and your indulgence, so thank you very much for the opportunity and I'm pleased to have been able to contribute and outline the things I've done in relation to the various ministries I represent.

Thank you, Madam Speaker.

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

**The Speaker:** We have reached the hour of interruption.

Before I do that I will just call on the Honourable First Elected Member from the district of Bodden Town who I have given permission to lay two articles in which you referred to earlier.

**Hon. Anthony S. Eden:** Thank you, Madam Speaker.

I beg to lay these articles that I referred to in my debate this morning.

Thank you.

**The Speaker:** So ordered.

I recognise the Honourable Premier for the hour of interruption for the motion for adjournment.

### SUSPENSION OF STANDING ORDER 10(2)

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

Madam Speaker, I move the suspension of the relevant Standing Order in order that the business of the House may continue beyond the hour of interruption, proposing that we continue as customary until six o'clock.

**The Speaker:** The question is that Standing Order 10(2) be suspended to allow the business of the House to continue beyond the hour of 4:30 with an anticipated conclusion of 6:00 pm.

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

**AYES.**

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

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

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

I recognise the Honourable Attorney General.

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

Madam Speaker, I rise to offer contribution to the Budget Address, the Throne Speech, together with the Policy Statement, and I would wish to, of course, congratulate Her Excellency the Governor, the Honourable Premier, and the Honourable Minister of Finance for their presentations of the Throne Speech, the Policy Statement and the Budget Address, respectively.

Madam Speaker, the Government is continuing its focus of ensuring that the Cayman Islands remain compliant with what we now know to be the revised FATF 40 Recommendations, as well all the other international regulatory standards and best practices as you heard outlined by the Honourable Minister of Financial Services. Therefore, Madam Speaker, the Government, has continued, among other things, to provide funding so as to ensure the availability of adequate resources, human and otherwise that is, to strengthen the Cayman Islands anti-money laundering legislative and administrative framework. And so, Madam Speaker, this year there will be an additional staff for the anti-money laundering unit, as this unit

itself continues to coordinate the many ongoing initiatives in order to get the jurisdiction in a state of readiness for the fourth round of mutual evaluations which will commence in earnest next year and get into high gear in the first quarter of 2017 when the first set of questionnaires have to be completed.

Madam Speaker, the unit itself was established in March 2014. And having been so established, it has, as part of its remit to foster greater interagency coordination—synergy, if you will—among law enforcement authorities, supervisors, and other relevant competent authorities. The unit or the remit of it will be appropriately expanded to allow it to undertake the necessary coordination with respect to identification, assessment, and a regular review of money laundering and terrorist financing risk.

Madam Speaker, the Government is also giving active consideration to having a dedicated agency which will have supervisory powers for monitoring of non-profit organisations. You heard the Honourable Minister of Financial Services allude to those efforts. We are in the process, Madam Speaker, of developing a piece of legislation that we are hoping to have in place by the end of this year. It is the Non-profit Organisation Bill, which is currently making the rounds. We have had so far some very helpful comments from stakeholders, including CISPA [Cayman Islands Society of Professional Accountants], STEP [Society of Trust and Estate Practitioners], the law associations, as well as the Girls Brigade movement, and we are hoping in the coming weeks to have further engagements with those who understandably will be impacted by the bit of legislation.

Madam Speaker, I probably should just pause here to say that, having read some of the comments, it is clear to us that there are still some misunderstandings about the scope of what Government is attempting to do. I read where some people are of the view that if they do a fundraising with hot dogs, they would be required to get the names and addresses of persons who purchase the hot dogs as part of the due diligence exercise. There are some other comments, Madam Speaker, where I think persons were of the view that if they do a car wash, then they are required to get the names and addresses of these people. I really can't blame these people for thinking that way. If anything, I think it is a failure on our part to properly articulate the objective of what we are trying to do.

I will give you an example, Madam Speaker. Let's use a common charitable enterprise that we are all familiar with. There is a box, I think, at the airport, the Humane Society, where people who are leaving the Islands are asked to sort of donate their change, and so on, coins. The persons who are depositing their coins or change in those boxes are not required to give their names and addresses. The Humane Society will not be required to provide the names and addresses of the people who dropped money into those boxes. All that will be required under the law is

when the Humane Society goes and clears the box, they will be required to say, \$30, or \$50 obtained from drop box at the airport—that is all, nothing else. No other details are required.

The same thing for the hot dog—\$30 raised from hot dog sale, \$20 raised from car wash—that's all. We are not interested in who is buying hot dogs, or who is doing the car wash. That's all. So, over the coming months and weeks, Madam Speaker, we are hoping that we be able to fully articulate for our society what exactly the Government is trying to do. That is all.

Madam Speaker, the Government is not un-mindful that perhaps for the first time the most recent United States of America International Narcotics Control Strategy Report [INCSR] issued by the United States Department of State in March of this year, expressly mentioned that the Cayman Islands should pay great attention to the NPO [non-profit organisation] sector. The report reads, Madam Speaker, in part, it says and I quote, **“The Cayman Islands also should pay greater attention to the risks and proper supervision of non-profit organisations.”** Madam Speaker, I have never seen that before in the reports. It might have been there; I just have never seen one in any previous reports, except that I would say to be forewarned is to be forearmed. There is a reason why it is in there, Madam Speaker, and it simply means that these regulatory agents are talking to each other. This was flagged in our 2007 Mutual Evaluation Report, and it is clear that there is some degree of monitoring going on and it has been established that we are not there yet.

Madam Speaker, in that vein, the Government is mindful, indeed, deeply appreciative, of the excellent work being done by our NPOs, and among other things, providing invaluable financial and other support to numerous charitable initiatives in our communities, and it is therefore the Government's duty to encourage and support them and that is what the Government is trying to do. Nobody is trying to prevent charities from operating. Quite the contrary, Madam Speaker, the Government is trying to create the necessary framework to encourage and facilitate the operation of these charitable organisations. And one way of doing so, Madam Speaker, is to protect them from any unnecessary international scrutiny and criticism by ensuring that they have proper regulatory environment within which to operate. The Government therefore intends to ensure that they have the appropriate legislative and administrative frameworks within in which to conduct their activities, and at the appropriate time they will be able to withstand any sort of scrutiny.

We note, Madam Speaker, that there are some who question why we need this piece of legislation and even go as far as saying that it is going to discourage charitable initiatives. Madam Speaker, I would say the short answer to the question is that we

should not sit and wait until the country is indicted or blacklisted and then we seek to react. We should be proactive about it. God forbid, Madam Speaker, the Cayman Islands should be blacklisted. Some of those who now question the need for the legislation will be the first to ask, *How is it that the Government never saw it coming? How is it that the Government has fallen asleep and fell asleep at the switch?* Our neighbours do have it in place, Madam Speaker—Bermuda has their legislation in place, Turks and Caicos Islands, Jamaica, the United Kingdom—they all have legislation that regulates charities. So, our appeal to stakeholders is to try and work with the Government in getting this piece of legislation in place with sufficient lead time before the next round of reviews, so that when the reviews are eventually conducted there will be enough empirical evidence to demonstrate effectiveness, which is really going to be the lynchpin of the next round of evaluations.

Madam Speaker, moving on in the same vein, the Government will be looking at certain much-needed amendments to the Proceeds of Crime Law and the Money Laundering Regulations, again, to ensure that they continue to be in keeping with current international standards as contemplated by the revised 40 Recommendations. And, Madam Speaker, as the Honourable Minister of Financial Services alluded to, there is a significant degree of overlap between what we are pursuing and what the Minister of Financial Services and, indeed, the entire Government is trying to achieve. And so these initiatives are being pursued in partnership with the Ministry of Financial Services, CIMA, FRA [Financial Reporting Authority], and others. And, Madam Speaker, as is customary the financial services industry and stakeholders are being constantly consulted.

Madam Speaker, this discussion in the financial services sector provides a nice segue into my pointing out that as part of this review of our anti-money laundering financing of terrorism and proliferation regimes, we are under an obligation to also look at certain players who are classified as “designated non-financial business and professional,” DNFBPs as the Minister mentioned. This group, as he quite rightly pointed out, consists largely of real estate agents, dealers of precious metals and stones, some lawyers who are not otherwise regulated, and accountants, and persons who are not covered by CIMA; trust and corporate services providers, and others.

The revised FATF standards contemplate that there will be a supervisor to adequately supervise, monitor, and regulate this sector. And so, Madam Speaker, again, following appropriate dialogue, we will be doing what is necessary to ensure that these entities interface with the anti-money laundering regulations in a manner consistent with international standards, as set by the FATF. And we are confident, Madam Speaker, that the necessary tweaking can be done with no additional cost to stakeholders.

Madam Speaker, another area I would like to touch on is that of legal aid. This is one area, as you heard mentioned earlier, that is being looked at in this coming financial year, and efforts are now underway to reform the system. Indeed, the Budget has increased over the years from what was a \$1.5 million constant to somewhere in the region of \$2.7 million in recent times. And this has been brought about in large part by the advent of a Bill of Rights, as well as the new Children Law, an increased need for legal aid assistance. But, Madam Speaker, while the current system, despite its imperfections, has served us well. It behoves us to try and bring it into line with contemporary thinking, including ensuring compliance with the Bill of Rights and our Constitution. And so there is a draft bill that is being worked and which we are looking at ensuring for, among other things, that there is a Duty Counsel who will be available to provide legal advice to detainees at the police station prior to that person being interviewed. Indeed, it is now a Constitutional requirement as the Grand Court, not too long ago, reminded us in one of its rulings, and pointed out that it was an omission in our criminal justice framework.

Madam Speaker, the law will also clarify that persons detained should be informed that if they are unable to retain a private attorney, they do have a right to obtain advice and representation from Duty Counsel for the purposes of their interview. Until the bill becomes law, it also proposes to clarify the scope of legal aid, including, Madam Speaker, the provision of legal aid for not only criminal proceedings, but also certain categories of civil matters and family law proceedings if these proceedings involve, for example, questions of residence of children, or a child, for that matter, contact with or access to a child, as well as adoption matters. It will probably cover issues of guardian ad litem, and may also be available to persons who have powers of attorney to act on behalf of persons under physical or mental disability.

Madam Speaker, the revised legislation will also be seeking to establish a dedicated director of legal aid. Such an officer will understandably be an attorney at law with sufficient years of experience and will have as one of his or her core functions that of receiving and considering every application for legal aid which he or she may grant or refuse. The office of the director, Madam Speaker, will continue to be within the Judicial Department and will also be responsible for maintaining a list of attorneys who are in practice in the Islands and who have indicated to the director a willingness to undertake legal aid work.

Allow me, Madam Speaker, to just pause here to thank the Honourable Chief Justice, the Human Rights Commission, the Cayman Islands Defence Bar Association, and the Law Reform Commission for their continued work in trying to bring this piece of legislation to fruition. It has been quite a bit of activities over last couple of months and a lot of time and effort

has gone into the draft bill. It is hoped that it is at a stage now where we should be able to bring it to Cabinet shortly, and to get Cabinet's steer on whether or not they are comfortable in now passing it into law, in which case it will be forwarded to this House for consideration.

Madam Speaker, another area that I would like to touch on briefly is that of the Cayman Islands Law School, the Truman Bodden Law School, as it is now known. The school continues its excellent job in training Caymanians as well as others in becoming attorneys. In Cayman the graduates have continued to distinguish themselves in all areas of excellence, as is evident by their presence in this very Legislative Chambers, at the highest level—the Speaker, the Premier, Deputy Governor, Ministers, and in other areas of the legal profession, financial services industry, magistrates, Clerks of the Legislative Assembly, as well as other areas of our society.

So, the school has continued today to live up to the expectations and the investments that Government has continued to make in the running of the school. Therefore, Madam Speaker, I wish to publically commend the Director, Mr. Mitchell Davies, and his staff on their excellent work. Indeed, the results from the school continue to be quite outstanding. The July 2014 LLB [Bachelor of Law Degree] results saw a first-class honours degree, as well as eight upper second-class honours degrees. It also rolls out, Madam Speaker, a number of passes with distinction in the Professional Practice Course. Not only were they a distinction, there were three passes with commendation. Additionally, Madam Speaker, in April of this year, the students from the school participated in a Caribbean Law Clinic, and they also participated in the Vis International Commercial Arbitration Moot in Vienna, Austria, where they distinguished themselves as well.

In terms of the law school's affiliation with the University of Liverpool, Madam Speaker, I am happy to report that on their most recent visit (that is the University of Liverpool) they expressed satisfaction with the operation of the school. Indeed, following their visit, Cabinet was happy this year to give approval for the renewal of the undergraduate affiliation institutional agreement with Liverpool University for a further five-year period.

I certainly wish to thank my colleagues in Cabinet, and indeed the entire Government, for their continued support and encouragement of the school. We certainly look forward to finding ways to continue to improve as we go along. I certainly would also like, Madam Speaker, to thank the members of the Legal Advisory Council, which has overall oversight for the school, chaired by the Honourable Chief Justice, including myself, as well as the presidents of the law associations, and of course, the director himself.

Finally, Madam Speaker, on the school, this September will see the introduction of semesterisation

of the undergraduate curriculum. This is in accordance, Madam Speaker, with the recommendation of the University of Liverpool when they conducted their institutional review earlier this year. There was, indeed, an on-site visit to the school in March. After a careful assessment they concluded that the way to go is the semesterisation of the undergraduate curriculum. And so the school will move into implement a semester programme for the coming school year. We are confident, Madam Speaker, that the transition will be as seamless as possible and is in keeping with the contemporary approach that you will find in such similar tertiary education institutions.

Madam Speaker, another area that I would like to touch on briefly which falls under the Portfolio of Legal Affairs is that of the Financial Reporting Authority, the FRA, as we note. It is a department that falls under the leadership of Mr. Lindsey Cacho, who is the director and who, along with the staff, continues to do an excellent job in the operation of the unit. Madam Speaker, it continues to play a very important role in policing Cayman's anti-money laundering regime. The unit is fully engaged in the ongoing National Risk Assessment, as well as the other initiatives that are ongoing in order to put the jurisdiction in a state of readiness for the fourth round of mutual evaluations.

So far this financial year, they have received some 493 suspicious activity reports. And if the present trend continues, Madam Speaker, there is likelihood that the 558 SARs [Suspicious Activity Reports] that were received in the previous year will easily be surpassed. There are indeed challenges, Madam Speaker, in keeping up with the traffic, but they are endeavouring to do what they can to deal with them. In order to do so, Madam Speaker, they have recruited a young Caymanian financial analyst this year, and whilst that is a significant improvement in terms of the capacity, we are still looking at ways to improve the turnaround period in some of these SARs.

As you know, Madam Speaker, they are responsible for receiving, analysing, disseminating these suspicious activity reports and sometimes they can be quite involved. They not only receive SARs from local financial institutions, they also receive numerous requests from their counterpart agencies abroad; FinCEN [Financial Crimes Enforcement Network]—one in Canada, and UK, as well as other places. So there is a tremendous amount of traffic that is going through the agency, Madam Speaker, but they are managing. In addition to receiving and analysing and disseminating these suspicious activity reports, Madam Speaker, the unit continues to interface and engage with stakeholders by, among other things, involving in outreach programmes, presentations at workshops, and seminars, and their engagement with other FRAs who are members of the Egmont Group, which is the international body, or fraternity (if you will), of FRAs—or FIUs [Financial Intelligence Units] as they called in some countries.

Madam Speaker, moving on, as Honourable Member should now be aware, the Portfolio of Legal Affairs staff members housed in the DMS Building for a number of years, are now relocated to the Government Administration Building [GAB]. This relocation, Madam Speaker, will provide not just greater logistical advantages, but also result in significant financial savings to the Government with us not required to pay any more rent. I certainly wish to thank the Minister of Planning and his staff for ensuring the seamless transition into the GAB. I also wish to say thanks to our former landlord, DMS Limited, Madam Speaker. I heard some *sotto voce* comment that I should say aloud that we in more comfortable surroundings, Madam Speaker.

We are certainly in very comfortable and salubrious surroundings and we are certainly appreciative of the effort to be there, Madam Speaker. It certainly makes it much easier for me, in terms of my interaction with the staff. It is now much more convenient for me to simply walk down one floor and interface with them, whereas, before, a lot of the interaction was via e-mails and telephone, which is really not usually the best way for lawyers to discuss issues. So, I am indeed grateful to all those concerned, Madam Speaker, for facilitating the movement in the Government Administration Building.

Madam Speaker, you heard the Honourable Deputy Governor this morning speak of the excellent work that is being done in terms of the training and placement (if I might put it that way) of Caymanians within the service. Allow me, Madam Speaker, to observe that the Solicitor General and myself continue to facilitate and encourage the training and, indeed, continuing professional development of Caymanians within the Portfolio and across the wider civil service in general.

Madam Speaker, this is achieved by way of our active articulated clerk training programmes, and as well as on-the-job professional development. Indeed, I am happy to repeat, as the Honourable Deputy Governor said this morning, that one of our young Cayman attorneys in the Portfolio, Ms. Bethea Christian, have now successfully completed her training as a legislative drafter and have now transitioned from Crown Counsel to Legislative Counsel. Madam Speaker, this was achieved by us being able to (by "us" meaning Government, the Portfolio) send Ms. Christian to United Kingdom at the Institute of Advanced Legal Studies, School of Advanced Study, the University of London, where she successfully completed her masters of laws in Advanced Legislative Studies. I dare say, Madam Speaker, with merit. And to cap it off, as you heard the Deputy Governor mention this morning, she recently, at a conference in Edinburgh, Scotland, was elected to the CALC Council as a regional representative for the Americas, which include the Caribbean.

Madam Speaker, Ms. Christian's success story speaks to our ongoing successful articulated clerk programme. She was one of a number of Caymanians who have completed articles with the Attorney General's Chambers. Over the years, Madam Speaker, the Chambers have provided articles of clerkship to 19 or more Caymanians, including two who are currently finishing up, Mr. Kern Owens, and Mr. Gordon Dixon.

*[Inaudible interjections]*

**The Attorney General, Hon. Samuel W. Bulgin:** Madam Speaker, in providing articles of clerkship for them, there are some areas, especially in financial services matters in which, for obvious reasons, the Chambers would not be able to properly train these articulated clerks. However, Madam Speaker, we wish to publically thank some of our private firms, including Walkers, Maples, and Conyers for partnering with the Chambers of the Attorney General in allowing some of these articulated clerks to serve a period of rotation with them, and thereby getting some training and some exposure in these areas where we would not be in a position to fully train these people.

Also, Madam Speaker, I wish to thank CIMA for allowing articulated clerks to spend some time there in getting invaluable exposure to the regulatory side of all financial services industry. Overall, the partnership has been good. And whilst on the subject, I would also like to observe that the law associations, the Cayman Islands Law Society and the Cayman Islands Bar Association, together with the Legal Advisory Council, successfully worked out an arrangement referred to as the Chancery Bar Placement Scheme where some articulated clerks from Cayman Islands are placed in some firms in the UK, as part of their period of articleships. We had one young lady who just recently completed her stint in the United Kingdom and is back in the Cayman Islands.

So, Madam Speaker, the Portfolio continues to play its part in the provision of legal support and guidance to the various ministries and departments and agencies within Government. In the last three or four years we have seen an exponential increase in the demands for our services. No doubt occasioned in large part of the advent of the Bill of Rights and the efforts, Madam Speaker, by public officers to ensure compliance.

I want to observe that there is almost a reluctance in Government at all levels to do anything unless there is some legal advice. And even when we sometimes observe, Madam Speaker, that there is really no legal issues here, public officers are content to say, *Listen, we recognise that there are no legal issues here, but we would like to steer from the Chambers.* Madam Speaker, we are happy to provide those services in that respect. We certainly don't want public officers to be coming to us after the fact, when they

are in difficulties. We are quite happy if we are consulted prior to decisions being made, where necessary, of course, so we can offer some guidance where we are able to do so.

Madam Speaker, the increased demand that I spoke about just now is also occasioned by the rolling out of the Children Law and the Freedom of Information Law, as well as an uptick in litigation matters, including immigration appeals. I mention, again, about the human rights and the Bill of Rights. There are a number of matters (if I might put it that way) that are working their way through our Chambers, the court system, and the Immigration Appeals Tribunal, where persons, understandably, think that they are not being given a fair shake because they might have been here for a while and they might have applied for residency, or whatever it is, and have been unsuccessful. Fact of the matter is, Madam Speaker, the country can't accommodate everybody who wants to stay here. We, certainly, just really don't have. . . I don't think any countries have been able to do that, but the people who are involved who are impacted, they certainly do have a right to have their matters ventilated. And so, we have been increasingly required to provide legal support to the various Government agencies involved in handling these matters, but there have been significant uptick in these matters.

It is the same thing with the Children Law, Madam Speaker; a number of contested matters arising out of custody and issues to do with family and children. For some reason they are just deeply involved and oftentimes contentious and acrimonious, and we are required to provide guidance to the court and to the Social Services Department of Children and Family Services. I know lawyers spend tremendous amount of time, even weekends, trying to deal with some of these issues.

**The Speaker:** Honourable Attorney General, do you have a substantial more contribution or can I take a 15-minute break?

**The Attorney General, Hon. Samuel W. Bulgin:** I really have, Madam Speaker. Thank you.

**The Speaker:** We will break now for 15 minutes.

**Proceedings suspended at 5:18 pm**

**Proceedings resumed at 5:45 pm**

**The Speaker:** Please be seated.

I recognise the Honourable Attorney General, to continue his debate.

## **GOVERNMENT BUSINESS**

**BILLS****SECOND READING****APPROPRIATION (JULY 2015 TO JUNE 2016)  
BILL, 2015****DEBATE ON THE BUDGET ADDRESS AND THE  
THRONE SPEECH TOGETHER WITH THE  
GOVERNMENT'S POLICY STATEMENT**

*[Continuation of debate thereon]*

The Speaker: I recognise the Honourable Attorney General, to continue his debate.

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

Madam Speaker, when we took the break I was in the process of mentioning the fact that with the advent of the Children Law and the Freedom of Information Law, as well as an uptick in litigation matters, including those having to do with Immigration appeals, there is an increasing demand for Crown Counsel, as just about every public officer, jockeys, if you will, for legal support. And, Madam Speaker, we certainly do not mind that. We are not complaining. We certainly prefer that approach, because it simply means that officers are trying to ensure that their actions can withstand scrutiny.

Madam Speaker, as a matter of fact, I think it is section 19 of the Constitution that makes it quite clear that the actions of public officers are supposed to be proportionate, procedurally fair, and also must provide reasons where required. So there is now a positive obligation on the part of public officers to ensure compliance with the Constitution and including the whole issue of fairness, the right to be heard, and the provision of reasons. We certainly do not mind that, Madam Speaker.

What we do as a Chambers as well, is, in order to ensure that we ourselves are up to speed we have occasional internal workshops, seminars and so on, on all sides, to familiarise ourselves with the latest rulings coming out of Strasburg and other court rulings and developments in the law of Human Rights so that we, in turn, can impart that to public officers.

Madam Speaker, in doing so, the lawyers in Chambers continue to work long hours and on weekends to meet these increasing demands. And we shall continue to persevere largely behind the scenes, as we prefer to do. And I wish to publicly thank all the staff in the various departments within the Portfolio of the Legal Affairs for their continuing hard work and professionalism. I wish also to thank the Honourable Deputy Governor and his PoCS [Portfolio of the Civil Service] team for their continuing support in recognising and supporting our staff, particularly ensuring that

the professionalism and competence, as well as their seniority is acknowledged.

Madam Speaker, we know how lawyers are. They are certainly civil servants, but they are lawyers and they have been called to the Bar and they like to make sure that their seniority is recognised and maintained. So, we have been working through the Deputy Governor's office, together with PoCS to ensure that whilst we work within the existing framework that, where possible we do recognise and reflect those differences and professional differences as well.

Madam Speaker, the Law Reform Commission, along with the Commissioner, has continued to provide invaluable service by actively reviewing and updating the various laws and thereby making them more fit for purpose. Laws, such as the proposal to regulate timeshares, amendment to Coroner's Law, including to clarify the types of verdicts that may be given by a jury; Modernisation of the Regulation of Strata Titles; Bills relating to family law reform, including the Rights of Spouses and Maintenance; and Whistleblowing Protection legislation are but some of the legislation being worked on by the Law Reform Commission.

We wish also to thank the Financial Services Legislative Committee that continues to work with Government to modernise our financial services legislation. They are doing a superb job, as you heard alluded to by the Honourable Minister of Financial Services. I must say we have developed an excellent partnership in public/private sector law reform. There are areas, clearly, in which, by virtue of their day-to-day work, enjoy greater competence in the working and understanding of some of this legislation. And we found a way to work with them to fashion in this legislation and bring it to fruition. So, I certainly would like to publicly recognise their effort and thank them for this continuing partnership with Government.

Madam Speaker, so too is the Legislative Drafting Department and the Law Revision Commission. Numerous Bills have been dealt with by them, Madam Speaker. Indeed, I am reminded that in this current year, some 64 Bills or more have been dealt with by the Legislative Drafting Department. Now, to the uninitiated it might not appear to be many, but those who understand how the legislation is drafted will appreciate the value of the significant output during this period. These are drafters who have to attend meetings before the legislation is actually drafted and go in conferences and various drafts, and then there is discussion again before it gets to the stage where it is fit for purpose to be submitted to caucus and then to Cabinet, and then eventually to the Legislative Assembly.

Madam Speaker, you heard the Minister of Financial Services mention about the difficulty in attracting, and retaining I would add, competent, qualified legislative drafters. Madam Speaker, there is a paucity (if I might put it that way) and the Cayman Is-

lands, I am confident in saying, is probably the only jurisdiction among the OTs [Overseas Territories] that has been able to recruit and maintain the cadre and calibre of drafters that we have, and staff. The other OTs are struggling to retain . . . well, certainly to attract and then to retain them.

Notwithstanding the fact that we have quite a good number of staff, Madam Speaker, there is always room for more. In the past couple of months we have managed to recruit two others and the other work where we have not been able to recruit sufficient drafters, we have been able to deal with by way of consultancy, albeit some of it on sort of a remote basis, where we have persons off-site drafting legislation for us, working along with our persons here on the ground. And we are hoping that that will continue for a while until we get to the stage where we have a comfort level. But for now the arrangement is working and we are hoping to continue that, especially with some of the more challenging, difficult pieces of legislation.

Madam Speaker, once the law has been amended it is the duty of the Law Revision Commissioner to use his best endeavour to ensure that the law is available in a consolidated form. So he continues to do a marvelous job in consolidating the various laws and once they are approved by Cabinet and gazetted, they are posted on the relevant website in a timely manner by Ms. Christine Cooke, who does so, on behalf of the Portfolio and the Judicial Department. Those who have access to the Judicial and Legal website will notice that just about almost every other day there is an update of laws and gazettes posted there. Ms. Christine Cooke has been with us for a long time. She is a paralegal and she has been doing a marvelous job, Madam Speaker, in following all of these updates in the laws and making sure that the website both of the Judicial Department and the Chambers of the Attorney General, as well as the DPP's office, are up to date. So if there is one place that anybody wants to look to find the most updated version of laws, it is on those websites. And she does not fail in terms of getting them up there; excellent job on her part.

Madam Speaker, in wrapping up, I must say that there is so much needed reform taking place within the Judicial Department and the Office of the DPP in order to, among other things, improve the criminal justice system and the administration of justice more generally, Madam Speaker. You heard about ongoing work in Legal Aid, but there are other initiatives, including enhancing the video conferencing capability with locations overseas and which allow the financial services division of our courts, for example, to deal with certain procedures primarily for interlocutory matters and locally to avoid having to truck large amounts of prisoners from Northward to George Town for a mere five or ten minute remand. The technology has been put in place. The courtrooms have been appropriately wired, so these matters can now be dealt with

by way of video conferencing and we are constantly looking at ways to improve on those.

Madam Speaker, the Government has also given its commitment for the provision of much-needed additional court facilities to ease the congestion of the current location. We all know that it is a long going, a constant issue that has been ongoing for years and the current facility is bursting at the seams. But, Madam Speaker, there is light at the end of the tunnel, certainly from what I have seen, and the discussions I am privy to, the Government has given its commitment and is pursuing the matter with alacrity. So, as the learned Chief Justice said at the last opening of the Grand Court, "hope springs eternal."

Madam Speaker, this time it is for real.

**An Hon. Member:** What?

**The Attorney General, Hon. Samuel W. Bulgin:** The court building. Thank you.

The truth is, Madam Speaker, for some reason there is an increase in the amount of traffic at the court. I looked at the cause list for this week. There are nine judges on the Grand Court list for this week; nine sitting judges. That is more than a 100 per cent increase from when I first came here. And in addition to that, there are magistrate's courts. So it is clear to us that there is need for additional facilities. And I am happy to announce that the Government is, in fact, addressing the matter.

Madam Speaker, that brings me to the end of my contribution. I certainly once again would like to congratulate all those who are involved in the preparation and delivery of the Throne Speech, Policy Statement, and the Budget Address. They have done a marvelous job, and it is for us now to take on board all that has been said and is required to be done to give effect to the various initiatives outlined in those speeches.

Madam Speaker, I do thank you, and I thank honourable Members.

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

## ADJOURNMENT

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

Tomorrow being Tuesday, and Cabinet day, I move the adjournment of this honourable House until Wednesday, 27<sup>th</sup> May, at 10:00 am.

**The Speaker:** The question is this honourable House do now adjourn until Wednesday, 27<sup>th</sup> May, at 10:00 am.

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

**AYES.**

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

**At 6:02 pm the House stood adjourned until 10:00 am, Wednesday, 27<sup>th</sup> May 2015.**

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