

CAYMAN ISLANDS LEGISLATIVE ASSEMBLY

OFFICIAL HANSARD REPORT

THRONE SPEECH AND BUDGET ADDRESS TOGETHER WITH GOVERNMENT'S STRATEGIC POLICY STATEMENT

SECOND MEETING OF THE 2017/2018 SESSION

Second Sitting

Wednesday
1 November, 2017
(Pages 1-50)

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PRESENT WERE:

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

MINISTERS OF THE CABINET

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

EX OFFICIO MEMBERS OF THE CABINET

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

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

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

OPPOSITION MEMBERS

INDEPENDENT MEMBERS

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

OFFICIAL HANSARD REPORT
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SECOND MEETING OF THE 2017/18 SESSION
WEDNESDAY
1 NOVEMBER 2017
10:37AM

Second Sitting

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

PRAYERS

The Premier, Hon. Alden McLaughlin, Minister of Human Resources, Immigration & Community Affairs, Elected Member for Red Bay: Thank you, Mr. Speaker. Shall we pray?

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

Bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Premier, the Speaker of the Legislative Assembly, the Leader of the Opposition, Ministers of 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, which art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us. Lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever. Amen.

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

The Speaker: Please be seated.

Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: Thank you.

Honourable Colleagues, today we begin debate on the Speech from the Throne and a two-year Budget. Before the debate begins, I wish to address several matters of procedure that are spelt out in our Legislative Assembly's Standing Orders and in the Rules and Conventions of the Orders of the House of Commons in the United Kingdom. Our Standing Orders protect your right to debate but there are constraints and rules to which you must adhere. The rules must be strictly followed no matter your opinion and the subject being debated. Debate must be—and I will see to it that it is—relevant to the matters before the House. No one will be allowed to accuse or insult fellow Members or the Chair, not even with just one word while standing, sitting, or speaking when called upon by the Speaker. The word "coward", when spoken and directed to any Member, whether on the Backbench, Government, or Opposition, is a good example. Words spoken in this House, even if not repeated in the written *Hansard*, can damage and hurt, particularly, in our small community.

Members should be aware of the protection they have when speaking because there is parliamentary privilege, but it is exactly that protection that dictates decency and truth; not speculation or hear say. It should be understood by everyone that ours is not a sovereign parliament but a legislature of powers with representation. If a matter is not addressed in our local Standing Orders or our Legislative Assembly (Immunities, Powers and Privileges) Law, we must turn to the Orders of the House of Commons of the United Kingdom to ensure conformity of parliamentary rules and control.

Parliamentary privilege is the sum of the peculiar rights enjoyed by you as Members of this honourable House, without which, you could not discharge your functions. That privilege cannot and must not be abused. Members or those outside the House who disregard these rights and immunities are in breach of privileges and can be punished. This applies to the media and any other entity or person. We have the right to punish actions that obstruct or impede the Assembly in the performance of its functions and are contemptable offences against its authority. These include disobedience to legitimate commands and liable of the House, its Members, or its Officers which include the Clerk and the Serjeant at Arms. The protection that absolute privilege gives must not be abused.

Reports by the Media

The Speaker: Some people believe that it is not the duty of the media to publish accurate reports of the House but only the accounts that suit them or catch them. No reasonable person would deny that some care must be taken by the media lest it appears that food for gossip is being provided under legitimate guise. It is one thing to report debates of the Legislative Assembly as a matter of public interest, but it is quite another for the media to carry any irresponsible or scandalous words that may happen to fall from the lips of the Members speaking in the Legislative Assembly, whether they are relevant to the matter being debated or not. Doing so helps spread scandals across the Islands without consideration of the victim. In my opinion, the media should act responsibly in these matters. If a Member does abuse his privileges, not from making a real contribution to the question being debated, but as a licence to speak irresponsibly about someone and especially someone who has no standing here and cannot defend themselves, the media should not add to the wrong, like casting open the windows of this House and letting the world know about it.

Media that regards a man's reputation, so lightly, as to publicise charges of dishonesty or underhanded behaviour, without even the slightest evidence, has little to complain about if made to make a substantial payment in redress. The same principle would apply if the words were recorded and subsequently ordered to be expunged and not available for rebroadcast or as part of the written Official Report. It is the practice of the House to not publish scurrilous language used in debate. Members must observe Standing Orders, particularly rules of debate as found on page 24 [*sic*] of our Standing Orders at the beginning of section 32, ending at section 39, on page 27. I must ask you to pay very close attention to the enforcement of orders beginning at section 40 on page 27 and ending at section 41, subsection 14 on page 29, which I will take the time to read so one and all understand what enforcement under these orders mean.

Section 40 says: **"The Presiding Officer is responsible for the observance of the rules of order in the House and in Committees of the whole House respectively, and his decision upon any point of order shall not be open to appeal and shall not be reviewed by the House save upon a substantive motion made after notice."**

I want to take the time to read section 41, subsections (1) through (14) which says:

(1) "The Presiding Officer, after having called the attention of the House, or of a Committee, to the conduct of a Member who persists in irrelevance or tedious repetition, either of his own arguments or of the arguments used by the other Members, may direct the Member to discontinue his speech and to resume his seat.

(2) "The Presiding Officer shall order any Member whose conduct is grossly disorderly to withdraw immediately from the House during the remainder of the day's sitting and may direct such steps to be taken as are necessary to enforce that order.

(3) "If a direction to withdraw under paragraph (2) is not complied with at once, or if on any occasion the Presiding Officer thinks that his powers under that paragraph are inadequate, he may name such Member or Members in the manner provided by paragraph (4) or (5).

(4) "If a Member shows disregard for the authority of the Chair, or abuses the rules of the House by persistently and wilfully obstructing its business, or otherwise, the Presiding Officer shall direct the attention of the House to the incident, mentioning by name the Member concerned. The Presiding Officer shall then call upon a Member of the Government to move "That the Honourable Member for [pointing out the respective constituencies] **be suspended from the service of the House", and the Presiding Officer shall forthwith put the question, no seconder being required and no amendment, adjournment or debate being allowed.**

(5) "If the offence has been committed in a Committee of the whole House, the Chairman shall forthwith suspend the proceedings of the Committee and, as soon as the House has resumed, report the circumstances to the House, and follow the procedure provided by paragraph (4).

(6) "If a Member is suspended under any provision hereof, his suspension on the first occasion in any meeting shall continue for one day, on the second occasion for two days, and on a third or subsequent occasion for the duration of that meeting and the subsequent meeting.

(7) "Not more than one Member shall be named at the same time unless several Members present together have jointly disregarded the authority of the Chair.

(8) "A Member who is suspended under paragraphs (4) and (6) or is directed to withdraw under paragraph (2), shall forthwith leave the House and its precincts.

(9) "If any Member who has been directed to withdraw or has been suspended under this Standing Order, refuses or neglects to obey the direction of the Presiding Officer in that behalf, the Presiding Officer shall call the attention of the House to the fact that recourse to force is necessary in order to compel obedience to his direction, and that

Member named by him as having so refused or neglected to obey his direction shall thereupon, without further question put, be suspended from the service of the House during the remainder of the meeting or for ten days, whichever is the longer.

(10) "If resort to force is necessary the Presiding Officer may suspend the sitting during the removal of the offending Member.

(11) "A Member who is directed to withdraw or who is suspended under this Standing Order shall not be entitled to attend the sitting from which he was directed to withdraw or, in a case of suspension, to attend any sitting or enter the precincts of the House until the termination of his suspension.

(12) "On receiving from a Member suspended under this Standing Order a written expression of regret the Presiding Officer shall lay it before the House, and it shall be entered in the minutes of proceedings. On a motion being made for the discharge of the order of suspension the question thereon shall be decided without the amendment or debate. If the question is agreed upon, the order shall be discharged and the Member readmitted.

(13) "In the case of grave disorder arising in the House, the Presiding Officer may, if he thinks it necessary, adjourn the House without question put, or suspend the sitting for a time named by him.

(14) "Nothing in this Standing Order shall be taken to prevent the House from proceeding against any Member for any breach of order not herein specified."

Use of Hansard for Court proceedings

The Speaker: Honourable Members, requests have been made to allow the use of *Hansards*, the Official Report of this Legislature, in certain court cases. This is not allowed and here are my reasons. It is precedents set down centuries ago, the House never loses its absolute privilege. There is no such thing as a waiver of parliamentary privilege. The Official Report – the *Hansard*, cannot be replaced by the court by another report, it is neither a substitute for tapes nor are the tapes a substitute for it. The Official Report is *sui generis* and not an alternative to other documentation. The report is prepared under definitive principles that are not arbitrary or whimsical and are set out in published literature. It cannot be altered by order of a court; it cannot be inquired into or challenged by a court. The *Hansard* never loses its absolute privilege.

It is set down in the Commonwealth in Law and Convention that the proceedings in parliament should not be impeached or questioned in any court or any place for that matter out of parliament. This prevents proceedings in parliament from being examined, questioned, or used to support causes. We must bear in mind the century's old convention, that no civil or criminal proceedings may be instituted against any Member in respect of spoken or written words to the House or a committee. Convention and law says no evidence in relation to debates, minutes of evidence, any document, proceedings, or examinations before the House or a committee is admissible in any proceedings before a court or to a person authorised by law to take evidence unless permission has been given by the Speaker.

In the matter of the request made to me, my decision not to grant permission stands. The strength of this traditional position of the convention is to protect the institution of parliament, to prevent issues or conflicts with the courts, and to avoid the risk of any ill-conceived attempts to use proceedings of parliament for wrong private purposes. It also ensures a considerable level of formality and conformity in concepts of evidence and prevents casuistically skirmishing with the Legislative Assembly.

Also, it is not apparent in what circumstances audio and or video of proceedings of the House or the Committee can have probative value in court, used together with or instead of the *Official Hansard Report*, nor can any proper purposes be served in using audio or video to supplement or contradict the *Official Hansard Report* to impact any legal proceedings unless the tapes are the *Official Hansard Report* and permission has been given by the Speaker.

An Official Report of the Legislature, on the release of *Hansards*, is not prepared for use as evidence in a Court of Law or anywhere else, nor is it other than what it sets out to be; substantially the verbatim report, nor will it ordinarily contain everything said by every Member during a sitting of the Legislature. Only the Member called by the Chair to speak has the floor and should be recorded. The Official Report is evidence of what was said as reported in the *Hansard*. It cannot be used to prove anything else, is useless to establish truth of its contents, and is the legal record of a sitting. We do not allow the *Hansard* to reproduce comments from a sedentary position. A Member's comments are recorded in the Hansard if he or she has been called upon to speak by the Chair, or if he makes a remark that is subsequently picked up by another Member and used in the debate, but a remark from the sitting position is not reproduced in the *Hansard*, and although it may be broadcasted it is not part of the Official Report.

When Members say things when not called upon, they are not reproduced in the *Hansard*. A Member may request it for use in the Legislative Assembly to prove what was said because it could have been heard in broadcast and needs to be addressed; a Member has that right, but the Speaker has to give consent.

Relevance in debate and other behaviour in the House

The Speaker: A Member must direct his or her speech to the questions under discussion or to a Point of Order. The precise relevance of an argument may not always be perceivable but a Member must speak to the matter at hand, nothing else. A Member who persists in irrelevance or tedious repetition may be directed by the Speaker to discontinue his speech and resume his seat. Conversations by Members near each other (and I will repeat that)—conversations by Members near each other must be done in a whispered tone. The Chamber is a very confined area and loud voices do distract the Member speaking and Members who want to hear. When the House is sitting and a Member wishes to enter the Chamber, he/she should bow to the Chair, and [on] taking his/her seat should again bow to the Chair. If a Member wishes to leave his/her seat, he/she should bow to the Chair, and if he/she wishes to exit the Chamber, he/she should bow to the Chair.

Procedure when the Speaker rises

The Speaker: Whenever the Speaker rises there must be silence and any Member who is speaking or offering to speak should immediately sit down. Members should not leave their seats while the Speaker is addressing the House. They should not leave their seats while the Governor is addressing the House on the Throne Speech. If a Member persists in standing after the Speaker has risen and refuses to resume his seat when directed by the Speaker to do so, he must withstand the order of suspension or can be named. I direct your attention to the Erskine May Parliamentary Procedure, 24th Edition for your knowledge of the orders that will be directed against misconduct.

Matters in Committee

The Speaker: Committees and witnesses of committees may be subject to sections 9 and 12 of the Legislative Assembly's (Immunities, Powers, and Privileges) Law and can order any person to attend the committee to give evidence or produce documents in their possession or control. Section 6 of the [Legislative Assembly] (Immunities, Powers, and Privileges) Law, in reference to witnesses being notified by summons, specifically says in section 6(1): **"Any order to attend, give evidence or produce documents before the Assembly or a committee shall be notified to the person required to attend or produce documents by a summons under the hand of the Clerk issued by the direction of the Speaker."**

Section 8(1) of the law states: **"Where any person ordered to attend, give evidence, or produce any paper, book, record or document before the Assembly refuses to answer any question put to him or to produce any such paper, book, record, or document on the ground that it is of a private nature and does not affect the subject of enquiry, the Speaker may excuse the answering of such question or the production of such paper, book, record or document, or may order the answering or production thereof."**

In 8(2): **"Where, any person ordered to attend, give evidence, or produce any paper, book, record, or document before any committee, refuses to answer any question put to him or to produce any such paper, book, record, or document on the ground that the same is of a private nature and does not affect the subject of enquiry, the chairman of the committee may report such refusal to the Speaker with the reasons therefor; and the Speaker may thereupon excuse the answering of such question or the production of such paper, book, record, or document or order answering or production thereof."**

Section 9(1) of the Law says: **"Every person summoned to attend, give evidence, or produce any paper, book, record, or document before the Assembly or a committee is entitled, in respect of such evidence, the disclosure of any communication or the production of any such paper, book, record or document for the same rights or privileges as before the Grand Court."**

Section 9(2): **"Except with the consent of the Governor, no public officer shall —**

(a) produce before the Assembly or a committee any such paper, book, record, or document; or

(b) give before the Assembly or the committee, evidence on any such matter,

as it relates to or forms part of the correspondence of any… civil department [or unit] **or to any matter affecting the public service. . . "**

All matters of the House and all committees of the House, are creatures of the House. They are responsible to the House, must report to the House, and abide and operate by powers and rules given by the House. The Honourable Speaker is [an] arbiter of the rules. The House is the final jurisdiction of the Conventions and Orders as passed down through ages and centuries to parliament, and, in our regard, the Legislative Assembly. No committee can operate outside of these rules. If it does, the Speaker must exert his powers. The final arbiter of the rules is the House which deems its powers of order to the Honourable Speaker. So, to make it clear, the Chair of any committee select or standing, gets its operative works and its authority from the seat of Authority, the House, and thus the Honourable Speaker.

I have observed and there is concern that the Public Accounts Committee (PAC) has tried to exert powers to go into areas that cannot be sustained in the parliamentary make up such as we have and as I have outlined. The PAC is set up to look at and examine cases and claims to ensure that expenditure deliver value for money. The PAC cannot delve into areas of operational responsibilities of the Civil Service. Where

a unit, department or other areas of Government specifically spends funds to and for the benefit of the public, the PAC must see if value for money is achieved and by what means. That is not to say, and in the strongest of any sense of any meaning of good governance, that the PAC can take on responsibilities of, for example, the operatives of the public services, like employment. That is not the remit of the PAC as there are other avenues that Members can question matters of employment if they feel the need to do so and if the Members of that committee which gains its powers from the honourable Assembly goes on such excursions, it will have to be brought back to its seat of its responsibilities; that is if money is spent and was not done in the best possible way, nothing else.

As Speaker of this honourable Assembly, I am responsible and I will ensure the conventions and rules of parliamentary democracy are abided by each and every Committee of this honourable House. This is my ruling on those matters I have spoken to. Copies will be distributed to Members and the press.

Thank you.

PRESENTATION OF PETITIONS

The Speaker: None.

PRESENTATION OF PAPERS AND OF REPORTS

CAYMAN ISLANDS MONETARY AUTHORITY ANNUAL REPORT 2016

The Speaker: The Honourable Minister of Financial Services and Home Affairs; Member for the Constituency of West Bay South.

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

Mr. Speaker, I rise to lay on the Table of this honourable House the 2015/2016 Annual Report and the related Audited Financial Statements of the Cayman Islands Monetary Authority for the Financial Year ended June 30, 2016.

The Speaker: So ordered.

Does the Member wish to speak thereto?

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

Mr. Speaker, components of the Annual Report are as follows. The Annual Report just tabled for the Cayman Islands Monetary Authority is comprised of three sections; an industry overview, organisational developments, and CIMA's Audited Financial Statements as of 30th June, 2016.

Mr. Speaker, dealing first with the financial performance of CIMA. CIMA's net income for the 2015/2016 financial year was $0.708 million which was allocated to CIMA's capital expenditure reserves and general reserves. Total assets as of 30th June, 2016 were $139.5 million. This amount includes currency reserves, assets of $118 million. Total liabilities as of 30th June, 2016 equalled $111.281 million. Total reserves were $25.893 million, while contributed capital remained at $2.328 million.

Mr. Speaker, CIMA collected $104.839 million in fees from regulated entities on behalf of the Cayman Islands Government for the 2015/2016 Financial Year compared to $102.667 million for the prior year. Currency in circulation as of June 30, 2016 was $106.9 million dollars. This represents a 12.6 per cent increase from the 30 June, 2015 figure of $94.9 million.

Mr. Speaker, the Auditor General issued an unqualified opinion on the financial position of the Cayman Islands Monetary Authority as of 30 June, 2016.

Turning now to an overview of industry performance. Efforts continued during the Financial Year 2015/2016 to strengthen and enhance the regulatory framework governing the financial services industry of the Cayman Islands. Dealing with captive insurance, despite the slight drop in the number of insurance related licensees from 873 at the end of the 2014/2015 Fiscal Year to 862 at the end of the 2015/2016 Fiscal Year, the Cayman Islands remained the second largest domicile for captive insurance companies, and the jurisdiction is the number one domicile for health care captives with 33 per cent of Cayman's captives covering health care risks.

The reduction in the number of licensees, Mr. Speaker, was a result of CIMA carrying out a tidying up exercise to cancel previously surrendered licences with surrenders reaching as far back as 2011. The number of insurance companies stood at 709 as of 30 June, 2016 and the premiums generated equalled US $13.5 billion. The assets held totalled US $57.9 billion. The Funds industry remains healthy with 11,019 total funds as of 30 June, 2016 compared to 11,061 as of 30 June, 2015. The total Funds as of June 2016 included 2,882 Master Funds, 7,661 Registered Funds, 376 Administered Funds, and 100 Licensed Funds as the Cayman Islands continues to be the jurisdiction of choice for the Global Hedge Fund Industry.

Mr. Speaker, the Cayman Islands also remained a leading jurisdiction from which Trusts and Company Management Services are provided.

- There were 130 trust companies licenced at 30th June, 2016;
- Trust companies restricted licenses were 62; and
- Nominee trust licences were 55.
- Controlled subsidiaries registered were 46; and
- There were a total of 121 private trust companies registered as of June 2016.
- There were 176 licenced banks by June 2016.

- Total international assets as of June 2016 stood at $1.156 trillion and liabilities at $1.202 trillion.
- Domestic assets were $22.98 billion and liabilities were $56.92 billion.
- As of June 2016 the jurisdiction ranked eighth internationally in terms of external cross-border assets of $1.13 trillion, and fifth by external cross-border liabilities of $1.14 trillion booked from the Cayman Islands.

Mr. Speaker, in relation to organisational developments, I would like to highlight that significant work has been undertaken. Throughout the reporting period, CIMA continued active involvement and influence in several International Regulatory Bodies. These include the International Association of Insurance Supervisors and the Group of Finance Centre Supervisors. Since 2013 CIMA contributes to the work of the Financial Stability Board Regional Consultative Group for the Americas. CIMA is actively involved with the work of the Caribbean Financial Action Task Force (CFATF) in preparation for the upcoming financial assessment which is set for December 2017. In addition, CIMA has also enhanced its risk assessment of licensees using the Enterprise Risk Management approach which considers risk recognition, risk evaluation, risk analysis, and risk assessment.

CIMA also represents the jurisdiction on other organisations such as the International Organisation of Securities Commissions, the Caribbean Association of Insurance Regulators, the Caribbean Group of Banking Supervisors, the Association of Supervisors of Banks of America, the Group of International Insurance Centre Supervisors, the Caribbean Group of Securities Regulators, and the Offshore Group of Collective Investment Schemes Supervisors.

Mr. Speaker, CIMA's Information Technology Department has continued to improve efficiency in regard to conducting business with CIMA. A new web-based portal known as the Regulatory Enhanced Electronic Form Submission system was launched in January 2015 to facilitate new applications for prospective licensed entities and change request for existing licensees, and to submit mandatory financial returns. Since the introduction of the regulatory enhanced electronic form submission system, CIMA has seen significant improvement of its services.

Mr. Speaker, the report also highlights CIMA's continued efforts in monitoring the impact of the Alternative Investment Fund Managers Directive, humbly known as AIFMD, on the Cayman Islands funds and securities industry. CIMA, in consultation with the Cayman Islands Government and industry stakeholders, amended the Mutual Funds Law, 2015 and the Securities Investment Business Law for the purpose of the AIFMD. Regulations were also drafted to supplement both the Mutual Funds Law and the Securities Investment Business Law in respect of AIFMD. During this period, CIMA signed three bilateral Memoranda of Understanding (MOUs) between the Gibraltar Financial Services Commission, the Abu Dhabi Global Market Financial Services Regulatory Authority (FSRA), and the Labuan Financial Services Authority. It initiated 11 formal enforcement actions and it handled a total of 246 requests for assistance from overseas regulatory authorities.

Mr. Speaker, in conclusion, I have attempted to provide a summary of CIMA's Annual Report and highlighted several key points. CIMA plays a critical role in our Financial Services Industry and is committed to playing its part in contributing to the continued success of our jurisdiction, and so, Mr. Speaker, I present this report to this honourable House and encourage Members to read it accordingly.

THE IMMIGRATION (GRANT OF THE RIGHT TO BE CAYMANIAN) (NO. 1) ORDER, 2017

The Speaker: The Honourable Premier.

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

Mr. Speaker, I beg to lay on the Table of this honourable House, the Immigration (Grant of the Right to be Caymanian) (No. 1) Order, 2017.

The Speaker: So ordered.

Does the Premier wish to speak thereto?

The Premier, Hon. Alden McLaughlin: No, Mr. Speaker, with respect to this and the two to follow, there will be substantive Motions, and I will speak at some length to them when I move those Motions sometime hence.

The Speaker: Thank you.

THE IMMIGRATION (GRANT OF THE RIGHT TO BE CAYMANIAN) (NO. 2) ORDER, 2017

The Speaker: Honourable Premier.

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

I beg to lay on the Table of this honourable House the Immigration (Grant of the Right to be Caymanian) (No. 2) Order, 2017.

The Speaker: So ordered.

THE IMMIGRATION (GRANT OF THE RIGHT TO BE CAYMANIAN) (NO. 3) ORDER, 2017

The Speaker: Honourable Premier.

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

I beg to lay on the Table of this honourable House, the Immigration (Grant of the Right to be Caymanian) (No. 3) Order, 2017.

The Speaker: So ordered.

THE REPORT OF THE STANDING BUSINESS COMMITTEE FIRST MEETING OF THE 2017/2018 SESSION OF THE LEGISLATIVE ASSEMBLY

The Speaker: Honourable Premier.

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

I beg to lay on the Table of this honourable House, the Report of the Standing Business Committee of the Legislative Assembly of the Cayman Islands for the First Meeting of the 2017/2018 Session of the Legislative Assembly.

The Speaker: So ordered.

STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

The Speaker: None.

PERSONAL EXPLANATIONS

The Speaker: None.

OBITUARY AND OTHER CEREMONIAL SPEECHES

Condolences to the family of the late Frank E. Roulstone Sr.

The Speaker: Honourable Members, notable Caymanian, Frank E. Roulstone Sr. has passed away and we offer our condolences and respect to his widow and his family.

Frank E. Roulstone Sr. first arrived in Cayman from Tampa, Florida in 1955 for a two-week vacation to visit his parents. He met Caymanian beauty Elizabeth "Beth" McTaggart on that trip and he knew then Cayman would be his home for good.

Mr. Frank's parents ran the Seaview Hotel and during the early 1950's the US Government wanted to establish weather stations throughout the Caribbean to assist in tracking storms that might ultimately threaten the United States. Cayman was strategically located. Being closest to the National Hurricane Centre in Miami, Florida, it would essentially have the last word for Miami before storms moved up into the Gulf of Mexico or Atlantic Coast.

Some of the early weathermen in Cayman were staff of the United States Government who stayed at the Seaview Hotel on short rotations. It was those weathermen who convinced Mr. Frank that he should consider taking over the weather operations on a full time basis. Mr. Frank returned to Tampa, Florida to complete his education and then returned to Cayman to work at the Weather Bureau, training under the Americans who had established the station. He took over the permanent position of Meteorologist in 1963. During these early years Caymanian men were still earning their livelihoods at sea, and so Mr. Frank had the enviable position of having only women to help him staff the weather bureau. These brilliant, hard-working Caymanian women were Mrs. Floris (that is Polly Thompson), Mrs. Alice Anderson, Mrs. Lilli Mae Bodden, Mrs. Kadie Ebanks, Mrs. Helen Hislop, Mrs. Gilda Panton, and Mrs. Sharon Ebanks. These ladies and Mr. Frank were a dedicated, hard-working team. Their daily routine which became round the clock as storms approached included multiple daily balloons launches for tracking upper air conditions, coupled with equipment on the ground, including the big radar in the famous white domes at Owen Roberts. These allowed Mr. Frank to relay local weather conditions to the National Weather Service in Miami to aircraft using Cayman's airspace and generally to anyone in Cayman who had an interest in weather conditions, usually fishermen and dive operators.

In 1976, the Cayman Islands Government recognising its own need to have full-time weather operations, jointly, with the US Government, formed the co-operative upper-air station. Mr. Frank became its first Chief Meteorological Officer. When Radio Cayman became operational that same year, Frank provided daily forecast and tide tables to a much wider grateful Cayman public. Fondly known as The Weatherman, Mr. Frank faithfully carried out his duties to the United States and Cayman Islands for almost 30 years. He passed away at his home on Boggy Sand Road, West Bay on Thursday morning October 26th at the age of 85.

Mr. Frank was a devoted public servant as well as a friend to so many people in this community. I do recall, because of my family connections with Swan Islands, that he had a huge connection with those people who ran and were caretakers of Swan Islands, and so, he made many friends in West Bay who largely populated and ran that island for the US Government. I do recall too, that my stepfather who was one of the North Sound boat operators, had a lot of connection to him and his brother, who, by the way is the grandfather of the Minister of Financial Services. They knew them quite well because his mother was a staunched tourism operator in this country, and those two hotels, Sunset House, and Seaview Hotel, those people took care of those operators, and so, Mr. Frank came to West Bay for many years to live. He was always very respectful to me.

May his soul rest in peace.

[Pause]

The Speaker: Honourable Premier.

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

Mr. Speaker, I had prepared a similar obituary of Mr. Frank, but as you have covered all of those, I will not rehearse them; I will speak very briefly about some of my personal recollections. Obviously, growing up in George Town, particularly in South Sound and Crewe Road, and going to Elmslie Memorial Church, I have known Mr. Frank Roulstone and his dear wife, Beth, and the children, Shirley, Sharon, and Frank all my life. Growing up as a boy in Crewe Road, Frankie (as we called him) went to Triple C with one of my dearest boyhood friends, William Ebanks, and so we thought we had special access really to things that were exciting and scientific in terms of the weather station and, on occasion, we would get a chance to go up there. I think for us the most important bit was that we… because we were killers of birds and everything that moved, using slingshots in particular. One memory that will always be with me is, we found out that the rubber band or whatever it was that they put around the balloons, was very, very strong rubber and so Frankie was a constant source of the rubber so that we could make sling shots.

Mr. Roulstone did provide an extra ordinary service to these Islands at a time when very few people had this level of meteorological knowledge and when, as you pointed out in the early days, most of the men were away at sea, and he carried on that task with a great deal of enthusiasm and expertise for a very long time, and these Islands certainly owe him a debt of gratitude. He was also very much an individual who cared about particularly those who were less fortunate in the community and I remember him organising parties for what was then called the Underprivileged Children. He was a member of the Rotary Club for a long time and provided a great deal of humanitarian services to the people of these Islands. He raised three wonderful children with his wife Ms. Beth, and was a stalwart of this community, and I know I speak on behalf of the Members of the Government when I say that we mourn his loss, and we offer our condolences to his family. They may rest assure that their father was one of the true nation builders of these Cayman Islands.

Thank you, sir.

The Speaker: Minister of Financial Services.

Hon. Tara A. Rivers: Thank you, Mr. Speaker.

I would like to thank both you and the Premier for giving the recognition in this honourable House to Mr. Frank that is so well deserved for his contributions to this country, and obviously not to repeat all that was said about his particular contributions, but just to lend brief words of condolences to the family whom I know very well and certainly, as the representative for West Bay South. Mr. Frank and Ms. Beth were long-time residents, as you have pointed out, and I certainly offer the deepest condolences as the representative to Ms. Beth, Shirley, Sharon, and Frankie.

As you [also] pointed out, Mr. Speaker, certainly, my own family was impacted as yours was, as it relates to the involvement in the tourism industry and Mr. Frank's family in helping to ensure that, as my grandmother so often put it, sometimes with ire, my grandfather was always out on that boat of which it became the name sake of the boat in the end.

Certainly, it is with deep regret that I do offer these condolences to the entire family and I would just like that to be recorded and to also show my appreciation for all that he has done and all that the family continues to do for the community.

Thank you.

The Speaker: Thank you.

Does any other Member wish to speak? *[Pause]*

The Honourable Deputy Governor.

The Deputy Governor, Hon. Franz I. Manderson: Mr. Speaker, thank you.

As Head of the Civil Service, I would also like to join you, the Premier, and the Minister of Financial Services in expressing grateful thanks to Mr. Roulstone, for all that he did for us in the Civil Service, and the country. We all remember him.

I had the great pleasure of working with his daughter Sharon at the Immigration Department for many, many years. She spoke so highly of her dad; very, very close Caymanian family.

On behalf of all of us in the Civil Service we want to express our sincere condolences to the family and ask God's blessings on them.

Thank you, sir.

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

If not, I think we should stand now in a minute of silence, out of respect, noting as we do that there are other notable Caymanians in mourning today because of family members who have passed away.

A minute of respect.

[Members of the House stood for a moment of silence]

The Speaker: Thank you.

The Clerk will forward these remarks of condolences to the family of Mr. Frank E. Roulstone Sr.

Acknowledgement of the illness of Mr. Locksley Gould

The Speaker: I would also like to notify the House that Mr. Gould was seriously ill and we want to wish him

well. He is in the hospital, I think, at Health City and we should remember him in our prayers.

RAISING OF MATTERS OF PRIVILEGES

The Speaker: None.

GOVERNMENT BUSINESS

BILLS

SECOND READING

APPROPRIATION (FINANCIAL YEARS 2018 AND 2019) BILL, 2017

Commencement of Debate on the Budget Address and the Throne Speech together with the Government's Policy Statement

The Speaker: The Appropriation (Financial Years 2018 and 2019) Bill, 2017.

Does any Member wish to speak? *[Pause]*

The Honourable Member for North Side, the Leader of the Opposition.

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

The Premier launched his Strategic Policy Statement (SPS) recounting the historical events of the day, and while I agree with him that those events he mentioned were positive history making events, the more troubling historical event of the day was the Speaker giving thanks to the Governor for her Throne Speech. These are the kinds of changes that only serve to give Members of this Legislative Assembly pause, and I invite this House to consider re-establishing the convention that the vote of thanks comes from a Member on the Floor.

The Government has labelled the Policy Statement with the title "Stability, Empathy, Prosperity – A Plan for Sustainable, Social and Economic Development". The Budget Address carries the title "Maintaining Fiscal—

The Speaker: Honourable Member, take your seat.

Am I hearing correctly in the vote of thanks to Her Excellency the Governor, and the complaint is that it was not made correctly?

Hon. D. Ezzard Miller, Leader of the Opposition: Mr. Speaker, I do not recall making a complaint, I recall making an observation.

The Speaker: Observation which has been recorded.

To Honourable Members for your clarity, if it is the vote of thanks that was given by me as Speaker that is being mentioned, then you need to understand that the vote of thanks, by convention, precedent, is given by the Father or the House. Whether I am Speaker or not, I am the longest serving Member of this honourable Assembly and therefore carry that known title as "Father of the House". I gave the thanks on that basis. It is left up to any other Member if they also want to give thanks, but as laid down by rules and convention, precedent, the Father of the House is responsible to give the vote of thanks to Her Majesty's representative if Her Majesty is not here in person. That is the rule.

Honourable Member for North Side.

Hon. D. Ezzard Miller, Leader of the Opposition: The title placed on the Budget Address was "Maintaining Fiscal Prudence and Inducement for Growth". Many fancy words here but no matter how they dress it up, this is a budget that is simply not good for the average Caymanian. It is nothing more than a continuation of the regressive policies of the Progressives as the Premier admits and boasts by this National Unity Coalition Government. Policies that cater to a particular class of Caymanians with foreign businesses, with foreign workers, which will lead to the continued erosion of the middle class and the increased suffering and hopelessness of the poor Caymanians.

It is very likely and also historic as well, that at the very moment the Premier was making his Policy Statement in this House, Members were being informed by text message that an armed robbery was taking place in broad daylight, not likely to be seen as a sign of prosperity for Caymanians.

The Opposition intends to support those things in the budget that as the people's representatives, we believe are good for Caymanians. We intend to put forward constructive alternatives that offer not empathy but action for Caymanians. We have chosen as our theme, "Building a Better Future by Learning from Our Past through a Return to Our Founding Principles". We, the Shadow Government will offer five contributions to this debate. It was Mahatma Gandhi who wrote about the seven dangers of human virtue, namely:

1) Wealth without work
2) Pleasure without conscience
3) Knowledge without character
4) Business without ethics
5) Science without humanity
6) Religion without sacrifice
7) Politics without principle

Our forefathers managed these dangers as they built Cayman's economic miracle and we, the elected Members of this honourable House need to pay special attention and deliberate attention to number 7, 'politics without principles'.

As elected Members, we should be encouraging, demanding, and demonstrating work, conscience, character, ethics, humanity, sacrifice, and principles. While combining all of these with good old fashioned

Caymanian common sense, ingenuity, and entrepreneurship, we intend to offer constructive alternative uses of the revenue that the Government projects to collect; that is the $730.7 million in 2019/18 [*sic*] and the $722.8 million as stated in the budget documents. For example, when we suggest that resources should be increased in a particular area like education, we will recommend equal reductions in other areas.

The budget figures in the Annual Plan and Estimates (AP&E) document, rarely support, and often contradict the promises and assertions made in the Throne Speech, Policy Statement and the Budget Address. Common to all three speeches is the Government of National Unity's assertion and promise that Education is the number one priority.

Here are the facts from the budget document and specifically the Plan and Estimates. Page 139, line item EGA 6 - Secondary Education Services, in 2018 gets $23,555,030 which represents a 2 per cent reduction below the 2017 allocation annualised. In 2019, the $23,768,793 budgeted is still $375,134 below the budget allocation for 2017. In the primary schools allocation, we find the same thing. On pages 137 and 148 line item EGA 5, we find only a miniscule increase, $21,560,868 representing only a 2 per cent increase above the 2017 budget; hardly enough to increase teacher's salaries to at least $5,000 each per month, which the Opposition wholeheartedly endorses and supports, and trusts that this will not be another promise proclamation and public announcement not kept.

These reductions are even more profound on pages 143 in EGA 8 - Facilities Maintenance and operating school support services where the amount budgeted for 2018 is reduced by $1,110,742 below the 2017 annualised forecast. All of the schools need more maintenance, not less. Contrast this with the massive, enormous, gigantic, and walloping increase in the budget for 2018 on page 179, FSC 34 - Prison Custodial Services of $11,390,803, that is $6,271,058 more than the 2017 forecast of $5,119,745. More than 100 per cent increase for prisoners, most of whom were failed by the very education system we are continuing to underfund. Follow the money in the budget to determine the real priorities.

The Premier in his address, speaks to the devolution of authority to principals that the new Education Law offers but the budgeted figures demonstrate otherwise. We in the Opposition fully support the devolution of authority to principals. We were the ones who amended the Education Law presented to enhance and allow the devolution of such authority. While the budget proposes to reduce the funding to high schools and marginally increase the funding to primary schools, they are in fact increasing the funding to the already overbearing, top heavy, inefficient, and ineffective administration by a whopping 15 per cent.

Pages 134 and 135 of the Plan and Estimates, line item EGA 1, Policy Advice, Governance and Ministerial Support Services, shows for 2018 $6,103,744, an increase of $804,244 over the $5,299,500 allocated for the 2017 budget. This is hardly a demonstration that the devolution to the schools is being facilitated.

I will return to the Portfolio of Education later in my contribution when I deal more specifically with my shadow ministers' responsibilities of education and health. This is only one example but there are many instances in these budget documents where the figures we are being asked to approve under the Appropriation Law, do not support the promises and claims in the three speeches delivered here last Friday. Suffice it to say, many more will be demonstrated by Members of the Opposition when they make their contributions to this debate in relation to the shadow ministerial responsibilities.

The Premier—

[Gavel pounding]

The Speaker: Honourable Member, you keep referring to a Shadow Government and I know what you want, what you desire, and there is no such thing in this Assembly as a Shadow Government, nor formally Shadow Ministers as those are constitutional make up and party politics make up, and I do not see any party Member on that side, on your side of the House. What I know is, as you are, the Member for North Side, independent; Member for Savannah, independent; Member for Newlands, independent; Member for East End, independent; Member for Bodden Town West, independent; and Member for George Town Central, independent. There is no party, there is no constitutional recognition in our rules, nor Constitution, or our Standing Orders for Shadow Government make up as you are saying. We shall not refer to them as Shadow Ministers. Thank you.

You may continue your speech, sir.

Hon. D. Ezzard Miller, Leader of the Opposition: Mr. Speaker, I do not recall identifying anyone in my speech as a Shadow Minister.

The Speaker: You said '*they are'.*

Hon. D. Ezzard Miller, Leader of the Opposition: I said shadow ministerial responsibilities; two different things.

Mr. Speaker, we know how we often depart from conventions and ancient practices as we live our lives. The Premier, Minister of Finance and Economic Development, and Her Excellency the Governor, all lay claims and boast of the financial prudence of this Government in this Budget, but is it really prudent to deny Caymanian children in the public school system, resources that are badly needed to enhance their opportunities to be the best they can be while boasting a net surplus of $141 million and giving children in the private schools $1 million? Certainly, it would seem more prudent to reduce the surplus by $10 million to higher the

badly needed teachers, the support teachers, to pay teachers more and to provide the consumable resources needed to enable better and greater achievements in education. This action, not empathy, will improve educational opportunities and allow Caymanians to get better jobs with higher incomes that will lead to better lives for Caymanians. Not all Caymanians have a unique ability to operate like a laptop computer and change the hard drive to remove all memory of past actions.

The $141 million this Government claims as a surplus is an operational surplus reduced by subtracting the recurrent cost from the revenue. In 2018 the figures are: Revenue, $730.7 million; Operating expense, $644.1 million; Operating surplus $86.6 million, which has to be reduced by the subsidy to public authorities and Statutory Authorities and Government Companies (SAGCs) of $19.6 million which should leave a surplus of $67 million. We then have to subtract the debt servicing of $30.3 million which is $36.7 million left in that surplus account; and we are then spending capital from the operational revenue $74.2 million which places the country in a deficit of $37.5 million. There is no surplus from which to fund education but we could use the money from the cruise berthing and the $1 million for private schools and some from the subsidy to the public authorities and SAGCs.

The Government also makes the claim, and places great confidence that there are no new taxes or increased fees in these two one-year budgets. The public will recall that they made the same claim in the last four budgets that a police record went from $10 to $25, and the new requirements of the business licensing regime drastically increased the cost associated with applying and obtaining a business licence. The new Builders Law introduced additional licencing fees that added to the cost of being a contractor, and therefore costs for Caymanians to hire contractors. These increases and others, all contributed to increases in the cost of living for average Caymanians.

Mr. Speaker, the Opposition cannot support the Cruise Port developments while education is being denied the support and funding that it needs. It is time to sink the dock and float education so all children can benefit from the rising tide. The cruise ship port development is going to consume large portions of the port revenue that now helps to fund the cargo operation for at least the next 50 years. We in the Opposition say secret port development because we have, on at least three occasions, verbally, and at least once in writing, requested a presentation on the details of the project over the last six months and none has been forthcoming. We are left to wonder what is being covered up.

In the absence of facts from the Government as to the design, cost, and funding, here is what the EIU [Ezzard's Intelligence Unit] has dredged up, researched or had left on my truck windshield. Design: two piers in deeper water, less dredging but greater construction costs. Cargo area: increased by seven acres, cost $300 million plus. Funding: cruise industry somewhere between $50 and $100 million. Port income: all fields related to cruise passengers, [and] to the cruise industry for 50 years for their injection between $50 and $100 million in capital into the project. Government guarantee: none. Question: Who is providing the other funds or guarantee to other financiers to build the Cruise Berthing facility? Is this going to be another NRA deal for Dart? Secret: the various business cases done by consultants.

The Opposition is of the view that the diversion of all cruise-related income from the port, the additional cargo handling equipment, and the cost of handling larger cargo ships will lead to increases in port handling charges and therefore an increase in the cost of living for Caymanian consumers and not a reduction as pontificated by the Premier and his Government in this budget. The five million plus new crane will be paid for by Caymanians as per the increased cost of goods we buy in the supermarket and hardware stores. The current shipping companies are providing twice weekly cargo service and the amount of cargo they handle does not require them to use bigger ships. The twice weekly service guarantees fresh produce and quick service. Larger ships coming twice or once per month will mean perishables will have to be delivered by air freight at higher costs to the consumers and delays in shipping of other products.

The Premier says that preliminary design and cost estimates for the Cruise Berthing Facility are complete and the documents are being finalised with the next procurement stage this month, November 2017. How is this possible, if design is not complete—we only have preliminary things—and the Caymanian public has not seen what is being built? The pipe dream of the Port Authority, that George Town could be a transhipment port for perishable goods from Central America is not going to happen. I ask the Minister responsible for the Port Authority to name such shipping companies and give us the projected cargo, its source, and estimated income the port is likely to get from such a transhipment facility to defer the cost of the $300 million plus construction. Is this part of the grand scheme of the Port Authority that justifies going from two Deputy Directors to five? One wonders where the application of the Public Authority's Law is.

The Opposition is of the view that money in the budget allocated to expansion of the cargo facility and cruise berthing facility would be better used to build a new primary school in Bodden Town, Savannah area, and to complete John Gray High School within this budget cycle. The Government of National Unity is made up of all the single member electoral districts that make up the catchment area for John Gray High School; yet, they expect the parents in their constituencies to accept that they would rather build an unnecessary, unjustified, and unknown port at the cost of more than six times what the new John Gray High School

would cost, while their children and their teachers possibly suffer great health risk in mould infested classrooms.

The Opposition is very concerned that a specific conglomerate, some kind of consortium with other local vendors, has won the bid for the proposed Solid Waste Management System. We hope that the Minister responsible can shed some light on how this bidding process was handled and give an account of what transpired that will give the people some faith and assurances that the procurement process as established in law was followed. There are other reports of possible involvement by the same conglomerate with the Government: the behind-the-scenes funding for the Cruise Berthing Facility, the refinancing of half of the Bullet Bond, the acquiring by Cayman Airways of the four 737-800 Max jets, and we know they already control the majority of our tourist accommodations and therefore the whole tourism industry.

We believe, and we will try to demonstrate through our contributions to the debate, that the budget is a good one if you are amongst a certain group of Caymanians, you are owners of big businesses, [or] if you are an inward investor. There is very little in this budget if you are a poor Caymanian or a sick Caymanian, or an unemployed Caymanian, or an underemployed Caymanian. In short, there is not much here for the average Caymanian. The numbers in the budget documents do not match what the Premier, the Governor, or the Minister of Finance claim in their speeches. For instance, they claim that the economy generated by this budget will create 1,790 jobs through the provisions in this budget and that may be so, and that would be a good thing if it happened. However, the figures in the budget also say they intend to increase work permit revenue from $66.4 million in 2017, to $70.7 million and $72.5 million in 2018 and 2019 [respectively]. Following along on their declaration that no fees are going to be introduced, there is only one way to achieve more revenue from work permit fees and that is to increase the number of work permit issued.

[Desk thumping]

Hon. D. Ezzard Miller, Leader of the Opposition: If we took the current number of work permits and divided the income produced in 2017, we could come up with an average of about $2,656 per permit, and I know that there are permits that cost less, but that even makes my argument stronger because if the majority of the permits that the Government intends to increase is below that figure, the numbers must increase. We will find that over the two-year period 2018-2019, the Government intends to increase work permits by 2,447 to collect the additional revenue of $4.3 million. In other words, the Government boasts of creating 1,790 jobs for Caymanians but are budgeting to allow 2,447 additional work permits. What that means is that 657 Caymanians currently employed will lose their jobs to work permit holders so Government can collect the revenue, because if we are only creating so many jobs, [and] we are not reducing any of the revenue from permits—therefore, we are not reducing the number of persons—we are increasing revenue and adding people, that is what is going to happen, and we know that that has been the norm here for several years. There are no allowances for the hundreds of high school graduates to be employed or for Caymanians graduating from college during the budget cycle to get employed. The Government plans to increase work permits to get more revenue, not job opportunities for Caymanians, according to the numbers in this budget.

Point of Order

The Speaker: Member for George Town Central, are you rising on a Point of Order?

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

Recalling your speech to the House earlier in respect of giving the respect to those who are standing and speaking, you highlighted about interruptions, and I respectfully just recall the Premier speaking over the Honourable Opposition Member when he was presenting. Now if this Point of Order that you gave to everyone is going to be pointed to this side, it's going to be pointed to that side; and I wish that the Honourable Premier would give the respect to the Opposition Leader to allow him to do his presentation, and if he wants to speak, he can speak after when it is his turn.

The Speaker: Honourable Member, I give some leeway to the fact that you are a young Member to the House. When disruptions are so that I know it is hindering people from hearing, hindering a Member from speaking, then I am duty bound to take note of it. I did not hear any such, at this point in time. If your piece is for informational purposes, while it was not appropriate at the point, I will take it, but unless you have a Point of Order, then we will have to move on to the debate.

The Member for Newlands.

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

Mr. Speaker, just to—

The Speaker: Do you have a Point of Order?

Mr. Alva H. Suckoo, Jr., Deputy Leader of the Opposition: I would also like to rise on the same concern that my—

The Speaker: Honourable Member, you all are being facetious. Sit down. No more.

Mr. Alva H. Suckoo, Jr., Deputy Leader of the Opposition: Mr. Speaker, I do not believe we are being facetious—

The Speaker: At this point, sit down, because I am not going to tolerate it! There was no such discussion where the Member was interrupted or Members could not understand what the Member speaking was saying. There was no such interruption; there was none. If you all want to take piece out of someone, wait until your time and see if you have the right, bearing what I said in mind.

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

The Speaker: Unless you are rising on a Point of Order then I shall say you have to take a seat. Do you have a Point of Order?

Mr. Kenneth V. Bryan: Mr. Speaker, just a point of clarity in respect to why I stand. Am I allowed the privilege to clarify?

The Speaker: No. At this point in time, we have passed that.

Honourable Member for North Side.

Hon. D. Ezzard Miller, Leader of the Opposition: To this end, increasing revenue from work permit fees, the creation of the National Human Resource Department will be an exercise in futility and only add to the frustrations of Caymanians looking for employment. Until this Government of National Unity is prepared to deal with a reduction in the number of work permits and the corresponding reduction in revenue, Caymanians will continue to be unemployed. The National Human Resource Department may flap a lot of wings but there will not be any birds flying.

The Premier declared in his Policy Statement that his Government is "not prepared to needlessly penalise those from overseas who want to come to work here alongside us and help us to shore up our economic strength. We are prepared to make sure our immigration and work permit system is efficient, fair, and transparent. Those with a contribution to make to our economy and to our society are welcomed here, but skilled, qualified Caymanians must be provided that same opportunity." [UNVERIFIED QUOTE] Clearly, the Government places the work permit applicants before Caymanians. The immediate question on such a declaration is: What about the unskilled and unqualified Caymanians?

The Government continues to promote its policies that allow population growth by the granting of Cayman status and permanent residencies to outnumber births by Caymanians, so each year the percentage of generational Caymanians becomes less and less. This means that the influence of new Caymanians over the economic and political forces that govern this country become stronger each year. The Opposition believes this trend needs to stop and that one way of stopping this is by a review of the Immigration Law to reduce the grant of Caymanian Status to only two methods, marriage, and decent of Caymanians.

If I live to be as old as my father, 85 years old, this country will have doubled its population four times in my lifetime, given the current demands for population growth by the business community. No country on God's green earth can sustain that kind of population growth specifically when the majority of such population growth is by immigration. We are going to wind up like the North American Red Indians, and I proffer that the National Trust has already bought the land in the North Side constituency to put Caymanians on the reservation.

The Opposition is very concerned and troubled that in the three speeches delivered here on Friday, there is a total absence, a total omission by the Government of any reference to the mortgage crisis faced by far too many Caymanians. There is not a single word, not a line, not a paragraph, not a page of the three speeches, nor is there any money allocated to this mortgage crisis and the fact that hundreds of Caymanians are losing their homes annually. The Government in the Plan and Estimates document on page 7 established eight broad outcomes, and on pages 8 to 13, lists 63 specific outcomes and key policy strategies with not a single mention of the mortgage crises or any strategy to help Caymanians save their homes.

[Desk thumping]

Hon. D. Ezzard Miller, Leader of the Opposition: The Plan and Estimates also detailed some 89 laws to be amended or enacted, yet there is no reference to amending the banking laws or the Cayman Islands Monetary Authority Law, nor any plans to enact a proper Mortgage Law to protect Caymanians. There are not any plans to enable the Cayman Islands Monetary Authority, or to amend the banking Laws, to protect Caymanians, and in particular, senior Caymanians on single income, from being abused by the banks' unilateral actions to introduce charges that reduce their income like five dollars to cash their Government cheque.

I had a constituent member report to me this morning that they received a cheque from the court for $25 for the maintenance of a child and the bank took five dollars out of the $25 to cash the check, but we do not care. The Government is either in complete denial or ignoring the cries of Caymanians, or they have been successfully lobbied by the banks to do nothing to help our suffering Caymanians. Once again, the budget does not offer assistance for the average Caymanian. The mortgage crises could lead to a serious homeless problem and there are no funds in the budget to assist homeless Caymanians in any meaningful way. I will

deal with what is in the budget for housing for Caymanians later on.

Let me now begin to address the area of Education for which I have assumed responsibility.

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: I did not say that word.

The Opposition Members took the time to visit all the government primary schools and the two high schools on Grand Cayman. Let me take the time on behalf of the Opposition, to thank the principals of the schools, most sincerely, for making the necessary arrangements to accommodate our visit. This was a very valuable and pleasant experience and we learnt so much about our education system that we are committed to doing it once a term.

Here is what we found. On the positive side, the students were:

(1) Engaging, enthusiastic, and demonstrated a quest for learning
(2) The students were well behaved. Respectful, and disciplined

All the schools demonstrated and exhibited a respect and reverence for our Christian heritage. The teachers were hard working, enthusiastic, and commanded the respect and attention of their students.

On the negative side here is what we found. All the schools needed more human resources; more teachers, more assistant teachers, more support staff, more specialised staff, especially staff to deal with special education needs. All the schools needed more space, additional classrooms, special purpose rooms, assembly halls, staff room for teachers, et cetera. All the schools needed more consumable supplies and teaching aids. How is it possible that in a country with $700 [million] plus budgeted in revenue, and in a school term that starts in the first week in September or the last week in August, in October teachers are having to take money from their own pockets to pay for photocopying paper?

The schools all need more and better maintenance on the buildings and equipment. The principals want more autonomy and authority over their schools, staff, and budgets. They believe they know what is best for the children that they have in their care and it should not be dictated by some remote administrative authority that rarely visits or communicates. The schools need more resources to manage their special education needs children, and they need these resources to be located within their schools, not only on certain days or for certain periods of the day. The children do not become special education needs (SEN) children at 10 o'clock and at 1 o'clock, they are normal children. They do not become special needs children only on Wednesday or Friday, and it should not take months when resources are requested for those resources to be made available. Many of these special needs children, a few weeks or a few months lost without proper diagnosis and assessment is very difficult to recover if not impossible.

Teachers and managers within the high schools want to do more technical education within their schools and to start technical education in Grade 9. We in the Opposition believe we should be training more technical people. The high schools have some facilities, limited, though they may be, but when the Government does not provide them with electrical wire or an outlet box to teach someone to be an electrician, or thread and needles, and cloth, and buttons, to teach someone how to sew on a button, it is rather difficult for the professionals on the ground to do something about it.

We believe that we could graduate students from both our high schools now, as electrical wiremen which is the first level to do electrical installation work. We could graduate them from high school as journeyman plumber which is the first level of plumbing. We believe we could graduate them as number three carpenters, and as level one auto mechanics, but it takes resources to do this. If we graduated someone from high school… and if someone is doing electrical or mechanics, or carpentry, or plumbing and they get an 'A'… well, we do not use 'A' anymore. What is that levelling system that they use?

[Gavel pounding]

The Speaker: The House will suspend until 2:00 p.m.

Proceedings suspended at 12:30 pm

Proceedings resumed at 2:29 pm

The Speaker: The Assembly resumes its sitting.

Please be seated.

The Member for North Side, Leader of the Opposition, continuing. You have one hour and 15 minutes left.

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

I think when we were interrupted for lunch, I was dealing with the school visits by the Members on this side and I had detailed the positive things that we found and was dealing with the negative things that we found, and I do not remember exactly what point I was at, so out of an abundance of caution I will crave your indulgence to repeat them all.

On the negative side, all the schools need more human resources, more teachers, assistant teachers, support staff, and specialised staff especially special needs teachers. All the schools need more space, additional classrooms, special purpose rooms, assembly halls, et cetera. One of the special purpose rooms that many of the schools need is a room for which they can take the SEN children and deal with

them on a more concentrated and individual basis in helping them to overcome their learning difficulties, many of which are temporary and they just need to have proper consultation and encouragement to overcome them. All the schools needed more consumable supplies and teaching aids. The schools needed more and better maintenance on the buildings and on equipment. On this topic, it was just plain disappointing to see how poorly the buildings were being maintained, the walk ways when it rained were flooded and the kids were there but could not get to the water cooler—little things that could be corrected with minor investments.

The principles want more autonomy and authority over their schools, staffs, and budget. The schools need more resources to manage their special education needs. They want those needs to be located within the schools because visiting specialists for a couple of hours or a couple of days per week just cannot cut it with these children. In fact, one of the greatest needs in the classroom is… because unlike the private schools where they can actually turn people away if they are below certain level, the public school has to deal with the whole spectrum: the special education needs children, the regular children to the exceptionally bright children.

When going into a classroom and one teacher is having to manage that spectrum of behaviour and expectations, it is almost impossible without having an assistant teacher or support staff to help them. If that teacher has to leave the bright children to spend extra time at one of the tables to deal with a special education needs child—even though in the classrooms they could actually separate them—the other children are neglected, and the ones in between are neglected as well. When going to a school that has 24 classes, four classes for each school year, and there is only one teaching assistant per year, or one teaching assistant for four classes, anywhere in that total of five [staff] that one person gets sick, all four classes are in trouble.

Teachers and managers within the high schools want to do more technical education within their schools and to start technical education earlier in Grade 9. The teachers and managers within the high school want to bring the A-level exam back to the schools. No one seems to believe that this 12th Grade, CIFEC on some other compound is really working out. The teachers believe that if they had the children for that 12th grade within their own school where they took their first… they can still give the children the second chance to take their exams and they can go on to do A-levels right within the school. The children are familiar with the school, the teachers are familiar with the children, and, you know, we tend to downplay this *them and us* in our society because we Caymanians like to integrate. I can tell you from personal knowledge that when a student, bright student, almost genius, goes to one of those private schools to do A-levels with private school students, they are often ridiculed and some of them may even get bullied because it is that coming from the public school system, therefore, you must be from a poor Cayman family that does not have anything, whereas *we are the children of the elite*. If the public-school child, as often is the case, is smarter than those private school children, then they really get obnoxious because they cannot handle that.

The other issue is the economic side of it when parents have a bright child who wants to do A-levels to go on to university and the Government only provides them with 80 per cent of the cost. For some of these single parents whose children may aspire because of their academic capability to do medicine and things like that, for them to find $5,000 or $6,000 per term because the Government scholarship, by sending them there, is only paying 80 per cent of it, is difficult. We should not be exposing our children to those kinds of things when we can do it cheaper and better by keeping them in the same school.

The most disturbing thing of all though, in some of the schools, was the condition of the play area for kindergarten children. I mean, we have in some of these schools, kindergarten children playing on crushed rocks, and swings and seats above crushed rocks. The Government can buy FIFA [Fédération Internationale de Football Association]-rated artificial turf out of China by the 40-foot container for about 10 or 15 cents a square yard, but we expect to somehow grow grass or bush for these kindergarten children and then when they fall down and get injured, they have no medical assistance. I mean, places like Edna Moyle Primary School, the clinic is right there across the fence but the teacher cannot take the children there for the nurse to treat, they have to call an ambulance to take them somewhere, and some of the schools do not have any nursing gear and others have one nurse for 1,000 students.

If we look at some of the special education needs ratios, we have a school with almost 900 children and they have four SEN specialised teachers, and the average number of SEN children in the schools is around 25 per cent, but we collect $700 and odd million and we are going to spend $300 million plus on a cruise port that we do not need because… I do not normally rely on the *Cayman Compass* for information but you know in this environment, as my grandmother used to say, *you gah use wha you gah* to bolster your argument.

In the *Compass* on Wednesday, August 30th, 2017… My apologies, my apologies, my apologies, this is the *Cayman Reporter,* my apologies. That is a big mistake; it is a big mistake. My apologies to the *Compass,* sincerest and deepest apologies. There is an article that says—

The Speaker: Are you intending to read from that Honourable Member? If you do, I would like a copy of it before you read it.

[Inaudible interjection]

The Speaker: I should say to Honourable Members, that anyone intending to use a document of any kind, papers of any kind, you should, as is the procedure, give the Chair a copy of what you intend to read from or quote from.

Thank you.

[Long pause]

The Speaker: Would the Member for North Side resume his debate?

Hon. D. Ezzard Miller, Leader of the Opposition: On page 9 of the *Cayman Reporter* published Wednesday, August 30th, 2017, there is an article entitled "Cayman is Number Two For Cruisers" and this is based on a survey by Cruisers Choice Destination Awards and it says that: "Cayman, without a cruise berth, is [the] number 2 destination in the Western itinerary." I think that suggests that we are not desperate and we should not be clambering to spend $300 plus million on a pier when we are rated number two and we can put some money into these education facilities that is so badly needed.

Sadly, the figures in the Plan and Estimates do not provide the resources to satisfy any of the needs of the schools when the secondary education vote is reduced and primary education is only marginally increased. Unfortunately, a million-dollar reduction in the maintenance vote is unlikely to deliver the increase in maintenance that is needed at all schools. Simply put, education is in need of some serious increases in funding, both for the facilities, for the staff, the teachers, the assistant teachers, the specialised teachers, and just as equally, funds to provide adequate resources and teaching aids.

All of our children seem to be learning in black and white. I am not speaking here from what someone told me. I am one of the few Members in this Parliament whose child goes to a public school, and because we no longer provide textbooks which usually have a little bit of colour in them, we are now relying on the teacher to photocopy from one book all of the homework assignments, all of the classwork, and then the photocopiers, because they have not been replaced in so long, are constantly breaking down. If you happen to cross from one academy to the next academy, that academy does not allow the teacher from the other academy to use their photocopiers. It is time to sink the dock and float education so all children can benefit from the rising tide. Thankfully, the budget does contain $9.6 million which the Opposition supports, although we believe it is not enough to cover all of the following areas:

(1) Special education;
(2) The enhancement of science;
(3) The enhancement of literacy;
(4) The enhancement of math; as well as
(5) Skills to upgrade 400 teachers and assistants, plus scholarships and youth programmes and additional teachers.

Now, as my good friend the elected representative form Savannah always likes to tell us about that man who was on Rivera Beach, we know that he also worked a miracle with five loaves and two fishes, but I believe the Minister of Education is going to have to not only solicit his divine intervention, but I think she is going to have to borrow some tricks from Houdini, because she is going to have to give some of this money to some of these people and take it back quickly before they spend it so she can give it to someone else if we are going to cover all of these things. She has to make sure that no chains or padlocks are around. That is an awful lot but it tells you that the Government itself understands that there are needs in the schools that need to be addressed, but they have chosen to build a $300 million plus pier over completing the physical plant for the schools—

The Speaker: Honourable Deputy Premier.

Point of Order

Hon. Moses I. Kirkconnell, Deputy Premier, Minister of District Administration, Tourism and Transport, Elected Member for Cayman Brac West and Little Cayman: Mr. Speaker, on a Point of Order, the Member is misleading the House by continuing to say it is a $300 million dock. That number has never been put any place in the business studies that I am aware of.

The Speaker: Honourable Leader of the Opposition do you have any documentation that says that this is a $300 million dock?

Hon. D. Ezzard Miller, Leader of the Opposition: We have no documentation period on the docks. We have asked and asked, but it is common knowledge out there, and if the Minister will care to elaborate, I will be quite willing to sit down for him to tell me exactly how much the cruise pier is going to cost.

The Speaker: Honourable Minister, do you wish to do that now or do you wish to do that in your substantive debate?

Hon. Moses I. Kirkconnell, Deputy Premier: Thank you, Mr. Speaker.

Mr. Speaker, I will respond to the Member when I debate.

The Speaker: Honourable Member, if you do not have documentation that says this is a $300 million dock, I would prefer you not to use that sum for the records.

Will the Member continue his debate?

Hon. D. Ezzard Miller, Leader of the Opposition: It will be very interesting to hear what the cruise pier is going to cost, and if I am wrong, I accept that I do not have the written proof of the $300 million, but I believe a couple of us were around when the Minister himself indicated, but I will not hold him to that. I will leave it until he gets up. He will have two hours, he can explain it. I know this much and I want them to correct this—the dock is going to cost more than a primary school and it is going to cost more than the completion of the John Gray High School. Forget the figures!

[Pause]

Hon. D. Ezzard Miller, Leader of the Opposition: My grandfather said in church one time he made the mistake of saying that Jonah had swallowed the whale and grandma Julie told him, *no Jackie it was the whale that swallowed Jonah*. The important thing here, the dock is going to cost more than the schools. If it is not, then—

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

The Speaker: Honourable Premier.

Point of Order

The Premier, Hon. Alden McLaughlin: I have sat by patiently. The Member is deliberately now misleading the House. There is only $3 million dollars provided for the project cost, the development cost, planning design cost of the cruise port in the current budget; that is all. This constant comparison of $300 million and you are not building the school… there is not the money for the construction of the cargo port in the current budget and we have made it plain, it is not going to be financed by Government anyhow.

The Speaker: Thank you.

Honourable Member, for some time you have been elaborating on this $300 million, not just since we started back after lunch but before that. I think you should move on.

[Inaudible Interjections]

Hon. D. Ezzard Miller, Leader of the Opposition: I am shocked; I am shocked. We are going to bid on the docks and we are letting out certain stuff in November this year—well procurement for the docks—and we are only putting money in the 2018 and the 2019 Budget to do the design? Accept that I am wrong—

[Inaudible Interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: It is going to be an interesting exercise in Finance Committee to drill down and determine just how this $9.6 million is being divided and how much is going into administration and shared services to the individual schools. Part of the huge problem in the schools is that for years they barely get enough to get by, and often, they get enough to get in trouble. I can tell you from personal experience, that we are doing a disservice to SEN children when they have to wait six weeks and two months to get an assessment. Some parents can afford to go and get the private assessments in the meantime and can afford to send their children for private lessons. The majority of Caymanians do not have that luxury. Time to sink the dock and float education so all children can benefit from the rising tide.

The Premier also says in his Policy Statement that $36 million is being invested in education over two years, but again, it is a huge smorgasbord of things, any one of which if done properly could consume all the money. Here is what it is expected to cover: computer software and equipment. Most of the schools' computers and equipment are four and five years old. I am sure Members in this House are fully aware of how quickly computers get out of date. Many of the smart boards are five and six years old; many are not working.

Mr. Speaker, needed improvements at Bodden Town Primary School; that alone, if they address the needs of the school, including the Assembly Hall that they have had drawings for several years, is going to consume 25 to 30 per cent of that figure. Not to mention the kindergarten children playing on rocks as big as my fists with no lawn, no nothing, no cover over their play area, and the few places that they do not have rocks they put sand—with all the wild cats we have in this country. Three and four-year-olds sometimes find it difficult to tell the difference between hard cat excrements and a piece of stick, but that is okay; we are going to build a dock.

Savannah Primary School, again, the needs of that one school can consume 30 to 40 per cent of that figure. Red Bay Primary School is the same thing. You do not have to take my word for it; take the time to do what the Members on this side did—go and visit the schools and look around. Blind Bartimaeus can see the problems, if you do not slip down in the corridor from water first—as well as University College of the Cayman Islands (UCCI). The amount is also expected to start the initial planning for a new West Bay Primary School as well as the completion of the John Gray High School. I am going to make a big assumption here. I am assuming that what you are talking about completing is the plans for John Gray High School because I cannot imagine what you could build after you take all of those other things out of the $36 million and call it a high school. Understand, the Members on this side support this, although I must tell the Minister of Education that the Member for East End and I are a little bit concerned that the needs of East End Primary and Edna Moyle Primary schools are excluded from that $36 million over the two-year period. Remember now,

we are not going to be back here next year bargaining for money. This is two years.

The Members on this side, contend that for these schools to get the proper attention in this two-year budget cycle, that amount of money needs to be closer to $100 million, and we have $141 million surplus over that two-year period. Time to sink the dock and float education so all children can benefit from the rising tide. At least, give us the $3 million that is in the budget for the Port and take the balance from the $141 million surplus—oops, oops, oops, oops, oops, apologies again; forgot that surplus, the duppy does not exist. However, in case we do find it, which I hope we will in Finance Committee, let us put some of the $141 million surplus in education for our children.

Let us be bold, let us be brave, let us take action, let us no longer empathise with these suffering children and suffering parents. Let us put the money there and fix the place properly for them. You know it would be interesting, but we would probably never know, what the actual submission was for this budget from the Education Ministry and what would be their true needs for education if they could get that kind of investment in education. It would be very interesting.

There is an old adage: "If you think education is expensive, try ignorance." Time to sink the dock and float education so all children can benefit from the rising tide.

Healthcare is a mess. In January 2017, the Office of the Auditor General did two very comprehensive reports on healthcare in the Cayman Islands: one on the Cayman Islands health system, which for the first time actually documented what was out there in our country in the health system and referenced it to some international standards which gave us a good view of what it was like. The second one was, "Ensuring Quality Health Care and a Healthy Population". I would have hoped that these reports, and I know they could and thy should have, served the Government well in preparing this budget but listening to the speeches and reviewing the Plan and Estimates seems quite clearly both reports were ignored. The report "Ensuring Quality Health Care and a Healthy Population" was particularly critical of the system and pointed to many inadequacies, some of which should be addressed and arrested in this budget cycle. Instead, what we have in this budget is the same old inadequate incremental increases with none of the boldness that is needed to transform healthcare in the Cayman Islands.

[Desk thumping]

Hon. D. Ezzard Miller, Leader of the Opposition: The Executive Summary of the report, "Ensuring Quality Health Care and a Healthy Population"—

Mr. Serjeant, could you photocopy this for the Speaker for me please or do you have an extra copy in there?

[Pause]

Hon. D. Ezzard Miller, Leader of the Opposition: The Executive Summary of this report states, and I quote from the executive summary on page one: **"More generally the audit found that Government's ability to execute its health-related roles and responsibilities is impaired by weaknesses in two-way communication with its private sector partners and by shortages in capacity. There are resourcing shortages at the Ministry level (where they were identified as one of the major factors leading to delays and implementing the NHPP), within the Department of Health Regulatory Services (where the enforcement of compliance with the *Health Insurance Law and regulations* has suffered despite innovative initiatives that have sought to compensate for shortages of staff) and within the Health Services Authority (HSA)."**

These managerial incompetencies and inadequacies at their ministerial level and the Health Services Authority need to be addressed, funded and eliminated in this budget cycle.

The recent changes in the medical and dental council to remove the Caymanian doctor who was determined to maintain and raise standards, might not have been a wise move. Now, that he is not bridled by the constraints and responsibilities of being Chairman of the Council, he may be more difficult to handle as he possesses the fortitude to not go quietly into the night.

It is particularly disturbing to me as a former health care professional, who spent the better part of my early life establishing standards for healthcare in this country to believe that it is a possibility that being good for business is more important than requiring an English test from a heart surgeon, although we require English test under the Immigration Law for janitors and gardeners.

The Premier should not take too much credit to raise his expectations, that putting the Financial Secretary or his designate, and the Chief Officer of the Ministry of Health on the Board will have any effect on the finances of the Health Services Authority, given the results of the most recent audited accounts which would have to have been accepted by the Board before they were referred to the Auditor General. These accounts would most likely have been approved after they were appointed and the Auditor General had to make some $53 million in corrections to the accounts that the Board accepted before they could be audited on a $102 million operation. In fact, if we include the adjustment for re-evaluation of assets, the corrections were $100-plus million.

I welcome not only as Chairman of the Public Accounts Committee, but just as an ordinary citizen, the HSA's declaration, that they will get a clean audited opinion in 2018. By the way, Mr. Premier, Deloitte was not hired as you have been informed to advise on how to successfully progress the accounts to that point,

Deloitte was specifically hired to identify the problems that do exist; most of which had already been identified by the Auditor General. Another company is going to be hired to implement the recommendations and solve the problems that Deloitte identified. For some strange reason, they took the decision that Deloitte, or whoever won the first bid to identify the problems or confirm the problems as identified by the Auditor General's Office, was prohibited from bidding on the implementation, and these are not cheap consultancies you know.

[Inaudible Interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: That is why I am offering to correct it for you, Mr. Premier, because like I said you were told.

[Inaudible Interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: The budget documents nor the three speeches mentioned any of the recommendations made by the Auditor General in the report, all of which were endorsed and supported by the Public Accounts Committee. We anxiously await the Government Minute in response to those recommendations, which, by the way, is past due by a couple months.

The Members on this side welcome the Government's plan to review the role of CINICO, and given the information contained in the Annual Report from the Cayman Islands Monetary Authority tabled this morning, it may be time to go to a single-payer system. The report is entitled "Cayman Islands Monetary Authority Annual Report 2016". I want to refer to page 30, Table 10 - Domestic Insurance Company Statistics by Primary Class of Business as at 31 December 2015. This table deals with domestic insurance, it deals with property, motor, health, liability, marine & aviation, other, life and a grand total. I just want to deal with the health column.

[Crosstalk]

Hon. D. Ezzard Miller, Leader of the Opposition: I am just interested, for the sake of this presentation—we will get to the other columns which I believe the Government needs to pay attention to, property, and motor, and all of that. Let us look at the health column.

Direct premiums in healthcare were $245,349,000. I am not sure whether this would include CINICO figures or not, but even if it does, what we want to get to is the bottom line. Assumed premiums, $675,000; Ceded premiums, $30,195,000; Unearned premium adjustments, $4,000; Total Underwriting Income for health insurance in the Cayman Islands as at 31 December 2015 was $215,825,000.

Expenses paid, which I would assume is a fancy word for claims - $149,911,000 [*sic*]. Unlike the Government, they do not talk about operational surplus. Change in IBNR, $9,000; Incurred Loss subtotal, $142,563,000; again, I would think it would be to do with premiums. Acquisition and general expenses, $21,743,000. Total underwriting expenses, $164,306,000; Total underwriting income, which could be profit if all expenses were taken out, $51,519,000. End of reference to this document.

Now, this indicates that the health insurance providers in spite of their weeping and wailing are not losing money, and premiums collected are not a small amount. We are concerned that many of the line items in the Ministry of Health are unrealistic given the expenses incurred in this financial period, and they appear to be adjusted to produce a surplus rather than reflect the true cost that should be budgeted. As an example, medical care for indigents is increased by a whopping two dollars over the annualised amount for 2017 and 2019 and has no increase in 2019 over 2018.

Given the lack of opportunities for elderly Caymanians to get employed, including, the provisions in this budget cycle, it is a pretty safe bet that the number of Caymanians certified as to get indigent healthcare will likely increase during the two years of this budget cycle, unless we are going to introduce some formula as one former Member told them in the Bahamas when they asked them about the population issue. He said, *yeah, we have one for one, one dead and one born.* Unless we are going to take one off every time we put one off [*sic*], we cannot keep it constant.

The people on this side support a review of the National Conservation Law, and we are particularly concerned that the National Conservation Law Board and/or the Director of Environment, seems to believe they have a choice in implementing certain sections of the National Conservation Law; in particular, the section in the National Conservation Law that deals with the licensing of spear guns. The Board and the Director of Environment, seem to believe that they can barter the implementation and enforcement of certain sections of this Law, and they will only implement certain sections if the Legislative Assembly and the Cabinet heed to their request to drastically expand the Marine Parks. In most places of the world, that is called blackmail.

I would request of the Deputy Governor that he instructs the civil servants who are so bold to publicly state that they can buy this Assembly and Cabinet or blackmail us into granting their requests, they are duty bound to implement and enforce all Laws passed in this honourable Legislative Assembly and assented to by the Governor—

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: I am going to enjoy that because it's not going to last long.

I do not know, and I have been around this Legislative Assembly for a little while, but I know of no provisions in the Constitution, no provisions in [the] Public Service Management Law or any other law that allows a civil servant or a board established under law to selectively enforce sections of the law. They are paid civil servants and the board might not be paid much but they are also paid to enforce the law and not to take imaginary positions that it is somehow unlawful against the environment to put a farm road on farm land.

[Inaudible Interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: On August 24th of this year, I wrote the Honourable Minister of the Environment, challenging a decision made by enforcement officers of the DOE on a matter in my constituency. This letter is dated August 24th, 2017 and it was delivered by hand to the Honourable Minister. It says:

"Dear Honourable Minister,

"Re: Removal of Ironshore on Block 33B Parcel 266

"The developer of Rum Point Club has removed a substantial amount of ironshore from the above referenced parcel 33B 266.The removal of this ironshore was reported to the Department of the Environment (DOE) because the removal of the ironshore included sections in the water causing a large amount of marl to be washed into the sea in the replenishment zone of the Marine Parks in which the work took place.

"The DOE, according to an article in the Cayman Compass (copy attached) on Monday, August the 21st, 2017, on page 5, sent an inspector to the site on Tuesday, August 15th, 2017, who determined that the work was taken place above the high-water mark and therefore not a matter for the DOE but for the Planning Department. The inspector from the DOE then reported the matter to the Planning Department who visited the site and determined that the developer was working outside the remit approved by The Central Planning Department and therefore issued a stop notice.

"I wish to take issue with the inspector from the DOE's determination that the work was taking place above the high-water mark and not affecting the Marine Park as I have photographic evidence that suggests otherwise.

"I have attached three photos. Photo one taken on July 13th, 2014 shows the shoreline of 33B 266 and the extent of the ironshore and no rocks.

"Photo two taken on May 30th, 2015 again shows the extent of the ironshore and no rocks but it also shows the sludge from the developer's excavation of 32B, 266, running into the Marine Park and polluting the sea. This act by the developer was also reported at the time to the DOE, and to my knowledge no action was taken to prosecute the developer.

"Photo three taken Thursday, August 17th, clearly shows the massive amounts of ironshore destroyed by the developer and the discolouration of the nearshore sea water of the Marine Park while the rest of the Marine Park is crystal clear, demonstrating that work and ironshore removal took place below the high-water mark and therefore should have been the subject of a Coastal Works Permit. The removal and destruction of this ironshore without the appropriate coastal works licence and said ironshore being a natural storm barrier should, in my view, be a violation under the National Conservation Law and in particular, in the Marine Parks Regulations.

"The DOE inspectors, and rightly so, are quick to attest the team and charge members of my constituency who take conch or lobster out of season or exceed the limits in season, and therefore violate the Marine Parks Regulations under the National Conservation Law. These violators are quickly taken to court and often convicted by the courts and heavy fines handed down and the courts may even confiscate the boat, motor, trailer, and other equipment used to catch the conch or lobster. How then can DOE turn a blind eye on this developer's deliberate, wilful, irreparable, and permanent destruction of coastal ironshore and the marine habitat for species of marine life that balance the ecosystem in the Marine Park and especially in a replenishment zone?

"I am requesting that you as Minister responsible, review the photographic evidence and seek a determination as to why the DOE did not arrest, charge, and prosecute this developer for damaging a Marine Park by the removal of coastal ironshore and killing the marine life attached to this ironshore.

"I would also seek to how the inspector determined that the work was being done above the high-water mark when photo three suggests otherwise.

"I ask for your urgent attention on this matter as it is my experience with this developer on this project, that he, having being caught doing something without CPA permission, will simply apply to the CPA for approval after the fact and the CPA will grant him permission and the developer will gladly pay the increased fee and continue the project.

"I, by copy of this letter and photos to the Director of Planning, inform the CPA of evidence that the coastal work should have had a coastal works licence.

"I look forward to your urgent action in this matter.

"Sincerely,
"D. Ezzard Miller
"MLA for the District of North Side"
[UNVERIFIED QUOTE]

If Members cast their eye on photo number one, there is a coconut tree at the edge of the greenery and you can see all of the ironshore and the sludge running out. Photo two, same coconut tree, but it identifies

the large quantity of ironshore. Photo three, same coconut tree, no iron shore, and you can see from the colour of the water, and all of you who live by the coast know that if that was natural mud it would go all the way to the reef, because there are times when the weather itself stirs up silt but it goes all the way out to the reef. This is two months, to my knowledge, and neither DOE nor Planning has done anything about this letter. We need action not empathy.

There is no justification to drastically expand the Marine Parks when the DOE continues to demonstrate that they are incapable of properly enforcing the law in the current Marine Parks. We need to make sure that the law is enforced fairly and equitably on all residents, citizens, and visitors of this country. We are going down a path in this country where the less fortunate Caymanians are beginning to believe that they are being deliberately victimised and deprived because they do not have the money to hire fancy lawyers, and if we do not stop… The community is not going to respect the DOE enforcement officers who selectively enforce the law.

Do we really believe that the people in my constituency who fish for a living and go to get three or four conchs to fish with, can accept that they will be arrested and punished, put in jail, but a developer can come in and do anything he wants, and this particular … Well, I am going to deal with it when I get to my constituency matters because I got quite a bit to go time wise.

We support the Government's plan to hire 75 new police officers over the next three years, and we also believe that increasing community police is a wise way to deploy these resources. However, we would strongly recommend that the Government considers sending these new police recruits overseas, preferably to the UK, for at least a year to receive proper training. We do not subscribe to the idea that we can properly train a police officer in three months at Governor's Square. We also recommend that all avenues be exhausted to ensure that these 75 new policemen are Caymanian.

[Pause]

Hon. D. Ezzard Miller, Leader of the Opposition: Now, I heard on the news this morning that some wise-guy land owner believes he can block off a beach access because he determines it is being used for the wrong purposes. Someone needs to—

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: If you would stop interrupting me I would have been finished long time.

Someone from the Police Service needs to tell this land owner that we have a Police Service that is supposed to enforce the law, but, of course, again we know it depends on who you are and what the CPA … and I want to make it clear that I know this is not the elected representatives doing these things.

We find the CPA granting constructions of tunnels across prescriptive rights-of-way to Seven Mile Beach. The one that they already granted, blocks two. If they grant the extension it is going to block three, and I know that they have the prescriptive thing because I was involved with the concerned citizens' group in the 80's when we put up the swimming signs.

How is it possible, Mr. Attorney General, that one arm of Government can ignore another law? We just passed the Public Land's Law that says there are specific provisions in the Public Land's Law to prevent the blockage of these beach access ways. The same developer that dug up the ironshore, the CPA approved a seven-foot chain link fence across a fire access to the next door condos on which there is an easement registered and, in so doing, also fenced off the prescribed beach access that is on his property.

The Speaker: Honourable Member you have 10 minutes left.

Hon. D. Ezzard Miller, Leader of the Opposition: I complained. I took Government representatives there, showed them, and Planning Department told me, *Oh, don't worry about it because the developer says that if the fire truck comes, they can just drive over the fence*. The Fire Department told me they do not have a problem with it because he promised not to put a padlock on it. Now what is the purpose of erecting a seven-foot fence to protect your construction material if you are not going to padlock it? You can go there now; the fence is up now.

We spent hundreds of thousands of dollars to improve the safety of the Water Cay, Rum Point, Sand Point junction. A man came in and built a concrete wall, destroyed all of that money government invested. We have had at least two accidents there already because the view is blocked. The fill that he piled up in order to raise the height of the fence above four feet, is 18 inches onto the premixed hot mixed asphalt. I carried the people there and they said they do not think it is in the road. You can go there now. Where is the enforcement arm of government? In the meantime now, people in my constituency who are getting old like me and want to build a little *[INAUDIBLE]* house, are told they cannot use eight-inch J-bolts with a two-inch washer and five year nuts anymore, to bolt the two by four onto the concrete slab. They have to use some expensive Simpson tie which is going to last maximum five years in North Side because the salt spray is going to rust it away, and they turned down the plan; but this man builds a fence on a ten-year-old plan, you know? Cannot do anything about it. This Rum Point thing has to be sorted out.

The other issue we have is that we are allowing individuals to destroy the family atmosphere at Rum Point, where people have always taken their families in

boats on Sunday and Saturday afternoons, with noise, pornography being displayed, drugs.

[Inaudible interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: That is what I am telling you. I anchored there with my family and the boat came in and dropped anchor on top of my anchor and took out and lit up a spliff bigger than any cigar I ever smoked in my life.

[Laughter]

Hon. D. Ezzard Miller, Leader of the Opposition: The Police Boat was within sight of me, you know. I told my dear wife and family we need to leave because otherwise I am going to test positive for ganja tomorrow.

[Laughter]

Hon. D. Ezzard Miller, Leader of the Opposition: I cannot afford that being representative for North Side.

The party boats, to the best of my knowledge, those licences that those party boats have, say they cannot play music within a quarter mile of shore. Up there, they are in the 200-foot zone and it is not good sounding music.

[Inaudible Interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: Oh no, no, no, no—

[Inaudible Interjection]

Hon. D. Ezzard Miller, Leader of the Opposition: I need to request of the Minister responsible for the Water Authority and for the road. The road has finally been built where it was gazetted to go, so the Water Company could not put it in before because although the road was gazetted, the Government had made a decision in the '90s to relocate the road. I did not pressure them to put in water, but we have quite a few people who live at the end of that road now who need water. I am hoping that in the next budget they can put the water in there.

We have a serious problem with subdivision roads; not just in my constituency, but all over the Island. When people apply to Planning for subdivisions, they have to provide 30-foot roads and they have to provide 30-foot roads to connect to arterial roadways or other established roadways. Every developer I talk to is quite happy to have government gazette those roads. I cannot understand why we cannot take the survey that is submitted for the housing scheme to plot the lots and just gazette it based on that plan. What is happening now, right on this same Further Road—

[Inaudible interjection]

Hon D. Ezzard Miller, Leader of the Opposition: I know that but the Government does not know that.

The Speaker: Honourable Member, you have carried on your speech for a long time and *[INAUDIBLE]*.You refuse to acknowledge this Chair. I have said so to you and I have written to you. You know, because you are not a young Member of this House, that you address the Chair and I am not saying anymore—

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

The Speaker: *[INAUDIBLE]*

Hon. D. Ezzard Miller, Leader of the Opposition: Mr. Speaker, I do not want to get into any argument with you. I established protocol at the beginning of my speech this morning. I established protocol at the start of my speech after lunch. There is no requirement in Standing Orders to say "Mr. Speaker" once the protocol is established. Most of us use that word to think—

The Speaker: Maybe, but—

Hon. D. Ezzard Miller, Leader of the Opposition: It cannot be any *maybe,* Mr. Speaker, now.

The Speaker: Honourable Member, please sit down. Thank you.

You know that you are not addressing Members as such. You know what the rule is and you are refusing to do so. I have written to you… made a note to you to say *kindly acknowledge the Chair.* Whether [or not] you like the person in this Chair, this Chair is the Chair; and you might have said "*Mr. Speaker"* once or twice and it is obvious that it was deliberate. By you [doing] that, you are not setting any standards. The protocols are: the Chair is recognised. At least you are not talking to the gallery, you are not supposed to; and you are not talking to Members, you are talking to the Chair. That is all I expect. Thank you.

You can continue your speech.

[Pause]

The Speaker: Is the Member for North Side continuing his speech?

[Inaudible interjection]

The Speaker: In that case we will take the afternoon break for 15 minutes.

Proceedings suspended at 3:50 pm

Proceedings resumed at 4:19 pm

The Speaker: Proceedings are resumed.

Does any other Member wish to speak? *[Pause]* Does any other Member wish to speak?

The Member for Bodden Town West.

Mr. Christopher S. Saunders, Elected Member for Bodden Town West: Thank you, Mr. Speaker.

Last weekend, as I started going through the budget review and started looking at everything, I actually realised I owed you a book. You loaned me a book some years back and come to think of it, I do not think I am actually going to give it back to you, I am actually going to keep it. It was a book that I borrowed from your library that spoke about Mandela. Yeah, that is the one I am missing and I am not giving it back to you. Actually, come to think of it, I think you may have given it to me. One of the things that I took out of that book was a poem that Mandela read almost on a very regular basis while he was in prison and the name of that poem is "Invictus" and it says:

"Out of the night that covers me,
Black as the Pit from pole to pole,
I thank whatever gods may be
For my unconquerable soul.

In the fell clutch of circumstance
I have not winced nor cried aloud.
Under the bludgeonings of chance
My head is bloody, but unbowed.

Beyond this place of wrath and tears,
Looms but the Horror of the shade,
And yet the menace of the years
Finds, and shall find, me unafraid.

It matters not how strait the gate,
How charged with punishments the scroll,
I am the master of my fate:
I am the captain of my soul."

Mr. Speaker, this is my first Throne Speech/Budget Address and it is very easy sometimes when you are sitting by yourself to put together different words. I think last weekend was a little bit more challenging in the sense that there was this nice little editorial in the Friday paper by the editor of the *Cayman Compass,* David Legge. I can tell you, Mr. Speaker, my first draft was actually filled with fire and brimstone and I said to myself, *you know, Chris, why should you just really and truly waste time on a man who I think the Premier has already dealt with in this House and has already showed the people the man's true colours?* I also looked at some of the things that had happened, because one of themes that we looked at as we were preparing for this was, how can we make a better future by learning from the past? One of the things that we wanted to make sure that we contributed to this Address was at least something constructive and meaningful.

As a person who has worked in the financial services industry and also in the tourism industry, I do recognise how important those industries are; and at the same time, as a person who travelled with you when we were doing the bond and selling the Cayman Islands, we recognised just how much research many people did on the Cayman Islands, and as such, I am very careful to guard what I say publicly because people (especially our competitors) use those stories against us.

I remember coming back from New York when we finished the bond and I said that I needed to have a word with the late Desmond Seales, because some of his editorials in the *Cayman Net News* at the time, really made it very difficult for us to sell the Cayman Islands at a time when we needed to sell it.

Mr. Speaker, I am glad you actually took the time out to, I guess, this morning, raise the issues in terms of what this House can and cannot do and in particular, the PAC. One of the things that I did when I was first appointed to the PAC was I started looking at the PAC hearings of the UK Parliament and also the congressional hearings in the United States, and I want to tell all and sundry that if they think that the PAC here in Cayman is rough, they need to take a look at the PAC in the UK Parliament because those guys over there take no prisoners. From bankers to senior executives, they called every single person inside there and rake them over the coals.

One of the things that I think we need to be mindful of in learning from the past is that we are still a young country. It is very easy for us to compare ourselves with what is happening in countries in North America and Europe, but we need to be mindful that just about every single country in Europe is more than 1,000 years old. The great United States is 241 years old. Our neighbour Jamaica is what, 55; Trinidad is 55, Bahamas 44, Barbados 51, something like that, and we are still, as the old people say, *in the belly.* We are still young, so it is important for us to recognise that some things that we did in the past, we need to make sure we learn from them.

I remember when I first started putting together the speech, I looked at Dr. Syed who we brought in from UCCI. Over 100 different applicants. The man had every qualification in three different disciplines: Computer Sciences, Marketing, Engineering; and [with] over 100 people, he slipped past us. The PAC, I can assure you, Mr. Speaker, had I been a Member at that time, personally, that would not have gotten past me.

Mr. Speaker, I also look at our role inside here as legislators; people who make laws. I think about that lady from the Pines who stole $300,000 and took off; never prosecuted. Yet, you right here in your own country who have nowhere to go to, prosecuted and persecuted. This, ladies and gentlemen of this honourable House, is not how we build a society. Something I want us to make sure of is that, at least for me as a new legislator coming inside here, I want to make sure that

what I contribute to this House is enough to attract more people from my generation and the next generation to want to get involved in public service.

What I want to make clear is looking at the budget—and I'm just kind of getting into the crux of it. Earlier today, the Honourable Leader of the Opposition spoke about the virtues that Gandhi raised concerning the seven virtues, and when we came across that last week, I spent some time looking at it and I found a nice article which—I have a copy for you here Mr. Speaker, do not worry. I really do not need it but I just want to give you a copy because I actually think it is something worth sharing. This one is actually entitled "The Seven Deadly Sins" by a guy named Marcella. He basically took the virtues of what Gandhi spoke about and expanded on them, and when he says *wealth without work,* this refers to the practice of getting something for nothing, manipulating markets and assets so you do not have to work or produce added value; just manipulate people and things.

Warren Buffett first raised this issue back in 2003 when he spoke about weapons of financial mass destruction. Capitalism itself was built on doing something, doing it well, and getting paid for it. What we have created in a society now is people not creating wealth but rather taking someone else's hard work, manipulating around and getting rich for it. One of the things that jumps to mind with it, Mr. Speaker, is the pensions; in that, whether you want to accept it or not, we have created a culture in this country where government is mandating too many people in the public to give money to private companies. That is wrong. That needs to stop.

The only entity that I can tell you or tell this honourable House that will be here in the next 30/35/40 years to pay anyone the pension that is due to them, is the Cayman Islands Government. Had we had a situation or a repeat of the 2008 financial crisis 25/30 years from now when another bubble bust, the reality of it is many people's pensions would have been wiped out. We already saw the impact on our own pensions during that time and yet our pension plan was still young.

Whether we want to accept it or not, Mr. Speaker, we have to start looking at our own national insurance. We also have to look at a vesting period because at the end of the day we cannot have people paying money into private companies and they are getting rich from other people's work.

Another simple thing, Mr. Speaker, as simple as you see it, is even the way in which we have people advertised for jobs or work permit renewals. What is to stop the government from having those same ads gazetted and making revenues from it? Why should we really and truly sit down here and guarantee a private company just to make tons of money off of work permit ads when, in fact, that is something that we could be doing ourselves, or in some cases, putting it online. We need to stop this habit of having private companies in this country make money for nothing,

Mr. Speaker, another thing that they spoke about was pleasure without conscience, and it is that mentality that our people have now taken up, like, *what is in it for me? If I cannot get something from it I am not going to do it.* The late United States President, one of my favourites, John F. Kennedy, in his inaugural speech back in 1961, had asked Americans to ask the simple question: **"Ask not what your country can do for you – ask what you can do for your country".**

Knowledge without character is another issue that we looked at and one of the things that the author said which I find to be –

The Speaker: Honourable Member, it is the hour of interruption.

Honourable Premier.

Moment of interruption – 4:30 pm
(Suspension of Standing Order 10(2))

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

Mr. Speaker, I move the suspension of Standing Order 10(2) in order that the business of the House may continue beyond the hour of interruption.

The Speaker: The question is that Standing Order 10(2) be suspended in order for us to continue after 4:30.

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

AYES.

The Speaker: The Ayes have it.

Honourable Member for Bodden Town West.

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

Mr. Speaker. I was talking about the third point, knowledge without character, and he said: **"As dangerous as a little knowledge is, even more dangerous is much knowledge without strong, principled character".** *Purely intellectual development without commensurate internal character development makes as much sense as putting a young child in front of a high-powered car and then putting drugs in their system*, or something like that. We have many young kids in this country and while I was actually sitting there, I had a few students who are overseas, [who] were messaging me on Facebook asking me when I wanted to speak because they wanted to hear what was going on in the House. I was kind of glad to see that because it says that our young kids who are overseas are tuning in. One of them I think is a very outstanding young man, and especially since he is watching and is really a decent young man, I am hoping one day that he himself would consider going into public service. He was highly

involved in the Youth Parliament and he was quite outstanding during that time.

One of the things that we as the elected leaders of this country need to make sure of, is that regardless of whatever the differences are, we still maintain some character, some level of civility and we deal with each other with respect and everything else.

I will not go back into the other three but the one I wanted to look at was politics without principle. One of the things that he said, and with your indulgence, Mr. Speaker, it is point number seven. He said: **"If there is no principle, there is no truth north, nothing you can depend on. The focus on the personality ethic is the instant creation of an image that sells well in the social and economic market place. You see politicians spending millions of dollars to create an image, even though it is superficial, lacking substance, in order to get votes and gain office. And when it works, it leads to a political system operating independently of the natural laws that should govern… The key to a healthy society is to get the social will, the value system, aligned with correct principles. In the best societies and organisations, natural laws and principles govern—that's the constitution—and even the top people must bow to the principle. No one is above it."** As I said before, Mr. Speaker, this House must lead by example as our children are listening.

When I spoke to many people in terms of preparing this, one of the things that really caught me out was… Some of the people I seek advice, counsel [and] guidance from are indigenous Caymanians, new Caymanians, and in some cases, even work permit holders, and what that serves to remind me is that the success of this country was built on every single person working together regardless of where they originated. Next year will be 80 years since my grandmother arrived in the Cayman Islands. She first settled in Cayman Brac where my uncle George McCarthy was born, and a few years later she moved to Grand Cayman while she was pregnant with my mother. My own father arrived here in the early '60s when Cayman had few opportunities, and like many people then, he had to go off to sea. Their genesis in coming to Cayman reminded me of two things: I remember my grandmother speaking about how warmly she was welcomed arriving from Jamaica as a young girl with very few skills, but she could sew and she sure as hell could cook, and I think that is where Champion House came from. My father went to sea with National Bulk Carriers. My grandmother's presence showed us how welcoming we were to people, and my father going off to sea showed how welcoming people were to us. Many people who went off to sea came back with good stories of how they were welcomed.

Mr. Speaker, I am happy that the Cayman Islands is in a place today where we can repay the hospitality that was given to our forefathers when they had to leave here to go make a living elsewhere, and for that I am grateful.

Mr. Speaker, we also have to recognise, and people who have just arrived at our shores need to also recognise, that even though we are a developing country, and yes we will make our own mistakes like many countries did, we still have our own value system, our own culture and our own heritage. For many people who try to come inside this country and impose their values on us, I would just like to politely remind them, you came here to make a better life for your family. If the environment you were coming from was so great, you would have stayed. Do not try to change my country into where you left from to make a better life for your family. I do not want to make it appear as though we are anti anyone coming, but people also need to accept that we are in the Cayman Islands, and, at the end of the day, and I can say this, Mr. Speaker, as a person who went to school, both in Kingston, and New York, I got my education and I left. I did not get inside the country's business, and I got my education and I came home to do what I can do in my country. People have also got to accept that in this country and where we in this House sit, Caymanians must come first in all that we do. It is not anti-anything else; it is just us looking out for what is best for our country.

Mr. Speaker, another thing that I looked at, is something called the Human Development Index. That was something that was created in 1990 by the United Nations. The purpose of the HDI was to shift the focus of development economics from national income accounting to people centred policies. They looked at three basic metrics at that time: life expectancy of the country, the education level, and the GDP per capita. Those were the three basic things that they looked at, and while I will accept that our life expectancy has improved over the years, one of the things that we also need to make sure, is that the quality of life that our people are living as thy are living longer is improved, and this is one of the reasons why health care is one of the things that is near and dear to me.

Right now, Mr. Speaker, there is a young lady at the HSA who worked for a company for 24 years—she is the same age as me, that is 44 years of age—and her daughter specifically asked me to tell her story. I will leave her name out because it is irrelevant to the story but there is a lesson to be learnt from it. She worked for a company for 24 years. She got a stroke and she had to be hospitalised—which I can tell you from personal experience, I do understand where the family is coming from because that was one of the things that my own father suffered from. At that time, the company had to let her go because she was sick for quite some time and the family was then forced to get insurance elsewhere. Unfortunately, she could not get any insurance, and if she did, she could not afford the premiums because no one is going to insure you when you are sick and in the hospital. She had to turn

to CINICO and could not afford the premium from CINICO, so she had to go to the Needs Assessment Unit (NAU) and the family is now being assisted.

I am pleased that the Premier, in his address, spoke about expanding the role of CINICO, but, Mr. Speaker, the truth of the matter is, we have to do much more with CINICO than expand it. We have to start by asking ourselves a simple question: Do we see healthcare as a benefit or do we see it as a right? If it is a benefit as most jobs advertise when they are looking for employees, we can leave things as they are, but if it is a right, then we definitely need to make some changes for it.

Under our current system, young people can leave school at 16, retire at 65. They could have worked 49 years in the private sector and had private sector health insurance during that entire time. At the time when they go to retire at 65, they have no insurance and have to turn to CINICO. At the time in their lives when they most need healthcare and are most vulnerable, what we have done in such a system is that we have allowed the private sector to cherry pick; make all the profit when the person was young and healthy and then leave the taxpayers of this country to bear the burden when the person mostly needs health care in their later life. That is not a burden that we should be putting down and passing on to our future generations. It is wrong, Mr. Speaker, and I am hoping that during the next four years, the Government will do more than just expand CINICO, but rather start looking at implementing universal healthcare, or at a minimum, allow employees to move from job to job with their health insurance.

I can tell you, Mr. Speaker, I am fat, and when you work for small companies and you are fat, they will basically tell those companies, *we are not covering him.* I had to keep working for large companies and that is why my resume looks the way it does, because small businesses could not get health insurance for me, and that is the reason why I had to go that route. As soon as you work for the big companies, they did not care because they looked at the monthly premiums, $70,000, $80,000, or $90,000 a month, they are not going to let me, being fat, come in the way of them making those many premiums. For the small businesses of this country that employ the most people, they do not have that luxury. At a minimum, why I really do feel bad for the family is that the mother's health insurance premium prior to her getting sick was around $300 and something dollars a month and the family begged the business and said, *Listen, keep her on, we will pay the insurance* but the business said, no. Naturally, I can tell you from experience that when you go to renew the premiums the next year and they look at your claims, they then turn around and charge higher premiums for the people who are also within the company and for many small businesses they cannot afford that. Mr. Speaker, whether we want to accept it or not, we need to look at the way in which we approach healthcare in this country.

I know some people were upset with the way in which I attacked the HSA, and I can tell you it is not a matter of being upset but it is a matter that in March 2006 I almost died. I went to the HSA and I was completely misdiagnosed and I was sent home. I was discharged and told I was ready to go back to work. The gentleman in front of me to my right, the Honourable Leader of the Opposition, came to look for me one Monday, drove to town the same day, said to my wife at work, your husband is sick. He needs medical treatment. That same Monday evening we flew to Miami, and he took me to Cleveland Clinic Tuesday morning and I remember the doctors there saying, *oh well he cannot get an appointment until Friday*. Mr. Miller turned around at that time and said, *nope, he needs to see a doctor today*, and in the middle of Cleveland Clinic he pulled out his phone. He dialled 911 and the ambulance had to leave from one side of the hospital to come to the other side to come and get me and he said, *I bet you he will see a doctor now.*

Mr. Speaker, on Thursday I had my first procedure and, by Friday I was in surgery. Every morning, Mr. Speaker, when I wake up and see this 12-inch scar on my back, I am reminded of how close I came to dying because I basically had pneumonia that developed into emphysema and sometimes I can still feel part of my ribs where they cracked them to get there. Thus, Mr. Speaker, healthcare is no small business. It is a business that we need to take seriously, and thus the reason, while I am supportive of always giving Caymanians an opportunity to prove themselves, at the end of the day if they are not delivering what we expect them to do then we also need to give someone else an opportunity to do so, but not in a place that is tasked with saving lives. When accountants get it wrong, people go bankrupt. When lawyers get it wrong, they go to jail, but when doctors get it wrong, people die. Therefore, it is something that we should take seriously and not play around with it.

Mr. Speaker, one of the themes that the Opposition is stressing more than anything, is education. When we say education, we are talking about investment in people, and the example that I want to draw to this country also, is one of the earliest examples I came across of people investment where we were given two countries and the characteristics of the countries, with no names. There was a country that had every single natural resource known to man; from minerals to oil, you name it, and it was one of the poorest countries in the world. We were then given another country that was roughly the size of the state of California, and 70 per cent of the country was mountainous and pretty much they did not really have any natural resources. To make matters worse, someone dropped an atomic bomb on that country twice. The first country was Nigeria and the

second country was Japan, and what Japan did to really push themselves forward, similar to Singapore and other countries, was to invest in their people.

We have a good problem in our country, Mr. Speaker, in that we have more jobs than we have people, but at the same time, we must also recognise that we have a consumption tax system where the bigger the Government gets in terms of its spending, the more we will need for people to consume to pay for it, and if we have Caymanians and just about everyone consuming, then, the question is: how can we encourage people to save? Simply put, the day Caymanians start to save, government is going to go broke, in a nut shell, but saving is supposed to be something good. That is why it is important for us to sit down and create that national plan because we just cannot be building this country as is, having it run on inertia.

Mr. Speaker, when looking at page 384 of the Annual Plan and Estimates and at the three years, we will see that revenues went from $944 million to $985 million, a $41 million increase in three years, but during the same period, expenses went from $795 million to $926 million; $130 million [increase]. That is a $70 million gap between revenues and expenses in three years. When we look at the fact that the Government has, I think $59 million there as their surplus, it means in the next three years at that rate by 2022, we would have been back into a deficit position and this does not include capital. This is just the entire public sector going. Mr. Speaker, it is those kinds of efficiencies we need to look at.

We also need to recognise that somewhere within our tax system . . . and I cannot tell you that I have the answers and I am not going to sit and try to tell everyone or anyone that this is something that we can fix overnight. We did not get here overnight but it is going to take us some time to change it. The reality of it is that we do have a model that literally encourages people to spend and the average Caymanian can sit down and find themselves working five, ten, fifteen, twenty, twenty-five, thirty years, and if I was to go and ask them right now to show me five per cent of your total income or three per cent of your total income that you have earned over that period of time and compare that to how much you have saved, I can tell you it is not there.

I came across a story on YouTube where someone was speaking about their life, and it was a survey that was done where they had asked the average American, if they had an emergency where they needed to find $400, 47 per cent of the population could not find $400 in an emergency. As we look at that system and in considering that that country has an ability to print money and just run themselves into debt upon debt upon debt, we do not have that luxury.

This is why it is important for us, especially, where the budget is concerned, because we are limited in the tools that we have to move our economy. The truth of the [matter] is, Mr. Speaker, this Government, previous governments, and future governments have to face one fact, at some point as you are growing you are going to need both monetary policy and fiscal policy to move your country. We only have fiscal policy. We have no control over interest rates, we are at the mercy of the banks and at some point we have to sit back and we have to say to ourselves, *At what point do we take our economy?*

Looking at the United States, they have the Federal Reserve System and two things that the Federal Reserve is charged with are controlling unemployment and controlling inflation. That is something that the politicians basically gave to the Federal Reserve System because it is very difficult as politicians when you do need to be popular and you do need votes, to lean one way as opposed to doing what is right. There is always a big difference between what is popular versus what is right and that is where we need to find our balance. I do not know if the future, at some point, is that we are going to look at creating institutions where we move certain aspects away from politicians and start looking more at other institutions to manage it; however, at some point we must recognise that the current system that is running as is, is not going to work and it cannot work. The reality of it, Mr. Speaker, is if we have one economic crisis or one major shock to our system, we can easily find ourselves right back to where we were in 2008.

Mr. Speaker, one of the other things that I have always said is, as much as we talk about GDP and GDP growth, same as with the Human Development Index, GDP per capita or economic productivity is really what matters. In essence, Mr. Speaker, if you have five people living in a house and the household income is $20,000 the average per person is $4,000. If you now have 10 people living in a house and it moves to $30,000, yes, there is growth in household income but the average is now $3,000 per person. So, even though there is a 50 per cent increase in the household income, it is a 25 per cent decrease in the average per person. That 25 per cent decrease is your unemployment and your underemployment.

If you look at the 2016 Annual Economic Report on page six, and look at just the key economic indicators, you will see that, when we look at the pillars of our economy, namely, the Financial Services and Tourism, we will see that on the tourism side, the air arrivals (and this is just the 2016 numbers that we have), are pretty much flat and cruise tourism is slightly down. I expect that cruise tourism should go up this year because of the hurricanes in the Eastern Caribbean. When we look at financial services, we will see that insurance licences are flat, mutual funds are down, new company registration is down, and bank trust licences are down, but at the same time the population is going up. What that tells us, Mr. Speaker, is that the pie is getting smaller but there are more mouths to feed on the pie, and at some point, someone is going to start starving. Like I said, these are the ESO [Economic and

Statistics Office] numbers, Mr. Premier, so I can only go by what is there.

Mr. Speaker, when we look at financial services, many Caymanians do not really pay financial services, I guess, as much respect as it should to some extent, and the reason being is that the financial services industry has done a poor job ensuring how their industry actually benefits the actual Caymanian. The truth of the [matter] is, Mr. Speaker, in order for us to start turning around the decline in the financial services industry, there is going to be some hard decisions to make. Some of you would have remembered back in 1998 the OECD [Organisation for Economic Co-operation and Development] launched something called "The Harmful Tax Competition" and one of the things they were pushing at that time was substantial presence, and that was one of the things that was supposed to put a little bit more pressure on us, but luckily for us, in the 2000 US elections Paul O'Neill became the US Treasury, Secretary and he pretty much just dismissed that. Under the George W. Bush administration we got some reprieve in them saying that we do not really think it is important. We are more interested in transparency and tax information.

Mr. Speaker, the OECD is back again and the latest thing now is BEPS - business erosion and profit sharing [*sic*]. One of the fine prints in that initiative is again, substantial business presence. Now, whether we like it or not, if we are to survive this round, we have to make some changes or decide to either tell the OECD to get lost or something, but the reality of it is it will require some changes to the way we do business. It probably will require some changes to our Immigration Laws but it will require some changes for us to attract the people who we would need to create that substantial business presence. Again, that is something that the Government itself will have to decide in terms of the approach but I just wanted to point it out. The reason I want to point it out, Mr. Speaker, is because I remember you in this House, probably sitting in that Chair during when the first PPM administration had warned them, concerning the financial crisis and did they listen? I think history speaks for itself in terms of what happened then, and the financial strains that the country had, and I just want to remind the PPM administration also of the same thing in that regard.

Mr. Speaker, the other pillar of our economy is tourism, I am happy to see the Government actually doing something with the airport. I am glad to see the expansion going through and I really hope that we have an update of the national tourism plan where we are going to start attracting longer flights, hopefully get more Europeans and more Asians into our country because that would definitely improve our stayover numbers. I think at the end of the day stayover is still the way to go. Equally, cruise tourism; in the last two years, it is the first time globally where cruise tourism surpassed air arrivals, and the reality of it is that cruise tourism will be important to our economy. Tourism is still the only industry that creates the most entrepreneurs with the least amount of direct investments. At the end of the day we just need to make sure that whatever it is we are doing, that our people will actually get a piece of that pie.

In cruise tourism right now, in the transportation business alone, it is my understanding that it creates over 1,000 Caymanian jobs—in that sector alone with those Caymanian entrepreneurs. From that stand point, Mr. Speaker, it has its role to play. Now, when we look at the FCCA [Florida Caribbean Cruise Association] report and see the share of the pie of the $3.1 billion dollars that is spent on Caribbean tourism, seven islands, I think, have roughly 67 per cent of the total based on the 2015 numbers if my memory serves me right. The Cayman Islands, I believe, is like number five on that list out of the top seven, so I think we are around just about seven per cent of the market, about $208 million of that $3.1 billion.

The question I have, Mr. Speaker, with regards to the cruise tourism, and we can probably accept that the pie is not going to be bigger, but we need to ensure that if we are going to embark on those capital projects, that we are not just looking to protect what we have but also to grow what we have. Any strategies that anyone is doing from a business standpoint, must achieve one of two things or both: protect or grow. We need to make sure that we do the financing right, we do the planning right, and that our people benefit from it. We cannot just sit down and just hope, just throw darts on the wall and hope something sticks. I am a stickler for planning and I guess it is just my nature, based on the discipline in which I operate.

Mr. Speaker, one of the things I wanted to touch back on is education and the people investment. When we look back again at the HDI statistic, the metric Human Development Index, the education level and the GDP per capita is key and whether we want to accept it or not, that investment in our people as a service based economy is the only way in which it can be done. We do not have oil, we do not have diamonds, minerals, or anything, but what we do have is our people, and it is that investment that we must do, but equally so, we also have to recognise and accept that there are some unscrupulous business people in Cayman who just do not want to hire Caymanians. They sit down and the reason given is that they blame our education system. I can tell you, Mr. Speaker, that I have been to some of the graduations last July or thereabouts. We have some very bright children in this country and what we need to accept and also understand is that it does not matter how bright our kids are, no matter how well they do, they cannot compete against cheap labour and cheap labour is an issue that this Government and this body will have to find a way to deal with at some point or the other.

Whether the Government recognises it or not, the Government themselves by their own procurement policy, actually encourages cheap labour. When you

are going to give the bid to the lowest contractor or the lowest bidder, or award the contract to the lowest bidder, in essence you are basically telling them to go out and get the cheapest price. I am therefore pleased to see that the Premier in his address, at least, is looking now at scoring bids based on the percentages of Caymanians employed, because ultimately I think this is one position in which the Government must play a more leadership role in developing in this country.

It is unrealistic to say to our kids to stay in school, work hard, get good grades, go off to college, come back, and then they cannot get a job. Now, what I find really ironic is the fact that they complain about our domestic education system that it is not producing kids that are work ready, but when these same kids go off overseas into their education system and come back, they still cannot get a job. It leaves you to question if it is really the education system or if it is just outright discrimination on Caymanians, and I think we need to start really putting some sticks in place to deal with some of these companies. I can assure you we just need to publicly deal with one of them and the message will be loud and clear.

Mr. Speaker, one of the things I want to touch on coming out from our visits to the different schools is the segregation within the public school system. We have created a system where expat kids go to private schools and Caymanian kids go to public school. Mr. Speaker, this practice goes against our founding principles. We do not believe in segregation and when you look at even the school results coming out of Cayman Brac that does not practice segregation, you see a big difference in their results. I have come to the conclusion that the further the school is away from the Department of Education, the better the results. Well, it is the truth, I am sorry. When we sit and speak about investing in our people, we need to make sure that we are properly preparing our people for the jobs but also at the same time, we need to recognise that there are changes within our economy bit by bit.

We have already seen some banks now starting to charge people to make a deposit. What people need to also understand is that the bank is not looking to make two dollars from that service. What the bank is actually looking to do is to bring in the North American model where only 26 per cent of their customers actually set foot in a bank. I can guarantee you if we allow this trend to just continue bit by bit, as we start going into the banks we are going to find from 10 tellers and in a matter of time, down to seven tellers, five tellers, then down to two tellers. I can tell you, Mr. Speaker, this is another issue that we need to look at, because one of the things that we need to be mindful of is that when we speak about employment, there are several different types of employment and we have been trying to find one magic bullet to deal with the different types of employment. Some will require training, some will require upskilling, and some will just require much more work than others.

Mr. Speaker, many Caymanians can remember when the men came back from sea and the banking industry was starting. Many just could not transition from being on a ship to being in a bank, but they took on other industries. We have to recognise that we need to ensure and plan properly for what we think Cayman will look like in the next 5, 10, 15, 20 years. The budget itself is a planning tool. The one question I keep asking myself is, what exactly is it planning to achieve? What I am looking for more than anything is to increase quality of life for our people. I think this is where the Government and Members of this House will have to go through and have that conversation with the Caymanian people to say, *well, if we do this, this is what we would achieve.*

One of the things for me that is near and dear, is looking at ways to put money back into people's pockets. Right now, I can tell you the insurance industry (and not to beat on them), is making far too much money on 40,000 working people. It is just too much, and I am hoping that somewhere along the line that my good friend, the Minister of Health, will look at bringing back free healthcare for kids and free healthcare for seniors.

[Desk thumping]

Mr. Christopher S. Saunders: Initially, just that one gesture, Mr. Speaker, will have many single mothers and many Caymanian families saving on their monthly premiums instantly. What some insurance companies are charging just to insure kids, is really not worth it, especially, when we are looking at healthy people. One of the things that we also have to accept is that we do have many healthy people in Cayman in terms of where the insurance is concerned; for the simple fact that right now in the private sector, which is roughly around 60 per cent non-Caymanian, a medical is required from all the permit holders who come here to work, so we get to see exactly up front –

[Inaudible Interjection]

Mr. Christopher S. Saunders: That is all right. Thanks for that Mr. McTaggart.

We do have many healthy people coming here because we are not taking anyone who is coming in with any major cancers or HIV or anything like that, based on some of the metrics that we are looking at. Therefore, it is really unfair to the Government and the people of the Cayman Islands to have insurance companies cherry picking and then leaving CINICO and the taxpayers to take the people that they do not want. That is wrong; straight up.

Mr. Speaker, I do not want to get too much into philosophy but one of the things that most of the great philosophers will tell you is that people need four basic things in order to be happy. They need the ability to grow, freedom to think and to make mistakes; they

need to feel like part of a bigger purpose, and they also need to feel connected. The one ministry over there that has the best ability to achieve most of those things is the Ministry of Education and Sports. The ability to grow where people can learn and see exactly what it is that they can get to, how they can better themselves. I mean that is what people want. No one wants to be in a job for 10, 15, 20 years doing exactly the same thing. They want to be able to grow. They also want the freedom to think, make their mistakes, being part of a bigger purpose and feeling connected—that is what education does. Whether we want to accept it or not, this is one of the founding principles we had, it was investing in our people.

I am from the generation where while scholarships might not have been as plenty as they are today I was fortunate enough to have gotten an education that was paid for by the people of this country. I remember many times being in university, Mr. Speaker, and you and I having conversations, where I would call you and we would, you know . . . those were the good old days, which probably will not come back any time soon but—

[Laughter]

The Speaker: You mean the days that you were listening to me?

Mr. Christopher S. Saunders: Mr. Speaker, or the day I woke up.

In recognition of that, Mr. Speaker, there is one story I want to tell, especially, for our young kids who are probably listening. I made it through high school just by having a really good memory. I never had to study; I could memorise stuff throughout the night before exams, do well. When I went to college, that did not happen; I realised the ability to just do that went through the door. I guess I can say it now, my first year at university, my GPA was 1.69. Now that does not mean I was a dunce; it just basically means I was partying too much in New York having a good time and thought I could have showed up the night before exam, cram, and do well. That did not happen. I decided, you know what? I do not want to be an accountant anyway; to hell with it. I wanted to fly planes. I went to my father and I said to him, *Dad I want to go to pilot school.* He said, *Chris, I am not giving you any money to go learn how to fall out of the sky because when the engine cuts off, those wings cannot flap.* Nonetheless, I decided to go do what I could anyway, and during the time of building up my hours I ended up working at Island Air, and it just so happened that I had to call the Ministry of Aviation to make an appointment for someone at Island Air—I forgot that the Ministry of Aviation at that time was also the Ministry of Education. When I left my name for them to call me back, I remember the lady saying, *Christopher Saunders, Christopher Saunders. Wait a minute; are you not on a Government scholarship? Should you not be in school? What are you doing at Island Air?* Well, Mr. Speaker, all hell broke loose. The Government gave me a choice, back then, go back to school and finish or pay them back their money. Now, not many people probably would have had that opportunity but I am grateful for the government of the day at that time, that gave me that opportunity, I am really grateful; plus I couldn't afford to pay back that money with what I was making back then.

Mr. Speaker, when I went back to university as opposed to the first time where I sat at the back of the class, I sat at the front. When I started in '91 I should have finished in '95, so when I went back in '95 most of the kids I started with, either graduated or dropped out. My GPA went completely in the opposite direction, so much so, that the Dean of the university at the time wanted to meet with me to see how I went from about 1.69 to about 3.9 thereabouts. What he missed was the years I was out in between, and it was during that time out that I learned the value of an education. That, plus the fact that when I went back to school and these young kids started calling me elder, I realised I really did not belong there but I just had to do what I had to do and get out.

The reason why I say that, Mr. Speaker, is that someone would have taken my first year performance and used that to judge me, and we have a tendency of labelling our kids far too soon and too early, because if I did not get that second opportunity back from the Government at the time, I probably would not be standing here today. This is why it is important for us from an education standpoint to stop sitting down and saying things like 'not everybody is academically inclined'. My first son wanted to make movies. There is nothing academic much about that. My daughter wants to be a judge, and my last son wants to be a commissioner of police, but someone is going to get up and tell him that something is wrong with him not wanting to be a doctor, lawyer, or an accountant. It is that class system slowly, Mr. Speaker, that we are developing into this country and we are basically taking our young kids out of areas that make money.

One of the things I want to thank Johann Moxam for during his presidency at the Chamber of Commerce is that they went back and they looked at the Chamber salary survey. They did one in 2016 and prior to that they did one in 2006. When I looked at the jobs in 2006 and 2016, 10 years apart, I saw some cases where the salary moved [up], some cases where the salary remained flat, and some cases where the salary decreased over 10 years. It shows the importance of what we need to plan with. While the last version I got was in a format that was very difficult to cut and paste, over the Christmas term I want to put all of that in an excel sheet and publish it so people can at least have an idea that there are many jobs outside of the norm that actually pay good money and that we should be looking to encourage our kids to do. This whole thing about 'not everyone is academically inclined' is part of what is really destroying our education

system. We have turned around and made it look as if someone who wants to do something else is doing that because they are a dunce or they do not have good grades and that needs to stop.

When we look at the industries, when we had people like George Seymour who came back. Look at the entrepreneurs like Kent (better known as Biggie) Rankine. Look at all of those guys and what they were able to achieve with what they had. At the end of the day, we have lost that. When I look in my generation the number of new entrepreneurs that we have created is very limited. One of them is actually my good friend, John-John, who took a risk in his business and just went out there and did it. It is getting back to creating an economy that creates those entrepreneurs where Caymanians can feel in charge of their own destiny, in charge of their own industry is where they need to get to.

Mr. Speaker, another thing that kind of jumped out at me was our seniors, and we have reached a point in our society where we are not doing right by them and that is something that we need to stop. Now, I am happy that the Government is increasing the grant by $100 beginning next year and $100 the year after, but one of the things we need to do is to focus, not just on what people are making, but also what we are allowing people to keep. There are too many greedy people out there who, right now as we are inside this House, are thinking of ways to take money, people's hard-earned money out of their pockets from doing basically nothing. I know while the Premier may have threatened or advised them that the Government would not be afraid to put in consumer protection that may include price control to some effect, at some point we need to recognise that if some businesses do not want to learn, then we need to find ways to deal with it.

Mr. Speaker, another issue that really jumps out at me is the telecoms, in the sense that it is beyond me, having worked at both major telephone companies, why customers who are pre-paying, who are paying for something up front, are being charged what they are being charged on a prepaid call in terms of minutes and everything else. When looking at the capital investment that these businesses have made, they have made millions of dollars many times over and with very little investment, and now we are seeing it, Mr. Speaker, where the job losses—don't talk about the roaming yet—have already started in some companies.

When we look at roaming in terms of what they are charging people, I can tell you from experience that the roaming cost of most telephone companies are fixed on a flat per month [basis]; that is the agreement they have with many carriers. The reason being is that what it costs to even go through the billing system to send another company the information to charge you, is actually cheaper to just say, *you know what, give me yuh money,* and we do not have all of these administrative costs. Hence, when seeing people come back and being charged what they are being charged, especially for data roaming and everything else, Mr. Speaker, these are the kinds of things that we need to make sure that we have teeth in the legislation to deal with it. Companies just cannot be going out and just charging people . . . how much they charged you?

[Inaudible interjection]

Mr. Christopher S. Saunders: Nineteen thousand? I rest my case there, Mr. Speaker.

Mr. Speaker, something I am a little bit disappointed that the Government did not touch on was the whole issue of mortgage and I can tell you, Mr. Speaker, I am not going to tell anyone that there is a magic bullet for it because that would be a little bit misleading. What I proposed in the last sitting was at least changes in the Registered Land Law to make it more difficult for at least someone to start proceedings or give people a little bit more time.

What I wanted to propose, Mr. Speaker, was that depending on the amount of equity a person has in a property, they would have more time—a person with 50/60/70 per cent equity should have more time than a person with just five per cent or no equity in their property. However, that is one of the things that we need to do. We have been using a system where we are using the Registered Land Law and the problem with using such a system is that if we change that Law, then we also will affect private individuals' ability to even lend money to each other, so it is not really a one-size-fits-all. What we need to at least look at, Mr. Speaker, and I am hoping that the Government will consider and start looking at it, is a Mortgage Law. United Kingdom has one, I think back from 1974 when they implemented the last one that they probably had, and I am sure there may have been changes since, but, at least, at a minimum we start looking at having a Mortgage Law. We cannot be sitting here going into 2018 and not properly have a law in place to protect the largest investment that Caymanians would make in their lives, you know?

Mr. Speaker, jumping out at me was the Government's proposed list of legislative changes with regard to the National CCTV. I think security is a big issue but at the same time I would encourage the Government to find out what happened to the $5 million that we spent on the previous CCTV project and what value for money, if any, did the Caymanian people get for that, because that in itself is something that we need to get to the bottom of.

Speaking of the CCTV, and again, Mr. Speaker, not to bring up old wounds, but one issue that still jumps out at me is the whole CarePay fiasco. I am still uncomfortable with the outcome of what happened with CarePay, in the sense that, only one person is sitting in Northward and no one else got fired for an $11 million fraud that was perpetrated on the HSA [Health Services Authority], CINICO and the Caymanian people.

I know the Deputy Governor is trying his best to get more accountability within the Civil Service but it should be understood that the public also needs a certain amount of confidence and there cannot be people making major mistakes and just sitting in government, or just maintaining employment, when anywhere else people would just think that something is wrong. I mean, the public's confidence is what we inside this House use in order to do our job, and government must lead by example in that regard; so, I am hoping… and I know I have Parliamentary Questions on the CarePay, so I will really not go too much into that.

Mr. Speaker, I want to just take the time out to kind of explain to the Caymanian people roughly, how our consumption-driven economy works. Earlier, I spoke about the financial services industry and I spoke about tourism, and what we need to understand is that as a service-based economy, money comes into our economy externally, mostly via tourism and via financial services, and it then moves through the economy through consumption, development, pretty much via the multiplier effect. It is therefore important for us, Mr. Speaker, in that, we be honest with the Caymanian people and say to them, *You know, we need to ensure that we maintain an economy that continues to attract tourism, and also financial services,* but at the same time, we also need to accept that we need to find a way for Caymanians to benefit from these industries, and that is really where the issue is, where many people feel as though they are not benefitting. When we see other people come here and do quite well, and our people are not doing quite as well, those are the kinds of things that start social upheaval in a country, or as the old British Colonialist would say, "the natives are becoming restless".

Mr. Speaker, one thing I spoke to you about prior to the SPS, was trying to call Members of the House together to look at the creation of a national strategic plan. This year makes 20 years since we embarked on Vision 2008. That pretty much had no political support despite being one of the big issues of the 2000 political campaign where everyone pledged to implement Vision 2008. That was something that was pushed by the UK Governor at the time as part of the whole white paper initiative to reset the relationship with the Overseas Territories. I think it is high time that we, in this House, led by you, Mr. Speaker, and the Government, at least start going out district to district if need be, speaking to people and developing the National Strategic Plan. The reality of it is that while these Plan and Estimates and budget documents speak about numbers, it still does not look at the overall quality of life for our people and that is one of the things we really need to focus on—What can we do to improve the quality of life for our people? That, more than anything is what I think everyone in this House was elected to do; make people's lives better.

The last school the Opposition went to visit was John Gray, and a student at John Gray had asked a question that gave me pause, and the reason the question gave me pause is that when going out to campaign and going house to house, you sell people the idea that there is hope and you are going to make their lives better. When that young lady had asked the question in terms of her securing a job when she left school, I had to literally be honest with her, in that, it would not be as easy as it was for those from my generation as I came back in a time where, literally, people were begging you to come and work for them, and that is a luxury that we had. I can tell you, Mr. Speaker, for those from my generation who were able to do quite well with the little that we had, I do not think that those coming out of school will have the same thing that we have. Every single one of us here in this House inherited a better Cayman than we have today. What we need to recognise is that we are not going to be remembered by what we inherited; we are going to be remembered by what we left behind. I am asking the Members of this House, regardless, put the differences aside. We have about three years before we get back into the election or the campaigning season, that we can work together to make the lives of people better—

[Inaudible Interjection]

Mr. Christopher S. Saunders: No. Finish? No. Good God. No man, uh-uh.

Mr. Speaker, why I raised that issue is that—

[Inaudible Interjection and laughter]

Mr. Christopher S. Saunders: The reason why I want to bring that up, Mr. Speaker, is that for the little time that I have been here, I have seen how politics has become, and I know you guys are going to say, *yeah, you are a rookie, you are new, and it is part of that,* and the whole nine yards; but I did not go through this, Mr. Speaker, like everyone else inside here, because whether we want to accept it or not and whether the public sees it or not, campaigning and getting in the election is not easy. You are going out, you are begging for votes, your family suffers, it takes a lot out of you personally, professionally, financially; it takes a lot. Some people are even surprised to see that even I, I guess, like the Premier, [am] still an introvert at heart and still shy and nervous when I have to do public speaking or public engagements or whatever, but the thing about it is that every single one of us inside this House has been given a unique opportunity to make the lives of other people better.

The cost of living in this country is really, really challenging for many people. When I look at the fact that we had more Caymanians who lost their homes at a time where we had some of the lowest interest rates ever, says to me or makes me wonder what is going to happen when interest rates start to go back up. We saw some of the highest light bills—even though they may be lower compared to prior years—when we had the

lowest global prices of fuel, yet, fuel is now expected to start going back up to at least maybe $57/$58 a barrel from as low as $40 at one point or even lower than that.

The truth of the matter is, Mr. Speaker, at a time when our people should have been benefiting from many of the global issues out there, it did not happen, and whether we want it or not, now, as prices are going up, we see it starting already. Banks are raising interest rates as quickly as they are out there. Whether we want to accept it or not, Mr. Speaker (and I know earlier I spoke about monetary policy), the truth of the fact is that for what banks are charging on interest rates compared to what they are paying for the money that they get, this is something that we seriously need to look at regulating or look at even passing legislation to give people a little bit more protection from some of the margins that banks are charging. I can tell you as a former banker, Mr. Speaker, they get paid a lot of money to do very little, and to some extent, you know, I understand where that is. I am glad that the Minister we have for Agriculture is Ms. Julie in that…sorry, Honourable Minister, I apologise. I think that is one industry that we can do much more with.

[Inaudible Interjection]

Mr. Christopher S. Saunders: Sorry. No, no, I apologise for that, but to the Honourable Minister, I know agriculture is one of the things that is near and dear to her, and I strongly believe that we… tried to get more from an endearment standpoint, so I apologise but—

The Speaker: You are interrupting him.

Mr. Christopher S. Saunders: Mr. Speaker, when I look at some of the land that we have in some of the areas, Mr. Speaker, I believe that there is much more that we can do on the agricultural front. One of the projects that I am looking to launch in my district is to look at some of the vacant lands that we have and to see if we can start planting some goods, where half can be sold and half can go to some of the senior citizens within the community. When we look at the number of farmers that we have, I do not see enough young people coming up to replace the farmers that we have now. I know the Premier plans after this term to retire and go to his farm in East End, so, I know we will have one more farmer there but at the end of the day it is one of the things that we need to encourage more people to get involved in.

Agriculture itself is still one of the largest industries in the world but, for whatever reason, it is one that we have not allowed ourselves and our people to get involved with. I would really love to see both the Government and the Opposition working together in terms of promoting agriculture. Mr. Speaker, I would not think it weird to say to the Government, to look at even purchasing land in places such as even Costa Rica or elsewhere, to see if there are also other places where we can also farm. We need to take our food security serious. We are still importing several things and I still firmly believe, despite there not being any proof to it, that many of the sicknesses and cancers that we have, come from some of those foods that we import. Mr. Speaker, we do not know what kinds of pesticides and chemicals are being used. When looking at the number of stage four cancers and how quickly some people are diagnosed with cancer and how advanced it becomes, for a small island, I think that is something quite alarming and is necessary for us to look at.

Now, Mr. Speaker, I want to touch on an uncomfortable subject that many people may not like and that is the subject of Immigration. We need to recognise that the open immigration policy that we have, cannot continue, period. When looking at what is happening in the United Kingdom with Brexit and even with the election of Donald Trump and some of the other far parties in Europe getting elected to power, we realise that this is still a sore issue for many people. Most people, it is said, they will [be] born, live, work, and die within 30 miles of where they are born, and while many people have come to accept foreign films, foreign cars, foreign food, and foreign music, it is still one of the things that people still have their own issues to deal with in a unique way.

What we need to recognise, Mr. Speaker, is that we have an immigration system that imports poverty, and the impact to the average Caymanian family is that they are the ones who are paying the bulk of the impact of this, and it is mostly the Caymanian middle class. When we consider that we have a consumption-driven economy, it means that we need people to consume in order to afford to live here. What we cannot have is bringing people here who cannot afford to live here, because when looking at the roads being built as a result of population increases and everything else, it is the average Caymanian middle class that is taking on the burden, and to some extent, the business people of this country. If we are going to maintain a consumption system, at a minimum, we will need people who can afford to consume. In some cases, whether we want to accept it or not, we are also importing prostitution within the country, Mr. Speaker, in that, we have young ladies working in some establishments who we know cannot afford to live here but can only live or survive with another man "minding them" and most of the time that man is another married man who has his own commitments. Mr. Speaker, as simple as you want to see it, it is those kinds of social issues that bit by bit, slowly erode a society. It is an uncomfortable subject but it is nonetheless a subject that needs to be discussed and I believe that this is the place to discuss it.

We also need to accept, Mr. Speaker, that this is still a Christian society. There are certain values that we are founded on, and I am not going to sit back and tell anyone that I am one of those devoted Christians who wear my religion on my sleeve or whatever, but I can tell you what, I see the product which is many of

the people sitting inside this House who came out from a time where our Christian values played a more active role in our society. We have got to accept that during those times Cayman was a better place to live and work. When we speak about returning to our founding principles, we need to accept that the Church does have a role to play within our society.

Whether we want to accept it or not, I am going to tell Members of this honourable House, I thought long and hard in terms of how we were going to take this approach and decided that I would just speak my mind, say what I have to say and at the end of the day, the voters decide. We have to call a spade a spade, because one thing that we have done is that we have become too politically correct and no one wants to speak the truth. I am going to tell you right now that I am just going to say what my piece is, and everybody knows how I roll.

Going back to the society (and give credit where credit is due), it was nation building. While it was not managed the right way, it was still something that we as a young country still needed to look at, by looking at what incentives or what we could have done to have basically moved us further. As I said before, we are still a young country; we are still developing and will make mistakes, however, we still need to look at the initiatives that encourage nation building.

I am glad to see the Government is bringing back the awards system and I just hope the merit system, where we can recognise people's contributions to the Islands, and hope that it is something that does not become political but something that every single one of us can embrace. We need to recognise people for contributions that they have made to our country whether we like them or not; right is still right regardless of what.

Mr. Speaker, I was speaking about our Christian heritage and at the age of 44, I can tell you that I am still young and good looking. I can also tell you that many things my parents and grandparents taught me that I brushed off as a younger person, it is when I got older, I appreciated certain things. I guess you can say it comes with age or whatever, but this is why I say for us it is important that we in this House—and I go back to the time when we had some really strong men and women in our country that helped to build it—need to find a way to go back there.

I am fortunate that I am from the district of Bodden Town West where Cayman's first National Hero came from, and that is something to which I carry a badge of honour, in the sense that I feel as if though the people of Bodden Town West expect a certain type of politician, the no nonsense type or whatever, which is fine by me. We need to recognise that our social structure must remain and the Government via its own fiscal policy needs to ensure they use policies that maintain, enhance, or protect our social structure. Mr. Speaker, once the social structure breaks down, everything else is going to follow suit and this is why it is important.

Mr. Speaker, what I am hoping for in Finance Committee is for programmes, especially the after-school programmes, to be looked into. That time between three and five when schools are finished and the parents are still at work; those two hours are very serious within a child's life and we need to make sure that at a minimum we inside this House have set aside the necessary resources to manage that time period.

Equally so, Mr. Speaker, Early Childhood Education. The older folks told us the formula long ago, *"bend the tree from it is young"*. The first seven years of a child's life is one of the most important and this is why we need to make sure within the education system that we beef up the spending there and put the resources needed there. What it is costing us for kids in Bonaventure and in Northward, it is cheaper to put the money into the education system from now to make sure we do not have the problems that we have. It is cheaper. From that standpoint, Mr. Speaker, I am hoping that as we get into Finance Committee and start going through the numbers that we can at least agree in some cases. I am not going to tell anyone that the Government has an easy job because when I look at the government expenses and what is called your fixed cost, the Government is probably running around 70/75 per cent of the cost already being fixed. There is very little room to really move around to something different without increasing taxes; therefore, I am not going to say that the Government has an easy job to do, but for the little room that we have, at a minimum, we need to find some level of priority.

The purpose of an economy, Mr. Speaker, is to make the lives of people better, and this budget and its process, we need to ensure that it does that. Having been a former civil servant I know the kind of work that goes into the budget, and that Ministers are mostly the mouth pieces of the countless thousands of hours that the civil servants put into putting this together. I can tell anyone it is no easy feat and that is why I am very guarded in the words that I choose because the last thing that someone wants to see is someone coming behind and criticising the work of anyone. No one likes that. I cannot sit here and talk about nation building or promoting Caymanians and then, at the same time, look at the collective efforts of many civil servants and tear it down.

This is not how a House or any process is supposed to work. As much as it is very easy & tempting for me to have gone through as an Accountant and look for numbers and look for discrepancies and everything else, what I am hoping for is that in some cases… and I can tell you, on some pages, I can see where the numbers are just mistakes. I can see that some of the inputs are just mistakes but then you look pedantic, just picking that out to say in thousands of pages you find some mistake. I mean, that is not what we are about. What we are supposed to be about in this House is policy. What we are supposed to be about is the direction of this country, and then the numbers or the resources or

the dollars that we are putting to move the country forward.

Mr. Speaker, recognising that I have many friends on the other side of the aisle, we do get together sometimes and it is important for the public to know that even though we have an adversarial approach to politics in this country as required by the Westminster system, that many people on this side of the aisle are friends, where they get together, and sometimes while the cameras may be out here and the cameras are not in the common room, it is that people do not see the camaraderie of what goes on in the kitchen when we are breaking bread. People would come out there and actually think that these people do not like each other, you know? I think it is important for us, at a minimum, to send the right message as leaders of this country, that regardless of the differences that we may have—and it should be political and not personal—we are still Caymanians and want what is best for our country.

Mr. Speaker, when I was talking about immigration being a sensitive subject, we also need to recognise that we just cannot continue as is. Right now as it stands . . . when we were going to do school visits, one of the things I was counting as I was going to each class was how many kids were in Grade 5, how many kids in Grade 6. What I wanted to do was to keep a mental track of how many people were leaving the high school. Do we have more coming in versus more going out? We could see where the numbers would be, but what is missing from that number is the fact that we have close to 5,000 people in this country with Permanent Residency and the minute that they become Caymanians and their kids are then entitled to public schooling, the question is: Have we now planned enough classrooms and enough for the potential new Caymanians that we have, considering that we have close to 5,000 if not more Permanent Residents? Right now, most of those kids are actually in private schools but at some point when the parents become Caymanian and the kids by extension become Caymanian, they are then entitled to public schooling, so we need to make sure that when we are sitting and planning long term for education, we take those things into consideration.

Mr. Speaker, this is the reason why, for us, on this side of the aisle, education, or as we refer to it as "investment in people", is still the best way forward for this country. Now, at the same time when you are investing in people, there has to be something that people should be able to do with that investment; thus we need to make sure that our people have the jobs when we have done invested the money in them. As I said before, I was lucky enough when I came back that we had jobs to choose from. We had that luxury, but that was in the late '90s. That is 20 years ago; those days are gone. Kids are coming out of school now with Master's degrees and cannot find jobs; almost unheard of in Cayman.

Mr. Speaker, what has happened to the people of this country is that we have sold them this notion that businesses must train and develop Caymanians. Mr. Speaker, that was always our responsibility as Caymanians. That was something that we should never [have] resourced out. What has come out from that notion is that if a person went to work for a small business that could not afford to train that person or develop that person and that person stayed in a job for 20/25/30 years, that person has now found themselves in a world where they have not upskilled themselves for the jobs that are available today. We have created a sector of people in our country who are really out of a job for years. It has passed the point of weeks and months. There are people in this country who have not worked for years, but when you sit and have that conversation with them, you will find out that many of them have not even gone back to class or gone back in a classroom. Those are the kinds of programmes that we need to make sure…

I saw inside the Education [appropriations] for voting, where there are classes for adult literacy at UCCI, but I think it is important for us in this House, to find out what those classes are and promote them further. Whether a person sets foot in a classroom or not, the salaries at UCCI are going to be paid. We have already incurred the cost, so there is no use to have people sitting outside when they can go to UCCI or elsewhere. We are already paying the light, the salaries, and we can at least get the adults upskilled. That is one of the areas we need to start looking at seriously, the adult literacy in this country.

Now, with some companies, if you are fortunate enough to work for a bigger company that has a good training programme in place and could invest in their employees and send them off for training, then, that is fine. However, for the companies that did not do it or could not afford to do it, we need to have the resources in place to ensure our people are not left behind, because we have created [that] group of people in this country. Many of them coming out of school from in the 1980s, 1990s—the early '90s and thereabouts—who are, I would almost say, technology illiterate when it comes to moving into the work place today.

What we also need to accept is that we have proud people and many of them I can tell you from speaking to them, you can see their frustration in that they are almost embarrassed but they are frustrated. We need to find a way to get them back into the classroom and prepare them because, Mr. Speaker, I can tell you they are bright. When you sit and talk with them, they are bright, but they still need the tools, and this is why, for us on this side, investment in people is really a big thing that we need to get to.

We have, as I said before, Mr. Speaker, a good problem. We have more jobs than we have Caymanians, but we cannot sit down and just keep bringing in people who have the skills that our people do not have and think that that is acceptable; and as such, we need

to look to give breaks to companies that have a high percentage of Caymanians, not just when we are doing procurement, but when we are charging fees. We need to look at companies that do better for Caymanians and others.

When I was in the banking business, Mr. Speaker, and you may have recalled this when I was pushing to lower the bank licence fees (and I would call the name of the bank - Cayman National Bank), by $250,000. At the same time, I was encouraging them to charge my bank $250,000 more, because my bank at that time had 70 per cent Caymanian, CNB had 98 per cent Caymanian. Why should I be paying the same licence fee of a $1 million a year when CNB is clearly hiring more Caymanians than my bank? That $500,000 gap, Mr. Speaker, would have allowed me to go to my Board of Directors and say, *Look at that, they are paying $500,000 less than us.* Do you know how many loans you would have to write to get back $500,000 at interest rates at that time? That is the kind of encouragement that we need to be giving businesses.

Mr. Speaker, when businesses are out there doing well for Caymanians, we need to say, *you know what? If this is what they are paying for a permit or this is what they are paying for annual fees, give them a break*, encourage them. That is one way I can assure you that you would see the percentage of Caymanians start going up.

Mr. Speaker, yesterday I met with a very bright person, an English man whom I have much time for. One of the things I wanted to get from him was what it was that we did well in our financial services industry that we got a lot of business then and we are not seeing as much as we should now, and his answer actually floored me. He said: *Chris, we are brighter than them in New York and elsewhere. We are just brighter than them.* I said, *just brighter?* He said, *yeah, we were brighter than them. When the phone rang and you had 15 seconds to make the case for business to come to the Cayman Islands, we made a better case than many of our competitors. We were just brighter than them.*

When I look back, Mr. Speaker, on many conversations that I have had with people within our community, we have so much talent in our country, especially amongst our seniors, but for whatever reason we have left them behind, we have left them alone and we have just discarded them to just go look for them every now and then or whatever. We need to find ways of taking some of our seniors out, putting some of them back on the right government boards, and in some cases, putting some of them back in the classroom.

I can tell you, Mr. Speaker, politics is my second to last career. My last career, hopefully, God willing, is teaching. I hope that maybe after 12 years of doing this and I still have some energy left, I can go back into the primary school and teach and hopefully be able to make an impact for young people in terms of *bending that tree from it is young*, but that is not something that we can do alone because we also have to recognise that parents themselves also have a roll in raising the children.

Mr. Speaker, many parents do not have the time as they should to spend with their kids. Some are working two jobs, some are working no jobs, and some of them are highly stressed. When you look at the last statistics that came out of the hospital and it is seen what people were going to the hospital for, you realised that many people are going there for lifestyle issues: stress, hypertension was still number one. Many people are worried, and thus the reason why it is important for us inside here during this process, regardless of whatever disagreements we have, to at least be able to say to the Caymanian people that we are going to work hard to make sure that your tomorrow is better than it is today. At the same time, Mr. Speaker, we also need to recognise that we cannot talk it into being, it will require some actions. It will require some legislative changes, and it will also require some policy changes. Some of those policy changes are difficult, some of them may be unpopular, but I think at some point one government would at least have to bite the bullet and say, *you know what? This is what it is that we have to do*.

We have stopped engaging the Caymanian people and sometimes maybe we think that because of what we are doing [it] is too complicated, that they would not understand it. We also need to remember that the public's business cannot be done in private and we are working for them, not the other way around. People created Government for three basic reasons: to protect their lives, protect their liberty, and to protect their property.

The Cayman Islands, like many other countries around the world, is now in the precarious position where the economic power of a few is now eroding the political power of the many. We need to make sure inside this House that at some point—and like I said it may be a little bit uncomfortable for some people to accept—we will have to bring in campaign finance reform and we have to look at the way how the people are elected. There are special interests in this country that have far too much influence than they should. I know, like I said, it is a sore spot but at some point it is one of the things that we have to deal with.

Mr. Speaker, in banking there is something called "concentration risk". In a nutshell, it is if you have a billion dollars on a balance sheet and someone comes in to borrow a million dollars and asked if you would lend them. If you had a billion dollars in deposit and someone wanted to borrow $500,000, you would probably say, *You know what? We can afford to lend them that.* However, if that billion dollars is held by one person, you would sit back and say, *But if this person comes for their money and I went and lent $500,000 of it, I am out of luck.*

The Speaker: Honourable Member, are you coming to a close on your speech or you have much to go?

Mr. Christopher S. Saunders: I still have some ways to go, Mr. Speaker.

The Speaker: If we take a break now, you will have 15 minutes more.

We will take the evening break at this point, and you have 15 minutes left.

Mr. Christopher S. Saunders: I have 15 minutes left?

The Speaker: Fifteen minutes at this point.

The House will suspend until 7:15.

Proceedings suspended at 6:05 pm

Proceedings resumed at 7:09 pm

The Speaker: The House has now resumed its sitting.

The Member for Bodden Town West was continuing his address.

He is not here?

Hon. Juliana Y. O'Connor-Connolly, Minister of Education, Youth, Sports, Agriculture, and Lands, Elected Member for Cayman Brac East: Mr. Speaker, the Member was here but he had an urgent call to go outside. He will be in momentarily. The Clerk spoke to him about a particular item which he went to dispose.

The Speaker: Sorry?

The Member for Bodden Town West continuing.

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

Mr. Speaker, I recognise as I said before that this is my—

The Speaker: The Member should be reminded that he has 15 minutes.

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

I am cognisant that this is my first Budget Address and Throne Speech, and one of the things that I want to do, Mr. Speaker, is, as I said before, that when looking at the volume of information that has been prepared by the Ministry of Finance, you know it is a lot of work, and I want the record to reflect my appreciation to the Honourable Minister of Finance and his team, in particular, Mr. Nixon and Mr. Jefferson who I have worked with in the past personally, and they are committed public servants. They have been in government for quite some while, and it is important for us to recognise that we do have a great deal of talent within the civil service and many of them could have gone out in the private sector, made far more money than they could have in the public service, but they chose to remain in the civil service and serve the country. I want to recognise their contributions to the budget process.

Also, Mr. Speaker, I would like to thank the Honourable Deputy Governor for taking the time to meet with the Opposition, I think it was about last week Wednesday, to go through the progress that was being made in the civil service and the initiatives that he has undertaken. We had a very frank conversation and I am very happy that we did because it is important to recognise also that we do, while some people may think you know, it is just politics, there are still faces behind much of the work, and there are many faceless individuals who contribute everyday within the public service.

Mr. Speaker, I want this honourable House to know, and the Caymanian public, that I believe we have a Public Accounts Committee (PAC) [meeting] scheduled for December 12th and one of the purposes of that PAC meeting is to thank the many public servants who received a pretty good audit where the Auditor General highlighted their progress. I know the Chairman of the PAC, the Honourable Leader of the Opposition, had sent some letters thanking them. I think it is important for the public to know that while the PAC is there to keep some institutions in check and balance, it is also important that the PAC recognises when people do good work. As I said, there are very good people in the civil service and other statutory bodies who get up every day, sacrifice, and serve the country, and we want to publicly thank those people for the work that they have done and the progress that they have made in between audits as recognised by the Auditor General.

Mr. Speaker, people need to understand that the Members in this House, even though we have a job to do, we can still remain fair and give people credit when credit is due. It is also important for the public to understand that while it is very easy to pick on the Government and pick on civil servants, they are also people and they also have families and they too work hard. Therefore, I think it is very right of us inside here to thank them in that regard. I know the Honourable Deputy Governor is one of those who received one of the good audits for one of the areas that he was involved with. I know he also received a letter from the Honourable Leader of the Opposition as Chairman of the PAC on behalf of the PAC, but nonetheless, we would like to highlight that publicly so at least the Caymanian people can know that there are people within the public service who do good work and serve the country well.

Mr. Speaker, one of the last issues I want to touch on is crime. As the country gets more developed and there are more people, naturally there will be crime, but I think we should also recognise that when a 21 year old or a 25 year old or someone in their early 20s or at whatever age, commits a crime, they did not become a criminal on their 21st birthday. If you go back and you look at the environment in which they were in when they were younger and the issues that they had

to deal with, we could directly see some young people are not much of a surprise.

I can tell you, Mr. Speaker, from even visiting the schools, some of the young people and how they engaged us, we have a bright future ahead of us with many young people, but we need to make sure that we take the time out to invest in them properly so that they can succeed in Cayman.

The world that we are living in is a different world, and every single Member of this honourable House, I think it is safe to say that we have more yesterdays than we do tomorrows. The future does not belong to any of us inside here, but rather, to those coming behind us, and it is important for us to leave behind a Cayman that they can all be proud of and one that will hopefully be more prosperous and better.

I want to close, Mr. Speaker, by highlighting a point that I made earlier when I said that many of us inside here grew up in the good old days when Cayman was completely different and we had a world of possibilities in front of us, but as with anything, getting bigger and more development, there are more challenges. I do not say problems I say 'challenges'. However, what I can say to the Caymanian people is that because our challenges are made by us, they can be fixed by us, and what it will require is will, and putting together petty differences.

In my first speech in this Legislative Assembly I told the story where Napoleon was asked to explain the absence of great statesmen in France, to which Napoleon replied: "In order to obtain power, one has to display utter pettiness, but in order to exercise power, one has to show true greatness." [UNVERIFIED QUOTE] You cannot expect someone to be petty and great at the same time; either one or the other. While I do recognise that this is politics and it is an adversarial system, I can tell you, Mr. Speaker, in the little time I have been elected, I have been so tempted many times to just rain that fire and brimstone and find that fire, but I recognise that with the position of trust that I have been placed in, I can no longer just speak my views because I also represent the people of Bodden Town West and they are good people. They are decent people and I cannot embarrass them. Thus, the way in which Chris behaved prior to being elected versus how Chris is doing, I do not want anyone to feel as though I have lost the fire, because, believe you me, it is still there, just yearning to come out, but I have to be responsible.

Mr. Speaker, I recognise that we are in a business that competes with other countries and our competitors are looking for every reason to tell people not to do business with the Cayman Islands. We already have our own challenges and it is not my intention to add to those challenges.

I would like to wish the Government well with their budget. While I do have some fundamental policy differences with the Government, I still believe that we should be doing more with regard to healthcare. I think we need to definitely give people greater access to their pensions, and I believe that we need to do more for the mortgages. This is our democratic institution. We are under the Westminster system where it is governed by the will of the majority. At this point, I wish the Government well and, at the end of the day, it will be the Caymanian people and the Cayman electorate that will judge their performance in the next three and a half years and decide where to go from there.

With that, I would like to thank you all for giving me this opportunity and good luck on that side in terms of getting your business done. Thank you.

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

The Honourable Deputy Premier.

Hon. Moses I. Kirkconnell, Deputy Premier: Thank you, Mr. Speaker.

Mr. Speaker, I rise this evening to offer my contribution to the 2018/2019 Budget. Before I begin I would like to congratulate the Governor, Her Excellency, Ms. Helen Kilpatrick CB, on her Throne Speech; the Premier, Honourable Aden McLaughlin on his Budget Policy Statement, and the Minister of Finance, the Honourable Roy McTaggart, on his Budget Address.

Mr. Speaker, I also congratulate the Premier and Government for four years of consistent dedicated hard work to strengthen the country's fiscal performance in line with the ratios stipulated in the Public Management and Finance Law.

Mr. Speaker, the debt ratio which must not exceed 80 per cent of operating revenues stands at 22.3 per cent for 2018, reducing to 17.4 per cent by 2019, well below the recommended threshold. Government is forecast to record a net operating surplus of $86.6 million and $65.1 million in 2019. The cash reserves are required to be sufficient to cover 90 days of operating expenses. For 2018 there is enough cash in the bank to cover 167 days, almost twice the ratio. For 2019 even with the payment of the Bullet Bond, which is due November 2019, reserves are sufficient to cover 92 days of core government operating expenditure which is still above where we need to be in terms of compliance. Mr. Speaker, the debt service ratio which measures the cost of servicing all public sector debt is a proportion of Central Government's revenue. It is recommended not to exceed 10 per cent; for 2018 [it] stands at 8.6 per cent.

Mr. Speaker, these ratios show that the country's finances are in good health and provide our citizens with confidence. I am humbled and honoured by the confidence shown in me by the people of Cayman Brac West and Little Cayman who afforded me the opportunity and privilege of representing them in this Legislative Assembly for a fourth term. I am honoured to retain Ministries of District Administration, Tourism, and Transport, and I remain committed to being an agent of

positive change with responsibility, for the growth, and development of the Tourism Portfolio in these Islands. I look forward specifically to navigating the tourism industry through the next phases of growth and development, working to provide balance and sustainability for Cayman Brac and Little Cayman alongside my colleague for Cayman Brac East and with my colleagues in Cabinet and Caucus; and my team in the Ministry and the private sector and public at large.

Mr. Speaker, the people of these Islands have every reason to be proud of the tourism industry's performance. Year over year, results are encouraging and indications for future performance over the upcoming fiscal period are positive. This is good news for our country, better news for our economy, and should provide reassurance to our people that our future is a very bright light. With tourism being the second pillar to our economy, the industry is shouldering great responsibility and it is delivering beyond expectations. Last year alone, total visitor expenditure from cruise and stayover amounted to $627.8 million reflecting contribution of $46.2 [*sic*] from stayover and $165 million from cruise passengers.

Mr. Speaker, in our Ministry we view our responsibility [as] driving revenue, and from the Government's standpoint, revenue, and income, and a budget debate is what drives healthcare, education, social services, and government services and the quality and standard of life that we are used to and will continue to get better.

Mr. Speaker, in this budget address I will recap the tourism industry performance over the past four years. I will provide a summary of stayover arrivals between 2013 and 2017, and will speak to the tourism industry's contribution to our economy. I think it is very timely to do this based on the contribution from the last two speakers. I heard from both that our stayover visitation was flat, so I will take this opportunity to go through where our visitation really is and to show the type of growth that we are having in it. I will outline the programmes, the projects, and policies that will be undertaken by the Ministry which are intended to enable the Cayman Islands to remain as a success story of the Caribbean and the Islands that we call home.

Mr. Speaker, 2016 was a notable year for visitation with over 2 million guests visiting our shores; 385,000 plus of those visitors were air arrivals. Over the last four years, stay-over visitation has increased at an unprecedented rate. Growth has been maintained despite challenges at the local, regional, and international levels. Just a brief recap of the industry's success and I will begin from 2013 onwards.

At year-end 2013, air arrivals were the highest on record since 2001 and were 7.4 per cent higher than 2012. In 2014, several months exceeded the highest recorded totals in 14 years. By year end we had surpassed 2013 which was already a record breaking year. In 2015, stayover arrivals topped 385,000, which at the time was the highest in our Islands' history. Seven out of the 12 months in 2015 registered their best totals ever. In 2016, air arrivals softened due to the rise in the Zika virus which affected the entire region for most of the year, and at the same time weakening of the British Pound following the Brexit vote, coupled with random terror attacks, caused tourists to postpone travel plans. This negativity impacted inbound travel especially from Europe. At the local level, hotel accommodations had reached saturation which was only alleviated in November with the opening of the Kimpton Hotel, followed by Margaritaville's soft opening in January.

Mr. Speaker, despite facing such a challenging environment, the year-end results for 2016 marginally increased over 2015 and still amounted to another record breaking year. Our tourism sector not only held its own but outpaced most of our Caribbean competition.

For 2017, the pattern of stable consistent growth continued. Stayover arrivals for the month of April 2017 were the highest of any April in the history of the Cayman Islands. The arrival of 38,900 visitors represents an increase of 12 per cent over the corresponding period of 2016, eclipsing the previous record of 36,000. Just two months later air arrivals for June were up 12 per cent over the corresponding period 2016. Heading into summer, July and August were both record breaking months with a combined total of 77,000 visitors. For the first time ever, July arrivals surpassed March which is typically, as you well know, our best performance month for visitation. It was up 6.8 per cent over July of 2016. Air arrivals in August were the best of any August on record, up 9.9 per cent over August 2016. For July as well as August, the United States, Canada, and Latin America regions all registered increases, with Latin America showing the most significant growth at 23 per cent for July. The results from Latin America, specifically Brazil and Argentina, were equally impressive with air arrivals from this region being up 45 per cent in June, 23 [per cent] in July, and 51 per cent in August compared to corresponding periods in 2016.

Mr. Speaker, this brief but comprehensive overview paints an accurate, impressive picture of the steady growth in air arrivals from 2013 to August 2017. I believe the flat that was repeated or said, really was looking at the 2016 numbers, as I explained there were some challenges there and it did not have the kind of growth that we had become used to, but it was still about a 1.4 per cent growth over the year before and higher numbers.

September of 2017 is the best September in recorded history and for the fourth consecutive month was a record breaking arrival. September was up 14.7 per cent over the same period the previous year.

Mr. Speaker, I speak to the areas that they come from because these are the areas obviously that we are marketing to. The USA was up 20 per cent and the South East region continues to be the highest performing market year over year with growth of 39 per

cent. Canada was up 24 per cent, UK and Ireland was up 7 per cent and Latin America was up 29 per cent. Basically, the target markets are being reached and we are seeing the results from those.

We are currently trending this year at 5.2 per cent higher than where we were this time last year where specific numbers equate to 15,663 additional visitors to date. What this means for our economy is that that is $19 million more that have been spent this year in the Cayman Islands by excess tourists that have come, and based on these figures, I am cautiously optimistic that for the first time ever, stayover arrivals will cross a historic threshold by reaching 400,000 by the end of this year 2017.

As the Minister with oversight for the Tourism Ministry, I am extremely encouraged by these results and I like to always say, tourism is everyone's business, and strong growth and record breaking results are the things we should all justifiably be proud of because we have all made our contribution to it. The tourism industry is the twin pillar of our economy and as such, I cannot over state its importance in driving inward investment, creating jobs, and contributing to the GDP of our country, nor can I over emphasise the dynamic nature of this industry and the strong competition we face in the region and beyond. Continued growth in the sector is helping to keep businesses operating, people employed, and revenue filtering through to the service providers on all points of the spectrum, from the large hotels to the small farmers supplying fresh produce; and always remember, Mr. Speaker, growth provides opportunity for our people.

The Ministry and I recognise that the outstanding performance is not a licence to divert attention or slow down our efforts. Instead, we need to be re-energised by this success and more determined to ensure that growth is sustained and the benefits are widely shared amongst our citizens.

The Ministry is working extremely hard to make inroads, to boost visitor arrivals. We have seized opportunities and endeavoured to ensure our actions were prudent and purposeful. Decision making has been well informed and risks thoroughly evaluated before taking bold steps. Throughout the course of our tenure, we have made every effort to be inclusive, considerate, and cooperative with stakeholders, and above all, honest, equitable, and effective in our approach.

Mr. Speaker, while air arrivals soared, cruise passenger arrivals declined. Cruise passenger arrivals for this year 2017, from January to September, totalled 1,183,000, down from 1,280,000 for the same period in 2016—a variance of 97,200. This can be explained by 38 cruise ship calls being lost primarily due to bad weather equating to a corresponding loss of 94,000 passengers—you will remember this happened in January and February of this 2017 year. For the month of September the arrivals were up by 14 per cent over 2016 September. The double digit increase was due to some ships being diverted as a result of the impact of Irma which devastated parts of the Eastern Caribbean and Puerto Rico. Consequently, we expect to finish the year with the same number of arrivals on cruise as we did last year. I would like to say at this time, Mr. Speaker, that these storm-impacted islands continue to be in our thoughts, in our prayers. I also take this time to mention the missions that the Premier spearheaded with Members of the Government, Members who worked extremely hard, members of public sector and private sector who contributed to the different islands that Cayman Airways was able to fly to and help the individuals who had been struck by those hurricanes.

Mr. Speaker, having set the stage and established a strong, solid foundation, the focus for 2018 and 2019 is to build on that positive performance that many have worked hard to achieve. I take the opportunity to say that the foundation, as I talked about the ratios that had been met, we had gone through a period of not being in ratio and our budget having to be looked over and approved. This is the first year that we are out of ratio and approval from the Foreign and Commonwealth Office (FCO). This is the first year that we are controlling and looking at the infrastructure, the education, health, and the needs that desperately need to be worked on and improved. The budget that has been put forward by this Government recognises those needs, has identified those needs, and as we look at how the money has been apportioned, it may have been if we had more for education, [or] health would have been able to receive more, but the budget had to be balanced, fair, and we had to try to include every one of our citizens across recognising all the different needs. Obviously, there will be some tweaking, improvements and changes as we review it together, but I think it is an excellent platform to stand on to go forward, and certainly, I am proud to be a part of the Government that has offered that.

We will continue to work closely with our partners across all facets of the tourism and hospitality industry. Results confirmed this two-pronged approach introduced at the start of my tenure is working well. Consequently, its proven principles will be maintained during the upcoming budget cycle and will be revised and tweaked as necessary. The Cayman Islands are blessed with abundant natural beauty, above and below the water line, but we are devoid of the types of natural resources countries typically export, like oil or precious metals. Here in Cayman tourism is our export.

As a vacation destination we are selling experiences of our country to tourists and they pay for those experiences with the foreign currency they spend on their accommodation, transportation, meals, attractions, events, et cetera. In essence, tourism brings the market to the product and in so doing, it brings the foreign exchange needed to fuel the economic engine that runs this country. The money that visitors spend goes directly into stimulating our economy, and ultimately, into benefiting our people across the length and breadth of this country from West Bay to East End, Cayman Brac, to Little Cayman. Again, if we look at a

country that has natural resources and we see the indicator that they have exported 'X' amount of iron ore, as they export, cash comes in for that. This is the same way we export tourism; that is how we get our foreign exchange and that is the model that we work on.

Mr. Speaker, in terms of visitor expenditure, if we consider each stayover visitor spends approximately CI$1,200 on island, not including air fare. We could put the air fare as, let's say an average of $2,000, but we know that some coming from the North East United States spend $10,000/$15,000 in the week that they are here. Therefore, we look at the average and multiply that times the 400,000 visitors and we arrive at the sum of $480 million or $571 million being injected into our economy this year alone from stayover arrivals. The easy way to think about it is that we have just exported an asset and we have been paid in foreign exchange CI$480 million for 2017.

Mr. Speaker, taking into account 1.7 million visitors and the person spends on average US$115 a day, the cruise arrivals will contribute US$195 million dollars to the national coffers. We estimate based on performance to date and forward bookings to the end of 2017, to finish the year with a combined on-island visitors spend of approximately CI$650 million dollars or US$770 million from cruise and stayover arrivals; direct spending without a multiplier effect. If we compare this to the combined on-island spend from 2014, we see that visitor expenditure increased CI$30.2 million. What this basically means, Mr. Speaker, is that from 2014 to the end of 2017, we have had a 9.4 per cent increase in spend by our tourism market. I think that that is something many countries would like to be able to brag about and very envious of.

The stayover arrivals [of] 382,000 visitors times $1,200 is how we get to the CI$459 million for 2014. Mr. Speaker, the other indicator of our stayover visitation is an ADR. I know that you well know that stands for Average Daily Rate, and the average daily rate is what they pay for the room at the hotel. Irrespective of where they originate, visitors want to enjoy experiences beyond expectations to tell their friends and their families back home. They want excellent service; they want value for money, and our ability to deliver on these crucial elements coupled with the value added offers from industry partners, help to drive demand for Caymanian vacation. High demand is reflected in regional performance which ranked the Cayman Islands against our competitors. Indicators such as the ADR for hotel rooms put us number two in the region with an average daily rate of $362, up 1.86 per cent for the year. High ADRs translate into the tourism industry making a higher contribution because of the affluence of the visitor and the spend they will have in the Island.

With tourism being a significant contributor to our economy, Mr. Speaker, it follows that the way to grow our economy is to grow tourism. One way to accomplish this is to grow arrivals. The Ministry is committed to reaching the 400,000 mark by the end of the year and all indications are positive for reaching that goal.

Mr. Speaker, the other way to achieve growth is by looking at all the ways that visitors on Island spend unappropriated and increasing our share of the pie by leveraging the visitor experience. By improving services, enhancing attractions, and creating promotions to make visitors' vacations truly memorable, we are effectively leveraging tourism to convert the beauty of our Islands into jobs and opportunities for our people. Simply put, if we have tourists who are here in increasing numbers, with increasing room rates, with affluence, they are looking for other ways and means to enjoy the Island. This is the opportunity that we drive to create businesses for young entrepreneurs and Caymanians who stay in the industry. Remembering now, that the threshold for tour, taxi, small business is something that Caymanians take advantage of. Caymanians get involved. It is very different from trying to build a bricks and mortar hotel which takes hundreds of millions of dollars but the entrepreneurial spirit is alive when we create the opportunities for them to have success.

Mr. Speaker, behind every tourist is a long list of people who benefit from the variety of jobs. For every visitor that occupies a bed, for example, there is someone to take care of his room; someone to prepare the accounts in that property; someone to manage that property; someone to be the engineer on that property. The taxi drivers, the tour operators, the tour guides, the dive buddies, the chefs, the barbacks, the bartenders, the beverage servers, and I could go on and on, but the tourism industry is a trickle down all the way through and we have worked hard to make sure that the opportunities are being made available. Every visitor makes a valuable contribution to our economy, Mr. Speaker. The better their experience they have while vacationing with us, the more likely they are to come back.

Mr. Speaker, exit surveys conducted by the Department of Tourism tell us that 51 per cent of our visitors have been here before and are returning at least their second visit. Their decision to return is influenced by the experiences they had the time before, and this is why it is so important that every person who works in tourism, shows CaymanKind. It is why the Department of Tourism conducts PRIDE [Personal Responsibility in Delivering Excellence] training in service excellence to help ensure that every visitor interaction is the best that it can be.

Mr. Speaker, I used the example that if you spend $100 to attract a visitor to the Cayman Islands and they only come one time, it costs you $100 to attract them, but Mr. Speaker, if they come two times, out of that $100 that you used to attract them, it costs you $50, but we push to have them come 10 times, so then, it only costs $10 as an example. That is the reason why repeat guests are so important to the marketing dollars as you spend them.

The Cayman Islands tourism performance is currently among the best in the region and at the risk of over simplifying this formula for continued success is distilled into a few key elements. Maintaining consistency of high results is not rocket science by any means, but requires the right ingredients, the right quantities, at the right time to be effective. To break this down a little further, industry experience and communication are key. All the players, public and private need to be working together towards a common goal with no silos and no communication barriers. Stakeholder groups have to collaborate, share ideas, and support each other on a consistent basis; otherwise, efforts will be deluded and goals will not be achieved. Getting everyone to sing from the same hymn sheet has not always been that easy but we have persevered and our efforts are paying dividends as indicated by monthly results.

Mr. Speaker, another important element in the formula for success is making sure qualified Caymanians are matched with good paying jobs so that more and more Caymanian families feel the economic benefit as the industry grows.

Mr. Speaker, from a marketing perspective, I always like to use the example of, "If you fish in a pond that has no fish, it does not matter how much you paid for your fishing gear, you are still not going to catch any fish." From the marketing, we have to make sure we market to the right people at the right time and make it easy for them to get here. When they arrive we have to make sure they have great accommodations and plenty of unforgettable things to experience every day of their stay. As the research and the mining of information goes on, the examples are interesting. To share one with you, one of the credit card companies that shares their mining information is, *more overseas vacations are purchased on a Tuesday than any other day of the week*, so, what does that mean for your marketing? It means that you are going to make sure you have something in the market place on Sunday and Monday, and make sure someone answers the phone or the internet on Tuesday to book that. That is the kind of sophistication that goes into the marketing and also goes into the regional and global fight that we are in to match our Island destination with our competitors.

The foundation we have established underpins the tourism industry's sustained growth and development well into the future and is based on industry experience, knowledge, skill and a supportive Government with proactive policies, maintaining the right balance between marketing, airlift, accommodations, and attractions. In real terms, when one sector grows 10 per cent, the others must also grow in tandem, making sure that the benefits of growth are flowing through the service providers while providing services and opportunities for Caymanians who live and work here. It means managing and leveraging visitor experience, they talked about earlier. It is making sure that the funds tourism generates are reinvested to provide quality infrastructure, education, airports, roads, taxis, public transport. I should now mention Councillor David Wight and the work that he has been doing with public transport and the taxis, and I am sure he will have much more to say about that in his contribution, but excellent job. This, in turn, supports further activities.

I also take the opportunity to mention Minister Hew in the work he did the last four years in the Ministry when he was a Councillor. I think he is happy to see some of the successes we are having that he contributed so much to. Thank you, Minister. It means managing yield in line with capacity as was done recently when room stocks were constrained. I had a quick chat before this and the question was: What happened in 2016? When you do not have any new rooms that are added to your market and the rooms are already full, obviously, your arrivals and the ability to fill a room is flat because you have no rooms; that is what happened until the new hotels were opened in 2016.

Faced with the challenge of market saturation the choice was to do nothing, wait for more rooms to come on the market, or turn the challenge into an opportunity as the Ministry opted to do. The focus shifted to the development of niche markets to satisfy the low valleys that were available when rooms were available, such as sports tourism meetings, incentives, weddings, honeymoons, as the means of spreading arrivals more evenly year round.

Mr. Speaker, by successfully transitioning our business model to avoid the peaks and troughs of seasonality, businesses and entrepreneurs benefitted from a steady stream of income which in some instances fuelled business expansion. I think that as we explain the model and how the growth has taken place, it will give much comfort to young entrepreneurs and business people who are looking at the industry and are thinking whether they should grow their business or hire more people. I also hope that it makes more people realise that it is a good industry and a good place to come and work.

Mr. Speaker, by way of example recognising the slew of potential benefits to be derived from sports tourism, the Government has supported a variety of partnerships to build brand awareness, and drive incremental visitation for Cayman and the Sister Islands. Events were channelled to fit between May and September and tournaments were also hosted in Cayman Brac to bring benefits to businesses in the Sister Islands. This allowed full advantage to be taken of the upgraded sports facilities, new facilities at the Charles Kirkconnell International Airport and the improved airlift in the Saab 340Bplus aircraft.

For the weddings and romance sector, our Islands played host to 325 luxury wedding professionals who travelled to Grand Cayman in June of 2017 to experience our destination offerings for weddings and romance travellers. Mr. Speaker, the success of this strategy led to the launch in July 2017 of "Cayman Vows"; a luxury print and digital magazine publication devoted exclusively to the Cayman Islands' destination wedding

and honeymoon services. The first edition featured "Never before seen photos" from the Grand Cayman wedding of Grace Byers, whom we know as Grace Gealey, star of the Fox hit series *Empire*. This was a deliberate tactic; who better to sell the attributes of Cayman than a Caymanian on a global stage? Forty thousand copies of *Cayman Vows* have been issued principally across the United States [and] Canada, to impact the purchasing decisions of consumers within the $13 billion annual romance market. Two months later in September, Grace featured as the face of the Cayman Islands in an exclusive print online and digital ad campaign which will run till September 2018.

Mr. Speaker, I would like to Table the magazine.

The Speaker: So ordered.

[Magazine entitled "Cayman Vows" laid on the Table of the House]

Hon. Moses I. Kirkconnell, Deputy Premier: The Members have asked for a minute for it to be circulated.

Thank you.

[Pause]

Hon. Moses I. Kirkconnell, Deputy Premier: Mr. Speaker, I think you have your copy. I just ask the Members to have a quick look through it when they get a chance. It is an example of some of the marketing, some of the tools—and I believe that this is a highlight, considering it's a Caymanian star on a global stage, coming back to her home to help promote the Cayman Islands, enjoying it; and the magazine itself is well recognised and well distributed in North America and Canada. These are some of the initiatives that I believe every Member in this honourable House is rightly proud of and being involved in it. It is just two of the many achievements gained by niche marketing strategy. They illustrate what can be accomplished when the industry experience, knowledge, skill, and collaboration that I spoke about earlier, work together to look at niche market creativity. Managing the balance is much easier said than done but when the ingredients are applied in the right way, the right time, and the right amounts, the rewards can be astounding.

Ultimately, the proof is in the numbers. It is not by accident, Mr. Speaker, that the months of June, July, August, and September were all record breakers. Those results correlate to deliberate marketing tactics doing exactly what they were designed to do; government's Ministry partners and private sector shareholders working together to grow tourism in the Cayman Islands. The opening of new resorts alleviated our capacity constraints by adding a combined total of approximately 10 per cent more rooms to the rental market, along with Airbnb in addition to large hotels; sites like Airbnb allow for the advertising of smaller guest homes and individual apartments.

Mr. Speaker, total room stock today is 6,095. In terms of a breakdown for each Island: Grand Cayman has 5,697, including the condominiums and villas; Cayman Brac 258, and Little Cayman 140. Hotel occupancy has remained high throughout 2017, as reflected in the ADR, and projections for the winter season raised no cause for concern. The additional rooms meet current needs, but as arrivals grow so too must capacity.

Mr. Speaker, developers are responding, and Planning permission has been granted for several new hotel properties over the next two to three years. These include a 60-unit four star boutique hotel on the side of the old Treehouse Restaurant which broke ground recently; a proposed $300 million five star development on Pageant Beach, a development that comprises 450 rooms, projected to open in 2020. The same developer is near completion of a 42 room boutique hotel close to Lawrence Boulevard on the Seven Mile Beach; and DART Group also has plans for a 250 room five star resort on 7 Mile Beach Corridor. Consideration is being given to the redevelopment of the Grand Cayman Beach Suites to offer approximately 80 rooms on completion of renovation. In Bodden Town, the St. James Point development is slated to deliver 200 rooms plus 90 residential units to open in the next two years.

Mr. Speaker, for the next 12 months we see the Kimpton Residences open, Beach Suites possibly, Locale which is the Lawrence Boulevard, and another 180 rooms opening in Margaretville, which means that we will have another five per cent rooms available opening in the next 12 months. Obviously, the correlation between rooms, flights [and] seats that are needed, the marketing, and the added visitation which contributes to the economy is very positive for the next 12 months based on these openings. The proposed investments are clear indications that the tourism pie is not being split different ways. The tourism pie is growing. It is growing because the economy is healthy due to the prudent fiscal management and good governance practices demonstrated by this Government. When adding a lucrative banking environment and a sound legal and regulatory framework to the equation, it is not difficult to understand why more hotel properties are planned for development on the solid foundation our tourism industry provides. Investors trust it is robust enough to sustain development and they have confidence that their investments will be successful.

Mr. Speaker, having brought our country's net debt ratio, cash reserve ratio, and debt service ratios back in line to where they should be, investors are showing they have confidence in this administration and in this country; so too does Moody's, one of the world's foremost financial rating agencies which affirms the Cayman Islands' credit worthiness to be Aaa —a ranking our Islands has retained since the year 2000. These are just some of the competitive advantages that make our jurisdiction an attractive place to do business.

It has taken hard work, and effort by this Government to restore our country's finances to this point. It has not been easy but it has been worthwhile. That is why it bears repeating, and why having restored economic health and prosperity, the long-term prospects for our Islands and our tourism industry, remain stable and strong.

Mr. Speaker, in the same way that finance and tourism are the twin pillars of our economy, accommodations and airlift are the twin pillars of the tourism industry. To sustain tourism growth over the long term, increases in one sector must be reflected in the other. Otherwise, as said before, we wind up with empty rooms or empty seats; neither of which is good for the industry. In addition to wanting choice in accommodations, visitors want choice in the airlines and gateways that bring them here. Over the last 18 months airlift has increased. American Airlines launched a new service from Dallas; United Airlines is offering more seats from Chicago, British Airways upgraded to a Boeing-777 aircraft which comes in weekly.

[Inaudible Interjection]

Hon. Moses I. Kirkconnell, Deputy Premier: It lands here every week. British Airways upgraded to a triple seven which lands at Owen Roberts Airport three or four times every week. Southwest Airlines launched new service from Fort Lauderdale and Cayman Airways launched the service into Roatán.

For the benefit of anyone who does not understand, triple sevens [Boeing 777] land at Owen Roberts Airport every week.

[Inaudible Interjection]

Hon. Moses I. Kirkconnell, Deputy Premier: They land very safely.

We can never be complacent in terms of assuming that visitors will just arrive to our Islands because of the excellent tourism product we have to offer. Rather, the Ministry and Department of Tourism and Cayman Airways work hard looking at new routes into our Islands, particularly from the United States.

Arrivals from North America account for over 82 per cent of our stayover visitation year to date. It is a key factor for our industry and I am particularly pleased with the double digit increases registered by gateways such as Dallas, and Houston. Having stimulated the market with various promotions earlier in the year, results confirm the Cayman Islands is elevated to top of mind with consumers.

I want to now turn my attention, Mr. Speaker, to human capital development because if we do all that I have spoken about earlier and we do not have human capital development and success for the Caymanian people to work in this industry, the industry will not succeed, it will not be strong, it will not have the competitive edge of our CaymanKind people involved.

As the industry grows so does the corresponding need for more workers. Given that tourism is our export in this competitive market, every tourist who arrives on our shores must receive the best experience that our Islands have to offer. That experience cannot be authentic if it fails to include our people. As Minister of Tourism, I am working every day to see Caymanians at every touch point, from arrival, right through to departure because no one else can provide a Caymanian experience like a Caymanian. This is why the tourism industry is so important as our asset, Caymanian people are so important. Investing in human capital is critically important and a priority. Training is provided to bridge the gap between skilled supply, and demand, and we are working hard to encourage Caymanians of all ages to seek employment in the tourism and hospitality sectors.

Mr. Speaker, as you well know, the hospitality school was introduced to develop a cohort of qualified Caymanians who could assume the roles which are, to a great extent, performed by work permit holders. Opening in 2014, during its first two years, 38 students attained a City and Guilds qualification. In the last academic year, 38 students began the programme, and diving was added as a course option. Those who pursued the dive training option had become PADI [Professional Association of Diving Instructors] certified; rescue trained and had completed a Captain's course. From this class of 38 students, 28 graduated and 8 have resat their exams in order to complete the programme. In September 2017, the current academic year, 38 students have commenced the course and with the midterm exams now behind them, the students will begin to go out on work experience assignments as well as investing in hospitality school. The Ministry also provides scholarships for tourism-based subjects in partnership with Johnson and Wales University.

Mr. Speaker, to date, 250 students have benefitted from the Ministry of Tourism scholarship support. We currently have 37 active scholars including four at Johnson and Wales, and we are prepared to do more Mr. Speaker, much more to match Caymanians to jobs in the tourism industry they are qualified and experienced to do.

Mr. Speaker, feedback from the private sector conveys that attraction and retention of skilled employees is an ongoing challenge. The Ministry has always maintained an open door policy with respect to all aspects of tourism and as such, invite and encourage interested Caymanians to let us know if they are seeking positions in the industry.

Mr. Speaker, I just note that if you follow the registration at the hospitality school every year, it increases and increases, and we will continue to fund it because we want more and more people to apply. For every resume we receive in the Ministry we will ensure that the applicant becomes registered with the relevant agencies, if they are not already. Everything possible will be done to place that individual in a suitable position

and our efforts do not stop there. As a direct result of policies implemented through the Ministry of Tourism, jobs have been created and emphasis continues to be placed on training, succession planning and upward mobility. The goal is to improve performance through personal development to ensure that employees adapt at meeting the industry's current and future demands.

Mr. Speaker, Cayman Turtle Conservation and Education Centre has been outstanding with respect to developing the youth of Cayman; both in respect of its employees and through its student education programmes. Sixty five thousand dollars has been spent on direct training cost over the past two years. In addition, significant time has been spent upskilling, on the job training, predominantly the younger developing employees. Earlier this year a suitably trained and qualified young Caymanian, Adam Jackson, was promoted to take over as the new Aquarist. This is the first time in the company's history that the expert role has been filled by a Caymanian. In respect of the company's 102 employees, 31 staff members, that is 30 per cent of the total staff complement, is under 30 years of age and none of the company's staff in that age bracket is on a work permit. This demonstrates the company's keen interest of success in attracting and developing the youth of our nation. Only four per cent of the company's employees, Mr. Speaker, are on work permit. The composition of the remaining 96 is equally split between Caymanian and permanent residents or RERC [Residency and Employment Rights Certificate] by marriage.

Mr. Speaker, the Weather Service continues to develop staff by providing training [and] development opportunities to support succession planning, that includes midlevel tech training, radar training, one staff member is taking an online Bachelor's degree in Forecasting, and two staff members are pursuing Master's degrees. Additionally, the US National Weather Service launched a new significantly advanced weather satellite called the GOES-R which provides significant benefits in applications relevant to the Cayman Islands. These include improved hurricane tracking and intensity forecast.

Mr. Speaker, I think in the last six weeks we have depended on the National Weather Service quite a bit and they met the challenge. I congratulate them this evening on the hard work they do, and certainly, the work they are doing to move young Caymanians up.

Mr. Speaker, all of these examples highlight the Ministry's commitment to education, training, and human capital development. To this end the sum of $815,000 has been allocated per year 2018 and 2019 to fund tourism, education, and scholarships. We encourage interested young people to apply for a tourism scholarship or take advantage of the hospitality school or the programmes offered by UCCI.

Mr. Speaker, I would like to turn now to District Administration, Cayman Brac and Little Cayman, my constituencies. Make note of the continued support in this budget for Cayman Brac and Little Cayman. The budget both provides for services and quality of life issues to continue to grow as we work to make Cayman Brac and Little Cayman sustainable. The government services and the management of the executive assets on Cayman Brac and Little Cayman have both shown increases in the budget this year as the Islands grow. From 2014, passenger arrivals have increased by approximately 25 per cent to date, as the expanded Cayman Brac Beach Resort and private villas have added rooms to the market.

In the 12-month period September 2016 to September 2017, 16 posts have been filled within the District Administration Portfolio and it is broken down as eight within District Administration, five within Public Works Department, two at the day care centre and one within the Sports Department. Mr. Speaker, these roles include Customs and Immigration Officers, accounting positions in the Finance Department, child care teaching, support assistants, as well as electricians, painter and cleaner.

Mr. Speaker, the ministerial responsibility for District Administration also has oversight for the sustainable development of Cayman Brac and Little Cayman. This includes the development of infrastructure and implementation of programmes aimed at improving the quality of life in both Islands and services made available. Currently under construction is the Brac 25 metre pool accommodating eight swimming lanes for short course championship swimming. The new pool will meet the International Swimming Federation certification. The base of the pool and rough end of plumbing, and the electrical works have been completed. The construction of the pool walls are currently in progress and the equipment room and holding tanks are also underway. Substantial completion of the pool is expected for February 2018.

Mr. Speaker, the Brac Multi-purpose Hall has been under construction in phases since 2011. The exterior of the building was completed in 2013 and a construction contract has been awarded to complete the interior finishes and mechanical, electrical, plumbing, and fire components of the building. Mr. Speaker, construction start is planned for November 2017 with completion earmarked for summer 2018. The Multi-purpose Hall is also built to a Cat-5 to provide additional hurricane shelter relief.

Mr. Speaker, the Affordable Home Programme was established in 2006 to meet the housing needs and to date four houses have been built in the Eastern area, Watering Place Housing Complex; and 18 houses have been built and sold at the West End Housing Community. Currently, three houses are under construction in the West End, and substantial completion and handover to these owners is planned for the second quarter, 2018.

Mr. Speaker, in Little Cayman the public dock and boat launching ramp at Mary's Bay on Little Cay-

man's north east coast was completed in 2015. Construction is currently in progress to extend the dock another 60 feet and the public park is being cleared. Substantial completion of these two projects is planned for March 2018. The docking facility provides a dock to dock transfer between Cayman Brac and Little Cayman by boat of approximately 15 minutes, weather permitting. There is also a dock partnership between McCoy's Lodge on the West End of Little Cayman to provide emergency docking for small pleasure boats and dive boats on the North Side that if there is a need, they can go in there rather than have to go all the way around to the channel on the South Side.

Mr. Speaker, the Port Authority in Cayman Brac has done very good work. They have improved their building and they have had a 7.5 per cent increase between June 2016 [when] they had a movement of 1,940 containers and the following year ending June 2017, they had a transfer of 2,082 containers.

Mr. Speaker, the initiatives, and programmes that I have outlined have a single focus, the sustainable development of Cayman Brac and Little Cayman, which includes a commitment to improving the lives of the residents. I am pleased to confirm that as a result of sound fiscal management that I spoke of earlier, there will be no new revenue measures over the coming fiscal period for Cayman Brac or Little Cayman.

Furthermore, the Government is fulfilling its commitment to those most deserving within our society and will be increasing the monthly stipends paid to the elderly and the disabled, retired seamen, and veterans. Social system benefits will increase from $550 to $650 in January 2018, and increase to $750 in 2019. Former seaman and veterans are also set for the same increase of $650 [in] January 2018 and $750, January 2019. Civil Service pensioners will also receive an increase in the same way if their pension is less than that amount. These initiatives along with the arrivals and cargo results show that Cayman Brac and Little Cayman continue to attract new residents and offer high quality of life for its residents, Mr. Speaker.

Mr. Speaker, turning attention now to the Owen Roberts International Airport. I am pleased to report that excellent progress has been made to date on the terminal building and redevelopment. Plans are on track for completion in December of 2018 as scheduled at the start of construction. Some aspects of the project, such as the new customs and immigration areas, Mr. Speaker, are expected to come online as early as January 2018. This will leave a new departure hall as the main element of construction in 2018.

Meanwhile, Mr. Speaker, design work is about to start on another facet of the Owen Roberts Master Plan. The scope of these works all relate to the airside and will include:

- Strengthening the runway, which is necessary in order to support the sustained use of the runway by larger aircrafts;
- Extending the apron, which is necessary to provide parking for additional aircraft during the peak period. It will provide [for] two additional Code-C aircraft, such as, the Boeing 737 and one Code-E aircraft such as Boeing 777.
- Installing a paved perimeter road which is a regulatory requirement; and
- Filling the ponds at the approach to Runway 08 which is to help address a safety concern.
- Adding an extension to the runway to the west, this is to replace some of the runway which was lost on the eastern end to a project which was done in 2016 to meet a regulatory requirement, a threshold setback. The completion of this design will inform the project timelines and cost.

I should also mention that in Cayman Brac, work will soon begin on upgrading the building restrooms and the tower at the Charles Kirkconnell International Airport, voted the "Best Little Airport in the Region".

Mr. Speaker, the CIAA [Cayman Islands Airports Authority] continues to work towards the fulfilment of the objectives laid out in the 20 Year Master Plan that was approved by the Cayman Islands Government in 2014. This covers continued development of aeronautical and commercial activities at the three airports; the Owen Roberts Airport, Charles Kirkconnell Airport, and Edward Bodden Airport in Little Cayman. Apart from the development of physical infrastructure, there will continue to be a focus on improving passenger experience, strengthening commercial performance, and using technology to improve operational efficiency.

Mr. Speaker, my notes here take me to the Cruise Port redevelopment. There have been quite a few statements, information… what is it that we say…false news?

[Inaudible interjection]

Hon. Moses I. Kirkconnell, Deputy Premier: Fake news, thank you Mr. Eden.

I am going to elaborate a little bit more than I had really intended to, Mr. Speaker, because I think it is important that we have the foundation that this Cruise Berthing and the expansion of the cargo port sits on; and I will start, not at this election but the previous election that the PPM Government ran in their manifesto on the building of the Cruise Berthing facility in George Town. What that did, Mr. Speaker, was, all of the previous sites and talk about North Sound, Red Bay, South Sound, [and] East End, the vote and the mandate that was given to the Government was George Town. Quickly after the election we continued with what had been started by the previous administration to look at best practice, and best practice involved the hiring of PwC [PricewaterhouseCoopers] to do a business case if—

(1) The Cruise Berthing facility was needed; and

(2) What would be the results in the business case if it was decided that it was not needed; what could we expect.

I do not think I can speak any higher, Mr. Speaker, than bringing one of the most recognised accounting firms in the world in on a best practice business case to give information and directions to the Government. I think we will accept that.

Mr. Speaker, the business case came back and what it basically said was that if we were going to continue in the cruise business we needed to look at building a Cruise Berthing Facility; if we wanted to grow our business to 2.3 million (the number they put on it). If we did not want to continue in the cruise business, if we wanted to not continue to attract the business it would fall away, probably around a million passengers a year continuing on tender. The 2013 PWC business case moved in to an environmental impact assessment that was done by Beard Consulting and Engineering.

Mr. Speaker, after they finished, their report was that it would not have damaged the Seven Mile Beach, which the Government said if the report had come back with a danger to Seven Mile Beach the project would be stopped. Mr. Speaker, in 2015 the Government of the day made the decision to continue forward with the building of the Cruise Berthing facility, but under the review that we would move forward with maximum economic benefit for the country with the least amount of environmental impact. By moving in that direction we then re-entered negotiations for a consultant to see if the cruise berthing facility and cargo facility could be put in deeper water to lessen the impact of the dredging. Obviously, it was less expensive to build the facility closer to shore, so we accept that it was going to be more expensive to build it in deeper water.

Mr. Speaker, following on with that the consultants, engineers came back and said that it could be built in deeper water, so I give the Leader of the Opposition and my friend from North Side, the credit that that part of his fake news report was correct, that it would be built in deeper water.

Mr. Speaker, in July 2016 the International Engineering Firm, Haskoning DHV, were appointed by the Central Tenders Committee to undertake civil engineering design works related to the piers. Later that year, December 2016 the Ministry issued a request for proposal seeking suitable, qualified consultants to assist with the development of the contracts that would be required for the commercial, financial, and legal aspects of the project. The consultants would also be required to draft the tender documents ahead of the final process.

Mr. Speaker, the question of preliminary design. The contract and the model to build the cargo pier and the cruise berthing is a design, build, finance, maintain model. The preliminary design is done. That is what was required for companies to bid against, to see the preliminary design and they take the preliminary and come up with the final design.

Mr. Speaker, $300 million dollars in capital cost has been repeated many times and I will not repeat it again but it is not correct. It is not correct. Fifty to 100 million cruise line contribution—I do not know where that came from, wrong. Where is the difference coming from? That is not applicable because the first one is wrong, okay?

Mr. Speaker, there was also a conversation about whether we needed the cruise berthing facility, whether we needed the cargo facility, and I want to say this very clearly: What we want from a policy standpoint is we want overnight visitors, and we want cruise. We want a balance, we want to manage them, and we want to make sure that we maximise the spend when they are in the Cayman Islands. There is no government guarantee on this project. There is no risk to the Government on this project. What this does is it gives us a way to get 2.3 million people closer to the market to stay longer on the destination. To spend more because they are going to be here longer, it is going to be easier to get here, and you and I know that there are more Caymanian entrepreneurs servicing the cruise industry with tours and attractions than there are in the overnight visitation. That is the balance, that is the opportunity, and that is what we push forward for.

Mr. Speaker, the one thing that I agree with, which I wrote down, is that we all want more education facilities, we want more spend on education; but our model to spend more on education is to grow revenue, strengthen the economy, and use that money for education, health, as we have identified. Hence, this is a driver that makes a contribution to the gross income of this country, and then that money is taken to deliver the services. If we do not create opportunities to grow business in this country, we will not have the money to provide any services because revenue drives services. I hope that we will agree on this afterwards, because I think we both want the same thing.

Mr. Speaker, there were a couple questions about the transhipment of the cargo facility. It is a known fact in the shipping industry that ships are getting larger. That is accepted. The point that was being made that as the ships get larger they will come less. Well, that is the key to the transhipment because if we bring containers to Cayman and then take those to ports that demand less containers, you have to come more often to bring those containers. We have three shipping companies that serve us. The amalgamation of being able, instead of running three ships twice a week to run one ship twice a week, gives the same delivery time for less money and it cuts the cost of the ocean transportation to the consumer in Cayman.

The other question or statement was [on] the rubber tyre gantry crane—that it was going to be an expense. The business case on it, Mr. Speaker, was that if when looking at the other growing ports throughout this region, throughout the South East of the United States, throughout Europe, we will see gantry cranes at every container port because they are more efficient,

they take less land, and they operate and maximise efficiency. That is the business case and the decision that was taken to again try to be more efficient and business like at the port.

Mr. Speaker, I hope that that has answered most of the questions that were asked. I believe it did. If anyone wants to side bar, I will be happy to chat about it.

Mr. Speaker, in March 2017 it was announced that KPMG had won the bid and were appointed by Central Tenders Committee to provide financial and commercial services. That was what had come out. Two months later in May, the Ministry initiated the process to prequalify the bidders for the next phase of the project. Prequalification means that the bidders have the ability to do the job before they are allowed to bid on it. Prospective bidders were tasked to demonstrate their ability to design, build, finance, and maintain the two cruise piers and expanded cargo facilities in keeping with the outlined business case approved by Cabinet. The Ministry has now concluded its evaluation process and having received approval from CTC bidders, were informed of results through the Bonfire system through which submissions were made. Notifications were distributed last week.

[Inaudible interjection]

Hon. Moses I. Kirkconnell, Deputy Premier: Twenty minutes?

Mr. Speaker, the Department of Tourism is a tactical unit within the Ministry's Portfolio which has responsibility to aggressively promote the Cayman Islands in the global market place. Priorities for the Department of Tourism over the next fiscal period will include:

(1) The development and implementation of the new National Tourism Plan which is intended to guide the sustainable development and management of the Cayman Islands tourism industry for the next five years.
(2) Designing a cohesive and innovative global brand strategy and development of the DOT [Department of Tourism] corporate website called "Our Cayman". This new website will keep the Cayman Islands community abreast of tourism activities conducted by the Cayman Islands Department of Tourism on a global level.

While a great deal of attention has been paid to our strong air arrivals, my Ministry is equally proud of other outstanding achievements within the tourism industry. The Cayman Islands continues to receive recognition internationally as a top class destination with several aspects of our tourism product rating among the best in the world. In addition to a variety of properties, attractions, and beaches, earning such a claim, the Department of Tourism also received three prestigious IMPACT Awards for marketing from the Internet Marketing Association. Mr. Speaker, winning accolades and recognition at the international level highlights the high calibre of work carried out behind the scenes by the Department of Tourism to promote the destination.

Mr. Speaker, moving from marketing to education and research. In early 2017, the company name of the Cayman Turtle Farm formally changed to Cayman Turtle Conservation and Education Centre Limited. This was done to reflect the company's strategic shift and focus on initiatives and operations that have sufficient positive impact on the conservation of sea turtles. The importance of the company's captive bred turtle release initiatives were demonstrated in the results of a two-year study, looking at the genetic relationships between wild sea turtles in Cayman and the turtles in the captive breeding programme "Cayman Turtle Centre".

Mr. Speaker, the study was conducted by the Department of Environment under a grant from the United Kingdom Government through the Darwin Plus programme and revealed that a minimum of 50 per cent (in other words, at least half) of the nesting Green Sea Turtles in the wild in Cayman, Cayman Brac, and Little Cayman were contributed by captive bred turtles released from the Cayman Turtle Centre.

Furthermore, a socioeconomic study of the turtle meat consumption and supply in Cayman showed the vital importance of the company's captive-bred turtle meat production as a means of preserving sea turtles in the wild around our Islands. That yearlong study which was conducted by the Department of Environment under the same Darwin Plus grant revealed the numerical statistics that if captive-bred turtle meat is not produced and made available for purchase here, the current sea turtle population in our waters would most likely be wiped out within a few short months by poaching due to the strong demand for sea turtle meat as a traditional culinary delicacy. Therefore, the company's production of turtle meat for local consumption remains an essential component of its contribution to conservation of turtles in the wild. The results from those studies which applied solid scientific methods give compelling reasons for the company's determination to focus even more intently on conservation, education, and research, while continuing to ensure the availability of legal, captive-raised sea turtle for consumption in the Cayman Islands.

Mr. Speaker, I am very pleased to advise that the company's last bank loan was paid off in August 2017 as an initiative of Core Government to significantly reduce long-term debt and the associated interest cost. The company's last remaining long-term debt, which is in the form of a bond, will be fully paid off in March 2019. Mr. Speaker, this means that funding to the Turtle Centre which amounts to $8.5 million in 2018 and $9.5 million in 2019, will significantly reduce when all debt is paid. Without the sovereign debt payment,

we can look forward to reduction in 2020 to approximately $4 million dollars of the funding.

Mr. Speaker, as we drive visitation, we operate attractions through the Tourism Attractions Board and manage Pedro St. James, Queen Elizabeth Botanic Park, Hell, and the Pirate's Week Festival. They continue to increase appeal and the attractions continue to do well for our visitors. Since families are an important part of the market, the Children's Garden project at Botanic Park was officially launched in August 2017 and is anticipated to be completed in late 2018. Admission numbers in the attraction are projected to significantly increase upon completion as this new garden will be a welcomed addition to the park for families, tourists, and local residents alike. Notwithstanding the challenges with time sensitivity for cruise passengers to get to the eastern districts, a new cruise line contract is to be finalised with the Azamara Cruise [Line] in November 2017. This is a result of the synergy between Turtle Centre and the Tourism Attraction Board.

Mr. Speaker, Botanic Park and Pedro St. James are consequently hoping to achieve an increase in admissions of approximately 10 per cent in the upcoming high season as results of these efforts. The Pirate's Week festival is celebrating its 40th Anniversary this year. For the first time, the festival has been condensed into five days to make it more marketable to overseas visitors and to target new-aged travellers who are becoming increasingly interested in festival tourism.

Mr. Speaker, turning our attention now to our National Airline. Having a national airline that can be strategically deployed to support tourism industry growth, provides our Islands with a tremendous advantage over many of our regional neighbours. Within our major US source market, Cayman Airways provides scheduled services to five US Gateways as well as to Jamaica, Cuba, and La Ceiba. In March of this year, Roatán was added and is shaping up to be a successful route while strategies for Miami and Cuba continue to be reviewed to mitigate against the shrinking Cuban market.

In 2018, Cayman Airways will celebrate its 50th year of operations and will also begin phasing in its new fleet of Boeing 737 MAX-8s. These new planes extend our reach and are capable of reaching virtually all North America, and all of Central America and the Caribbean, and much of South America. In addition to offering more seating capacity, these aircraft are more reliable, offer significant cost savings with respect to fuel and maintenance cost. When we think of Cayman Airways, destinations come to mind, but is often overlooked that the airline is also a major, major employer of Caymanians. Of its island-based employees, 93 per cent are Caymanian or PR residents. Over the past year, June 2016 to June 2017 Cayman Airways paid over $20 million dollars in salaries and pensions contributions to staff based here in the Cayman Islands. Those funds remain here, Mr. Speaker, at home, circulating within our economy supporting hundreds of Caymanian families giving opportunity and adding to our tourism market. In addition, we are providing the employment an opportunity—

The Speaker: Order.

Hon. Moses I. Kirkconnell, Deputy Premier: We must never forget the incredible services rendered by Cayman Airways before and after Hurricanes Ivan and Paloma. The devastating impact of Hurricanes Irma and José provides a stark reminder of the compounded effect that lack of aircraft and airlift can have on the economies of small island states. At that time, we were truly fortunate Mr. Speaker, to have Cayman Airways at our side. In terms of commercial value, a series of independent economic impact [studies] carried out over several years have consistently revealed that Cayman Airways' contribution to the country is in the region of $200 million dollars annually. Therefore, through its investment in the airline, government consistently receives a 10 fold return on its annual purchase from Cayman Airways.

Mr. Speaker, there can be little doubt that our National Airline plays a key role in our country's tourism and economic development strategies. For Cayman Airways, this means that the profit centre is always the country first, giving national interest priority even over the airline's own profit producing ability. Mr. Speaker, by supporting statutory authority, government is helping to ensure Caymanians are employed and able to provide services in support of the tourism industry and Cayman Airways is not unique with respect to the employment of Caymanians. Ninety-six per cent of the staff at Cayman Turtle Centre is Caymanian or PR. Each year, $3.5 million is paid out in salaries. Mr. Speaker, 96 per cent of the staff of the Cayman Islands Airport Authority is Caymanian; [and] CI$10 million is paid out in salaries annually.

The Port Authority has 152 staff, 99 per cent is Caymanian; CI$10 million is paid out annually in salaries. Mr. Speaker, last year alone, four entities paid out over $43 million in salaries to Caymanian employees; that is CI$43 million circulating in this economy, contributing to the development of our communities, improving the quality of life, and I dare say, doing a great job in creating the middle class and strengthening it with opportunity for Caymanians in this country.

Mr. Speaker, Cayman Airways has 400 plus employees; Cayman Islands Airport, 186; Turtle Farm, 102; Port Authority, 150. I do not think I have to go any further to say what that means to the economy of these Cayman Islands.

Honourable Members, the results I have spoken of today are due to the forward thinking, strategies, policies, and decisions driven by this Government and my Ministry, supported by partners and stakeholders. Milestones have been met because of vision, leadership and inclusion, and are based on the recognition

that more can be achieved through collaboration [and] partnerships, than working in silos. While public-private partnerships are vital, I also wish to stress the importance of public-public partnerships because it takes all Government units working in harmony with private sector to deliver a tourism product that travellers will want to visit and return to many times over, and enthusiastically recommend to their families and friends.

Mr. Speaker, I began my address with a recap of the last four years and will end by sharing my vision for the next four years through 2021. Air arrivals will cross the 400,000 threshold by the end of 2017. They will grow to over 450,000 by 2020. Growth in air arrivals will be supported by 1,200 more rooms coming to market through a variety of new [and] existing hotel developments, and Airbnb. These properties, once they come on stream will not only add diversity to our tourism product and provide us with new market sectors to attract, but more importantly they will increase our room stock capacity by 20 per cent.

Mr. Speaker, advancements of the Port redevelopment will enable Grand Cayman to remain as a port of call on shipping itineraries and will expand our capacity to 2.3 million passengers on an annual basis. The new cargo port will allow us to accept larger ships and keep the cost down. The take away from all these initiatives, Mr. Speaker, is that the Cayman Islands Tourism Industry is growing. The necessary infrastructure is being developed in tandem. On the basis, there is good reason to be optimistic for the future of our Cayman Islands. I would like to say that there is a bright light ahead of us.

By maintaining the environment for success we are building another story on the firm foundation that has been laid since the beginning of our tenure. More importantly our people are benefiting from the associated job creation, training, education, and upward mobility opportunities. In terms of employment, hundreds of Caymanians remain employed in good jobs within the Ministry's departments and statutory authorities supported by the success of the tourism industries—90 per cent, Cayman Airways; 96 per cent, Cayman Airports Authority; 96 per cent, Cayman Turtle Centre; 80 per cent, Tourism Attraction Board; and 99 per cent, the Port Authority. I have taken the time, Mr. Speaker, to explain that we are working to do more to give the skillsets, to educate, and bring more people into the industry. This is the barometer by which we should be measured; the positive impact that tourism is having on the lives of our people.

Mr. Speaker, in closing, I have the privilege of leading an incredible team who are adept at leveraging our marketing and advertising efforts to continually raise our game and attract more visitors to these Islands. It would be remiss of me not to offer a word of thanks to Councillor, David Wight; and I look forward to his update on the transportation and sports tourism. I also thank my Chief Officer, Stran Bodden; and Director of Tourism, Ms. Rosa Harris; Personal Assistants Ventisha Conolly, Liz Walton-Thompson; and all the hard working staff of the Ministry of District Administration, Tourism and Transport, as well as the other hard working civil servants who make so many things, especially this budget document, happen in the right time; and our industry partners in the private sector whom we continue to work closely with.

Mr. Speaker, I also want to thank Members of the various Government Boards and the private citizens to have supported the Ministry of Tourism by freely giving of their time for the benefit of this country.

Finally, I would like to close by thanking you, Mr. Speaker, and my Caucus and Cabinet colleagues for their support and collaboration; and to the Premier for his commendable leadership of our country.

Thank you, Mr. Speaker.

[Desk thumping]

ADJOURNMENT

The Speaker: Honourable Premier, can we have the Motion for adjournment?

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

I move the adjournment of this honourable House until 10 am tomorrow.

The Speaker: The question is that this honourable House do now adjourn until 10 am, Thursday, the 2nd November, 2017.

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

AYES.

The Speaker: The Ayes have it.

The House stands adjourned until 10 am tomorrow.

At 9pm the House stood adjourned until 10am Thursday, 2nd November, 2017.