



**CAYMAN ISLANDS  
LEGISLATIVE ASSEMBLY  
OFFICIAL HANSARD REPORT  
Electronic Version**

**2010/11 SESSION**  
*FIRST & SECOND MEETINGS*  
*15 June — 15 September 2010*

**Hon. Mary J. Lawrence, JP  
Speaker**

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# MEMBERS OF THE LEGISLATIVE ASSEMBLY 2010–2011 Session

## SPEAKER

Hon. Mary J. Lawrence, JP

## MINISTERS OF THE CABINET

Hon. W. McKeeva Bush, OBE, JP, MLA	Premier, Minister of Financial Services, Tourism and Development
Hon. Juliana Y. O'Connor-Connolly, JP, MLA	Deputy Premier, Minister of District Administration and Works
Hon. Rolston M. Anglin, MLA	Minister of Education, Training and Employment
Hon. Michael T. Adam, MBE, MLA	Minister of Community Affairs, Gender and Housing
Hon. J. Mark P. Scotland, MLA	Minister of Health, Environment, Youth, Sports and Culture

## OFFICIAL MEMBERS OF THE CABINET

Hon. W. F. Donovan Ebanks, MBE, JP	Deputy Governor, First Official Member responsible for Internal and External Affairs and the Civil Service
Hon. Samuel W. Bulgin, QC	Second Official Member responsible for Legal Affairs

## ELECTED MEMBERS

### GOVERNMENT BACKBENCHERS

Hon. Cline A. Glidden, Jr., MLA  
Deputy Speaker  
Third Elected Member for West Bay

Capt. A. Eugene Ebanks, JP, MLA  
Fourth Elected Member for West Bay

Mr. Ellio A. Solomon, MLA  
Fourth Elected Member for George Town

Mr. Dwayne S. Seymour, MLA  
Third Elected Member for Bodden Town

### INDEPENDENT MEMBER

Mr. D. Ezzard Miller, MLA  
Elected Member for North Side

### OPPOSITION MEMBERS

Hon. D. Kurt Tibbetts, OBE, JP, MLA  
Leader of the Opposition  
First Elected Member for George Town

Mr. Alden M. McLaughlin, Jr., MBE, JP, MLA  
Third Elected Member for George Town

Mr. Moses I. Kirkconnell, JP, MLA  
First Elected Member for Cayman Brac and  
Little Cayman

Mr. Anthony S. Eden, OBE, JP, MLA  
Second Elected Member for Bodden Town

Mr. V. Arden McLean, JP, MLA  
Elected Member for East End

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## 2010/11 SESSION

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2 <sup>nd</sup>	5	8, 9, 10, 13, 15 September 2010	297–452	1
3 <sup>rd</sup>				
4 <sup>th</sup>				
<b>Total sittings</b>				

**OFFICIAL HANSARD REPORT**  
**STATE OPENING AND BUDGET MEETING**  
**2010/11 SESSION**  
**TUESDAY**  
**15 JUNE 2010**  
**9.53 AM**  
*First Sitting*

**The Speaker:** I will ask Reverend Donovan Myers to say Prayers for us this morning.

**PRAYERS**

**Reverend Donovan Myers:** Please join with me as we pray.

Let us pray: *Loving and Eternal God, ingenious in creation and effectual in our salvation, help us to be intimately mindful of your available presence with us as a nation, especially today as we celebrate the freedoms and the good heritage that is ours in these Islands.*

*We pray that you might bless our Sovereign Lady, Queen Elizabeth II; Philip, Duke of Edinburgh; Charles, Prince of Wales; and all the Royal Family.*

*We pray that you might give grace to all who exercise authority in the Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us.*

*And especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, the Honourable Premier, Honourable Leader of the Opposition, the Official Members, Ministers of Cabinet and Members of the Legislative Assembly.*

*We ask, Lord, that you might grant them a deep sense of their obligations as representatives of the peoples of these Islands in the laws that they enact and the direction in which they lead your people. May they govern by laws and policies that promote justice instead of inequity, that promote peace and adhesion instead of animosity and division, that promote trust in a wise and enabling God instead of living by chance, that promote hard work and ingenuity, instead of craftiness and the sleight of hand.*

*We pray for our leaders that they may demonstrate honesty, integrity and grace in their behaviour, both within and outside of these walls. And we pray too that you might grant them the assurance of your mercy and the enabling of your Spirit when the issues are complex, the journey is lonely.*

*Almighty God, we pray in particular for the challenges that we face as a people, for we recognise your wisdom and ask for the courage that it might take to make right decisions as we face the challenges of the present state of our economy, as we seek to restore a sense of safety and peace as we seek to be true to our heritage as a people who live by the principles of godliness and of love.*

*So, with one voice may all the peoples of these Islands commit anew to our unity of purpose that we might promote liberty, prosperity and peace for all so that earth may be filled with the glory of God as the waters cover the sea.*

*Through Christ we pray. Amen.*

**The Speaker:** Good morning everyone. Please be seated.

**READING OF PROCLAMATION NO. 2  
SUMMONING THE NEW 2010/2011 SESSION OF THE LEGISLATIVE ASSEMBLY**

**The Clerk:** "Proclamation No. 2 of 2010 by His Excellency Mr. Duncan Taylor, Commander of the Most Excellent Order of the British Empire, Governor of the Cayman Islands.

"WHEREAS section 83 (1) of the Constitution of the Cayman Islands provides that the sessions of the Legislative Assembly of the Cayman Islands shall be held at such places and begin at such times as the Governor may from time to time by Proclamation appoint: NOW, THEREFORE, I, Duncan Taylor, CBE, Governor of the Cayman Islands, by virtue of the powers conferred upon me by the said section 83 (1) of the Constitution of the Cayman Islands HEREBY PROCLAIM that a session of the Legislative Assembly of the Cayman Islands shall be held at the Legislative Assembly Building in George Town, in the Island of Grand Cayman beginning at 10:00 a.m. on Tuesday, the fifteenth day of June, 2010.

"GIVEN UNDER MY HAND AND THE PUBLIC SEAL OF THE CAYMAN ISLANDS AT GEORGE TOWN IN THE ISLAND OF GRAND CAYMAN ON THIS 3<sup>rd</sup> DAY OF JUNE IN THE YEAR OF OUR LORD TWO THOUSAND AND TEN IN THE FIFTY-NINTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II."

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

**The Speaker:** Proceedings of the first Sitting of the first Meeting of the 2010/2011 Session of the Cayman Islands Legislative Assembly will now begin.

I want to say a special welcome to all who have taken the time to come here this morning to witness this auspicious occasion.

I want to thank especially the Honourable Chief Justice [Mr. Anthony Smellie] and his wife, Mrs. Smellie, for gracing us with their presence here this morning representing the Courts of the Cayman Islands.

I want to thank the Reverend Donovan Myers for serving as Chaplain today.

And I want to extend a very special welcome to the school children who are here with us. There are 60 children from the Cayman Islands Preparatory School, and I am really, really proud that they are here.

We enjoy a very special privilege in the Cayman Islands. We have an open-door Parliament. No-where else would you go and find you can enter the door of Parliament and take a seat to witness its proceedings unless you are invited or unless you have a special appointment to do so. This is a unique Parliament and this is a unique privilege in the Cayman Islands.

### **Congratulatory remarks**

**The Speaker:** I also want to extend my congratulations to the Honourable Leader of the Opposition, Hon. D. Kurt Tibbetts, OBE, JP, and to Mr. Alden M. McLaughlin, MBE, JP, Third Elected Member for George Town, on receiving their honours from the Queen this week.

Now, I am going to call on Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, before I read the motion, [we] would like to associate ourselves with your remarks. This is a historic time when two Members of the Opposition front bench were honoured by Her Majesty the Queen. Indeed, the former Speaker [Hon. Edna M. Moyle, OBE, JP], also a Member of the Opposition front bench, was also honoured.

It is a great time for these Islands. And we certainly want to congratulate the past Speaker, Mrs. Moyle, the Honourable Leader of the Opposition, and, indeed, the Third Elected Member for George Town.

### **MOTION FOR THE SUSPENSION OF THE HOUSE**

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I am pleased to move the following Motion: That this honourable House do rise to await the arrival of His Excellency the Governor to receive a gracious message from the Throne.

**The Speaker:** The question is that this honourable House do rise to await the arrival of His Excellency the Governor to receive a gracious message from the Throne.

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

**Ayes.**

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

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

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

**Proceedings suspended at 9.56 am**

**House resumed at 10.04 am**

**The Speaker:** Please be seated.

I now invite His Excellency the Governor to deliver a gracious message from the Throne.

### **THE THRONE SPEECH**

**Delivered by His Excellency the Governor  
Mr. Duncan J. R. Taylor, CBE**

**His Excellency the Governor:** Madam Speaker, Members of the Legislative Assembly, it is with humility and a real sense of honour that I present my first Throne Speech to you today. This will be the first Throne Speech under the new Constitution and, therefore, the first in the presence of a Premier and Deputy Premier of the Cayman Islands.

I will come back to the Constitution in a moment. But first, I would like to thank you, Madam Speaker, Members of the Legislative Assembly, and all the people of the Cayman Islands, for the warm welcome that my wife, my son and I have been given since our arrival. We have been in the Cayman Islands five months today. In that time we have tried to get out and about around all the Districts and communities as much as possible. We have been made to feel very welcome by everybody we have met, from all walks of life throughout the Cayman Islands.

Talking to people across the islands has, however, also made me understand clearly the anxiety and concern that people feel about the challenges we face, particularly with regard to crime and to the economic situation. Madam Speaker, Members of the Legislative Assembly, we live in challenging times, with continuing uncertainty in the world economy and crime levels, in part because of that economic uncertainty, rising across the Globe. But challenges often bring out the best in us. Indeed, sometimes we need a challenge to be able to understand and realise our potential. I believe that we in the Cayman Islands, God willing, can overcome the challenges we face and move on to make Cayman a better and a stronger place for all. To do so, we will all need to work together.

Let me return to the Constitution. Adopted in a historic referendum last year, the new Constitution gives more responsibility for the running of the Territory's affairs to the Cayman Islands Government; and a greater say to the people of the Cayman Islands. Its key themes are the promotion of human rights and of good governance. We have much to do if we are to ensure the efficient functioning of the Constitution for the good of the Cayman Islands. Much has already been done. We have set up a Human Rights Commission, a Commission for Standards in Public Life, a Constitutional Commission, and a National Security Council.

The Electoral Boundary Commission has concluded its work and has submitted its report to me and to this Assembly. But there is much, also, still to be done. We need to establish the Judicial and Legal Services Commission, the Advisory Committee on the Prerogative of Mercy and the Advisory District Councils. We also need to set up a separate office of Director of Public Prosecutions.

And, over the next two and a half years, we need to prepare for the introduction of the Bill of Rights, Freedoms and Responsibilities, rightly referred to in the Constitution as "a cornerstone of democracy in the Cayman Islands." You will hear reference to some of these bodies when I turn in a moment to the plans of the various Ministries, Portfolios and Departments.

The Constitution provides the core foundation and structure for our society. We need to draw strength from it to build a better and stronger Cayman Islands.

I would pick out three key themes for the coming year.

We need to adapt public finances to the new reality, and you will hear later the presentation of a cost-cutting budget, part of a three year plan to bring public finances back on to a sustainable track.

We need to provide security for our people, ensuring a safe and supportive environment for all and especially our children. The Royal Cayman Islands Police Service has a lead role in this regard; but other law enforcement agencies have important contributions to make, as does the wider community. I attach importance to the work of the National Security Council. We have met several times and will do so again shortly. The Council will agree a crime reduction strategy, pulling together the ideas, experience and commitment of Ministries, Departments and Agencies across Government and of the wider community to provide a roadmap to help make our streets safer. Everyone has a role to play in this; every member of the community can contribute.

We need constantly to work to promote and ensure good governance and respect for human rights: to ensure the independence of the judiciary; and to ensure that the many checks and balances established in the Constitution and referred to earlier can operate freely and independently. I have no doubt

that this will help ensure we build a better and stronger Cayman Islands over the longer term.

In a moment I will turn to the plans of the various Ministries, Portfolios, and offices. Before I do so, I would like to say how delighted I am to see so many of our young school children in the gallery today. I welcome their interest in joining us today and hope they find the experience interesting and enjoyable.

I turn now to the Government's detailed plans:

Auditor General's Office: The Auditor General's Office will continue to carry out its mandate to provide information, advice and assurance on whether government's activities have been carried out and accounted for, ensuring value-for-money and the avoidance of waste. The United Kingdom has a strong Audit Office and as a Government we support such a model.

Office of the Complaints Commissioner: The Office of the Complaints Commissioner will continue its efforts, through public education and outreach, to be fully accessible to all residents of the Cayman Islands.

It will also encourage Government departments and agencies to serve the public better. The Office will achieve this by carrying out fair, thorough and independent investigations; and by setting standards for, and monitoring, the effectiveness of internal complaints processes throughout government.

Information Commissioner's Office: The Information Commissioner's Office will promote the public's understanding of the Freedom of Information Law. This will encourage wide participation from the public in exercising their rights to information. The Office will:

- hear, investigate and rule on appeals filed under the Freedom of Information Law, and conduct own-initiative investigations, to ensure all applicants and public authorities are treated fairly.
- It will review the Freedom of Information Law, within the deadline set down in the law with a view to improving its consistency and effectiveness.
- And it will expand the Information Commissioner's Office website, to provide guidance and information to public authorities and the public at large.

In addition, the Information Commissioner will, as legally required, provide an analysis to the Legislative Assembly of the Freedom of Information Law's first year of operation.

The Information Commissioner's Office will also continue to strengthen its independence, through the establishment of reporting lines to the Legislative Assembly, as provided for under the law, putting in place arrangements to manage its own budget.

Judicial Administration: Turning to Judicial Administration, the courts building project has been suspended because of budgetary constraints. But the Government remains committed to taking this project

forward preferably using a Private Finance Initiative (PFI) model.

The work of the Grand Court will be facilitated, in part through the recent increase in judges for the Financial Services Division, and the soon-to-be completed court for this division.

The Drug Rehabilitation Court will seek the community's support in the area of job provision, and will seek dedicated funding in order to optimise the programme's benefits.

Cabinet Office: With increased Constitutional responsibilities, the Cabinet Office will focus more attention on improving the monitoring of policy implementation, and prepare for the eventual increase in the size of Cabinet. The Cabinet Office will place particular attention on ensuring that its departments and units improve service delivery, based on the principle of doing more with less.

Within the Cabinet Office, the Protocol Office will promote greater understanding of the interdependent relationship between protocol and diplomacy, through civil service workshops. Another key focus will be identifying and drafting protocol procedures in line with the provision of the Constitution and in consultation with the offices of Premier and Deputy Premier.

The Freedom of Information Unit will offer public-sector training and support on requirements arising from the Freedom of Information Law. It will also work on the eventual introduction of data-protection legislation.

Computer Services will extend an electronic content management system to core Government Agencies for personnel management as implemented by the Portfolio of the Civil Service and for the newly approved Financial Management File plans.

Government Information Services Marketing and Communications will launch a radio version of the award-winning *GIS Spotlight*. It will also make available communications training for Government officials and civil servants, in order to improve the flow of information to the public. Government Information Services will build a new *Cayman Islands Gazette* website, to expand availability, and allow e-commerce transactions.

In addition, the department's graphics, electronic media, and strategic communications sections are working with Economics and Statistics to promote the 2010 Census.

Portfolio of the Civil Service: The Portfolio of the Civil Service will introduce e-learning and undertake amendments to the personnel laws, in order to enhance efficiency and accountability.

Its Civil Service College will embark on blended learning by adding web-based courses to complement existing classroom training. The numerous benefits of this programme include cost reductions, an expanded curriculum, and automated means to link learning and performance management.

Portfolio of Internal and External Affairs: Within the ambit of the Portfolio of Internal and Exter-

nal Affairs, the Royal Cayman Islands Police Service will continue to strengthen its crime-fighting capabilities by hiring suitably qualified staff, by training and developing personnel, and by ensuring that officers have the necessary equipment to carry out their functions, complementing existing resources, including the helicopter and marine assets.

The Royal Cayman Islands Police Service will develop its intelligence capabilities in order better to secure our borders against the illegal entry of persons, guns, and drugs.

The Immigration Department will also work to secure our borders and reduce immigration-related crime. The Advanced Passenger Information System will identify undesirable persons prior to their arrival in these Islands and speed up processing for legitimate passengers.

The fingerprinting of all work-permit holders will begin in late 2010. The department will also work with the Immigration Review Team to process work permits and key employee applications more efficiently and quickly.

The Prison Service will encourage inmates' involvement in educational courses, including adult literacy; and it will expand rehabilitative opportunities for drug and alcohol abusers in order to address recidivism. At the Department of Community Rehabilitation staff will implement services to address domestic violence.

The Legislative Assembly has five main initiatives. It will establish a Legislative Assembly library; staff will replace historical records destroyed during Hurricane Ivan, while preserving and cataloguing existing records and photographs; the Legislative Assembly's website will be improved; Standing Orders will be brought in line with best practice; and the method by which laws are sold to the public will be reviewed. This year the Legislative Assembly will be made to function more autonomously.

The Judicial and Legal Services Commission will be established. It will be supported by the Commissions Secretariat.

Hazard Management Cayman Islands will focus on capacity building, public awareness, and policy development, together with the maintenance and further development of a seismic monitoring network.

And in support of the Alternative Sentencing Law, 911 Emergency Communications will expand its electronic monitoring function, to provide the option of tagging as a condition of bail determined by the courts, police, Immigration or Customs. The department will also implement a closed-circuit TV monitoring centre for the National CCTV Programme.

Portfolio of Legal Affairs: In the Portfolio of Legal Affairs, the Attorney General's Chambers will work with other key departments on a comprehensive crime-reduction strategy, including modernising legislation where required.

The Portfolio will also continue sensitising civil servants to the introduction of the Bill of Rights. It is



anticipated that the new office of the Director of Public Prosecutions envisaged in the Constitution will be established in fiscal 2010.

Ministry of Finance, Tourism and Development (Public Finance): The Ministry of Finance, Tourism and Development will bring a holistic approach to its three areas of responsibility in order to strengthen our financial and tourism industries while developing the country at a sustainable pace.

To promote fiscal management, the Ministry will oversee the Accounting Task Force, as it assists ministries and portfolios in completing annual financial reports. Internal Audit will continue evaluating compliance with the Public Management and Finance Law and Financial Regulations.

Customs will implement its Total Revenue Integrated Processing System, which will accommodate the new harmonised tariff codes while providing comprehensive statistics on imported goods. The department also plans to acquire scanners, to help detect contraband.

Risk Management will deliver programmes aimed at reducing Government's loss exposures. And the Maritime Authority will promote its consultancy services and expertise globally in order to increase ship-registration revenue and to reduce equity injections from Government.

Lastly, in its finance sector, a key objective for the Ministry is preparing and conducting the 2010 Census.

In the area of tourism, initiatives include educating tourism service providers and public servants, and institutionalising the "Go Green" initiative, to promote the Cayman Islands. Developments to the airport and seaport facilities will feature safety and security enhancements for both visitors and locals.

In an effort to bring more visitors to our Islands, in 2010 the Ministry also plans to set up sport and medical tourism programmes by supporting team and individual games as well as medical services that are technologically advanced and financially accessible.

Social agencies with strong connections to Cayman's maritime culture will be supported administratively and partially to assist them to become self-sustaining and profitable.

Furthermore, it is expected that Government expenditures for prestigious events such as the Cayman Jazz Fest will be reduced, as Government seeks to initiate a quasi private-public sector sponsorship arrangement.

In the area of development, the Ministry will initiate an infrastructural development plan that encompasses a new cargo facility in East End, the improvement of the North Sound Channel, to accommodate mega yachts; and the development of new cruise berthing facilities.

The Government will arrange a vote to give people a chance to reject or accept gaming as part of economic development.

Both the Planning Department and a newly established National Scientific Research Council will work alongside other agencies to ensure that our natural resources are preserved and protected. These initiatives will generate hundreds of jobs that will contribute to Cayman's gross domestic product, and diversify Cayman's maritime industry.

In addition, the Department of Investment and Commerce, working with the financial sector, will be heavily involved in fomenting ministerial plans to attract new business to the country and to strengthen Cayman's global competitiveness as a well-regulated, international financial services centre.

The Government will move lead responsibility for gender affairs from the Ministry of District Administration, Works and Gender Affairs, to the Ministry of Community Affairs and Housing. As a result, the former will now be known as the Ministry of District Administration, Works, Lands and Agriculture; and the latter, the Ministry of Community Affairs, Gender and Housing.

Ministry of District Administration, Works, Lands and Agriculture: The Ministry of District Administration, Works, Lands and Agriculture will focus on three areas:

It will support the economic and social development of the Sister Islands by:

- expanding the affordable housing programme;
- continuing the asphalt road programme, and chip-and-spray, in Cayman Brac and Little Cayman; and
- increasing shelter capacity, as it continues with Hurricane Paloma recovery efforts.

The Ministry will restructure entities and create innovative ways to:

- manage solid waste and water;
- increase food sustainability and security;
- improve mosquito research;
- develop the Doppler early-warning radar system for the region; and
- develop a comprehensive energy policy.

This year the completion of the divestment of the Water Authority will take place and the plans for a new National Sewerage System will become a reality.

In addition, the Government Office Accommodations Project, or GOAP, will be completed. It is on schedule and within budget and is expected to open in January 2011.

Lastly, the Ministry will review and update the laws governing traffic, roads, and environmental health.

Ministry of Education, Training and Employment: The Ministry of Education, Training and Employment's primary goals include working to achieve a world-class education system; supporting the development of a national culture of lifelong learning with opportunities for retraining and retooling; enhancing the labour regulatory regime; and developing a better

prepared workforce, with increasing employment opportunities.

Key strategic objectives include:

- Implementing a new governance model for the education system and the Education Stabilisation Plan.
- Introducing a restructured secondary education system, with two all-through high schools and enhanced graduation criteria.
- Launching an innovative Year 12 programme, to provide a bridge between high school and employment, and/or higher education.
- The recommencement of phased construction of the new high school campuses and critical improvements to the physical plant at the primary level.
- Enhancing interventions for at-risk students in partnership with other ministries and agencies.
- Supporting persons with additional educational needs and disabilities through better legislation, facilities and programmes, including the redevelopment of the Sunrise Centre.
- Enhancing careers assessment, guidance and counselling services both for schools and job seekers.
- Restructuring the Department of Employment Relations and the National Pensions Office, to create two new agencies: a Human Capital Development Agency, and a one-stop Inspectorate dealing with pensions, labour and health compliance issues.
- And continuing the implementation of the National Employment Passport Programme, with the expansion of Passport2Success for unemployed youth, and the development of employment initiatives for other target groups.

Ministry of Community Affairs, Gender and Housing: The Ministry of Community Affairs, Gender and Housing will protect and empower vulnerable persons, by helping them to improve their living conditions and reduce substance abuse. Programmes and services will be strengthened and enhanced, in order to support the wellbeing of youth, families and communities. Key legislative initiatives are:

- commencing the implementation of the Children Law and Regulations; and
- approving amendments to the Children Law and Regulations (2003 Revision).

The Ministry's broad strategic goal is to develop a holistic approach to addressing human needs. It will achieve this by:

- promoting the development of supportive and collaborative community action groups;
- developing a national plan for the elderly and programmes and services to meet their unique needs;
- development of a national housing policy;

- enhancing youth rehabilitation by developing a therapeutic community facility with appropriate programmes and services so that youth who are experiencing difficulties can have their needs met on-island; and
- developing a comprehensive community-based, preventative approach that is tailored to address the identified needs of our youth.

In its new area of responsibility for gender affairs, the Ministry will improve gender-mainstreaming efforts by:

- providing gender awareness training in the Civil Service;
- putting forward the Prevention of Gender Discrimination Bill (2010); and
- requesting the extension of the Convention on the Elimination of all Forms of Discrimination against Women, to the Cayman Islands.

Ministry of Health, Environment, Youth, Sports and Culture: The five top objectives in the Ministry of Health, Environment, Youth, Sports and Culture, are:

- formulating a national strategic plan for health. The goal is to ensure that our healthcare system meets the needs of residents, and that there is equitable, affordable access for all.
- Continuing to working on relevant legislation—in particular, putting forward and implementing a National Conservation Law, in recognition of the critical importance of a legislative and policy framework that responds to today's natural environment challenges, ensuring that it complements the country's growth plan.
- Preparing and implementing action plans for the updated National Youth Policy, including a comprehensive approach to the delivery and evaluation of youth programmes.
- Reviewing all strata of sports programmes—from community to elite levels—in order to ensure they are receiving appropriate support, and are being delivered effectively.
- And finally, establishing a National Cultural Council. The council will advise on a policy that will encourage both residents and visitors to take advantage of the many opportunities to explore and embrace our Caymanian history and culture.

Madam Speaker, Members of the Legislative Assembly, in conclusion, I would like to thank the members of the public service who have helped to draw up these plans and who will be charged with implementing them. I am particularly grateful to them for their continued hard work and commitment at this difficult time for public servants, who face a rollback in pay of 3.2 per cent from next month and a reduction in some allowances.

The Premier has informed me that Members of the Legislative Assembly salaries will be affected by

the same 3.2 per cent rollback, but that his salary and that of the Leader of the Opposition will be cut by 10 per cent.

I would also like to thank those who are contributing and will contribute through their work on the Boards of Statutory Authorities and Government Companies, on the Commissions, Committees and Councils set up under the Constitution and all those many volunteers who selflessly give so much of their time to support church and community groups.

I pray that God will provide wisdom and guidance to the Members of this Assembly and that He will continue to bless and protect the Cayman Islands.

Thank you.

## DEPARTURE OF HIS EXCELLENCY THE GOVERNOR

[Procession departed in the following order:

*Serjeant-at-Arms*  
*The Speaker*  
*His Excellency the Governor*  
*Mrs. Taylor*  
*Aide-de-Camp*  
*The Honourable Chief Justice*  
*Mrs. Smellie*  
*Pastor]*

**Proceedings suspended at 10.27 am**

**Proceedings resumed at 10.30 am**

**The Speaker:** Please be seated.

Proceedings are now resumed in the Cayman Islands Legislative Assembly.

## MOTION OF THANKS TO HIS EXCELLENCY THE GOVERNOR

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I am pleased to move the following Motion: Be it resolved that this honourable Legislative Assembly record its grateful thanks to His Excellency the Governor for the Address delivered at this Meeting.

**The Speaker:** The question is: Be it resolved that this honourable Legislative Assembly record its grateful thanks to His Excellency the Governor for the Address delivered at this Meeting.

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

**Ayes.**

**The Speaker:** The Ayes have it. Thanks are accordingly recorded.

**Agreed: Resolved that this honourable Legislative Assembly record its grateful thanks to His Excellency the Governor for the Address delivered at this Meeting.**

## MOTION FOR DEFERRAL OF DEBATE ON THE THRONE SPEECH

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

The following Motion: Be it resolved that the debate on the Address delivered by His Excellency the Governor be deferred until Friday 18 June 2010 and be debated together with the Budget.

**The Speaker:** The question is: Be it resolved that the debate on the Address delivered by His Excellency the Governor be deferred until Friday 18 June 2010 and be debated in conjunction with the Budget.

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

**Ayes.**

**The Speaker:** The Ayes have it. Debate is accordingly deferred until Friday.

**Agreed: Resolved that debate on the Address delivered by His Excellency the Governor be deferred until Friday 18 June 2010, and be debated together with the Budget.**

## PRESENTATION OF PAPERS AND OF REPORTS

**Annual Plan and Estimates for the Government of the Cayman Islands for the Financial Year ending 30 June 2011**

**Annual Budget Statements for Ministries and Portfolios for the financial year ending 30 June 2011**

**Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers for the year ending 30 June 2011**

**Ownership Agreements for Statutory Authorities and Government Companies for the year ending 30 June 2011**

**The Speaker:** Before the Honourable Premier speaks, I have given him permission to lay two additional documents on the Table of the Legislative Assembly, a letter written to him by Mr. Henry Bellingham, MP, responsible for the Cayman Islands, and Cayman Islands Government's three-year Budget Forecast (2010/2011 to 2012/2013), which was presented to the Foreign and Commonwealth Office on 24 May 2010.

Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the following documents in respect of the Government's financial year that will end on 30 June 2011:

- The Annual Plan and Estimates for the Government of the Cayman Islands;
- The Annual Budget Statements for Ministries and Portfolios;
- Purchase Agreements for Statutory Authorities, Government Companies and Non-Governmental Output Suppliers; and
- Ownership Agreements for Statutory Authorities and Government Companies

**The Speaker:** So ordered.

**Letter to Premier of the Cayman Islands from Mr. Henry Bellingham, the Parliamentary Under Secretary of State, Foreign and Commonwealth Office**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I would also like to take this opportunity to lay two further documents on the Table of this honourable House because they are budget related. These are:

A letter to me, as Premier of the Cayman Islands from Mr. Henry Bellingham, the Parliamentary Under Secretary of State, Foreign and Commonwealth Office. Mr. Bellingham has responsibility for the Overseas Territories and his letter to me is dated 10 June 2010.

Madam Speaker, with your permission, I beg to read the letter so that the public can know its contents.

*[inaudible]*

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

The letter reads:

**"Dear McKeever,**

**"It was a pleasure to meet you again on Tuesday. I felt we had a useful, positive and constructive meeting. I look forward to working with you to develop a more dynamic and positive relationship between the UK and the Cayman Islands.**

**"Your presentation of the challenges and opportunities facing the Cayman Islands' Gov-**

**ernment was extremely helpful. This provided essential context and allowed me to appreciate the tough decisions you have already made to begin to reduce your deficit, and underlined the importance of delivering on the commitments in your plan to restore stability to public finances over the next three years.**

**"I mentioned in my previous letter of 7 June my concern over the level of borrowing that was being proposed at a time of continuing uncertainty in the global economy. I am pleased that in our meeting you were able to commit to reduce the amount required by looking again at the capital projects you have planned for next year. I am therefore prepared to agree to the Cayman Islands Government borrowing an additional CI\$155m to allow you to implement your plan over the next financial year and beyond.**

**"You expressed confidence in your Government's ability to implement the measures set out in the three year plan, which are, rightly, ambitious. We therefore agreed that there would be no further requests for borrowing over the next financial year. We also agreed that:**

- **The measures contained within the 3 year plan must be fully implemented. I hope that you will decide to publish the plan alongside the budget—and provide progress reports annually—to help give confidence to investors;**
- **The proceeds of divestment activity would be used to establish a dedicated "sinking fund" within the next year to rebuild reserves and offset debt attached to the recent bond issue. I welcome your commitment to include this in your budget speech;**
- **You would seek to restructure your existing loans to put in place arrangements to pay down the debt (including the recent bond issue) over the longer term; and**
- **You would ensure that the Cayman Islands have a full, up to date, set of audited accounts by the end of the next Financial Year.**

**"I welcome your determination to restore sustainable public finances to the Cayman Islands and believe that these undertakings demonstrate your commitment to the challenge. I should be grateful if you would keep me updated on progress as you implement the measures we agreed. I look forward to seeing you again soon**

*[signed]* Henry Bellingham, MP

**"Once again, I was delighted to meet you again."**

Madam Speaker, I lay this letter on the Table of this honourable House.

**The Speaker:** So ordered.

**Cayman Islands Government Cayman Islands  
Government's Three-year Budget Forecast  
(2010/2011 to 2012/2013) presented to the Foreign  
and Commonwealth Office on 24 May 2010**

**The Premier, Hon. W. McKeeva Bush:** And also, Madam Speaker, the Cayman Islands Government Cayman Islands Government's three Year Budget Forecast (2010/2011 to 2012/2013), presented to the Foreign and Commonwealth Office on 24 May 2010.

**The Speaker:** So ordered.

## **GOVERNMENT BUSINESS**

### **BILLS**

#### **FIRST READING**

##### **Appropriation (July 2010 to June 2011) Bill, 2010**

**The Clerk:** The Appropriation (July 2010 to June 2011) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

On behalf of the Government, I beg to move the second reading of a Bill that is shortly entitled The Appropriation (July 2010 to June 2011) Bill, 2010.

**The Speaker:** I am sorry; I missed out the First Reading of the Bill, and the Premier has now read it for the second time.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, out of an abundance of caution, I think the Clerk should take the First Reading.

**The Clerk:** First Reading: The Appropriation (July 2010 to June 2011) Bill, 2010.

[pause]

**The Speaker:** I need some help.

[pause]

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

#### **SECOND READING**

##### **Appropriation (July 2010 to June 2011) Bill, 2010**

**The Clerk:** Second Reading: The Appropriation (July 2010 to June 2011) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

## **BUDGET ADDRESS**

### **PARTNERSHIP FOR RECOVERY**

**Delivered by the Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development**

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, it is truly an honour to be the first Minister of Finance to deliver a Budget Speech in this august Assembly. The privilege is humbling and signals a Better Way Forward for us as a legislature and certainly for us as a people.

I wish to recognise the role of Almighty God and thank Him for bringing us thus far as a country. Notwithstanding our current challenges, He has bestowed several blessings on this country and our people. Our people enjoy a way of life that goes beyond sustaining their economic wellbeing to fulfilling their social and spiritual needs in an environment of free choice.

This freedom to choose is at the heart of our democratic right to change governments when the people see fit. This is why I have the privilege to stand before you today in this capacity.

The right to choose and the freedom to praise Almighty God are guaranteed rights which Caymanians and those living here with us exercise every day. Let me thank those who continue to send up prayers for this new administration.

This piece of history is the coming together of two sets of principles that form the basis of the budgetary process as we know it. As I identified in the debate to amend the Public Management and Finance Law, the two sets of principles have to do with management and leadership. The people of our beloved country have entrusted my Government, not only with the management of our public and financial affairs, but with the leadership of our economic, social and political way forward. Madam Speaker, it will be a better way!

The journey started in the midst of a world economic recession that is still being described as the worst since the economic depression of the 1930s. As I speak, there is gathering evidence that the world economy is past midnight and heading to dawn. More encouragingly, the short days of winter are apparently behind the advanced economies and the long days of summer are ahead of them.

But we must not forget that the light reaches us with a delay.

If we liken the current recession to darkness, then our faith may be reinforced by the words in Romans, chapter 13, verse 12. It says: "The night is far spent, the day is at hand: Let us therefore cast off the works of darkness, and let us put on the armour of light."

There is really no simple way of defining faith, but it includes both belief and hope. Caymanians expressed belief in a "Better Way Forward" with their vote, notwithstanding the difficult times. It is for us to provide the hope that adds value to the faith of our people. The better way to provide such hope is to recognize the tough challenges which confront us, and face them and fix them!

In this vein, let us face the state of the country's finances that was left behind by the last government. Let us face the economic hand that has been dealt to us. Let us face the social conditions which we inherited. But let us not despair because it is now our duty to fix the wrongs. It is our duty to restore balance to our country's finances. It is our duty to re-position the economy and it is our duty to rectify the social conditions, and, God willing, we will make a good start at it.

We have a history of stability, be it economic, social or political. Our stability was founded on the backs of hard-working people, the freedom to allocate our limited resources and the resultant distribution of the benefits of our collective efforts.

In these times, our friends may ask us to lend them a hand; and we must persuade ourselves to open our hearts. More than ever, we have to become our brother's keeper. Let us then draw inspiration from the psalmist that "weeping may endure for a night, but joy cometh in the morning."

Martin Luther King [Jr.] wrote: "This faith adjourns the assemblies of hopelessness and brings new light into the dark chambers of pessimism." This Assembly—this House—must inspire hope through rigorous but fair debate in setting the agenda for our country's future.

Therefore, in a spirit of optimism, and in spite of the threatening clouds, my Government is focused on strengthening the economy of these Islands, pursuing responsible financial management that will pave a better way forward for the citizens of these Islands; and leading Caymanians and residents to safer and calmer waters, no matter what the season.

In every sense, Madam Speaker, it is a new dawn. The night is half spent. The dawn is marked by the presence of something new, that some may see as an impediment but we see it as an opportunity for change. For sure, the challenging international environment imposes its own brand of change and this creates the need for change at the domestic level here at home.

The change which we envision is reflected in the theme of this speech "Partnership for Recovery." There must be a new emphasis on the public/private sector partnership to drive our economic recovery.

There must be a renewed emphasis on the partnership between the Government and the people to deliver social cohesion. And there must be a greater emphasis on a stronger partnership between the Government and institutions to secure our political stability.

These are all essential partnerships for recovery!

### Strategic Approaches

The budgetary process for us started on day one, as we immediately faced the prospect of fiscal problems. Declining revenues were the order of the day and there were no reserves to draw on.

There was approximately \$13.4 million in Government's main bank operating account to start the coming fiscal year and in the great scheme of things, Madam Speaker, this was pocket change.

To put the country in fiscal recovery mode, we had to bring a temporary budget to bridge the fiscal gap for the first four months of the year. This required us having to grapple with the issue of borrowing money, the pressure to introduce direct taxation and immediate government expenditure reduction.

The degree of management and leadership of our fiscal recovery demanded public and private consultation and listening to internal and external advice.

By October of 2009, we brought a budget and on the other side of the aisle only the Member for North Side supported it.

The budgetary process nevertheless continued as we negotiated with the Civil Service, sat with Chief Officers to identify cuts in expenditure and worked with the United Kingdom Government's Foreign and Commonwealth Office (FCO) who required us to develop a three-year financial plan.

The process for fiscal recovery demanded hard work, involving long hours and lots of negotiation.

It is in this spirit of recovery that the Government's three-year Budget Forecast (2010/2011 to 2012/2013) rests upon five strategies which the Government is committed to implementing over the medium term. These strategies include: (1) public sector reform; (2) limits on new public sector borrowing; (3) broadening of the Government's revenue base; (4) Government expenditure reduction and (5) private/public financing initiatives.

These strategies underpin the various economic initiatives which inform our initial three-year economic recovery plan. This plan focuses on re-positioning the finances of the public sector such as to enable the recovery to be driven by the private sector.

The five key strategies constitute the major pillars of the Government's short-term policy stance of deficit-reduction for the financial year 2010/11 and beyond. This follows on two previous difficult financial years. In 2008/09, the Financial Secretary entitled his address, "Maintaining Fiscal Prudence in Challenging

Economic Times.” In 2009/10, he referred to the budget as a “barebones” budget. It provided for the basic operational and capital needs of the Government.

Having inherited the economy in a recessionary environment or, alternatively, amidst threatening clouds, we immediately sought to restore some balance or light to Government finances with the introduction of revenue measures. Although implemented in January 2010, and not November 2009 as intended, the new measures are contributing to a recovery of the financial position of the Government.

A forecast made in February this year estimated a deficit of CI\$57 million for the year ending 30 June 2010. The most recent forecast indicates a revised deficit of CI\$45 million. Government’s total cash balances at 30 June 2010 is expected to be CI\$77 million, which is a significant improvement from the CI\$53 million forecasted in February.

While the Caymanian economy is expected to contract in 2010, there is already some evidence of improvement in the Government’s financial position initiated by the policy action of this Government. Madam Speaker, I said and we intend to face it and fix the problems we have!

However in order to fix it, we must be able to put the current environment into context!

### **Foreign and Commonwealth Office Involvement**

Madam Speaker, as I have said, the bad financial situation we found meant that the Foreign and Commonwealth Office, for the first time in our history, had to give us permission for our budget. Madam Speaker, for a Country that always boasted financial independence, and was proud of it, this put us in a very embarrassing position. Nevertheless, as was and is our duty, we worked hard and the new Government in the United Kingdom has offered full support in our plan for national recovery.

And the people of these Islands had better give thanks. For those that wanted income tax, there will be none. For those that did not want it, there will be none. For those that wanted property tax, there will be none. Those that did not want it, there will be none. I hope that is absolutely clear.

Madam Speaker, I wish to speak briefly on this matter, which I believe is key to our continued success, and that is the nature of this country’s relationship with the United Kingdom.

This relationship has been somewhat renewed recently with the election of a new Government in the United Kingdom. I think it is very safe to say that there is a world of difference between the nature of that relationship over the past 12 months as compared to the one recently established over the past 4 weeks.

In connection with this budget and the need for the Cayman Islands to seek the UK’s approval, I met in the Foreign and Commonwealth Office, with

the Honourable Henry Bellingham, the UK’s newly appointed Under Secretary with responsibility for the Overseas Territories.

This honourable House will already be aware of the fact that as a result of my Government’s three-year plan and our discussions with Mr. Bellingham, we have indeed received this approval. And I want to thank my colleague who attended that meeting with me, the Deputy Speaker, the Third Elected Member for West Bay [Hon. Cline A. Glidden, Jr.].

However, I wish to focus on a point separate and apart from the approval itself. During those discussions it became clear to me, Madam Speaker, that we have entered a period of a more positive partnership with the United Kingdom; certainly more positive than we have had with the previous administration in the UK.

I had made it no secret that given the previous relationship, I was hoping for some change in the administration that would provide an opportunity to improve our relations with the United Kingdom, who I wanted to treat the commonwealth our Overseas Territories and indeed the wider Caribbean more favourably, and it appears, thus far, that we have got that.

I have tabled a letter from Mr. Bellingham in relation to our meeting and this letter clearly demonstrates this change. In his letter Mr. Bellingham agrees with my own assessment that the meeting was extremely constructive. And in his own words, Madam Speaker, he is looking forward to a more dynamic and positive relationship between the UK and the Cayman Islands.

In his letter and our meeting Mr. Bellingham agreed to and offered support to the Government in its initiatives as laid out in the three year plan. This included ensuring that the plan was fully implemented and that there was an annual progress report on its implementation.

The United Kingdom also supported our plans to examine and execute, where feasible, a number of divestments and expressed its wish to see the proceeds of that divestment utilized for a sinking fund to rebuild reserves and pay off existing debt.

The United Kingdom agreed to, and also fully supported the Government’s plan to restructure existing loans to improve our cash flow and reduce interest costs.

Madam Speaker, over the past year my administration has been working hard to improve the Government’s fiscal crisis and restore prudent financial management to this country. The new United Kingdom administration appears to have an appreciation of our efforts, and Mr. Bellingham expressed his appreciation for our determination to restore sustainable public finances to the Cayman Islands.

I bear in mind, Madam Speaker, that this country has never asked for anything from the United Kingdom aside from their understanding and support for policies that improve the lives of all our people.

We are more than grateful for this improved partnership and look forward to working with the new administration in the United Kingdom and I certainly hope that we can now move forward with a renewed and more positive partnership.

We had come to a situation where last year we were told that we would have to cut the number of civil servants. I made a sincere effort to cut salaries, I announced it in this House, instead of laying off people. I believe in that. But this was not accepted. The 3.2 per cent was offered by the Civil Service management. When the economy turns in a more robust generation of income we will revisit with a desire to reinstate the 3.2 per cent.

Madam Speaker, I would hope that within the three year period that all of us—Opposition, Government, Civil Service, Private Sector—work hard to turn the economy around in a much faster state than we are going to say. I believe we can do it if we put our minds to it. And in that way we would not have to wait on the United Kingdom to say yea or nay; we would have met all the grades by law. That is what we must strive to do. And I speak to all of us as Members in this honourable House, and I speak to the Civil Service and ask them not to delay, to become more business friendly and to recognise that this is a difficult time. And the only way that we are going to change the situation is if we do it ourselves. That is the Caymanian way.

### **Macroeconomic Overview**

Now moving on to the macroeconomic overview: Between late 2001 and 2003, the Cayman Islands' real gross domestic product (GDP) expanded on average by 1.3 per cent per year; however, this was reduced to 0.9 per cent in 2004 due to the impact of Hurricane Ivan. The local economy rebounded from the devastation to record an average growth of 5.2 per cent for the succeeding three years which can be attributed to major reconstruction works which had begun in 2004, along with the resilience of the financial services and tourism sectors that had been prepared between 2001 and 2004.

However, in 2008 the rate of economic growth slowed dramatically to 1.1 per cent, and this minimal growth was largely due to accelerated government spending, as the effects of the global economic downturn were still in evidence on the financial services sector and tourism-related industries. Large government expenditure growth beginning in 2006 was, however, paving the way for rising fiscal deficits, as government revenue showed signs of contracting as early as the 2008/09 financial year, if not before.

The signs of fiscal difficulty had emerged. Indeed, in the 2008/09 budget presentation, prior to my Government assuming office, the operating revenue was projected to be "approximately \$11 million less than was forecast in the 2008/09 SPS (Strategic Policy Statement). This downward revenue projection is

the direct result of the current economic environment we find ourselves operating in, and it also reflects lower economic growth forecasts."

The full impact of the global downturn was felt with no meaningful preparation for 2009 when the domestic economy was estimated to have contracted by 6.6 per cent. Financial services, which account for 53.5 per cent of GDP, was estimated to have declined by approximately 4.1 per cent in 2009.

Similarly, real estate, renting and business activities, which account for 20.7 per cent of GDP, are estimated to have declined by 4.8 per cent. Declines were also experienced in the construction as well as hotels and restaurants sectors.

While many of the advanced economies are on their way to recovery in 2010, mainly due to fiscal stimulus programs which are unprecedented in size, there is evidence of recovery for the Cayman Islands. But this is not the result of lack of fiscal stimulus; rather it is the result of fiscal prudence. In fact, in 2009 total spending by central government in the Cayman Islands was cut by 5.1 per cent in nominal terms.

Over the last thirteen months, we have managed the Government's finances effectively to achieve a reduction in the fiscal deficit from CI\$81.0 million left to us in May of last year, to CI\$45.0 million forecasted at the end of this month. The reduction of deficit between the 2008/9 year and the 2009/10 year was achieved primarily through operating expenditure reduction of approximately CI\$23 million. Total operating revenue increased by only CI\$4.2 million notwithstanding the introduction of new revenue measures in January of this year.

The recovery in the Government's finances started with the more effective and efficient allocation in the category of supplies and consumables in the public sector. This allocation was reduced substantially from the initial \$116 million in the 2010/11 Budget submission for this category without compromising the sector's delivery.

The Government has therefore moved to restore fiscal prudence to the affairs of managing the public sector as part of its partnership for recovery.

### **Labour and Inflation**

Last year, the depressed activities in the production sectors led to a fall-off in labour demand. Demand for foreign workers, as reflected in the numbers for work permits, shrunk by 11.3 per cent. It must be emphasised that labour supply in Cayman is essentially demand driven, with over 50 per cent of the demand comprising of expatriate workers.

A fall-off in the demand for expatriate labour is reflected in the drop in the population from approximately 57,009 in 2008, to 52,830 in 2009. However, the fall in population numbers had some negative effects on GDP in 2009 which are expected to continue over the medium term.



The decline in economic activity in 2009 was accompanied by a rise in the unemployment rate to 6.0 per cent. The number of unemployed persons, however, rose by approximately 630 as the labour force declined by approximately 3,000. This change in the size of the labour force was a direct consequence of the fall in the total population for the year 2009 occasioned by movement in transient labour.

Given the decline in population and its implications for the local demand for goods and services, the country experienced deflation in 2009. This was primarily as a result of housing which is the largest component of the local consumer price index basket. Since the demand for housing rentals declined significantly, the rate of inflation in the sector averaged -5.1 per cent in the last three quarters of 2009. This was largely responsible for the overall inflation rate of -1.3 per cent for the whole of last year.

### **2010/11 Forecast Financial Performance**

For the 2010/11 financial year, the Government is forecasting to earn approximately \$510.33 million, of which \$460.1 million will be in form of coercive revenue and some \$50.1 million in entity revenue.

These forecasts are based on the existing fees and charges levied by the Government along with the introduction of only one new revenue measure in this budget—increased import duty on gasoline and diesel imports—which is expected to generate some \$10.3 million in 2010/11. Effective 1 July 2010, import duty on gasoline and diesel will each increase by 25 cents per gallon and be applied to all such imports to Grand Cayman and Little Cayman. There will be no increase on fuel imports to Cayman Brac.

Overall, the 2010/11 revenue forecasts of \$510.3 million are quite conservative when compared to the 2009/10 forecasts of \$491.6 million. After you separate out the \$10.3 million expected to be generated by the increase import duty, this represents a 1.7 [per cent] increase in revenue over the 2009/10 forecasts. This very conservative increase reflects the current economic realities and the expectation that over the course of the 2010/11 financial year the Cayman Islands economy is expected to remain stable.

For the 2010/11 financial year the Government is forecasting a net operating deficit of \$31.8 million. This deficit is a \$13 million improvement over the estimated \$44.9 million deficit expected at the end of the current financial year.

The forecast operating deficit is calculated by taking the forecast 2010/11 operating revenue of \$510.3 million then subtracting operating expenditures of \$507.7 million, financing and other non-operating expenses of \$32.8 million, and a \$1.5 million net loss in statutory authorities and government companies.

The forecast operating expenses of \$507.7 million detailed in this budget are some \$68.2 million

less than the \$576 million which was presented to the Government during the initial rounds of the 2010/11 Budget process in March 2010. This process required the Government to make some very difficult decisions to reduce operating expenses across the public service; these cuts affect all agencies and will significantly challenge managers to deliver much needed and valuable public services more efficiently.

As a sector, statutory authorities and government owned companies are forecast to make a net deficit of \$1.5 million this is a \$0.95 million improvement over 2009/10 and is the result of a concerted effort by the Government and the respective boards of directors to reshape these organizations and improve their overall financial performance.

Financing and other non-operating expenses of \$32.8 million represent the interest expense on the debt of the core Government. The Government has received permission from the United Kingdom Government to borrow up to \$155 million in 2010 this will bring the public debt balance at 30 June 2011 to some \$623.7 million. Madam Speaker, and honourable Members, this is not where I want to be and I will take steps to rectify this dangerous path this year. And I trust that the House agrees with us.

In terms of capital investments, the Government is forecasting to spend a total of \$127.3 million in 2010/11. Of this amount, some \$108.8 million will be spent on various continuing capital projects such as the John Gray High Schools along with the new Government Administration Building. A further \$18.5 million will be invested into statutory authorities and government companies.

Total cash and cash equivalents at 30 June 2011 are forecast to be \$66.6 million which is approximately \$10.4 million less than that expected at 30 June 2010.

### **Three-year Outlook**

The performance of the Caymanian economy is inextricably linked to the vagaries of developments in the international economies and, consequently, the international markets. This is readily evident in the fact that financial services account for 53.5 per cent of our Gross Domestic Product (GDP), while tourism and tourism-related services account for another 30 per cent to 40 per cent of GDP.

The demand for these services is predominantly externally driven and explains why we are able to compete in a class above our weight. In a sense, as a Government we are expected to provide social services for a population that is not all permanent, and because of its transient nature the challenge of doing so is emphasised during times of downturn in the economy. In other words, they help make money for us. When they are gone, the money is less, and, therefore, Caymanians get less. I hope, Madam Speaker, that we all understand that when we get up on our soapboxes.

It is apparent in this period of economic recovery that there is an optimum size for the public sector which has to be achieved in the pursuit of economic stability and sustainability. This explains the concentration on the public sector in the key strategies supporting the three-year plan and is consistent with our partnership for recovery.

As a partner in the recovery plan, the Government is committed to further reducing the fiscal deficit. Having achieved a reduction of CI\$36.2 million for the current year, we are forecasting a further reduction of CI\$13.0 million for the next fiscal year—2010/11. The focus is once again on effective and efficient management in the public sector.

Over the course of two years, we would have presided over a fiscal deficit recovery of almost CI\$50 million that is moving the deficit from CI\$81.0 million, which we found when we assumed office in May of last year, to CI\$31.89 million by June next year, God willing.

We have worked assiduously to trim operating expenses in Government, fully conscious of the need to maintain morale among staff while choosing the path of least negative impact on the Gross Domestic Product. This is why the non-wage components of expenditure have been tackled more vigorously than the components which have an immediate human face.

Investment in our human capital is very important, but can be very costly if not planned properly. In that vein, we see the building of the two high schools and the Government Administration Building as far too grandiose, and we will now seek to manage it in such a manner in our partnership for recovery as to allow us to complete the buildings in a phased construction program.

We do recognise, however, that it was foolhardy to have built them so expensively in a time when local revenue was declining and the world was entering a state of fiscal decline. That was denied, Madam Speaker, but the proof of the pudding is in the tasting. That is the reality today. But we as a Government are committed to doing the right thing and complete them as economically as possible in a phased manner.

We are, therefore, involved in partnership with the private sector in laying the foundation for the country's future educational needs, but in a more sustainable manner.

### **International and Regional Outlook**

The investment in human capital is necessary to reposition the country to take advantage of the global economic recovery which has begun and is expected to accelerate in 2011. The link between our economy and the international economy is evident in the fact that the financial and tourism sectors and their related sectors account for almost 90 percent of our GDP.

Our link with the regional economies is primarily through access to some of our transient labour force. In addition, we compete for the demand for international services and in this sense we have to remain competitive.

With the exception of very few countries, most governments have had to introduce fiscal stimulus packages to help to restore economic growth with varying degrees of success or failure. Our industrialised partners in the north, the United States, the United Kingdom, and Europe embarked on the journey in a spirit of cooperation which has not as yet given rise to robust economic growth, lower unemployment rates, and reassuring rates of inflation.

Economic growth in the United States has been positive since the second quarter of 2009, but the rate has fluctuated between 2.3 per cent and 5.6 per cent for the period up to March 2010. In the United Kingdom, the performance has been less encouraging. In the meantime, the US unemployment rate has hovered just below 10 per cent, while that of the United Kingdom has been persistently between 7 per cent and 8 per cent.

In the region, recession is still in vogue, unemployment rates range from low double digits to high double digits, and the rate of inflation is on the rise. Unemployment among CARICOM countries runs from about 10 per cent to as high as 35 per cent. So no country has experienced two consecutive quarters of positive economic growth which is required to be able to declare the recession officially over.

### **Domestic Outlook**

Over the next three years of economic recovery, the outlook for the labour market is linked to the moderate growth prospects for construction, particularly in the 2010/2011 fiscal year and a flat to moderate growth outlook for the financial services sector.

The deficit-reduction policy stance for the fiscal year 2010/11 along with the shrinking population size suggest that the economic recession would persist for the calendar year 2010, and GDP is therefore forecast to fall at half the rate as that of 2009. The deceleration in economic decline in the first half of 2010 is expected to continue such that by the last quarter of the year the rate of growth turns positive.

Gradual economic recovery is expected to start in 2011 as two consecutive quarters of positive growth are required to make the recovery official. And this is premised on a strong rebound of tourism-related services, the start of a number of new construction projects and a modest recovery of the financial services sector.

The three year budget forecast reflects a small fiscal surplus of about CI\$9 million in the year 2011/2012, followed by a healthy fiscal recovery in 2012/2013 when the surplus reaches CI\$60 million.

Apart from pursuing fiscal prudence, the projected international economic recovery is expected to

fuel our local economy. In addition, the private sector led investment strategy is forecasted to bear fruit in the medium term, and this, in combination with external driven demand, would boost Government revenue.

The fiscal recovery is achieved by expenditure control and revenue growth stimulated by increasing economic activity.

A return to the unprecedented numbers in the labour force recorded in 2008 is certainly not expected in the short term and, indeed, a return to those numbers may take longer than the three-year budget span submitted to the Foreign and Commonwealth Office.

A strategic employment policy among central government offices and the statutory authorities is another potential driving force for a reduction in the demand for labour. This makes putting the emphasis on a private-sector led economic recovery all the more important.

However, although the labour market is essentially demand driven, there exist opportunities to improve the efficiency of the recruitment process by easing the current backlog of work permit applications. As at March 10, 2010, there were approximately 1,500 new 'Full' work permit applications (that is, those lasting 12 months or more) held up in a backlog to be processed.

While a large percentage of these applications relate to workers currently on island with 'Temporary' permits who are waiting on the processing of full permits, there are likely several hundred new workers who would probably be brought into the labour force if this backlog in processing were addressed. This would give a boost to the local consumer market and aggregate demand. At the same time, Madam Speaker, the paradox is that we must also balance this by making sure our people who are able and willing are employed.

The good aspect of this is that some of those people waiting on work permits will need people to work and, therefore, will address that paradox—if given the chance!

The policy-driven improvements in economic activity suggest that the unemployment rate would decline from 6 per cent in 2009 to 4 per cent in 2010, and to an average of 3.2 per cent in the succeeding three years.

Population growth is expected to be cut further by 3.5 per cent in the 2010 calendar year. A census planned for October 2010 will provide a definitive population count. Assuming a modest improvement in expatriate labour employment beginning in 2011, as key industries show signs of recovery, the current estimate is that the population size may settle at 53,436 by 2013.

The forecast inflation path for the medium term will be influenced by the dampening impact of a shrinking population on local demand for goods and services. As identified earlier, housing, which comprises the largest component of the local consumer price index basket, experienced declining prices at an

average rate of -5.1 per cent in the last three quarters of 2009.

With the outflow of foreign workers not expected to reverse in the 2010 calendar year, a downward trend in housing rentals is also likely to continue, albeit at a slower rate. On the other hand, higher prices on gas and other imported items are likely to impact on local inflation in 2010. This along with the increase in local import duty by 2 per cent would bring the average inflation rate to 2.0 per cent in 2010 from -1.3 per cent in 2009.

The average inflation forecast for 2011-2013 is 2.2 per cent. This is premised on the gradual recovery of local demand, underpinned by slow population growth. The slow rate of population growth will not provide the impetus for any desired strong rebound in housing rentals. It is also assumed that US Federal Reserve policy will be consistent with the return of the US inflation rates to the pre-crisis average.

### **Key Strategies Supporting the Three-year Plan**

As mentioned in the introductory remarks, the three-year plan is based on five key strategies that the Government is committed to implementing over the medium term. These strategies undergird the economic recovery initiatives, which support the specific policy action that is outlined later in my presentation. The strategies include: (1) public sector reform; (2) limits on new borrowing; (3) broadening the revenue base of government; (4) reducing operating expenditures and (5) creating public/private finance initiatives.

#### **Public Sector Reform**

The Government is committed to a major public sector reform initiative over the medium term. This reform is based on the following:

1. Implementation of some of the recommendations of the Miller Commission Report, where these are reasonable, and, in particular, with a view to securing a sustainable reduction in the Government's operational expenditures and improving efficiencies in various departments.

2. Completion and implementation of recommendations resulting from the review of various Civil Service departments.

I will be proposing a formal framework to the Cabinet for the effective implementation of the various recommendations in the Miller Commission Report, the Civil Service Review and any other studies that look at improving our efficiency in the public sector. The framework will include appropriate monitoring and accountability structures, as well as overall management of this important initiative.

The objective of formalising the public sector reform process is to ensure that the targeted reform benefits are achieved in the three-year plan and beyond.

### **Limits to New Borrowings**

As part of a strategy to return the country's national debt to more sustainable levels, we will pursue a low borrowing policy over the next three years. In particular, the Cabinet has agreed to limit new capital expenditures to a nominal amount that is not to exceed CI\$25 million (approximately 1 per cent of GDP) in any of the three years. The borrowing proposed for the current year is principally to fund major projects started by the previous Government.

### **Broadening the Revenue Base**

We are cognisant of the narrow nature of the current revenue base. The Government has considered the introduction of direct taxes, such as payroll, income and property tax, but aided by the analysis contained within the Miller Commission Report, we have concluded that introducing these forms of taxes would be very damaging for the Cayman Islands economy. That is why I say, Madam Speaker, that we are not going to introduce any of them. We have told the United Kingdom that, and they have understood that.

However, we feel that any consideration of consumption-based fees is an area that requires further examination also. This type of fee has the benefit of spreading the burden across the wider community while minimizing the impact on businesses.

The Government will therefore be examining the full list of tariffs under the Cayman Islands Customs Law with a view to adjusting some of these rates. The Cabinet feels that introducing a VAT would require significant administrative costs and therefore the alternative of restructuring the current import duties would be a more efficient and cost-effective way to achieve the result of broadening the revenue base.

My Government is therefore committed to carrying out a comprehensive review of consumption-based and other fee options in search of better ways of broadening the revenue base of government, while making us more competitive.

No doubt, Madam Speaker, that this will entail maybe some going up a little and removing some of them altogether.

### **Reduce Operating Expenditures**

The Government has already made a challenging but encouraging start to the process of reducing its operational expenditures. Early gains in this area have been made with significant cuts, achieving an 11 per cent reduction to the appropriations initially planned for the 2010/2011 fiscal year. The various Civil Service departments and statutory bodies have already been directed to identify expenditure cuts within the past two months. The latter exercise has also served to reduce the projected deficit for the 2009/2010 fiscal year.

This new policy approach on operational expenditures underpins the forecasts in the three-year plan and will also drive implementation of the recommendations emanating from the public sector reform exercise as an essential part of the process of economic recovery.

### **Public/Private Finance Initiatives**

My Government feels that prudent non-traditional approaches to financing major capital projects should be considered as part of its wider strategies; and as such the utilisation of private finance initiatives is one of these approaches. However, the Government agrees with the FCO that each such opportunity should be thoroughly reviewed to establish its business case before proceeding.

The process of identifying the five key strategies must now be supported by initiatives to ensure a recovery that makes the Caymanian economy more resilient because of its structure, more robust because of its size and more ready because of its institutions.

### **Economic Initiatives Supporting the Plan**

Medium Term Divestment Opportunities: The Miller Commission Report identified a number of divestment opportunities which the Government feels may be feasible in the medium term once more detailed analyses and feasibility studies are carried out. The Government's objective is to privatise some entities, and in other cases to reduce the level of subsidies gradually, but deliberately over time.

In addition, there are a number of areas for which the Government is giving consideration to improving the efficiencies and therefore lowering the cost to the Government by outsourcing the provisions of services to the private sector. The Miller Commission Report identified some potential areas that the Government will consider.

These initiatives speak to enhancing the economy's resilience through changing the structure of the public/private participation.

### **Minimising New Revenue Increases on Businesses**

Given the observations of the current fiscal year, it is evident that the economy is at a point where additional taxation will compromise the competitiveness of businesses. Such an outcome would have implications for the economy's capacity to grow its way out of the recession. There is an awful tendency, though, here to say raise taxes and let business pay. That is shouted from nearly every housetop and benches in some places in this House. But the harsh reality is that if that is the case, we will run away businesses, and lose more jobs. The only ones then to really suffer, Madam Speaker, are Caymanians, particularly those who can't help themselves. And if we

haven't been taught our lessons in the last couple of months, then, Madam Speaker, I don't know if we will ever recognise how our economy works.

Therefore, one of the key tenets upon which government policy would revolve during the fiscal year 2010/11 is the minimisation of any new revenue measures on businesses, especially when it becomes a burden.

By not compromising the ability of the private sector to grow, the Government is facilitating the creation of a more robust economy in its recovery plan.

The Government is cognisant of the fact that, if a payroll or income tax were to be introduced on a labour force that comprises 50 per cent transient workers, we would lose more business all around. All the more reason then why there must be a reset of our economic base and investment which will allow new revenue sources to emerge. This we must do.

### **Strengthening the Economy through Development of the Financial Services Sector**

The Ministry of Finance continues to be proactive in changing its policy, legislative and communications infrastructure to ensure that we are in the best possible position to manage our interests with the international community. The Ministry and its agencies have identified the following opportunities within the global environment:

1. Cayman's continued relative stability in financial services sends a strong message internationally about the jurisdiction's resilience and relevance in the future.

2. Cayman's financial services sector has broad and deep capabilities (evidenced by our leading position in funds, banking, insurance and corporate services) and unmatched by other jurisdictions our size.

3. The changing global environment provides a chance for Cayman to secure a seat at the table in helping to define global standards in regulation moving forward.

4. The private sector is mobilised in a way it has never been and this united front will be invaluable in addressing legislative/regulatory and reputation issues.

5. Investor interest in the Cayman Islands is strong evidenced by the successful Bond Issue offering by the Government in November 2009, the Memorandum of Understanding, now a signed contract with Dr. Shetty to establish a major new hospital in the Islands which will start medical tourism in a real way in these Islands; the "road show" visits conducted in November 2009 to London, San Francisco, Boston, New York and Singapore to promote these Islands; and, other major initiatives such as the MOU with Dart Enterprises Construction Company Limited (DECCO) to develop a cruise berthing facility. This interest needs to continue to be harnessed.

In the context of these opportunities, the following challenges have also been identified for the coming year:

1. International initiatives will continue to require diligence, but we are fully engaged; OECD peer review Phase One, outcomes will require immediate and decisive action. These actions, however, will be pursued in consultation with our Financial Services Industry, as appropriate.

2. Changing political landscapes in the U.S. (possibly arising from its mid-term elections) and the United Kingdom (as the new coalition government settles down), Cuba as it prepares to open, European Union and other locations will mean Cayman has to consistently reinforce our international relationship building and public affairs programmes.

3. Cayman will need to integrate all its resources and thinking to transition from the financial services centre that we are today, to the vision of an international business centre that we want to realise; the work of the various public-private partnership committees and others is essential to this and will require leadership, compromise and mutual understanding domestically to facilitate this transition internationally.

4. There is still increased international scrutiny of our regulatory, supervisory and anti-money laundering and combating terrorism finances crime framework, and increased external pressure for the Cayman Islands to conform to other economic models. In this regard, my Ministry is actively keeping abreast of these developments. Cayman Islands Monetary Authority (CIMA) and the Financial Services Secretariat are taking leading roles in seeking to contribute to the development of standards and to decision-makers' understanding of Cayman's financial services regime, and are certainly working closely with my Ministry and consulting with the private sector to ensure that the country meets the requirements that are relevant to this jurisdiction.

With these opportunities and challenges in mind, the Ministry of Finance is pursuing a number of strategic priorities over the next two years. These include to:

1. Further modernise and enhance regulation and supervision to ensure that Cayman keeps on par with the evolving international regulatory standards and best practices that are relevant to its various types of business.

2. Intensify international cooperation and involvement to ensure that the Government does its part in ensuring the safety and sound regulation of the international financial system. This allows Cayman to contribute to the development of international rules and standards that affect this jurisdiction, and to enhance the jurisdiction's reputation.

3. Increase the effectiveness and cost-efficiency with which our regulatory agencies operate.

4. Facilitate the efforts of Government and the private sector to further develop the Cayman Islands as an International Financial Centre.

5. Be more Business friendly.

To elaborate on these strategic priorities, I will highlight the key initiatives and activities of the various financial services agencies under my Ministry. I will first deal with CIMA, the Tax Information Authority, and the General Registry given their roles in regulation and international cooperation, and then deal with the Financial Services Secretariat, the Department of Commerce and Investment and the London Office given their roles in promoting and facilitating the growth of this important industry.

### **Cayman Islands Monetary Authority**

Starting with CIMA (Cayman Islands Monetary Authority): there are a number of key initiatives that are planned for the 2010-11 fiscal year which are as follows:

First, there will be the enhancement/automation of business processes. Online submission will not only improve the efficiency and speed of the application process for industry but, along with the information management system and electronic reporting, will allow CIMA to more effectively monitor licensees and registrants, both off-site and on-site, and to generate more accurate industry data.

Other information technology solutions to be pursued in 2010-11 include online payments. CIMA will continue the expansion of automation across the Authority to make it easier for industry to do business with CIMA.

Second will be the facilitation of new classes of business. Once proposed changes to the Insurance Law and regulations are passed, CIMA will implement a new class of licence to facilitate reinsurance business. This new reinsurer licence is intended to attract large international reinsurance companies to Cayman. This new initiative will necessitate the training of staff in the supervision of this class of business.

Third, CIMA will be assuming new regulatory responsibilities. It will be given regulatory responsibility for the following two areas during the upcoming fiscal year:

1. Supervision of pension plans and plan administrators. It is planned that the Authority will assume responsibility for the licensing, regulation and supervision of pension plans and administrators under its mandate for regulating financial services and providers. Oversight of employer/employee compliance will remain outside of CIMA's remit.

2. Oversight of Auditors. During 2010-11 the Authority will be finalising the administrative and legal structure for CIMA to become the formal oversight body in respect of auditors as required under the EU 8<sup>th</sup> Council Directive on Company Law. That directive requires foreign auditors carrying out audits of entities

listed on EU markets to be subject to a system of independent public oversight that is equivalent to that of the EU in order to be exempted from the registration and regulation requirements of the individual member states. CIMA's taking on this role, will ensure that Cayman auditors will continue access to business in EU markets without the onerous task of meeting individual EU country registration and regulation requirements.

Fourth, CIMA will be implementing new standards. In addition to implementing the EU auditor oversight requirement, other initiatives to implement new standards and enhance the supervisory regime during 2010 will include:

1. Completing the implementation of Pillar I of the Basel II Capital Adequacy Framework for banks in December this year, and implementing Pillar 2 of the Framework during 2011.

2. Strengthening the regulatory framework with regards to fitness and propriety of persons governing regulated entities;

3. Completing a review of the regime for hedge funds and administrators in light of financial crisis recommendations and to ensure equivalency with the International Organisation of Securities Commissions (IOSCO) standards, EU Alternative Investment Fund Managers (AIFM) proposed directive and other relevant requirements.

Fifth, CIMA will be enhancing On-site Inspection. Over the last year CIMA has made it a major priority to enhance its inspection programme. This will continue into 2010 with the objective of increasing on-site inspections of licensees and registrants. This will include overseas inspections, which are necessary as a significant number of CIMA-regulated entities are managed from other locations. Across the Authority there will be continued focus on enhancing the consistency, fairness, quality and timeliness of inspections and the resultant reports issued to the inspected entities. CIMA aims to reduce the timeframe for the issuing of inspection reports to 35 business days by the 2010-11 fiscal year.

Sixth, CIMA will be strengthening the failure resolution framework. Initiatives to enhance the framework for dealing with regulated institutions that fail include developing a crisis management plan and drafting and submitting amendments to the regulatory laws to allow for crisis resolution and prompt corrective action.

Seventh, CIMA will be enhancing the monitoring of Anti-Money Laundering and Combating the Financing of Terrorism compliance. During 2010 CIMA will be undertaking a comprehensive review and assessment of the Anti-money laundering/Combating the financing of terrorism regime, with the aim of making recommendations for strengthening it. The Authority will also update inspection guidelines and increase focused inspections of Anti-money laundering.

Eighth, CIMA will be improving supervision of international entities (home-host supervision) and in-

ternational cooperation. Initiatives for 2010-11 to strengthen supervision of entities that are regulated both by CIMA and in other jurisdictions include:

1. Expanding memoranda of understanding (MOUs) with jurisdictions that have a significant number of licensees in the Cayman Islands;

2. Reviewing and if necessary amending and renegotiating existing MOUs to ensure that they adequately address communications in times of crisis and that they clearly outline both regulators' responsibilities for supervision of entities; developing Authority-wide pre-licensing procedures to determine whether home country supervision is adequate, and

3. Developing and formalising practices to ensure CIMA and counterpart regulators exchange appropriate information.

Madam Speaker, CIMA will continue to participate in and organise joint supervisory meetings (supervisory colleges) with regulators of Cayman entities regulated in other jurisdictions. CIMA will also maintain participation in international forums and initiatives by organisations such as the OECD, G20, FATF, and industry-focused regulatory groupings such as the International Organization of Securities Commissions (IOSCO), International Association Insurance Supervisors (IAIS), Offshore Group of Banking Supervisors (OGBS), and Associations of Supervisors of banks of the Americas (ASBA) to enhance international cooperation and supervision.

### **Tax Information Authority**

The partnership role of the Tax Information Authority has increased in importance with the number of signed Tax Information Exchange Agreements (TIEAs) increasing from, I think it was one as of 1 April 2009, to 18 currently, with over 20 anticipated during the upcoming budget year. Additionally, the Authority is tasked with the challenge of establishing competent authority agreements/working protocols with counterpart competent authorities in new treaty partner jurisdictions.

The Tax Information Authority will also be participating in the OECD Global Forum Peer Review Process both as it affects the Cayman Islands and in connection with Cayman's role as a peer review assessor. The Authority will also implement and manage possible changes to the savings income reporting requirements in line with proposed changes to the EU Savings Directive. The launch of an e-reporting system for savings income reporting will be of significant benefit in automating and streamlining the reporting process.

### **General Registry**

In September 2009 the General Registry introduced electronic filing of annual returns and directors and officers information. This was the first time the department had introduced any form of electronic

document filing. The Department also launched its website and through this medium has introduced to the public the facility to conduct online searches of the companies and partnerships registers.

The Department is pleased and encouraged by the level of response to the system and continues to work towards introducing additional functionalities. During the first quarter of this year, the Department accepted thousands of annual return forms filed electronically.

The search feature has also been well received, especially by international organisations seeking confirmation of the existence of entities purporting to be registered in the Cayman Islands. This feature also allows the convenience of maintaining an online account for frequent users.

Furthermore, the results of such searches are instantly available and downloadable.

### **Department of Commerce and Investment**

The Ministry of Finance wishes to encourage Caymanians and residents to be aware of the recent changes at the Department of Commerce and Investment. Not only has the organisation undergone a name change but there has been a renewed focus on the investment facilitation aspect of their operations and an expansion in their mandate to include areas of commerce such as the processing of LCCL applications and trade and business licensing.

This Department as part of the partnership for recovery is responsible for stimulating and facilitating appropriate, long-term, inward and local investment in the Cayman Islands. It is also charged with providing technical assistance to local entrepreneurs and small businesses as well as linking investors with potential customers, suppliers and other business partners.

First, with respect to developing entrepreneurial capacity in these Islands, the Department is exploring the creation of a Small Business Development Centre that will offer an expanded range of services and programmes to be of benefit to small and micro businesses. This programme will be created in partnership with the University College of the Cayman Islands and other private sector partners who will contribute valuable expertise to guide and mentor our local entrepreneurs.

With respect to pursuing economic growth through inward investment, the Department has created a policy framework that will support the development of a national investment strategy.

It has also commissioned a thorough review of our trade and business license and local companies control laws to identify loopholes and recommend areas for improvement.

The policies and procedures governing the establishment of local and foreign owned businesses in a jurisdiction are key factors influencing economic growth and development. The Department of Commerce and Investment is therefore ensuring that it is

positioned to minimise risks associated with certain types of business; and at the same time is able to maximise the economic outcomes possible from the facilitation of a vibrant private sector.

The Ministry of Finance has also created the National Investment Council (NIC), with public and private sector participation, which is to spearhead the national strategy for retaining current business and attracting new investment to the country. The NIC is working to develop a proactive position for our inward investment initiatives so that they may lead to positive medium- to long-term economic development.

The council's ultimate goal is the attainment of economic growth that is sustainable and creates a better quality of life for our people for years to come. My administration is astute enough to know how crucial it will be to balance the desired growth from inward investment with local linkages so that everyone shares in the prosperity—small businesses, medium sized businesses, big businesses and all citizens.

This is a partnership for economic recovery and sustainability!

### **Promoting Physical Presence Financial Services Operations**

The Financial Services Secretariat in coordination with the Department of Commerce and Investment are combining their resources to enhance the physical presence of financial services firms and to create the resulting influx of new mid to high salary jobs that will serve as an important stimulus to the local economy. This stimulus, it is believed, will be a key component in repositioning our financial industry for decades to come.

Madam Speaker, this partnership is strengthened by two key advisory boards that work with these two departments—the National Investment Council and the Financial Services Council. These committees are comprised of key private sector stakeholders who in partnership with my Ministry and the departments are providing me with policy advice on creating the right business climate to allow further local and inward investment to thrive.

The Government's initiative announced late last year to promote the relocation of firms to the Cayman Islands has already resulted in a number of approaches from international financial services firms interested in setting up in the Cayman Islands. Recognising that there are a number of international initiatives that may affect the success of this initiative, the Ministry of Finance will be stepping up our presence in London and in the European Union. We already have in Washington the team Sidley Austin as our lawyers. And we are looking at the appropriate PR people.

In this regard the London Office, and a soon to be established EU Office, will seek to continue to promote the Cayman Islands through all available UK and European channels, helping to increase awareness of steps which the Cayman Islands has taken in

respect of compliance with international standards and the ongoing effort to maintain the highest standards of integrity for our financial services industry.

Last week I led a delegation on a trip to Brussels to discuss the EU Alternative Investment Fund Manager's Directive. Meetings were held with members of the European Parliament, the Council and the Commission.

These Meetings confirmed the need for the Cayman Islands to engage with Europe. Though the discussions were in relation to this specific Directive, it is clear that this is just the first of many initiatives that the EU will be dealing with in the coming years, which will have implications for these Islands.

The EU markets are important to our financial industry and therefore we must ensure that we engage the various EU states both bilaterally and as a Union. It is therefore critical for us to ensure that the Cayman Islands have a full time representative in the EU, in Brussels, and that our London Office be staffed to deal with these ever increasing and complex financial initiatives. Therefore, funds are in this Budget to put the appropriate persons in place.

### **Targeting New Sources of Business**

The Cayman Islands currently relies heavily on North America as the primary source market for its financial services industry, however, we must consider opportunities in other regions to help in the diversification of the financial services industry in these Islands.

A marketing road show to Asia by the Government late last year indicated that there are opportunities for financial services from Singapore and Hong Kong. Some of the Cayman Islands competitors are having tremendous success with these countries and the Government, with the help of the private sector, is now devising strategies to realise these opportunities.

### **Overseas Offices**

Following on from the success of establishing a presence in Dubai, with many queries coming forward, we are exploring the possibility of another such office in Asia. Hong Kong is one consideration as it is a global financial powerhouse with a sophisticated financial and business infrastructure that supports business. It is a gateway to China and other markets in Asia with a collective economy estimated at \$215 billion, and which the IMF (International Monetary Fund) projects will grow by 5 per cent in 2010. It is a great travesty, Madam Speaker, that we now have to go back and start all over since the Hong Kong office was closed down by the last government in 2005, within months of taking office. Where there is no vision, people perish.

We are receiving strong interest from high net worth individuals in markets such the UAE (United Arab Emirates) and China, and will seek to take full



advantage of the opportunities this presents. High net-worth individuals tend to be prolific in their investments ranging from real estate, property development to the financial markets, as such, we will re-open our Hong Kong office on October 5<sup>th</sup> this year. The date has been set, a place has been found, staff have been identified and we are moving forward.

Overseas offices . . . Madam Speaker, not matter what people complain about those of us who have to travel and do work at that kind of level, they put us on the frontline along with many other jurisdictions that have adopted a similar strategy, and Cayman's absence has made us fall behind. My Government's approach enhances our ability to attract investment for these Cayman Islands.

### **Facilitation of Major Projects which have Significant Economic Impact**

In addition to the initiatives that I have already mentioned, the agencies under my Ministry are actively involved in facilitating several major investment projects. This is reflective of our renewed partnership with the private sector, where Government's role is to ensure that appropriate economic growth can be achieved through value-adding projects led by the private sector.

There are several major projects that have significant economic impact that are at varying stages of implementation and completion. These projects are critical to the forecasts of the economy over the medium term. These projects have a total value of \$1.9 billion over the next five years.

Of the ten projects, two are each valued at \$500 million. They are the Camana Bay and the Ritz Carlton at Dragon Bay. These are ongoing.

Two others, including various high-end condo developments along the Seven Mile Beach area and the Cruise ship Port, are valued at \$200 million or more. The condo developments include The Waterford, Watercolours and Cypress Pointe.

Four other projects account for \$600 million of the total investment, at a value of \$150 million each. These are the new sewerage system, the Waste to Energy facility, which is led by the private sector, the new hospital project and the cargo facility in East End. That is led by the private sector. In the case of the first two, the Expression of Interest documents have been done. While the Memorandum of Understanding has been signed in respect of the new Hospital and the Paper for the Cargo facility is soon to go to Cabinet for discussion.

There are also a number of commercial developments being carried out and the government's own housing project, which involves building affordable homes around the Island, will occur. These account for a total of approximately \$41 million and are ongoing.

The projects listed above do not require any supporting infrastructure which will need to be pro-

vided by the Government. Each of these projects is already part of an existing area which has sufficient infrastructure. Where necessary, any additional infrastructure will be built by the private investor as part of the self-contained development area.

There are no concessions to the projects apart from the Watercolours condo development and the new hospital. In the case of Watercolours there is a 5 per cent concession on import duties, leaving a 17 per cent import duty charge on all imports for the project. This is considered negligible and will be compensated by the wider economic impact of this project.

I know we get criticised, Madam Speaker, about concessions. But anyone realising the current state of play in the economies around us, recognise that this country has to be more business friendly; offering some concessions is part of that. If you count the cost, if we give 5 per cent to Watercolours, which is approximately one point something million dollars, but we are receiving 17 per cent of import duties of \$17 million or \$19 million, which is better? To have let it go? To have refused the 5 per cent duty [concession]? Or to get the \$19 million to help us pay the bills and feed the people?

In the case of the new hospital the concessions are in the form of duty concessions for medical equipment and a reduction in work permit fees. However, these concessions will have limited impact in the period of the three-year plan as the main source of Government revenues for this project during the development phase is in the area of construction, and there will be no import duty concessions for construction materials.

Madam Speaker, I want to take the time to say that there is much grumbling about people giving away concessions. I already said how I feel about that. But, the constant talk that Caymanians do not get it is just not true. I went on the radio and outlined the millions of dollars that are given from various governments over the years, including mine, to various people and small people, not the huge businesses that some people like to get up and say we are only pandering to the large business—small people, millions of dollars.

So, Madam Speaker, if a Caymanian wants duty concessions and presents his/her case, it will receive due consideration and be given top priority by the Cabinet.

The facilitation of these projects is indicative of the way forward in accommodating private sector investment as a catalyst for our future economic growth and development path.

### **Journey with People**

This journey also requires us to build a channel to open up new pathways for our people. The initiatives mentioned demands us to partner with the environmentalists, investors and the people. This is a time to challenge conventional wisdom. This is a time

to grab opportunities. And this is certainly a time to recognise threats without being crippled by them. A channel, for instance, for the North Sound, is an absolute necessity if the country is going to ever get business from the mega yacht industry. Bearing this in mind, my Government will be seeking investors to do a necessary channel. Public discussion will take place [and] environmental impact adhered to so that any agreed work can keep damage to the minimum.

### **Enhancing the Tourism Sector**

The Cayman Islands Department of Tourism (DoT) has been working closely with organisations such as Cayman Airways, the Cayman Islands Tourism Association, the Sister Islands Tourism Association and other private sector stakeholders to develop and implement strategies designed to increase visitor arrivals. The objective has been to strike the right balance between price and value and to offer incentives and promotions that influence consumers to choose the Cayman Islands when making their decision to travel.

This is all part of the economic recovery programme, Madam Speaker.

As part of this programme, the Government has charged Cayman Airways and DoT to work more in partnership to ensure that we are using the national airline in the most efficient and effective way possible as an economic tool.

DoT and Cayman Airways continue to work strategically together and co-operation exists at all levels of both organisations. While each organisation has a unique business purpose with its own set of goals and objectives, the working relationship between the two entities continues to advance and strengthen.

DoT currently provides marketing, promotions and PR services for CAL in the visitor source markets, which is enabling the benefit from significant economies of scale and cost savings to be realised at a national level.

The new Board and Management Team at Cayman Airways quickly commenced an intensive strategic review of the airline's activities, with emphasis on the financial and operational challenges facing the airline. Several positive changes have been implemented at Cayman Airways, which have resulted in a significant reduction in operational expenses and an improved ability for the airline to be sustainable over the period of recovery and beyond.

From its inception, Cayman Airways has received funding annually from the Government, with the intent to cover the airline's operating costs. The level of funding has always been less than what was actually required to cover the airline's operating costs.

In the last ten years, this funding shortfall from the Government has forced the airline into just over \$50 million in debt, with \$19 million of this debt owed to non-bank counter parties. The debt owed to banks

has grown to a level that demands approximately a half-million dollars each month to service.

The level of bank debt combined with the additional level of non-bank debt is now of a magnitude which is unsustainable and severely threatens the continued operations of the national airline.

This is one of the issues that we, as a Government have to face and fix!

In this regard, the airline has managed to reduce its expenditure in fiscal year ending June 2010 by between ten and twelve million dollars. The final number will depend largely on fluctuations in fuel prices when compared to what obtained in the fiscal year ending June last year.

Amongst the measures taken, Cayman Airways proactively commenced reductions in staffing levels in August last year and has achieved an 11 per cent reduction, from just over 400 employees in mid-2009 to 355 in April this year.

The annualised cost savings of this staff reduction, along with other staff related cost reductions, such as work permit fees and overtime payments, is currently projected to be near two million dollars.

Other examples of significant cost reduction include the successful re-negotiation of aircraft leases, which have resulted in annualised savings of over \$1.2 million. Strategic reductions in scheduled flying have also been implemented to better align capacity with demand, without any negative impact on revenue.

Significant cost reductions have been achieved in almost every expense category and will be permanent in nature. This assures Cayman Airways a solid and effective cost structure as the airline continues to improve its revenue management processes.

The valued staff of Cayman Airways has also demonstrated a renewed level of pride and enthusiasm in the national airline through a vast improvement in the delivery of service. Let me recognise the staff for their efforts in working with the new Board and Management Team to achieve the airline's recent success.

Whilst the Government commits its support for the national airline through the tabling of the budget for the year ending 2011, I would like to ask the staff of Cayman Airways and the people of the Cayman Islands to recognise that Rome was not built in a day.

Let us not forget that many of the problems facing Cayman Airways today are the same problems that faced Cayman Airways 40 years ago. Cayman Airways cannot be all things to all people, and all its problems cannot be rectified overnight, neither are they to be left alone. We must fix it!

It is known and accepted that Cayman Airways is an important lever in our economy, and is critically important to achieving our national priorities in the tourism and financial services industries. Cayman Airways is now poised to go where it has never

gone before. Let us embrace and use the opportunity wisely.

I want to thank Mr. Jude Scott, Chairman of the Board, and Board members for their very hard work. This is a board that is not paid by Government; they give of their time freely, and we have to thank them for, I think, the milestone they reached this year, and also, as I said earlier, to thank the management of Cayman Airways.

Now, this leads us to the role of tourism in the way forward.

### **Growth and Development in Tourism**

The sustainability of our hospitality industry remains a top priority and DoT is working assiduously to continually develop our existing products and infrastructure.

Tourism in the Cayman Islands provides a distinct, high quality experience that attracts more than 270,000 air arrivals and 1.5 million cruise passengers to our shores per year. Since November 2009, visitor arrivals have been consistently growing. This growth persisted in 2010 at rate of some 8.3 per cent over the same period in 2009. And we are cautiously optimistic that this trend will continue throughout 2010.

DoT is changing the way it does business in order to align with various consumer behaviours and attitudes and as a consequence, marketing decisions are being developed to address three important concerns:

1. Consumers, even the most affluent ones, are continually searching for a better deal that is more value for money orientated.

2. The type of business that the Islands now attract has changed, and the emphasis has shifted from business travellers and meetings and incentive groups to domestic visitors that are being lured by attractive offerings in the marketplace.

3. Competition from other tourism destinations is becoming more aggressive as countries fight to retain or increase their market share.

Throughout the recession the Department carefully monitored the indicators and redoubled its efforts to reinforce messages that resonated with smart and sophisticated travellers. Research shows that in spite of the downturn in the US, our targeted consumers are not only still committed to travel, but they are also seeking more life-enhancing experiences for themselves and their families.

Consequently, a number of initiatives have been or will be implemented to capture our target consumers:

Promotional offerings, such as free companion flights, free nights, upgrades, resort credits, discounts.

A comprehensive Customer Relationship Management system is being put into place to more efficiently speak to our customer groups.

With more than 80 per cent of prospective visitors using the Internet to plan their vacations, the Department is looking to completely redevelop the official tourism website in order to incorporate new features, such as user-generated content, e-based marketing tools, multimedia and interactivity capabilities.

DoT is re-launching a cruise conversion programme this summer which is aimed at providing cruise guests with compelling offers to return to the Cayman Islands for a land based vacation.

On-Island Promotions are being developed using a collaborative and results driven approach. These include Cayman Summer Splash, a co-branded marketing campaign with Nickelodeon. Engage! 10, the luxury wedding business conference held earlier this month was also an example of this partnership.

A continued push to increase the level and quantity of customer service through the PRIDE Programme.

DoT in conjunction with the Port Authority will also be working to raise the level of visitor experience at the cruise ports.

The Apprenticeship Program will continue by trying to generate a greater supply of highly qualified Caymanian workers who will not only raise the level of professional competency in the tourism workforce, but can bring a distinct cultural flavour to local tourism products and services.

DoT and the Department of Environment are formulating policies and incentives to encourage businesses in the tourism sector to adopt more environmentally friendly practices and to minimise their impact on the environment. The Cayman Islands Environmental Project for the Tourism Sector (CEPTS) has been successfully launched and two dive resorts (Cobalt Coast and Compass Point) have become Green Globe Certified. Earlier this year, the Queen Elizabeth II Botanic Park was the first botanic park in the Caribbean region to gain this noted certification. The CEPTS team is also reviewing the requirements for attaining Green Globe Certification for the entire Island of Little Cayman.

As a result of the pressure to reduce costs and effect greater efficiencies, DoT will be realigning its resources and streamlining its operations in order to better service the unique and evolving needs of consumers and industry partners. This repositioning of services is expected to bring about greater operational efficiencies and will enhance the Department's ability to successfully deliver on its established goals and objectives for the 2010/11 fiscal period and beyond.

### **Air and Sea Port Enhancements**

#### **Cayman Islands Airports Authority (CIAA)**

In October 2009 plans for the Authority's proposed redevelopment of Owen Roberts International Airport (ORIA), Grand Cayman, was cancelled be-

cause of a downturn in the world economy and subsequent restrictions placed on borrowings needed to fund the development of a terminal and runway expansion project.

Notwithstanding this, the CIAA has recognized that some short-term redevelopment will be necessary to meet current and future airport facility capacity demands. Therefore, the Authority will re-evaluate the 2009/2010 redevelopment plan with a view of implementing an affordable strategic plan with clear objectives that will address current infrastructure needs, enhance services and facilities and meet future capacity demands.

Current Authority regulations, which are outdated, will be reviewed and revised to bring them in line with current international and local requirements.

One specific initiative in the tourism sector relates to the country's airlift capacity and this requires the expansion of the airport to accommodate long haul flights. But, in general, capacity at the airport has to be expanded.

I am again exploring the prospect of obtaining US pre-clearance inspection for customs and immigration as part of the airport expansion project. This will enable us to enhance the service and visitor experience as part of our push to develop tourism.

Madam Speaker, this is already in hand through our lawyers in London. They are investigating this matter.

### **Increased Airlift**

Delta Airlines has confirmed its intention to introduce non-stop service to Grand Cayman from New York's JFK, this month. The service will be once a week, on Saturdays, and is timed to allow for European connections. This weekly service will complement the non-stop service that our national carrier Cayman Airways has been operating for the past several years and is a positive sign and a vote of confidence in the Cayman Islands by one of the world's leading airlines.

This is another example of partnership with the private sector.

### **Cruise Berthing Facility**

In November of last year, the Cabinet approved the selection of DECCO as the Country's development partner that would finance, design and build the much needed cruise-berthing facility in George Town. Since then, steady progress has been made, and last month the MOU between the Cayman Islands Government, the Port Authority and DECCO was signed for the construction of two cruise ship berthing finger piers—of which at least one will be able to accommodate the Oasis Class ship.

The berthing facility, like the airport, is a critical lever in our economy. And we have been repeatedly advised that the Oasis Class ships will not place

destinations on their itineraries that don't have adequate berthing facilities. Every country in the region is doing so, Madam Speaker. The Cayman Islands is the only significant destination in the region without one.

Most of our Western Caribbean competitors such as Roatan, Montego Bay and Ocho Rios already have walk-on cruise facilities. Compounded by the fact that Cuba is opening, our Islands are at a competitive disadvantage the longer we delay in addressing this issue. The Bahamas has the same. And they have just re-opened their channel to cope with the larger vessels.

The establishment of the cruise berthing facility will not only ensure that the mega ships will include the Cayman Islands as a port of call, but it will provide a seamless disembarkation experience for visitors, which in turn will improve their overall view of these Islands.

This is the kind of experiential difference that influences whether those visitors will choose to return to the Cayman Islands as stay-over guests in the future.

### **Education and Workforce Development as Key Drivers for the Future Success of our Economy**

Madam Speaker, when all is said and done, the real test of economic recovery is going to be measured by the capacity of our people to share in the common good. More importantly, the recovery must be sustained to the extent that we give our youth hope that they can inherit this country in a state that offers promise of an even brighter future.

Our pursuit of economic growth and development demands us to help every child succeed in our education system. That is how we will truly build a strong nation of caring, confident and competent individuals.

In 2010/11, the UDP will continue to invest heavily in the enhancement of our education system. Here are some of the key strategic objectives that will be pursued this year:

1. The implementation of a new governance model and stabilisation plan for the education system. This initiative establishes a new governance structure which will pay more attention to how our education system is being managed, provide a clear and effective focus on support for school improvement, efficiencies and strong teacher morale and participation in decision-making on changes within our education system.

2. The implementation of a National Qualifications Framework. It will answer questions such as: Do CXC and IGCSE qualifications have equal value? How does a B-Tech qualification compare to an IGCSE pass? What kind of qualifications fall under COEA and what skill levels do persons with these passes possess?

3. The introduction of restructured secondary education system, with two all-through high schools

and enhanced graduation criteria. The Minister and his team inherited a system in transition, but without clear guidance as to how this would be implemented, no comprehensive plan for the programmes that would be available or funding or staffing for these programmes.

In September 2010 students and teachers will enter two all-through 7-11 high schools with a new curriculum model and timetable that will ensure equity and access for all students. The DES and Ministry will focus on supporting these new developments in 2010/11, as well as on the development of new graduation criteria that will, for the first time, include an academic component.

4. The launch of an innovative Year 12 Further Education programme, to provide a bridge between high school and employment and/or higher education. In September 2010, for the first time, students who have sat their external examinations will have access to an entirely new programme of academic, technical and vocational and further education options.

5. The implementation of a range of enhanced interventions for At-Risk students in primary and secondary schools. The Ministry for Education is in the process of completing a plan which will provide a range of much needed interventions for students who are in danger of becoming educationally disabled because of conditions surrounding their birth or home environment. This will form part of a cross-ministerial National Strategic Planning initiative for children deemed to be At-Risk, which is being led by the Ministry of Community Affairs and Housing.

6. This financial year will see the commencement of work on the construction of the new high school campuses. In addition, the UDP Government has also allocated some 10 million dollars for critical improvements to the physical plant at primary level. Madam Speaker, the needs of our primary schools are critical, and they have been neglected for far too long.

7. Despite our financial challenges, the UDP Government has also remained committed to investing in the potential of our young people through our national scholarship programme.

8. We need better ways of career counselling, interest assessment and educational planning for both young Caymanians and those who need to retool to remain current in the workforce of the future. We will therefore be investing carefully to strengthen our capabilities in this area with the launch of a new careers assessment, guidance and counselling centre.

9. I note with much pleasure the strong beginnings of turnaround we are enjoying at the University College of the Cayman Islands (UCCI) under the new President, Mr. Roy Bodden, and the Chairman, Mrs. Berna Thompson-Cummins. The selection of President Roy Bodden has proven to be effective, not only in distancing the institution from the dubious dealings of its former President, Mr. Syed, but in laying a foun-

ation for better Ministry oversight in partnership with the Board of Governors, better attention to student needs, and better progress toward alignment of UCCI offerings with programmes and projects in our compulsory education facilities.

And what we must do going forward is institution-building at UCCI. We need to strengthen UCCI to fulfil what it does with greater vigilance and care concerning its standards, its programmes, and its output—the graduates. We must do that without regard to any one person or set of personalities—it must be truly institutional.

Overall, we must plan a future for higher education that allows for local professional scholarship of a high standard, but also for acquisition of life-long learning and especially vocational and technical education skills.

10. My Government remains committed to the introduction of new legislation for the more effective supervision and regulation of education in the jurisdiction. In the first year of this administration, the Minister of Education, Training and Employment has consulted widely with stakeholders in our education system; advanced the secondary transition in the government system; put in place preparations for a variety of post-16 options; and is in the process of reorganising the management of education.

The Minister for Education will elaborate on these initiatives.

### **Training and Employment**

The protection of employees under the National Pensions Law has failed and it is high time we admit it. Given the manner in which this system is structured Government would require a small army to carry out the mandate under the current law. Labour has been a vexing issue for many years and the Department of Employment Relations has been the target of much criticism for not delivering to a high standard. No tweaking will address the fundamental issues underlying these critical areas of governance, wholesale change is required and must take place.

In this regard, the Ministry has already secured the services of a very experienced Caymanian lawyer to carry out the complex legislative reform agenda outlined by the Minister and approved by the Cabinet. In broad terms the National Pensions Law and the Labour Law will be revised to produce:

1. a revised Pensions Law to focus on regulating pension plans and administrators.

2. a revised Labour Law creating a single inspectorate to deal with all labour related matters (including non-payment of pension contributions) with a fixed ticket penalty system to more efficiently bring delinquent/unscrupulous employers to account for labour, pension or health insurance infractions.

3. a new Human Capital Development Agency to focus on work placement and national training, including the scholarship secretariat. This will provide

for greater clarity of roles and a more efficient regime surrounding these very important aspects of our labour market.

Madam Speaker, the high social and economic costs of the current large numbers of unemployed youth in the Cayman Islands are all too clear to us. Our employment statistics tells us that there are increasing numbers of unemployed Caymanian young people. However, any solutions must seek to understand why our youth are not employed. Feedback from employers regularly cites that Caymanian young people lack workplace readiness skills. They tell us these barriers include basic workplace skills, poor interpersonal skills, lack of motivation and attitudes of entitlement.

This year, the Minister and his team responded to this challenging issue by piloting an innovative and timely programme called Passport2Success for unemployed youth. Through this programme, 25 of our young Caymanians have been given second chances at success. In 2010/11 the Ministry will be seeking to apply the learning from this pilot programme to enhance this initiative, with a view to making it available to other youth. I understand there is already a long waiting list.

This brings me to another important partnership for recovery, that is, the Young Nation Building Programme (YNBP).

### **Young Nation Building Programme (YNBP)**

A productive, caring, engaged and entrepreneurial young generation is necessary if we are to realise the future we have identified for ourselves. That is why funds have been allocated again in this year's Budget to continue to assist with physical plant, civic and religious programmes, the arts, history and culture that will contribute towards our children becoming Nation Builders—a society where we are each others' brothers and sisters; a just society that recognises country above self; a society where criminal activity is a rarity; a society where its members are prepared to confront each challenge with optimism that they are equipped to face the challenge. That is what the YNBP will contribute towards being Caymanian.

### **Improvements to Immigration Policy**

Focusing on education and workforce development would come to naught without a robust policy with respect to Immigration.

The immigration laws and policies of any country are vital to the economic and social well being of that country and all those who reside there as residents and citizens. In 2003 this Government brought to the Legislative Assembly a new Immigration Law which modernised and recognised much of what had been recommended by Vision 2008 and the original Immigration Review Team as being much needed changes in our immigration policies and laws.

The new law created a new system of progressive rights which recognised the rights and aspirations of long-term residents to move forward to security of tenure through the grant of permanent residency based on a stringent point system and the opportunity for those permanent residents to eventually move on to citizenship and Caymanian status.

This system of progressive rights was also in line with international norms for recognising a state's obligation to offer security of tenure to those long-term residents who had lived here, contributed to our community and to our economy and wished to remain here for the long term.

Whilst recognising such security was only fair, right and reasonable for persons working here under our work permit system for lengthy periods, the law also recognised that as three small Islands we could not offer such security to all our work permit holders and, therefore, the law also created a fixed-term policy of seven years for all work permit holders not exempted from it by definition in the Law and at the discretion of the various immigration boards.

The Law also recognised the need to ensure that our own Caymanian people were being trained, mentored, and promoted to the best of their ability by creating the requirement to file a business staffing plan for all employers who held more than 15 work permits for any one business.

It also recognised the need to attract both wealthy retirees and new entrepreneurs and investors for whom a 25 year certificate was being offered for a one-off fee of CI\$20,000.

As with any new law, there have been issues arising from its implementation, and this Government has since its election a year ago sought the input from the private sector and the Department of Immigration as to the difficulties being experienced by businesses and those resident here.

It became apparent from very early on that turnaround time in the granting of work permits and the difficulties in obtaining key employees who would be exempted from the seven year fixed-term policy were two of the major complaints that businesses had.

In addition, it became clear that if we wanted to attract new overseas investors we would need to offer a new direct investment certificate, as the original Entrepreneur and Investor Certificate has been removed from the Law.

Another pressing need was the suffering being experienced by our elderly, the long term ill, the handicapped, when helpers and other special cases that they were familiar with and who were familiar with their care were forced to leave under the fixed-term policy leaving many Caymanian families with no one they knew to care for the most venerable in our society. And I should add, causing our country to be a revolving door—more new people in to do this work, and more and more, and more people that we do not know into our homes.

We have sought to address these immediate concerns whilst appointing a new review team to review the entire process of work permit applications policies and procedures and to make recommendations for the long term improvement of the entire immigration system.

In January the Cabinet issued the Immigration (Financial Services Sector) Directions to the Immigration Boards. These directives directed the Chief Immigration Officer to give priority to the processing of all work permit applications from the financial services sector or, where necessary, to refer such applications to the relevant board or committee.

It was also directed that the Chair of the Business Staffing Plan Board to create a subcommittee to include himself or his deputy and at least two members with expertise in the financial services sector to hear all applications from the financial services sector and to make recommendations to the Business Staffing Plan Board for the designations of key employees to that sector.

It created a presumption of key for certain top positions in the financial services sector, provided the company was accredited, and provided no Caymanian was available for the post.

The Directives also directed the Boards to consider granting longer work permits of three to five years for domestic helpers, teachers, doctors, nurses, ministers of religion and workers for positions authorised in business staffing plans.

Finally they directed the Immigration Review Team to work in collaboration with the subcommittee to establish an accreditation system for employers based on certain key criteria.

The Immigration Review Team have been diligently working on the accreditation system because we recognise that whilst quicker turnaround time for work permits, the red carpet treatment for existing and new businesses, and the retention of key staff is important to all businesses on the Island, it cannot be done at the sacrifice of our own Caymanian people and there are certainly those who are unemployed or underutilised under motivated or under paid in some corporations.

Good corporate citizens are always welcome in the Cayman Islands, and those who maintain a high standard of business ethics, encourage talent development programmes, have good employment practices, participate in community programmes and train and promote our growing Caymanian workforce must and will be given preferential treatment by our work permit system. If we can't do that, Madam Speaker, what kind of people would we be?

The accreditation system will begin as a pilot project with the financial services sector before it is rolled out across all industries.

Whereas this Government recognises and cannot afford to ignore the competition for our financial services providers we also recognise the contribution being made by all other sectors of our economy

including small businesses who will be assessed for accreditation based on a different criteria and one more appropriate to their role as small business owners with limited resources but just as much demand for good workers who give high levels of service.

It is hoped that once the accreditation system is implemented both employers and employees will feel better protected and that it will provide an accurate and quantitative measurement of a company's performance and its ability to train and promote our local talent.

This Government is committed to attracting high net-worth investors from overseas and in order to do so incentives will have to be offered, as there is much competition out there for their funds.

The Government has, therefore, introduced a Certificate of Direct Investment which will permit businessmen who invest \$2.6 million in employment generating businesses in the Islands to receive a 25-year Certificate for them and their families with a right for the investor to work in the businesses in which he has invested. The type of businesses that we are hoping to attract will diversify our economy, increase development, add to our financial services, and will have a positive effect on the economy as a whole as more funds are invested locally.

Needless to say, Madam Speaker, such investors will be closely scrutinised before being issued with such a certificate and only those with a proven track record and of good character will be awarded such privilege.

We will also be introducing an annual certificate for special caregivers which would allow them to remain in the Islands on a year-to-year basis beyond the normal seven years where the needs of a family to have that caregiver continue to care for an elderly, handicapped, long-term sick patient, or other special cases justify it.

Whilst we understand and appreciate the need for workers on work permits to take a break in stay, we remain committed to reviewing the length of that break in stay and to providing some flexibility in the system for those in most need of care and protection.

### **A Better Way in Terms of Strategic Planning**

If we set ourselves the task of providing a better way forward, we must be able to plan our way. This is why we must engage in strategic planning.

The partnership for recovery needs an anatomy that tolerates a well managed immigration system. The system must reward the most community responsible and Caymanian friendly businesses. This allows for the harmonious existence of Caymanians, residents and expatriates in a way that appreciates their inter-dependence on each other.

The Islands' first ever 20 year national strategic plan, a result of the National Planning Initiative, will be presented to this honourable House by the end of

the 2010/11 fiscal year. As mentioned, the Plan will be the first official document to holistically address the Islands' economic, socio-cultural, physical and environmental opportunities and challenges from a long-term perspective.

It will be the first time we embrace and learn from the future. The Plan will be the blueprint of a future full of hope and opportunities and void of challenges for present and future generations. The Plan will detail the steps necessary for us to backtrack from the future to the present in order to build that future that we as a nation have agreed upon. None of us has a crystal ball to see 20 years hence, and that is why the Plan will be designed to allow for modifications based on changing situations.

An important part of the strategic plan is to give Cayman a chance to properly discuss the opportunity of whether we embark on a sensible plan of public transport for this country, and that includes involving those who are now the operators of the business as true partners in the business. This could be a chance for us as a country to set the future right. Can we afford to build as many roads? Does everyone here need to own two cars? Does every maid need to have a car? These are valid questions that must be assessed and answered. It should not be, Madam Speaker, a tool for a whipping horse. These are questions that it is time for us in this House to address and for the country to realise that we just can't keep going the way we used to where everybody just did as they pleased.

I just visited Bermuda, Madam Speaker. With all the problems they have and the challenges, I still marvel at how they have planned. It took 40 years and more, but how they have planned! And here we are . . . we don't want anybody to tell us anything; we don't want to do anything; then we complain about everything. It is time! We cannot, Madam Speaker, continue building the roads the way we have been building.

We must utilise our funds better. We must come to grips with the reality that we cannot continue to build new roads at a rate that challenges our availability of funds. Built roads three or four years ago and today we still have not been able to pay the owners for the land. Is that good planning? It is not! And we can do better. And all of us in this House have to do better or our grandchildren are going to suffer.

As we embark on the journey to this bright new future, a future with a 21<sup>st</sup> Century educated workforce to take advantage of full employment opportunities, a future with minimal crime so that public funds can be spent more wisely; a future where the natural environment is empowered to protect our biodiversity; a future where Caymanians' identity is appreciated socially and culturally; a future where the physical environment is the envy of the region, all of these futures can simply be amalgamated into one—the future of the Common Good.

That is the future that my Government envisions for its people. And even though we have had

some setbacks, we still have much to save—the Plan will provide us with the tools to enable and facilitate this bright new future.

I invite each and every person living here to join the Government on this exciting journey into the future of the Common Good. This is not a future of the unknown. We as a people have decided what future we want, so the road is clear. But there will be hills and valleys that we have to navigate carefully.

### **Safety and Security**

Madam Speaker, while we must be concerned about economics, our Government has also been concerned about our safety and security in that regard. The Governor spoke about it and our plans in the Throne Speech. In the face of the challenges our Islands are experiencing, steps taken by the Commissioner are moving in the right direction in some areas.

There is much work to be done; but let no one feel that this administration will be lackadaisical. We found a bad situation and call upon our community to continue to do their part in giving any information to the authorities.

We have funds in place to put the CCTV system in operation and while our strategies will take some time to implement, we are sure it will strengthen safety and security in these Islands. There are too many challenges in that regard.

### **Conclusion**

In concluding, Madam Speaker: In the introductory remarks, I spoke of this occasion being a piece of history, given that it is a first for a Minister of Finance from amongst the elected Members of this House. This comes just after our first year in office. And, as mentioned, the journey began in the midst of a world economic recession that persisted longer than expected. But our focus is on economic recovery that is predicated on the back of a home-grown programme through partnerships for recovery.

The growing optimism is strengthened by gathering evidence of a world economy that is past mid-night and heading for dawn. We welcome the light, but we must enhance the conditions for that light to create life in our economy, to reflect change in our society and to inspire hope in our politics.

This budget presentation is another step in the process of informing the people and to inspire them to work with the Government to make a better way forward in pursuit of the common good.

Given the economic recovery mode we are in, the Government is fully prepared to face problems and fix them in a spirit that invites greater partnership with the private sector and the people generally.

The shift in emphasis will not compromise the short or medium-term economic objectives. Indeed we are advocating that as the economy is driven by private sector-led growth—which we must enhance—the



Government's relative share of the economy would naturally decline. This would leave the Government to concentrate on doing what it does best in the provision of services to the public.

As part of the better way forward, the United Democratic Party Government successfully had the Cayman Islands removed from the OECD's grey list and onto its white list by negotiating and signing Tax Information Exchange Agreements (TIEAs) as the OECD required for us to be on the white list.

Since coming into office just over a year ago, we have signed 10 TIEAs which is more than the 8 signed before. To date, the number of agreements is 18. We have most recently signed a TIEA with Germany, and we have concluded negotiations with Japan. Next week, the Government is scheduled to sign an agreement with another major country—Canada.

Madam Speaker, it should be made clear that these agreements are immensely important to our financial industry. Information did come to us from the private sector that while we were on the grey list, this Island lost business, so now each agreement that is signed means an increase in business for our financial industry.

We have worked tirelessly into the long hours of the night and wee hours of the mornings, Madam Speaker. And I confess I was discouraged at times as we were pounded by Opposition and those who were supposed to work with us found time to put obstacles in our path. Throughout this year, though, we did well in the face of those troubles.

My Government worked hard. We have issued directives to the Immigration Department that make the Cayman Islands a more competitive financial centre and emphasised the need for our immigration regime to be more business friendly.

We issued a directive that certain businesses are reserved for Caymanians only. Examples of such business are: trucking, commercial fishing, painting, auto repair, radio stations, electrical and plumbing, air conditioning, water sports, office supplies, beauty salons and real estate businesses, security companies, and transportation, to name just a few. The directive awaits a revision to the Trade and Business Licensing Law, but the board has been made aware of this directive and will not grant any such licence at this time. We are, therefore, protecting small Caymanian businesses.

We have promoted inward investment in the Cayman Islands and now a major Chinese company is looking at investing here. And we have had talks with a firm interested in the former Hyatt Hotel property.

We established the National Investment Council and the Department of Commerce and Investment to facilitate more business investment.

An agreement was signed for the construction of two cruise ship piers.

A multi-destination tourism partnership with Cuba was re-established. This partnership is going to prove important to the future of our tourism industry.

We re-established the defunct Tourism Advisory Council.

There is now new management at the Turtle Farm.

We signed an agreement that will facilitate the establishment of medical tourism and provide tertiary medical care for Caymanians. And, Madam Speaker, if they only do half of what they say, this country will be much, much better off.

Madam Speaker, an HPV vaccine programme was launched.

A Cancer Registrar was appointed. We made an agreement with the HSA for a resident cardiologist to join their staff complement. And, Madam Speaker, we had none. We needed a cardiologist in this country. And the Minister got that done. I am thankful for his work and his drive, although sometimes I expect much more from my Ministers because I sometimes feel like I am a slave driver! But it must be done. The work has to be done!

Public Consultation began on the proposed National Conservation law.

Financial, and in some cases logistical, support was provided to a number of international sporting events such as CARIFTA; support was also provided to the Cayman Open 2010 Squash Tournament, Cayman Islands Sailing Club's Race Cayman 2010 and the NORCECA beach volleyball championships.

We restructured secondary education to all-through high schools.

The first initiative of the National Employment Passport programme was launched with Passport to Success for young people.

A health check of the education system was conducted.

Educators' Appreciation Month events were held.

The University College of the Cayman Islands was stabilised and a new college president appointed.

We established the Principals' Consultative Council that will channel feedback from educators and recommend initiatives to the Ministry of Education.

We managed the crisis surrounding the unplanned, unfunded, and unfinished high schools.

We began the restructuring of the National Pensions and Labour Relations offices.

We fully started the low cost housing programme in East End and West Bay.

We have completed the expansion and renovation of the Golden Age Home for senior citizens.

The Young Parents' Programme, the National Parenting Programme and Women's Resource Centre were integrated as the Family Resource Centre which has eliminated duplication of some services.

A Youth Therapeutic Programme was established at Bonaventure House for young people with behavioural problems.

The construction of the Government Offices Accommodation Project continues and is due to be completed in the first quarter of 2011.

The method of damage assessment under our Caribbean Catastrophe Risk Insurance has changed to a per square kilometre basis—which mean, in effect, that each of our three Islands will be assessed individually, which increases the likelihood of a payout if we were unfortunate to suffer disaster. In other words, Madam Speaker, we cannot be caught the way we were caught with Hurricane Paloma. The Members for Cayman Brac can take some comfort that this is a new plank in this insurance plan.

A nation-building programme was started that assists children and youth programmes.

The Government assisted the economic recovery effort with a small \$10 million injection into the Cayman Islands Development Bank. We did stimulate some economic activity by facilitating the construction of condos on Seven Mile Beach.

We employed over 700 people with the Pride Clean Up Programme.

We reimbursed small Caymanian businesses that lost money in the Matrix fiasco.

A new scrap metal programme was started. We contracted to remove over 6,000 tons of baled scrap metal from the George Town landfill and tendered for all remaining scrap in the three Islands, cleaning up 15 acres at the landfill.

We acquired property to house the Watering Place (I think it's the Creek) Post Office that was destroyed by Hurricane Paloma.

We resurfaced 90 district roads.

We commenced construction of the MRCU hangar.

We acquired road-building equipment for Cayman Brac and Little Cayman.

We upgraded public beaches including Smith Cove and CoeWood Beach.

Public consultation of the Draft Prevention of Gender Discrimination Bill, 2010, was undertaken. I wonder if we'll ever have a bill that prevents discrimination against politicians.

We completed the East End retaining wall; created the Cayman Islands National Weather Service; and we set up Ministerial Councils for Tourism and E-business, Waste Management, Telecommunications. And we are utilising two of our backbenchers and making them work, the Deputy Speaker, the Third Elected Member for West Bay [Hon. Cline A. Glidden, Jr.], and the Fourth Elected Member for George Town [Mr. Ellio A. Solomon].

Madam Speaker, yet they say we haven't done anything. A year wasted, they said. Well, all can say, Madam Speaker, is thank God we got some things done.

Madam Speaker, I would like to take this opportunity to offer a special word of thanks to His Excellency the Governor, Mr. Duncan Taylor, for his great assistance in organising meetings, in particular those which took place last week, and for having accompanied me to meetings with the FCO in London.

Madam Speaker, this is something to speak about because what I have observed with this new Governor I have not observed with anyone who came here as Governor. When he went to the United Kingdom, he did not sit on the side of the United Kingdom; he sat on my side. And he talked for us. That's what he did. So, we are off to good relations, I think. I must say so publicly.

I want to especially thank the Financial Secretary for his hard work during these difficult times. Madam Speaker, that man worked day and night, weekends and holidays to help try and sort out the financial affairs of the Government, and we must thank him.

Mention should also be made of the work of the Budget and Management Unit (BMU) and the work of Mr. Ronnie Dunn, who sat with me and went through (the two of us) various departments. We called them in and went through and worked with them and told them they have to cut. And we did get some.

Madam Speaker, it would be remiss of me not to offer a word of thanks to the hard working members of the Ministry of Finance, Tourism, and Development; also to the members of the various Government Boards. Several come to mind, Mrs. Bodden-Cowan, who worked on immigration and spoke on immigration matters for us, without pay.

There are others: members of the various boards, immigration boards, members of the investment boards, private citizens who have given up their time for the good of this country without pay. Tourism Advisory Council, members of the PFI Committee, members of the Financial Services Council and of the National Investment Council, just to name a few.

I want also to personally thank my elected colleagues, as I said earlier, who have worked extremely hard over the past months, through the days, nights and weekends and public holidays to help bring us to this point.

Madam Speaker, I want to thank our chief officers for their efforts in the past year, and to thank the service clubs. I often say, Madam Speaker, that this Government could never afford to pay for the work that the service clubs do in this country—Lions, the several Rotary clubs, and at least two or three Lions' clubs.

Madam Speaker, we can't thank our churches enough for the moral guidance they give, and some of the load that they take on, although some people believe that they do not take on a load, but they do.

So, Madam Speaker, from the Government's budget and the financial services industry to tourism to the needs of our children and our elderly, the

United Democratic Party Government is taking care of the people and protecting the interests of the Cayman Islands.

The UDP Government continues to move forward on a path of economic recovery to achieve sustainable growth in which businesses can flourish and people have decent jobs. What I can say, Madam Speaker, is that the time for talk is over. There will have to be some debate, but I can tell one and all—Opposition, Civil Service, newspapers, anyone that wants to offer opposition rather than a helping hand—the Government's programme is now started and will be completed. And we have to complete it for the good of the people of this country.

If you want to criticise, criticise! But those of us who are responsible for doing the work, the work must be done. I am not asking anybody to like me as Premier. My people elected me. I have a job to do. And if not now, when? If not us, who?

So, let's keep our heads up high. Let's put our hearts and minds to recovery. Let's work together to secure our children's future. And in the spirit of unity, "Let us climb towards the peak in search of the light, knowing that our destiny will be determined by our foresight, a partnership for recovery would bring the sense of unity we seek."

I am reminded of one quote from His Majesty the late King George 6<sup>th</sup> in his famous 1939 New Year's message, and is appropriate, and I quote: "And I said to the man who stood at the gate of the year: Give me a light that I may tread safely into the unknown. And he replied: Go out into the darkness and put your hand into the hand of God. That shall be to you better than light, and safer than a known way."

For me, Madam Speaker, *I have miles to go; many, many miles to go before I sleep.*

Madam Speaker, let us start a true "Partnership for Recovery."

I want to thank you, Madam Speaker, for your indulgence in this long speech. We thank honourable Members for their patience and those who have come to listen and be our guests today. I thank them. May the good Lord bless all the people of our Islands from East End to Cayman Brac, George Town to West Bay, North Side, East End, and Bodden Town.

There are many, many more miles to go.

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

And we have an additional statement from the Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development, which he has my permission to deliver.

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

### **Payment to Matrix Sub-Contractors**

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I would like to take this opportunity to [respond] to comments made in the 11 June 2010 edition of the *Caymanian Compass* entitled, "Scrap over Matrix payments."

It is hoped that this response will clear up some of the misconceptions portrayed in the article, primarily that the Ministry of Finance did not adequately scrutinise the invoices that were paid.

Madam Speaker, the Government made the decision to pay the subcontractors hired by Matrix in order to protect these small business owners involved in the removal of scrap metal from the George Town landfill after Hurricane Ivan. The Government was not legally obliged to pay these subcontractors, but it was reasonable that the subcontractors were reimbursed.

Madam Speaker, on more than one occasion the Ministry of Finance met with representatives of Matrix, Mr. Billy Bodden and Mr. Andrew McLaughlin, to obtain an understanding of the debts owed by Matrix. In addition to these meetings, there were numerous telephone calls with Mr. Andrew McLaughlin for Mr. McLaughlin to answer queries that the Ministry had in respect to the invoices.

During these meetings, the Matrix representatives handed over invoices that Matrix confirmed were in the possession of the company and which were still owed by Matrix. In addition, the Ministry of Finance obtained copies of Matrix US and CI cheque registers and accounts ageing summary as at 22 January 2008. The payments made to the subcontractors were confirmed as owing by reference to Matrix records.

Where there were discrepancies between invoice balances provided by Matrix and invoice balances provided by subcontractors, both parties were consulted further. Balances were agreed and the invoice balance adjusted accordingly. As a result of the review of the invoices, the Ministry of Finance was confident that payments for 19 invoices totalling \$280,533.45 could be made. These cheques were processed and paid out in April 2010.

Mr. Lyons' invoice: In regard to the invoice of subcontractor, Mr. David Lyons, on 11 January 2010, the Ministry of Finance spoke to his mother. She told the Ministry that Mr. Lyons was off island getting medical treatment and that she would make contact with him to determine if the invoice was still outstanding. On 12 February 2010, the father of Mr. Lyons informed the Ministry that he contacted his son, and his son confirmed that the invoice was still outstanding.

From the review of Matrix CI dollar and US dollar cheque registers, however, the Minister of Finance confirmed that on 11 October 2007, with cheque No. 106, Matrix had paid Mr. Lyons \$4,000, which is the equivalent of [CI]\$3,280. The Ministry of Finance therefore deduced the \$3,280 from the \$20,525 invoice, and it was agreed with Matrix that

the balance of the \$17,245 should be paid to Mr. Lyons.

Madam Speaker, regardless of the fact that Mr. Lyons is currently in prison, as evidenced by the US\$4,000 payment to Mr. Lyons by Matrix on 11 October 2007, Mr. Lyons did provide trucking services to Matrix and Matrix acknowledged the services that Mr. Lyons provided by writing him a cheque for \$4,000.

Therefore, Madam Speaker, Mr. Lyons is entitled to be paid for the balance of the cost of the trucking services that he provided before he was incarcerated.

Madam Speaker, the late Mr. Harold Bodden also provided trucking services to Matrix. And even though he has passed on his estate is still entitled to be paid for those services that he provided. Therefore, the Government honoured those services by paying the outstanding invoice to the estate of the late Mr. Harold Bodden for the services he provided to Matrix.

Invoices that were not paid by the Government: Madam Speaker, when the Minister of Finance was scrutinising the invoices that Matrix had provided the Ministry, and which Matrix stated were still outstanding, there were a number a invoices that were not paid as the Minister discovered that either they were previously paid by Matrix or they were not directly related to the removal of scrap metal from the landfill, or that contact could not be made with the subcontractor in order to verify the amounts outstanding.

Examples of the invoices that were not paid included:

- An invoice totalling \$10,678.99 from a local law firm for legal fees for processing Matrix's work permit applications. The Minister felt that the legal fees of Matrix were not directly related to the removal of scrap metal and, therefore, were not paid.
- An invoice from a quantity surveyor for estimating the amount of cargo loaded on the barges for \$550. The Ministry did not pay this invoice as a representative from the quantity surveying company indicated that the invoice was previously paid.
- An invoice from a subcontractor for \$1,200 for welding work on an excavator. The Minister of Finance did not pay this invoice as the invoice did not contain contact information and, therefore, contact could not be made with the subcontractor.

Madam Speaker, I should also note that there were invoices that the Minister of Finance subsequently received from some subcontractors which the subcontractors are stating are still outstanding by Matrix. Although the Matrix representatives cannot confirm that their invoices are legitimate, as the invoices were not in the possession of Matrix, the Government is requesting copies of delivery slips and affidavits to verify that these subcontractors did indeed provide services for Matrix.

Madam Speaker, I hope that this statement has cleared up any misconceptions that were made in the article in the 11 June 2010 *Caymanian Compass* regarding the payments Government made to Matrix subcontractors.

Madam Speaker, I assure this House and this country that the Government has scrutinised requests for payment in a diligent and careful manner before payments were made. Furthermore, as I stated earlier in this statement, some requests for payments were actually declined. The Government acted on good conscience and performed due diligence appropriately.

I hope the *Caymanian Compass* gives this statement equal treatment as they gave their *Anancy* story.

[Continuation of Government business]

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

### **MOTION FOR THE DEFERRAL OF DEBATE ON THE BUDGET ADDRESS**

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I move: Be it resolved that the debate on the Budget Address be deferred until Friday, 18 June 2010.

**The Speaker:** The question is: Be it resolved that the debate on the Budget Address be deferred until Friday, 18 June 2010.

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

**Ayes.**

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

**Agreed: Resolved that debate on the Budget Address be deferred until Friday, 18 June 2010.**

### **MOTION FOR THRONE SPEECH AND BUDGET ADDRESS TO BE DEBATED SIMULTANEOUSLY**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I would suspect that this is already agreed; but out of an abundance of caution, let the House vote on it: Be it resolved that the Throne Speech and Budget Address be debated simultaneously on Friday, 18 June 2010.

**The Speaker:** The question is: Be it resolved that the Throne Speech and Budget Address be debated simultaneously on Friday, 18 June 2010.

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

**Ayes.**

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

**Agreed: Resolved that the Throne Speech and Budget Address be debated simultaneously on Friday, 18 June 2010.**

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

**The Speaker:** I have no record of any further statements from Ministers or Members of the Cabinet.

### **ADJOURNMENT**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, before I move the adjournment of this honourable House I am reminding Members that there will be a tight work schedule, that we intend to work late every night until we complete the Budget.

Before I move the adjournment, I want to thank staff. I think I missed them earlier, for preparation in this Chamber and in this Assembly for the State Opening.

Madam Speaker, I move that the House be adjourned until Friday, 18 June [2010] at 10 am.

**The Speaker:** The question is that the House be adjourned until Friday, 18 June [2010] at 10 am.

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

**Ayes.**

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

**At 1.41 pm the House stood adjourned until 10.00 am Friday, 18 June 2010.**



**OFFICIAL HANSARD REPORT**  
**FRIDAY**  
**18 JUNE 2010**  
**10.20 AM**  
*Second Sitting*

**The Speaker:** I will ask the Honourable Deputy Premier, Minister for District Administration, Works and Gender Affairs, to say Prayers.

**PRAYERS**

**Hon. Deputy Premier:** Let us pray.

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

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

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

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

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

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

**The Speaker:** I have two messages.

The Honourable Premier will be late. He is off Island and will be arriving around noon time.

The Honourable Attorney General will also be late.

**STATEMENTS BY THE  
HONOURABLE SPEAKER**

**The Speaker:** Today I crave the indulgence of this honourable House to make a few remarks.

It has been said that to know where you are going you must know from whence you came.

To recount the blessings of the past and the solid foundation laid by our predecessors in this Legislative Assembly, would make for a speech longer than the Budget Address. But I would beg your indulgence to bring a few reminders of the most recent leg of this incredible journey of building a nation.

Thirteen months ago the people of the Cayman Islands went to the polls, on 20 May 2009, to exercise their democratic right to elect a new Government. It was an exercise in democracy which included for the first time in our country's history a referendum to determine the fate of a new proposed Constitution Order, 2009.

With typical Caymanian caution the people returned ten of the previous Members of this House, adding only five new, and I might add, mostly younger, Members, but shifting the responsibility to govern to a new Government under the United Democratic Party. Those five new Members would include the seasoned politician from North Side who would take his seat as an independent Member, adding yet another dimension to the still new balance of power introduced by the Party system in this Legislative Assembly.

The nomination of a Speaker from outside the elected political arena, a unique privilege long enshrined into the Cayman Islands Constitution at the request of the people, but never before exercised, would add to the historical significance of this legislature.

The people's acceptance of the proposed Constitution Order, 2009, by referendum would usher in a new era of political development in our beloved Cayman Islands.

The Swearing-in Ceremony on 27 May 2009, established a new precedence of transparency with the entire procedure taking place in these hallowed Chambers and the precincts of the Legislative Assembly in full view of the general public both assembled and through the medium of television and radio.

The journey begun that day has taken this Legislative Assembly down some rocky roads as the financial turbulence in the world impinged on the Cayman Islands giving some hard lessons and a penalty for being complacent and unprepared to control our own destiny.

For the first time the Government would be forced to go hat-in-hand to the United Kingdom Government for approval to carry out borrowing to balance its budget; an act that would go hard against the grain of Caymanian pride in its economic independence, but which I dare say has been achieved while retaining the country's dignity.

This situation was not helped by the fact that the country was on the OECD (Organisation for Economic Co-operation and Development) 'grey list' which cast shadows on its financial integrity, but which, thankfully, has been removed and its position strengthened in this past year with the additional signings of the TIEAs (Tax Information Exchange Agreements).

This is the third Budget Meeting in the time since this Government took office. The first, the interim budget, was brought on 26 June 2009 to bridge the gap while a first assessment of the country's financial position and the strength of its supporting pillars, Finance and Tourism, would be carried out and new goals determined.

On 13 June 2009, Her Majesty's birthday was celebrated with time honoured tradition on the steps of this Legislative Assembly.

On 17 June 2009, the United Kingdom Government gave its final approval to the Constitution Order, 2009, and work was begun to bring it into effect, an ongoing exercise which will continue for at least the next three years; the most recent act being the presentation of the Boundary Commission Report to the Governor and the Legislature, a document which will be laid on the Table of this House in due course.

On 2 October 2009, a full budget incorporating the interim proposals was brought. This sitting also incorporated the final Throne Speech by the previous Governor, Mr. Stuart Jack, CBE, and the appointed date for the Constitution to come into effect was named by him as 6 November. This sitting also included the last time the Financial Secretary, then a voting Member of the House, would deliver the Budget Address. That same month the order for the implementation of a new Constitution was issued and a public holiday declared for 6 November 2009 to mark the beginning of a new era of constitutional development.

With great pomp and ceremony on that day the people gathered to witness and celebrate the swearing-in of the country's first Premier, the Honourable McKeeva Bush, OBE, who would also become the country's first Elected Minister of Finance; its first Deputy Premier, Honourable Juliana O'Connor-Connolly, and its first Deputy Governor, the Honourable Donovan Ebanks.

With the removal of the Financial Secretary as a Member of the Legislative Assembly, and the power to vote from the two Official Members, the Deputy Governor and the Honourable Attorney General, the new Constitution placed the power of the electorate to govern squarely in the hands of its elected Members

with oversight in the hands of Her Majesty's representative, the Governor.

At the end of that month, Mr. Stuart Jack completed his term of office to be succeeded in January 2010 by His Excellency the Governor, Mr. Duncan Taylor, CBE. His Swearing-in Ceremony on 15 January 2010 included not just an oath of allegiance to Her Majesty the Queen, but for the first time, an oath to serve the people of the Cayman Islands.

January also saw the National Hero's Day celebrations honouring the Christian heritage of the Cayman Islands.

On 1 April 2010, in an unprecedented show of unity of purpose, legislators from both sides of the House knelt on the steps of the Court House to seek guidance from Almighty God in finding a way forward for these beloved Islands.

On 28 April 2010, the annual Parliamentary Prayer Breakfast took place at the Westin Hotel, bringing together leaders from the Churches and community to join with legislators in a moving service of prayer and thanksgiving for the Members of this Legislature and the blessings bestowed on the Cayman community.

On Saturday, 12 June 2010, the celebrations of Her Majesty's birthday took place. It included the awarding of honours to the former Speaker of this Legislature, Mrs. Edna Moyle, OBE, JP, and new awards of the OBE and MBE to the Leader of the Opposition, the Honourable Kurt Tibbetts, and the former Minister of Education, Mr. Alden McLaughlin, respectively.

Tuesday, 15 June 2010, saw the delivery of the first Throne Speech by His Excellency the Governor, Mr. Duncan Taylor, CBE, and the presentation of the Budget for the 2010-2011 financial year, the first to be delivered by the country's First Elected Minister of Finance, the Premier, the Honourable McKeeva Bush, OBE.

Debates on those speeches begin today. But even as the cut and thrust of political statements echo in this Chamber, let us never forget this incredible journey we are on as a people and a country. And the numerous blessings we have enjoyed even in times of great turbulence.

Many years ago we were labeled by a former governor as the "Fortunate Islands," a title to replace the title we had worn for many years as the "Islands time forgot." Indeed, we are the "Fortunate Islands." That the Good Ship Cayman is still upright on its keel in a world where the global outlook is still a very dark shade of grey, is a tribute to our Government and our ability to unite and stand together in the face of adversity with our business partners in our community, while maneuvering our way through the stormy waters churned up by the impact of the outside world on these tiny Islands.

There are negatives in our society which I am sure this Legislative Assembly will strive to reduce, and, where possible, eliminate. We are a growing



country making our way in a world that is often unkind to small territories. We need to remember that the price of freedom is eternal vigilance. And with that freedom, comes the responsibility and accountability of this Legislature as elected leaders of the Cayman Islands.

May God bless you all in your respective roles, and may we all exhibit a thankful spirit as He continues to bless these beloved Cayman Islands, our Home.

Thank you.

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** I have no notice of statements by Honourable Ministers and Members of the Cabinet.

## GOVERNMENT BUSINESS

### BILLS

#### Commencement of Debate on the Throne Speech and Second Reading of the Appropriation (July 2010 to June 2011) Bill, 2010 (Budget Address)

**The Speaker:** The Honourable Premier has presented the Budget Address.

Does anyone else wish to speak?

Honourable Leader of the Opposition.

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

The long awaited, and often delayed, 2010 Throne Speech and Budget Address were both finally delivered in this House last Tuesday by His Excellency the Governor, and the Premier, Minister of Finance, Tourism and Development, respectively.

The month and a half delay in the delivery of the Budget Address in itself requires comment, Madam Speaker, for this is the second budget of the now not-so-new Government—not its first. And it is reasonable to expect that by this point in time in its administration the Government would have been able to meet the statutory timelines in relation to the production of the Annual Budget.

Granted, there were the intervening UK elections which took place, I believe, on 6 May 2010. But the budget of the Cayman Islands Government ought to have been settled well in advance of those elections. The Budget was due to be presented, after all, by 1 May until the amending bill was brought to change that law too.

Regrettably, Madam Speaker, it appears that having presented to the House a Budget which projected a small surplus in October of last year, the Government then relaxed and did little to advance what was bound to be a very difficult exercise of producing the next year's budget. The Government appeared to

be operating on the basis that the premises, predictions and projections of last October's Budget Address actually had some basis in reality. As events and results have proven, that was a huge mistake.

The unwillingness by the Government to be forthright and realistic when last year's budget was presented, and its subsequent failure to accord the budgetary issues the urgency they demanded, exacerbated what was and still is a very difficult situation, and, indeed, it created an environment of crisis.

As a result, the period which preceded these speeches by the Governor and the Premier has been one filled with great consternation and uncertainty. For the past year this country and those who have interests here have covered in the shadow of what appeared to be the imminent bankruptcy of the Government; the spectre of direct taxation in one form or the other; the possibility of massive layoffs of government workers and huge cuts in the salaries of public officers.

One alarming announcement by the Premier was followed by another contradictory announcement, and this happened over and over again. There's nothing which undermines confidence in an economy, Madam Speaker, like uncertainty. And as the Government announced dire circumstance after dire circumstance, stumbled from one worrying position to another, and lurched from scary proposition to scarier proposal, fear and alarm grew in every corner of these Islands, and indeed, beyond.

The speeches just delivered on Tuesday, and in particular that of the Premier and Minister of Finance, are an apparent effort to rebuild confidence in the economy and in Government's ability to cope with the present circumstances. The speeches paint a picture of optimism in difficult times. And, Madam Speaker, the good Lord knows [that] in the present environment we all need all the hope and encouragement we can get.

But the question that looms large in the minds of just about every person who has spoken to me about the Address made on Tuesday by the Honourable Premier is: *Can the optimism be justified? Is the world economy truly on the rebound? Are the projections and predictions made by the Premier realistic?* Given the recent history of the budget process and the fact that it was just a little while ago—in fact, in October of last year—that the Government presented a budget which was based on false premises and unwarranted optimism, it is easy to understand the concern and skepticism of the population.

In his delivery, the Premier was at pains to sound upbeat about the future—in a speech that lasted more than three hours, and which at points can only be described as mind-numbing. There was little that was new except, notably, more new taxes. Perhaps in part the reason the Premier's speech contained so few surprises is that these issues have been the subject of much discussion and debate in a range of public forum over the past months.

The deficit and the Government's handling of the budgetary issues it has to confront have been, and remain, a major national concern. In consequence, Madam Speaker, much of what I will be saying today is, I hope, quite well known. Indeed, I am happy to see that the Government's proposals have in some respects been influenced by comments—comments made by the public and also by the Opposition.

Madam Speaker, the Premier has entitled his address "Partnership for Recovery" and insofar as he has issued a call for the whole country to join in and work together in the recovery effort, the Opposition fully supports the Government. As it was in the hard, hot, desperate days and the long, dark, miserable nights following Hurricane Ivan almost six years ago, this is a time for all good men and women to come together to tackle the serious challenges that we face.

The Opposition has for some time been offering to help in the recovery effort, but the Premier's reaction has been to publicly declare us unsuitable to say he cannot trust us and thus has relegated us to the sidelines and excluded us from all discussions by the Government regarding the recovery effort.

If the Premier is sincere, Madam Speaker, about wanting a partnership in this recovery effort, then certainly he cannot continue in a similar vein. I fervently hope that the conciliatory tone and language of his Budget Address is not merely the forced rhetoric of a Premier who is under immense pressure as the leader of an unpopular Government. I pray that it signals a real change and approach by the Premier and an acknowledgement that our different perspectives actually bring added value to the discussion of national issues.

The Opposition, though defeated in the last election, still represents the views and wishes of a large part of the electorate. In times of national challenge we really do need to work together. Insofar, Madam Speaker, as the Premier's Address acknowledged that the new UK Government and the new Governor are taking a more understanding and constructive approach, the Opposition certainly endorses his words.

Indeed, it is a relief to see that the UK Government is no longer pressing for direct taxation or threatening to prevent the borrowing of necessary funds. Of course, in relation to its own economy the new UK Government fully understands both the dangers of running an operational deficit, and the dangers of deficit reduction measures slowing the economic recovery.

Madam Speaker, it is a major relief to know that we finally have a three-year plan aimed at resolving the Government's fiscal difficulties, and that this plan has been approved by the UK Government. Quite frankly, though, the plan has been produced rather late in the day. This is the approach that ought to have been adopted by the Premier and his Government from the outset. It should have been apparent to the Government that in the prevailing global and

local economic environment, the fiscal difficulties of the Cayman Islands Government could not be resolved in a mere nine months.

In my speech to this House in October last year, I implored the Premier to sit down with the UK Government and work out a way forward in resolving the budget deficit over the course of a three-year period. My urgings appeared to have fallen on deaf ears at the time. Perhaps because of what I said then, perhaps because of the insistence of the UK, or perhaps because of a combination of the two, we now have a three-year plan. And while I have some reservations about the plan—particularly relating to its vagueness, its lack of specificity and its unexplained optimism about the world economy—I say, *better a plan than none at all, and better late than never*.

I want to caution the Honourable Premier however, that I feel sure that even with its new understanding approach, the United Kingdom Government is deadly serious when it says that the three-year plan must be fully implemented. We can expect London, Madam Speaker, to keep a very careful eye on us. In the past the predictions of this Government have proven to be unrealistic and optimistic, or, rather, unreliable and optimistic. It will not have helped the credibility of the Cayman Islands Government with the UK that just last October it presented a budget which included significant new taxes and projected a surplus based on predictions and projections, most of which have proven to be hugely over optimistic. The result is that at the end of the current fiscal year the Government is now looking at some \$50 million worth of operational deficit.

Madam Speaker, even the masterful spin put on the facts by the Honourable Premier in his address cannot disguise the reality that the predictions, projections, and, indeed, the premises underpinning the 2009/10 Budget were woefully wrong and grossly over optimistic. While I cannot but admire the Premier's effort to turn attention away from the significant budget deficit which his Government will incur in this 2009/10 fiscal year, the harsh reality of this \$50 million deficit does cause me to worry about the accuracy of the projections for the coming year.

And, Madam Speaker, just before I move on, I just remembered he and others wondered, when we abstained from voting on that budget, why we did so. And our explanation was simple. It did not seem realistic to us. And while we were not prepared to go so far as to vote *no* for the budget (because there were many items which were absolutely necessary to be approved), the fact is we could not agree to it because there was nothing which substantiated the projected surplus. Now we see that what we thought was correct.

Madam Speaker, based on the 2010/11 Budget projections the Honourable Premier proudly boasts, and I quote him: **"Over the course of two years we would have presided over a fiscal deficit recovery of almost \$50 million; that is moving the**

**deficit from \$81 million when we assumed office to \$31.89 million by June 2011.”**

In reality, Madam Speaker, what has occurred so far is that the Government over-estimated its revenue by approximately \$55 million in the 2009/10 fiscal year, since it is now actually expecting a \$50 million deficit instead of a \$5 million surplus, which it predicted in October of last year. Deficits don't get carried forward from one fiscal year to the other. An operational deficit in the context of the Government's Budget is simply the shortfall between what the Government spends and the revenue it earns in a given year. So, references to a previous year's deficit, though informational, really have little bearing on the current year's deficit.

Any year that expenses exceed revenue there will be a deficit, and the only way to fix that problem is to decrease expenditure and/or increase revenue to the point that revenue exceeds expenditure. It is as simple as that; though, admittedly, Madam Speaker, much easier said than done, especially during these times.

Insofar, as the Premier expressed the hope and expectation of an upturn in our economy in the latter part of this year, the Opposition certainly shares the hope; but we are uncomfortable about the expectation. Not much was said by the Premier about the basis for his optimism, and if there are predictable or detectable signs of an upswing in the near future, it certainly would be good for all of us and the rest of the world to hear about it. But it was certainly heartening to hear the Premier acknowledge the real reasons for our economic troubles and to hear him say that our economy depends on the world economy.

I was pleased to see that there was only one point in his Address where the Premier succumbed to the old temptation to claim that the country's economic troubles are a result of the previous government's extravagance in capital projects.

By contrast there are numerous points in the Address and in the three-year plan itself where the simple truth is acknowledged. Reading between the lines, I think the Premier is saying that it is time for us to leave that rhetoric behind and to move on. The Opposition, Madam Speaker, is certainly in favour of that. The Premier's rhetoric served its purpose in the election campaign, now the country finally knows the truth.

Madam Speaker, I have to confess that the Premier's Address leaves me concerned about the Government's commitment to making real sustainable reductions in government expenditure. The first item in the Premier's macro strategies is described by him as public sector reform. The Opposition agrees that this is crucial to any long-term solution. But the Opposition is disappointed to see so very little said about the sorts of reforms that are needed. We have been saying for some time that hacking at jobs and salaries is not the solution. So we are pleased to see the Premier making remarks to the same effect.

But there is nothing in the Premier's Address about other ways of reducing the cost of government, and nothing about the need for effective oversight of the public service by the Governor or his delegates. And, Madam Speaker, we hold firmly to the view that this was the fundamental cause of Government's ballooning operational cost in recent times. We certainly hope to hear more about that in the weeks and months ahead.

And I have to interject here, Madam Speaker, and I am certain other colleagues on this side will speak more about it, but the Public Management and Finance Law . . . I see nothing about any plans for any amending legislation to be forthcoming fairly swiftly. And I note the Member for North Side was calling for a select committee. The Government would not accept that and they said they are getting the review done outside. But I say that to say that it is absolutely crucial to have a very serious look at how that Public Management and Finance Law is operated within the public service, because I am certain, while its principles are all sound, the workings of it are not doing justice to those principles.

Madam Speaker, it seems to me that after more than a full year in office and after having had the benefit of the Miller/Shaw Report entitled "Addressing the Challenge of Fiscal Sustainability of the Cayman Islands" for some four months, the Government should be able to say with some specificity what it is proposing to do about the fundamentals of Government's expenditure, but it has not.

Although, the Premier is claiming that his efforts have resulted in cutting more than 10 per cent of the appropriations initially planned for the 2010/11 fiscal year, so far nothing of consequence appears to have been done to address the concerns set out in the Miller/Shaw Report regarding the cost of the public service. Indeed, in a speech that runs for some 88 pages a mere eight lines are devoted to the section entitled "Reduced Operating Expenditures," and a further 13 lines are devoted to public sector reform.

Madam Speaker, with all due deference to the Honourable Premier and his Government, much more needs to be said than simply stating (and I quote again from his speech): **"The Government is committed to a major public sector reform initiative over the medium term. This reform is based on the following implementation of some of the recommendations of the Miller Commission Report where these are reasonable, and in particular with a view to securing a sustainable reduction in the government's operational expenditure and improving efficiencies in various departments."**

Madam Speaker, they are always saying to the Opposition, *Where are your solutions?* I say to them now, Madam Speaker: You are the Government, let us hear your solutions and be specific about them.

You know, Madam Speaker, when the Honourable Premier speaks to the fact that the initial appropriations brought forward by the Public Service—

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts:** That's fine, Madam Speaker.

I was just saying that when the Honourable Premier claims that his efforts have resulted in cutting more than 10 per cent of the appropriations initially planned, he moves from what was said to be initially \$576 million, and it is not cut by 10 per cent. The truth of the matter is, Madam Speaker, as long as I have been here and even when I was not directly involved in the budget process over the years, 10 per cent is a very small amount of difference that every budget has had to be cut after initial presentations, because your initial presentation is always going to give you the biggest wish list that they want. So there was nothing spectacular in mentioning that, as if that was some great super human effort.

Madam Speaker, this late in the day the Government should be telling us exactly what it proposes to do to secure a sustainable reduction in government's operational expenditure. Surely the time for these vague statements and nice-sounding rhetoric on this issue must be past.

In the executive summary at the front of the Miller/Shaw Report, Madam Speaker, the authors state—and, I might add ominously—that the Cayman Government is on a path that is no longer fiscally sustainable. They go on to say, **“The Cayman Government has huge unfunded liabilities—specifically its civil servants' defined-benefit, retirement and healthcare plans. Personnel costs are crippling the Cayman Government's ability to restore its fiscal balance and by any reasonable standard are excessive and unsustainable.”**

That's what the Miller/Shaw Report said. And while the Premier has said that they will be looking to implement recommendations from that Report, he qualified that by saying, “those that are reasonable.” But he certainly didn't specify which ones. So we can only hope that the Government takes this whole issue seriously because that is right down to the crux of the matter.

As far as I have been able to discern, neither the Premier nor His Excellency the Governor gave more than a passing reference to these critical issues raised in the Miller/Shaw Report regarding contingent liabilities and personnel cost.

Madam Speaker, last year in my Address I made note of the fact that the past service liability payment which had been put in every year when we were in Government, and that is varying between some \$12 million and \$15 million, I believe, was not done last year. My question is: Is that the same situation again this year?

Madam Speaker, I have great fears that in this regard (what I just quoted from the Miller/Shaw Report) that the Government may well have relaxed, comforted by the change in approach of the UK Government and by the optimistic expectations of our recovering world economy. Despite acknowledging that

the recovery of the local economy will be slow, the Premier and his Government would seem to be proceeding on the basis that revenues will shortly return to pre-recession levels, and that as far as Government is concerned it will soon be business as usual.

But, Madam Speaker, economists do not agree on the future of the world economy. Some are still talking about a double-dip recession, and we know that there are some worrying developments in the larger economies. Surely, this is a time in which we may hope for the best but we must plan for the worst case scenario. There should be no relaxation or slowing down with regard to public sector reform.

The Premier stressed the need to give every possible assistance to the financial services industry and the tourism industry. There's no difference between the Government and Opposition here. First priority must be given to the recovery of our economy and these are the pillar industries upon which our economy depends. But [they do] not seem to be practising what the Premier preaches.

The Premier said and I quote him, Madam Speaker: **“Given the observations of the current fiscal year, it is evident that the economy is at a point where additional taxation will compromise the competitiveness of businesses. Such an outcome would have implications for the economy's capacity to grow its way out of recession.”** And he goes on to say that there is an awful tendency here to say, raise taxes and let businesses pay. But the harsh reality is that if that is the case we will run away businesses and lose more jobs. The only ones to really suffer are Caymanians, particularly those who can't help themselves. **“Therefore”** he says, **“one of the key tenets upon which government policy would revolve, during the fiscal year 2010/11, is the minimization of any new revenue measures on businesses, especially when it becomes a burden.”**

Madam Speaker, the Opposition has been saying this for quite some time. Indeed, when I responded to the Premier's Budget Address in October of last year, I warned the Government about the negative impact of increasing taxation in the middle of a global recession. Now the Premier is saying he agrees. But back then the Government hiked import duties from 20 per cent to 22 per cent, significantly increased work permit fees, imposed a new business premises fees of 10 per cent of rent paid on businesses, and ramped up fees charged to the financial services industry on a wide range of services and products.

Earlier this year, Madam Speaker, the Government was forced to admit that government revenues were substantially down from projections, particularly, receipts from financial services and work permits. Few people have any doubt that this was in large part the consequence of the increased revenue measures imposed by the Government last year. And, Madam Speaker, few people have any doubt that

these increases have done the financial industry real harm and have made us less competitive. They discouraged our customers around the world and they also discouraged our service providers (that is, the financial institutions). All of whom can supply similar services from other locations besides here in the Cayman Islands. So it seems the Premier is still holding fast to the view that these measures are actually having the intended effect of increasing government revenue without harming the industry. But if there is any evidence at all to support this view he certainly has not shared it with this House, even after speaking on the Budget for more than three hours last Tuesday.

Madam Speaker, now that the Honourable Premier has conceded that additional taxation will compromise the competitiveness of business, I want to call on him to roll back some of the fee increases introduced at the end of last year. Though this may seem counter-intuitive when government is running a substantial deficit, it is the considered view of the Opposition, and indeed many in the community, that a reduction in fees and taxes will likely increase significantly the volume of business with the consequential increase in revenues to government.

The Premier talked at length, Madam Speaker, about the need to offer every assistance to the financial industry and the tourism industry. In these challenging times when confidence is crucial, government rhetoric must be matched by government action. So, I again urge the Premier and his Government to look very seriously at rolling back some of those key areas where taxes were increased last year. I believe the statistics will show that it has been more of a deterrent rather than rendering assistance to government's revenue position.

Confidence, Madam Speaker, is, of course, the key issue with regard [to] any budget. The Government tells the country and anyone who is interested for that matter about what it will do and what the effect will be on government finances. Of course, we know that predictions of this sort cannot be guaranteed. The question is whether they are well founded, whether they are realistic, and whether they are genuine.

And as much as they say about us, Madam Speaker, I have to say the Government's record has not been good. Let us hope that in this respect we are now seeing a new beginning.

And, Madam Speaker, talking about taxes, let me move straight into saying very clearly that the Opposition does not agree with the proposed increase in fuel tax. And particularly we object to it if indeed it is to apply across the board, including fuel used for electricity generation and other commercial or industrial purposes. And I want to specifically speak to the fact that Caribbean Utilities is the largest user of diesel in this Island by far. In fact, I don't have the statistics but I would venture a guess to say that they probably use 90 per cent of the diesel used throughout the Island.

Having won an election, Madam Speaker, at least in part based on its championing of the interest of the average man and woman, this Government seemed to almost immediately lose its concern about the cost of living and the cost of small businesses. One of its very first actions was to re-impose the 20 cents per gallon import duty on diesel fuel used by CUC for the generation of electricity which had been removed by our administration in order to reduce the cost of electricity to consumers.

Now, less than a year later the same Government is proposing to further increase the cost of electricity by adding another 25 cents per gallon to the cost of diesel fuel. So it will actually cost the consumer 45 cents more for every gallon of diesel used to generate the electricity they consume than it did a year ago. And, Madam Speaker, understanding from someone who knows well how the fuel factor works it is estimated that that 45 cent increase will play out to a 10 per cent increase in electricity bills. I only hope to God it is no worse than that.

Now, Madam Speaker, all I can say is that this one, it is a consumer tax, yes. But you see, Madam Speaker, this is not one of them where people have choices. Electricity is considered a basic necessity in this day and age.

And I don't know what is going to happen with the fees for water, which is another issue again. I'm being reminded that even with the water bills there is a direct link because of the consumption of electricity by those companies. He is perfectly right. There's a trickle down effect. For them to create water they use CUC's electricity so that is an additional cost and it is going to go on and on. So the 25 cents . . . and I remember at least 15 years arguing this same point, Madam Speaker, standing on the floor of this Legislative Assembly. If you could charge the consumer the 25 cents it would not be so bad per gallon. But by the time the multiplier effect takes place God knows how much that is converted to in dollars and cents that the consumer pays, because the consumer will pay for it in everything that he or she buys or uses.

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts:** I'm again being reminded, Madam Speaker, and I don't know how that one evaded me, but when we were going through the negotiations with CUC the then Opposition (which is now the Government) was urging us to take off the entire 50 cent duty off the diesel to relieve the public. So—

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts:** Right.

As I said before, Madam Speaker, 20 cents plus 25 cents is going to (and I'm reliably informed) equate to almost a 10 per cent increase across the board for electricity consumers.

Madam Speaker, I understand these are trying times. I understand that it is not easy to find the

ways and means to generate revenue. I understand that and accept that. But the \$10 million that this is supposed to bring for the Government for the country, I want to urge the Government to try to find some other way because it is going to have a tremendously negative effect on the average consumer which is the average householder, whether that person rents or owns his or her premises. And, Madam Speaker, it certainly is going to have a very detrimental effect when we examine the rising cost of living. Madam Speaker, I want to move on.

And the Premier says all of this is a better way forward. I say that not just because of the fuel tax, but because of the large scale capital projects that the Premier proposes for the country to undertake, such as the new cargo harbour in East End.

The Premier talks about PFIs (Private Finance Initiatives) as though they solve the problem and make these projects suddenly magically affordable. Of course, you can keep the cost of the project off the Government's balance sheet if you can find private investors to put up the money. But, Madam Speaker, I want to remind everyone here that that does not in any way make the cost of the project disappear. And the country must pay for it sooner or later; one way or another.

The cargo dock and the related facilities would be paid for by increased costs of everything landed there; everything that we import by sea. So, Madam Speaker, the country is still going to pay for it. It would pay not only for the cost of the project, but also for the profit that is to be made by private financiers. Certainly, they are not going to be doing all of this for free.

So, I fear, Madam Speaker, that these are measures of how little real thought has gone into these projects that the Premier boldly declared; that all the major projects which he proudly listed included private sector projects (for which the Government can hardly take credit), would, and I quote him: “. . . **not require any supporting infrastructure which will need to be provided by the Government.**” I really wonder who he was speaking to when he made that statement. The Premier claims that the infrastructure is already in place or any additional infrastructure is required it will be built by the private investors.

Madam Speaker, the Opposition has indeed had discussions with the proposed investors, both for the cargo facility in East End and for other private investments that we are all excited about. And this really needs the explanation on the Premier's statement about if any additional infrastructure is required it will be built by the private investors because that is not what we are being told by them.

Madam Speaker, how can a cargo facility be located at the East End of the Island without requiring a lot of work on roads, setting up additional operations and facilities for the Port Authority and Customs; just to name a few. Also, Madam Speaker, where the road is now it would have to be shifted several miles for

that breach in the land which is suppose to create some 100 acre basin.

**An hon Member:** Three hundred.

**Hon. D. Kurt Tibbetts:** Three hundred acres; worse yet. Three hundred acre basin, Madam Speaker. So the point in fact is simply don't say to us that these things are not going to have any cost attached, because it is not so. In fact, there's going to be some tremendous costs attached to these projects, and the people are going to pay for it. No matter which way you cut it the people will be paying for it.

Madam Speaker, perhaps the most troubling aspect of the Premier's Address is what he did not say about violent crime. I realise that he was talking about the economy, but you cannot separate the crime issue from the economy. Madam Speaker, violent crime is already doing serious harm to our economy and it is getting worse.

Let me summarise, Madam Speaker. Overall, we in the Opposition agree with a lot of the things that the Premier said in his Budget Address. Let us take the very best care possible of our pillar industries, finance and tourism, but let us roll back fee increases that make us uncompetitive for consumers or suppliers of financial services. Let us recognise the causes of the ballooning government costs and deal with the causes as well as the symptoms.

There must be put in place a real plan and the plan must include more effective supervision by His Excellency the Governor, or whomever he delegates. Someone or some bodies, Madam Speaker, have to take responsibility for seeing that the public service operates efficiently and does not outgrow what the country can afford. Let us not allow optimism to result in relaxation or delay. Let us not be too optimistic about the projected upturn in our economy. We have to plan for the worst case scenario.

The latest global economic forecast by the United Nations says that while the world economy is improving, the pace of the recovery is weak and economic activity is lack-luster in developed countries. So as the Cayman Islands rely heavily on developed countries for significant business we can expect prevailing conditions in these economies to have a direct effect on our own economy.

Madam Speaker, let us not forget the cost of living. This has to be kept at a manageable level. The increase in duty on fuel is going to contribute directly to a significant increase in the cost of living. And I noticed the projections that the Premier spoke to with regard to the CPI (Consumer Price Index). And, Madam Speaker, in my mind (therefore I am expressing an opinion) there's no way in the world they could have borne this in mind and taken this into consideration and projected those wonderfully low statistics that are expected to be when it comes to any rise in the annual CPI.

You see, Madam Speaker, I am certain that businesses are not going to simply absorb this additional cost. So you can expect that they are going to pass it on to the consumer, and they pass it on to the consumer by whatever they sell to the consumer from the supermarkets right down. And that is how it works and we know that.

Madam Speaker, I know the Premier will disagree with me, but I believe they should look very carefully at prioritising in the immediate what capital projects are undertaken, even if they are PFI projects, even if they are kept on or off government's books by ingenious and expensive financing methods.

Madam Speaker, I say, let us put the crime problem front and centre in the country's economic recovery plan. As long as crime remains a major national concern and there are persistent media images portraying Cayman as the "new Wild West" to the rest of the world, I fear that our economic fortunes, Madam Speaker, will continue to take a beating.

Tourists will not feel comfortable here if our own people do not feel safe and secure. The same applies to investors whose support we need at this critical juncture in our economic journey. And if the Premier does now understand the linkage between crime and education, if he understands that our administration was right to give first priority to transforming education and how we all think about education, let us see this translated into immediate and effective action by the Government.

Having said that, Madam Speaker, I believe it is now time to take stock to do some analysis, make some comparisons, and provide some perspective.

Just over one year ago the people of the Cayman Islands went to the polls in a free and absolutely fair general election. In the full exercise of their democratic rights on Wednesday, 20 May 2009, the majority of registered Caymanian voters chose the United Democratic Party instead of the Peoples Progressive Movement to manage the affairs of our country for the ensuing four years.

Naturally, we in the PPM were disappointed. If we say otherwise we would be untruthful, not only to ourselves, but to you, Madam Speaker, and indeed to the country as a whole. Rejection is an experience that no one likes to encounter in any form. But, Madam Speaker, despite the disappointment we accepted the result as the expressed will of the people, though we believed and still believe that in the fullness of time Caymanians will come to realise that we did what was right to advance the interest of the Cayman Islands.

As a Government, the PPM had worked tirelessly under very trying circumstances following from Hurricane Ivan and the subsequent onset of the worse global recession in 70 years, to make life better for everyone in the Cayman Islands. Madam Speaker, in our every undertaking the guiding principle always was, "interest of country before interest of party and

self". Our approach to the new settled, now settled rather—

**The Speaker:** [*inaudible*] But there's a lot of communication going on between people in the balcony and people in this Chamber. That is forbidden in this Parliament. Please do not continue it for the rest of this sitting. Thank you.

Honourable Leader of the Opposition, please continue. I'm sorry to interrupt you again.

**Hon. D. Kurt Tibbetts:** That's fine, Madam Speaker.

That just gives me a chance to repeat myself. I won't do that, Madam Speaker.

But, Madam Speaker, I was saying, our approach to the now settled issue of constitutional modernisation is a good casing point where it was interest of country before interest of party or self. Many people, Madam Speaker, have asked us repeatedly why we devoted so much time and energy to mobilising the public to approve a new Constitution when we could have easily spent the same time and energy to secure our re-election.

Madam Speaker, the answer to that is very simple: A new Constitution had become necessary. And just for the record, Madam Speaker, I note your earlier delivery and it is but a pure coincidence. I did not write anything after I heard you speak this morning about the Constitution. Madam Speaker, a new Constitution had become necessary and it was in the best interest of these Cayman Islands for us to have a new one. This important issue had languished for far too long and further postponement would have only served to the detriment of these Islands.

Fundamental changes had taken place in our society and, indeed, in the wider world. However, our outdated Constitutional arrangements—dating back to 1972—did not give us the capacity and it cramped us as a country to respond effectively to new challenges and indeed new opportunities that had arisen. A new Constitution therefore was indispensable to enhance the enabling environment for our continued overall development as a country and a people.

When the other side had an opportunity to make a difference in this regard, Madam Speaker, they cowardly ran away. But we took the bull by the horn and resolved that the matter of a new Constitution had to be settled before we left office if that was going to be our fate. As expected, the United Democratic Party tried everything possible, especially in the initial stages, to sabotage the effort. This, despite the fact that we had gone out of the way to emphasise that a non-partisan approach was the preferred route to be taken on the issue.

Madam Speaker, lest it be forgotten, he who proudly carries the title of Premier today strongly suggested during the Constitutional modernisation debate that this office would be bad. That was the word he used; "bad" for the Cayman Islands. He even associated the word "Premier" with the word "dictator." And,

Madam Speaker, ironically fate has provided the Honourable Premier with a golden opportunity to prove himself wrong.

With the new Constitution in place, and working smoothly from all accounts, I am satisfied that the vast majority of right-thinking patriotic Caymanians appreciate the sacrifice we made "for love of country." And I want to thank the people again for the resounding "yes" vote that they made in the referendum on 20 May 2009. And, Madam Speaker, for me and my colleagues in the PPM there is no greater honour.

The PPM Government, Madam Speaker, also sought to improve the quality of governance so that charges of corruption, which was a blemish on the previous administration, would be a thing of the past. We succeeded in this regard because never once during our tenure was the PPM administration, our administration, accused of corruption. As a Government we practiced transparency and accountability. We certainly were not a government of back room deals. Everything we did was out in the open for the whole world to see.

And, Madam Speaker, that is not to blow my own trumpet; I'm setting the stage to the real point I wish to make. As a powerful demonstration of our commitment to making Government more accountable and transparent, we introduced the Freedom of Information Law to open up the operations of Government to greater public scrutiny. Unfortunately, it seems like these new arrangements represent an irritant for the Honourable Premier, judging by his recent outburst and threats against the media, especially *Cayman News Service* and *Cayman Net News*. It is baffling, Madam Speaker, to right-thinking individuals why the Premier reacted with such hostility.

The media has committed no sin. They were simply making a legitimate request through the Freedom of Information legislation for the release of expenditure details related to the Premier's extensive foreign travel over the past year. Besides, Madam Speaker, public funds were used to foot expenses associated with this travel. So the media and by extension, the public, have a legitimate right to know.

The Freedom of Information legislation and the Commissioner and her office is there to uphold this right. So, all I can say to the Honourable Premier is, *Welcome to the new times of accountability*.

It is important also, Madam Speaker, that I place the record of the PPM Government (in Opposition and now) in its true perspective in government. The United Democratic Party has consistently sought to distort and discredit our contribution to national development between 2005 and 2009. In the specific context of replying to this, the UDP Government's second Budget, the discussion is necessary for another important reason. It is to highlight for the benefit of the people the sharp contrast between the Government they had prior to 20 May 2009 and the Government that they now have.

Modernising the Cayman Islands, Madam Speaker, was the great overarching project of our administration, not only in relation to our Constitution and our system of governance, but also in relation to our physical and social infrastructure. As everyone ought to be aware, our economy underwent phenomenal expansion, particularly during the last two decades. As a result, the country had reached a stage where key infrastructure had become woefully inadequate in terms of carrying or supporting capacity.

Madam Speaker, all of us saw it on our roads with the daily traffic jams morning and evenings during rush hours. You also saw it in the increasing need to bring in foreign labour to meet the needs of a rapidly expanding economy. This meant our education system was not producing sufficient Caymanians with the requisite knowledge and skill sets to drive our economy. A dangerous increase in the number of young people who had not been equipped to take a constructive part in our economy and indeed, become the productive members of our own society which they should not only *should* become, but that they *deserve* to become.

Our healthcare system was woefully inadequate. If these issues were not addressed urgently and frontally the prospects of continued growth of our economy and our relatively high level of prosperity would have been increasingly compromised. So, as a responsible government we would not run away and hope for a miracle. We had to do something because the future of Caymanians was at stake. We had to act where previous governments failed.

The now Government, the UDP, has consistently criticized the investments we made to modernise the road network to support enhancing the enabling environment for economic development. They also roundly criticised our decision to invest in building state-of-the-art schools so that our own children can remain at home and receive a world class education.

There was the same negative response from the UDP when we sought to upgrade our health services and pursue other initiatives that would certainly have benefitted the country and the people.

Madam Speaker, we saw the pressing need to improve the infrastructure to meet present day requirements and to enable the Cayman Islands to move to the next level of economic and social development so that there could even be a better life for our people. Yes, in order to do that we had to borrow. And, yes, global events and circumstances combined to create difficulties which we and our financial advisors did not foresee.

Madam Speaker, I will even concede that with the benefit of hindsight there were some things which we would do differently if we had them to do over again. And, Madam Speaker, indeed, we paid the price at the polls last May. We know that!

As the UDP has promised a better way forward as the alternative, we have waited patiently for more than a year to hear the details of their grand



plan. While we can agree with a number of points and positions taken by the Government in the Budget Address, overall what we heard for a budget on Tuesday was in my view, a major disappointment. Going by general public reaction so far, it seems the country also agrees.

Madam Speaker, from all appearances this seems to be a budget riddled with many inconsistencies and, indeed, many contradictions; a budget full of rhetoric and generalities, but woefully deficient in providing details of the specifics, a short-sighted budget which imposes additional pain on—but fails to effectively address—the burning issues of the day.

What the Budget confirms is that despite the fancy rhetoric the UDP has few meaningful solutions to the major problems facing this country. Take for example, as I have mentioned before, rising crime, which is easily the most burning issue facing the country today despite the widespread anxiety and apprehension over rising crime, especially the violent type. It is worthy of note that the Premier devoted just three paragraphs—yes, Madam Speaker, just three paragraphs—to discussing the subject of public safety and security in the Budget Address.

Crime was an issue which the United Democratic Party and its leader politicised while they were in the Opposition. Caymanians were told that the PPM Government was to blame and that the UDP had the answer. Well, the country finally found out months ago that the UDP Government seemingly is bankrupt of ideas for tackling crime. Madam Speaker, the Premier's solution at that time was to throw his hands up in the air and call on the nation to pray. And I'm not suggesting for one minute that there was anything wrong with that. But I think it was lost on him the fact also that the good Lord up above helps those who help themselves.

Madam Speaker, we, the PPM, as a mature and patriotic organisation, are quite willing to join hands with the Government in the national interest and all persons of goodwill to find a solution to the crime problem. Fixing the problem certainly calls for a broad based national approach. It is in our view beyond the capacity of any single institution, including the Government.

Months ago my colleagues brought a motion to this House to deal with this issue. But, so far, the Premier has declined to have it even put on an Order Paper so it can be debated. We are not going to engage in a blame game as the UDP did to us when we were in Government. Madam Speaker, we all have to live here. And I know I can say without reservations, we all love the Cayman Islands. We all want the country to grow and to prosper. And certainly, more than anything else, we want our people to feel safe again.

Madam Speaker, just permit me for a second to turn to the issue of restoring economic growth which the United Democratic Party led Caymanians to believe would happen at the flick of some magic wand.

The country heard during the election campaign words to the effect that the economy could be turned around in as little as six months. What the country has now heard from the Premier is that the economy will continue its downward spiral for the remainder of the year. In other words, there will be more darkness before there is light. And one thing is clear coming out of Tuesday's budget presentation. It is, as they so like to call it, that the good ship Cayman is still drifting in choppy waters. Seems to me like—huh—the captain is still overwhelmed by his responsibilities and he's now painting his hopes on a change in the weather.

Madam Speaker, the Honourable Premier faces this growing perception. It is little wonder that up until yesterday 70 per cent, or 1,055 of 1,499 respondents to an online poll by *Cayman News Services*, said that the Premier's leadership is, and I quote: "Disastrous and he should step down."

Another online (I'm not saying this, I'm only repeating it, Madam Speaker) poll by *Cayman News Service* asked, and I quote: "How successful has the first year of the UDP administration been?" And up until yesterday 70 per cent, or 330 of the 474 respondents, replied, and I quote: "The year has been one of spectacular un-achievement."

I have no doubt, Madam Speaker, that if a more scientific poll were conducted now it would produce similar—or for that matter maybe worse—findings. The evidence is there in the form of the disenchantment you are sensing on the ground.

Madam Speaker, it is clear, therefore, that this Government, this UDP Administration, has lost significant ground within the short space of one year. It promised hope but all indications to me say that it has only delivered confusion. On the street the people are saying the UDP's Better Way Forward has turned out to be a bitter way forward. That statement, Madam Speaker, mirrors the disappointment and disenchantment which lingers out there. I've heard it so many times from them, but I can tell you, Madam Speaker, it seems obvious to me that they have lost their way, not surprisingly it now faces a major crisis of confidence which does not all go well for the immediate future, especially in light of the many challenges on our doorsteps. This Government, as they keep saying, really needs badly to refocus and get on with the job.

Madam Speaker, I also wish to publicly thank the Honourable Premier for finally acknowledging in his Budget what I believe he knew all along, namely, that the fortunes of the Cayman Islands are determined not so much by what happens here, but more so, by what happens in the global economy in relation to our tourism and financial services. Both industries account for three quarters of domestic economic activity.

We told Caymanians about this economic fact of life when we formed the Government, especially when the global recession started to bite. Again, the UDP sought to contradict us and told Caymanians the

blame had to be placed squarely on our shoulders. Now that the shoe is on their feet, the Premier discovers the overwhelming influence which external factors have on the performance of our economy.

Madam Speaker, I want to make a proposal. And I sincerely hope that the Government will be sensitive enough and sensible enough to give it serious consideration.

When the PPM formed the Government in 2005, Madam Speaker, we placed major emphasis on a consultative approach to achieve consensus on major policy issues. And, Madam Speaker, I can tell you, it worked. It sometimes caused things to take a little longer but when decisions were made we didn't have to come back the next day and say we were changing that to that to the next thing. It delivered results.

Given the social and economic crisis enveloping the country, I want to propose the convening of a national conference that will discuss in great detail the options available to the Cayman Islands in the present circumstances, and I am confident that if everybody's mindset is the same, the Government—notice I didn't say "we" because I know how this life works—the Government, Madam Speaker, would be able to produce a blueprint for moving forward. This conference should bring together key stakeholder groups and the best brains in the country; economists, sociologists, the bankers, crime fighters, everybody, to engage in in-depth discussion an analysis of national problems over at least two days, for however long it takes, and agree on what needs to be done. For that matter, Madam Speaker, the United Kingdom should also be invited to participate.

Human history is essentially the history of ideas. Ideas have always served as the seeds of change for a better world. The Cayman Islands certainly, in our view, can benefit from an infusion of new ideas. Let us convene this conference and create such an opportunity for us to have a better Cayman Islands.

Madam Speaker, challenging times like these call for visionary and inspiring leadership. The road ahead is going to be tough over the short-to-medium term. But if we have faith in God and we have belief in ourselves we will weather the storm and eventually emerge triumphant to greet a bright new dawn of opportunity. Caymanians are counting on us as legislators to make a difference. And, Madam Speaker, we must not fail them. Regardless of our political stripes we must close ranks and rise to the occasion.

Now, Madam Speaker, just before I close let me say this: I have not had the opportunity to fully discuss what I am going to say with my colleagues, but I can tell you this now (they can say what they wish and they can do what they wish). But if the increase on fuel remains, the good Lord up above would have to come to tell me personally that I must vote to support this Budget because I am not supporting that. I cannot see any good coming out of that. But much more

harm. There has to be some other way to raise that money.

Madam Speaker, in this regard I am reminded of the old saying: "Where there is no vision, the people perish." And, Madam Speaker, we, all of us, must not let our people perish.

I'm much obliged to you, Madam Speaker. Thank you.

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

I think this is a good time to suspend for the lunch break so that the next speaker is not interrupted by a suspension. We will suspend until 1.30 pm.

#### Proceedings suspended at 12.04 pm

#### Proceedings resumed at 1.40 pm

**The Speaker:** Proceedings are resumed.

Please be seated.

Does anyone else wish to speak?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Madam Speaker, let me begin my response to both the Throne Speech and the Budget Address by offering my congratulations to both His Excellency the Governor and the Honourable Premier.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Both speeches were . . .

Yeah, I could also add, at the request of the Third Elected Member for George Town, the congratulations to the Leader of the Opposition on his speech as well; I don't really have a problem with that. Part of my role in here, Madam Speaker, seems to be to keep the peace.

*[laughter and inaudible interjections for Members]*

**Mr. V. Arden McLean:** You might be a pacemaker but not a peace maker!

*[laughter]*

**Mr. V. Arden McLean:** Nah peace!

**Mr. D. Ezzard Miller:** Anyway, Madam Speaker, those frivolities aside, let me say that while there is much in both speeches that I can support, there are also some areas and planned activities with which I wish to take issue and offer some constructive alternatives.

Madam Speaker, I propose to respond firstly to the Throne Speech and then to the Budget Address.

His Excellency the Governor proposed three key themes for the coming financial year, July 2010 to

June 2011, and they were Public Finances, Security and Good Governance. Madam Speaker, I would like to make a few comments on each of those.

Madam Speaker, I trust that the permanence given to Public Finances in the Throne Speech indicates that there will now be a strong and solid commitment by all elected Members of this House, the Cabinet and the responsible and supporting class of the Civil Service to bring all of the accounting and auditing of government's public finances up to date.

As Chairman of the PAC I and the members of the PAC have a bird's eye view of the state of public accounting and financial accountability. It is not a pretty picture, but rather a shameful and unacceptable position.

The PAC spent the last several weeks meeting with the responsible parties—the Treasury, the Ministry of Finance, and the Audit Office and the Chairman of the Task Force that was put in place a year ago to bring these accounts up to date. What we have been trying to do in those meetings, Madam Speaker, is to set a timetable once again. We did that a year ago and nobody paid us any mind. We have tried to reestablish a timetable to have this completed by 30 September this year. We've had each of the Chief Officers and the CFOs down to meet the Public Accounts Committee. They all came and they all presented their side of the story.

What was lacking, Madam Speaker, was any recommendations or commitments on their part of how best to fix the problems. So the Public Accounts Committee had to meet with the other concerned people and try to develop this new timetable. Madam Speaker, I can promise the CFOs and the COs that if they don't meet this timetable there will be a naming and shaming of those who have not done so, because somebody has to take the responsibility to get this stuff done. And it seems like that has fallen to my lot.

Madam Speaker, I think this afternoon sometime the Clerk is going to circulate a schedule which we have developed so that all Members, particularly the Ministers of Cabinet, will be aware of what this timetable is in case their Chief Officers have not shown them and they can help us, the PAC, in getting this work done.

The other thing that we tried to do—and I believe we have gotten there—is to establish a standard format for the reporting of these financials from the ministries to the Treasury and Minister of Finance. Because part of the process requires the Ministry of Finance and the Treasury to do a consolidation of these accounts, have those audited and that report presented as well.

Madam Speaker, what we are moving towards and what the Public Accounts Committee, and in particular I, as chairman, would like to see happen, is that we have to get the 2009/10 accounts done in accordance with the Public Management and Finance Law. That is, we expect the various entities to close their accounts and submit them to the Audit Office as

required by the Public Management and Finance Law by 31 [October] of this year for the financial year ending 30 June 2010.

We expect the Audit Office to also comply with the law and complete their audit report by 31 October 2010.

We expect the Ministries and the Ministers of Cabinet to table the various reports that fall under their individual Ministries, whether it is the report from the Ministry itself or from some company or authority, whatever the entity is under there, to table those reports in parliament before 14 December as required by law.

And we expect the Treasury to table its consolidated statement as required by law before 15 December.

And I expect, and feel confident in saying, that the Public Accounts Committee will abide by what it has recommended to the Government and to Parliament (although we are still waiting on the appropriate change to the Standing Orders) in that we will complete our review of those reports within the 90 days (that is by the end of March). And, Madam Speaker, we also expect that the Government will respond in the Government Minute according to law and establish its Standing Orders within 90 days of the Public Accounts Committee having tabled this report.

That's the system that the law and the rules of this House require that we follow. And, Madam Speaker, it is high time we get to that position. I don't think there can be any more excuses made or any more room given to people who are being paid to do a job and they are obviously not getting the job done.

Madam Speaker, we have a new Auditor General arriving next month. I hope that he and the Public Accounts [Committee] can develop a good working relationship and that we can convince him to spend the majority of his time doing the core responsibilities (that is, auditing the core accounts of government), and leave the more flamboyant value-for-money audits—that get people into the press, et cetera—for their spare time, so to speak.

As long as I am Chairman of the Public Accounts, Madam Speaker, I expect that the core accounting of government and that the financial accountability for government finances as established in law will be followed by those who are responsible. And I will do whatever I can to accomplish that, or I will step down as Chairman of the Public Accounts Committee and give the reasons why. It's as simple as that, Madam Speaker.

I would like to thank the Acting Auditor General, Mr. Harrison, in his efforts over the last couple of weeks, and the Treasury Department, and the members of the PAC and the Ministry of Finance staff who came here and sat in a room and worked our way through this stuff to get it put back on track.

Madam Speaker, moving on to the second theme of the Governor's speech, let me now respond to security, which I regard as the most important of the

three because if we do not get crime under control finances and good government will be for naught. I too, Madam Speaker, am a bit disappointed in the little attention paid to crime and crime fighting stuff in the Budget Address and in the Throne Speech.

Even further, Madam Speaker, I am disturbed by the article on the front page of today's paper. Because, Madam Speaker, as the members of my constituency who turned out to the public meeting on Wednesday night to discuss this Budget say—and I agree with them—two days is really not adequate time to peruse, review and scrutinise this voluminous production of paper.

But, thank God, Madam Speaker, as I said in October last year, the vast majority of that paper that is given to us is of no value to us. We don't need to look at it. And if you look around this Parliament you will see under people's desks the three big books from last year; they have never been moved from the budget session. So proof positive that the production of that 2,000-plus pages of paper to the tune of 45 to 50 copies at a cost (it's done in a very high standard) probably represents \$40,000 or \$50,000. And that's a total waste of funds.

The only document we need is this one. And really the only part of this that we really need to discuss is the last section, section C, which gives the profit and loss statement, the income and expense. The rest of it is just smoke and mirrors to confuse non accounting persons like myself.

The disturbing thing about today's paper, Madam Speaker, is the article entitled "Police Patrol Budget Cut." I am really disappointed in what this says. If it is in truth a fact . . . I cannot at this time say it is a fact because, as I said, I haven't had the chance to peruse the details of the police budget as contained in the documents I was presented. The people of my constituency said that they need at least seven days to look at it. But the idea that the Government may have reduced funds to the police force to fight crime and criminal activity redirecting funds to providing security for Government officials is really disturbing to me, Madam Speaker. And I trust that during Finance Committee people will work together to get that position corrected.

I have a question that I have placed in this Parliament about what it has cost, and nobody will answer me. So I don't know what it cost. But I will spend my time this weekend scrutinising the relevant sections of the Budget and come prepared to Finance Committee to move whatever motions or amendments I feel necessary to reduce certain areas. And, while I fully understand the rules, Madam Speaker, that as a non-Member of the Government I have no authority to raise any motion that increases expenditure, all I can do is make recommendations to reduce expenditure.

Madam Speaker, the Governor, the Government and the Opposition all seem to place a lot of hope and a lot of credence in the creation of this National Security Council. And, Madam Speaker, maybe

I don't have a useful role to play in getting community needs addressed and taken up to the bodies that are actually making decisions on this and how to enforce the law. Granted, that is possible. But I think it is far more important that the money be given to the police to give them the resources they need to do the things they have to do to counter crime.

Madam Speaker, the people in my constituency whom I represent clearly understand what a police force is. And we are desperately in need of a police force in North Side. We understand that a police force is a group of people hired by the Government of the day, provided with certain resources to enforce the laws that parliament passes on behalf of the citizens of the country. And the operative word there, Madam Speaker, I believe is "force". They should do it fairly, but it should be done with certain authority.

Madam Speaker, I have no idea what a police *service* is supposed to do. So I would like to have in my constituency the reinstatement of a police *force*. I get really worried when they send me police community officers who spend the majority of their time fraternizing with the criminals and criminal element, and therefore, in my view, as the old saying goes, "familiarity breeds contempt." And when they need to enforce the law, they have no moral authority on which to enforce the law.

Madam Speaker, I believe we have good laws and that the need is for the police force to enforce these laws fairly, fearlessly but with authority. The criminals and those tempted must have fear of the police.

I believe, Madam Speaker, that in this current state of alleged armed robberies the Chief of Police needs to announce today that after six o'clock this afternoon every police car on patrol will be armed. The criminals know, when robbing somebody with a gun, that the police in the patrol cars have nothing but a baton to arrest them with. But if they heard that the police cars were armed . . . I believe, Madam Speaker, they would think a second time about pulling out a fake weapon or a gun to rob some gas station. But they know [that] even if a police car drives up all they have is a baton and cell phone. So they play their games.

And, Madam Speaker, while talking about crime, the Governor announced in his Throne Speech that we expect to have fingerprinting for work permit holders before the end of this year. Now, Madam Speaker, I support that fully, but I don't think it should be only for work permit holders. I think everybody arriving on this Island should have their fingerprints taken, and I think every Caymanian should have their fingerprints taken. If you are not breaking any law nothing is wrong with the Government having your fingerprints on a database. If [someone] comes to my house and breaks into it [we] can have a database to search to try and find who it was. But when the police come to your house now and put that carbon dust on your windows and you can't get it off after they leave,

it is a total waste of time. They have no database on which to search. All they do is to mess up your windows and you can't get the carbon off of it.

So I think we need to put in place a fingerprint database that includes not only work permit holders, but everybody coming here. Because, Madam Speaker, I am one of those Caymanians who will admit that it is not only foreigners doing crime in Cayman; we have our share of criminals. But I also believe that there is a good possibility that people are coming here as visitors specifically to commit crime. And if we are only doing work permit holders we are missing half of the people.

On talking about crime, Madam Speaker, you will recall a couple of weeks ago there was a story on the front page of the *[Caymanian] Compass* with a young Caymanian who had applied to the Immigration Department for a job. He was dismissed because he was allegedly wanted in Florida for a number of alleged crimes. And, Madam Speaker, I agree with that; that is the right thing to do. But it must be done across the board.

Madam Speaker, I have evidence before me that the Government of the Cayman Islands has an electrical inspector employed in Cayman Brac who was convicted of aggravated burglary in Ohio and served time. And, Madam Speaker, I know that there are people on the Government Bench, in the elected section of Government, who know about this. I know that there are people in the Civil Service arm of Government who know about this. And, Madam Speaker, there are people on this side, other than me, who know about it. And, Madam Speaker, everybody is going to know about it now because I am going to read it into the record and I'm going to table it. Now I know the press has it. They printed the story in the *Caymanian [Compass]*, but they would not print it on this man. The question is, why?

But, Madam Speaker, "The defendant appeared this March 2, 1989, before the court for the—"

**The Speaker:** Honourable Member for North Side, I need to have a copy of that while you read it, please.

**Mr. D. Ezzard Miller:** No problem ma'am. I'll come back because I have a few other things to say.

Mr. Serjeant, would you please copy this and give a copy to the Speaker?

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Well, spent or no spent, the people in my constituency who get arrested can't get a job cutting bush at public works because they have a police record. So we shouldn't be employing foreigners in the Government.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** And moving on . . .

We'll come back to that, Madam Speaker.

But, Madam Speaker, in April I asked some questions in Parliament here about the Medical Director at the Hospital and whether he was qualified for the job or not. And I didn't at the time accuse the Minister of Health of anything untoward towards Parliament because I did not have a specific piece of paper in my briefcase. And I am going to let him off the hook today because he was being advised by the people sitting behind him. But, Madam Speaker, the question was whether the Medical Director was registered as a specialist in this country and whether that was a requirement of the job.

The answer I was given was that the man had two specialists, sports medicine and family practice, and that was not required for the job—specialist. Now, Madam Speaker, I tabled in April a copy of the relevant registry on the gazette that clearly said the man was registered with no specialist, but the piece of paper I didn't have then was the job description that was advertised. But I have it today, Ma'am. And the job description clearly states: "Must be able to register with one of the qualifying jurisdictions as a consultant in a clinical discipline and therefore be able to register as a specialist in the Cayman Islands." First criteria under "knowledge, experience and skills."

Under FOI (Freedom of Information)—thanks to the Opposition for bringing the law in. It cost us plenty money but anyway every now and again we'll get some good out of it. I submitted a question to the Health Practitioners Board. The question was: Is family practitioner and sports medicine a clinical specialist for which Cayman Islands law allows registration? The answer is, Madam Speaker, "No. Please note the specialties of sports medicine: Acupuncture was only used once in 2006. Family medicine and family practitioner is not a registered specialty title that has been used in the Cayman Islands." Not allowed to be registered by our law. Yet they come down here and tell me the man is registered in sports medicine and family practice.

Madam Speaker, I don't like to be treated like a little boy. I've been around this place a long time. The next time it happens I am going to impeach the person who does it.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Well, keep listening. I'm sure, don't worry. He has enough people over there who are going to tell him.

Anyway, Madam Speaker, getting back to this offence:

**"The Defendant appeared this March 2, 1989, before the Court for the imposition of sentence. The Defendant was present, represented by attorney, S. Mark Weller, and the State of Ohio was present, represented by Mark E. Spees of the Auglaize County Prosecuting Attorney's Office.**

The Court inquired of the Defendant and the Defendant's attorney as to whether either of them had any reason why sentence should not be imposed, both answering in the negative.

Prior to imposing sentence, the Court asked the Defendant and the Defendant's attorney if they wish to address the court in mitigation of punishment. It is the sentence of the Court that the Defendant be incarcerated with the Department of Rehabilitation and Correction, Mansfield, Ohio, on the charge of:

**THE AMENDED INDICTMENT - the charge of AGGRAVATED BURGLARY, in violation of Ohio Revised Code No. 2911.12 (A) an AGGRAVATED FELONY of the 2ND Degree WITHOUT specifications, for an ACTUAL term of not less than six (6) nor more than fifteen (15) years, fined \$1,000 and assessed the costs.**

This sentence shall be served **CONCURRENTLY** to any sentence imposed in Shelby County. Jail time credit of 126 days is hereby credited against the above sentence for jail time served.

The Court further orders that the Defendant pay Restitution, in the amount **\$8,863.27** jointly and severally with co-defendant's, fine and court cost through the office of the Clerk of Courts.

The Defendant did move the Court to suspend the execution of the sentence and requested that he be placed on probation with the Ohio Adult Parole Authority. The Court finds said motion not well taken and the same is hereby **DENIED**.

The Defendant did move the Court for Conditional Probation. The Court finds said motion not well taken and the same is hereby **DENIED**.

The Defendant is remanded to the custody of Auglaize County Sheriff for transport to the Department of Rehabilitation and Correction, Mansfield, Ohio.

**IT IS SO ORDERED"**

And it is signed by Judge Frederick D. People.

Mr. Serjeant, you can lay this on the Table so nobody can deny it.

Most of the young men in my constituency who [run] afoul of the law on charges more minor than aggravated burglary can't get a job cutting bush for Public Works. In fact, there are people in my constituency who had worked for Public Works for years and fell afoul of the law and were similarly discharged and can't get their job back. And here we are importing convicted criminals to work in this country and oftentimes to use their authority to unjustly harass good Caymanian citizens at their work.

And, Madam Speaker, I am inviting the Attorney General and any other person in authority in Gov-

ernment to do something about this *ya ting!* American Airlines is leaving seven o'clock in the morning!

[laughter]

**Mr. D. Ezzard Miller:** Because we can't on the one hand, Madam Speaker, be punishing our people. Equally and fairly I support them being punished; don't misunderstand me! Right? But at the same time we can't let these people come in here and maybe—because you know under our Immigration Law you can produce a police record from any town, USA [from] any sheriff who you voted for the week before and then you can get a work permit. So all you have to do is change towns or states and you get a clean police record.

We have been told quite recently that because a couple of Caymanians are getting a British passport and applying by a British passport they get a clean police record so that they can get a visa to go to the States that we are going to force them to . . . I am going to have to go when I want my police record now to get a fingerprint. And we are allowing this stuff to continue.

And, Madam Speaker, I have another case in point in my own constituency where there seems to be some great inability, reluctance, not sure what the excuses are. But we have an American who has moved in to my community and he has "Sanford and Sonised" the whole Old Man Bay.

**The Speaker:** Member for North Side, please do not call anybody's name in this House. Okay?

**Mr. D. Ezzard Miller:** No Ma'am, "Sanford and Son" is a movie show that just gathers garbage—

**The Speaker:** I know who "Sanford and Son" is.

**Mr. D. Ezzard Miller:** Well, Madam Speaker, you probably will have to move me out of order because when I get to the end of this I am going to call him by name. So I will accept the ruling.

But somebody has to do something about these people who come in to our communities and break the law without anybody saying anything. I have been trying, Madam Speaker, to get this man brought under the law from August last year. I invited the enforcement arm of immigration to go up there and do something about it.

And, Madam Speaker, just to give you an idea of some of the things that this man is doing: Business wise-

- he is operating a dive business;
- he is operating a hotel;
- he is operating a tenement yard for one of the houses;
- he has no business licence;
- he has no work permits;
- he has one boat that he takes divers out;

He [takes] out one boatload of divers a mile and a half from the dock; he leaves them down under the water while he comes back to get another boatload. So much so, about two weeks ago one of the young ladies came up to the surface, no boat, she swam ashore. Luckily, in the yard that she came up into, a good North Sider was there looking after the yard. He knew where she needed to go and pointed her in the direction.

Now, Madam Speaker, the laws of this country require divers to have a bosun on the boat when they are taking people out diving! I sit on the dock, I count this man coming in this little boat, the gunnel is about one inch out of the water; eighteen, nineteen, twenty people on this one little boat. His van: I have been trying all along to get these people to go check this man out; everybody who goes comes back, *Can't do nothing, Mr. Miller; can't do nothing*. My understanding is his immigration status is a tourist. So two weeks ago I saw the van by the dock and it looked to me how the sun was shining that the windshield might have been broken.

Just a couple of days before that one of my constituents was told he had to take the tint off of his car. I agree with them; they should have made him take it off in front of them. He had to place the license plate on the bumper where it is supposed to be; it couldn't be on his dashboard. But this man is driving up and down in North Side, going out into this van picking up people from all over the Island to take them diving, expired March, the license coupon on it. March this year. The windshield has a two inch hole in it, shattered completely; the license plate is stuck up on the dashboard of the car; every tire on the car is a different size; the trailer attached to the car has no licence, no lights, no reflectors; the supports for the boats are missing, they are replaced by pieces of wood just laid on top of the trailer; the bars that are supposed to hold the trailer together are so rusted they are connected in about a quarter inch space.

So I picked up the phone and called the inspector to the eastern districts. I said, *Well, I can't get unnah to do anything else, but I just stopped by the thing and I wrote down the things that are wrong with the trailer and the van, can you send a policeman by to book him?* I gave him all the things I had written down. He said, *Okay I have a police car in North Side; I will send them right away.*

He sent the police car, they got out (I watched them), talked to the man real nice and friendly, you know. I don't know whether they gave him any tickets or not, but he drove the van home and came back that night to pick up the trailer. Right? The next day he did it again. Right? So I don't know what the police said to him, which is why, Madam Speaker, I said earlier [that] I need a police *force*, not a police *service*.

Not because *them* people is "*foreigner*" we must treat um better than you treat my North Side boys who come to that same dock with six conchs in the boat and they arrest them on the spot for having

one conch over the limit. And this man is functioning with impunity. Right?

I hear through the EIU that they made a raid on him on Tuesday, but Wednesday he operated the same way—taking people out. He is even advertising in the airlines on this wonderful dive operation.

Now, Madam Speaker, I operate a consultant business out of my house and Planning required me to get a change of use order before they would give me a business licence. But these people come here, do anything they want. And, Madam Speaker, his name is Randall Christman and he needs to be sorted out.

**The Speaker:** Member for North Side!

[laughter]

**The Speaker:** You wouldn't want me to name you in this House today, and I will. Please continue your debate and leave the personalities out. Drop that subject now please. You have aired it enough. Thank you.

**Mr. D. Ezzard Miller:** Madam Speaker, I accept your ruling ma'am.

I have a job to do on behalf of my constituents.

**The Speaker:** So have I.

**Mr. D. Ezzard Miller:** Yes ma'am.

And if it requires being named, I can be named.

But, Madam Speaker, *some body*, some bodies in this country have to give our people some hope that when they try to do things that are borderline, we support them and not tear them down and other people can come here and do anything they want and get away with it! And, Madam Speaker, as long as I represent North Side, I am not going to tolerate that in North Side.

Now if the Government wants to wait until it deteriorates until vigilante justice and *Mr. Hurry* takes over . . . that is not far off, Madam Speaker.

Madam Speaker, let me move on to the Governor's 13: Good Governance, a term that has been employed to a *multitude of sins* in management in the recent past. Madam Speaker, in my view, good governance starts with acceptance of responsibility, utilization of authority and appreciation for accountability on one's actions, jobs, duties, and relationships with society, co-workers and leaders. Good governance, in my view, Madam Speaker, can only be achieved when all of the above is tempered and reinforced with consequences for one's actions or lack of action. Sins of omission are often worse than sins of commission.

Madam Speaker, I believe it was Thomas Jefferson who once said (not the Thomas Jefferson who was the Financial Secretary either; that one who was President of the United States): "**He who receives ideas from me, receives instruction himself with-**

**out lessening mine; as he who lights his taper at mine receives light without darkening mine.”** And, Madam Speaker, we as elected Members of this House, and the civil servants need to work diligently together and stop worrying about who is going to get the credit and whether it is I, I, I, I, I, to ensure that good governance does in fact take place in this country and that we put our minds together to solve the problems of this country.

The recent political history in this country of total adversarial politics needs to stop. We need to put our minds together and we need to be involved in the process of governing so we can contribute.

Madam Speaker, when I went to university I used to do an internship at the hospital across the street, St. Mary's Hospital, which was run by a goodly old gentleman by the name of Carl Plato. And he had a simple system; he was the board chairman and CEO. His boardroom was a white room with a white board at the end of the hall, no chairs, no tables, and the agenda for the meeting was written on the board. So I said to him, *Well, Mr. Carl, why don't you have tables and chairs?* He said, *Because I bring people in this room to get the job done.*

Now next door after they had finished the agenda was a full spread, everybody could socialise. But his position was that for the hour or hour and a half that he conducted his board meeting he needed them to concentrate on what was being done in there.

So I asked him another question. I used to be an inquisitive fellow you see, Madam Speaker. I said, *What are you doing with Farmer John on your board with all of these high powered bankers and accountants and lawyers and doctors?* He said, *Ah, Mr. Miller, there are often times when Farmer John in his own simplistic way can put all of them bankers, accountants and lawyers to shame.* The point being, Madam Speaker, that every single Member in this House has something to offer towards the solution of the problems this country is faced [with] and we need to be given the opportunity to do so.

Madam Speaker, I endorse what the Premier said. I also like this Governor as a person, and for what limited interaction I have had with him as Governor and leader I also have developed a respect for his ability. I think he is a good listener, and in my discourse with him his responses have been thorough and competent. And above all, with me he has always been humble and respectful, and I think those are important qualities.

Now, Madam Speaker, let me turn to the Budget Address by the Premier, Honourable Minister of Finance. And, Madam Speaker, let me once again (now that he is here) offer my congratulations to him as being the first elected Member of this House to deliver a Budget Address. The placing of this responsibility for Finance under an elected Member has been a long time coming. However, Madam Speaker, I would caution the now elected Minister of Finance that he is not likely to enjoy the halo that was afforded to

those civil servants who were formerly ministers of finance and financial secretaries, and that the voting public who put us all here will be much quicker to judge, blame, castigate and ridicule one of us whom they have elected rather than a civil servant who somebody else has appointed.

Further, Madam Speaker, I would caution the Minister for Finance that, in my view, while the Constitution provides the mechanisms for him to be charged with the responsibility, it does not equip him with the authority to extract competence, accuracy, timely performance from the civil servants employed to do the work. And without the ability to terminate incompetence and promote competent performance, his job is likely, at the very least, to be formidable, if not impossible. However, Madam Speaker, this may be part of the deliberate compromise of the crafters of the Constitution to provide someone to blame, leading to talk of good governance considering the tenets of good governance which I have already addressed in my speech, Madam Speaker.

Madam Speaker, I wish I could share the optimism of the Minister for Finance, that our relationship with the UK has entered a period of more positive partnership. However, I am tempered by what I believe to be a certain amount of generosity based on the euphoria of recently winning an election, and I would suspect that by the time we go back there for the next budget, even if that Minister is still there, there is going to be a different kettle of fish that he is going to be wallowing in.

Madam Speaker, the Minister of Finance in his Budget Address made very strong statements that his bare bones budget represents a reduction in government's expenditure. However, Madam Speaker, when I look at the forecasted income and expense for the year on page 310, I find a different position. I find that total operating revenue has gone up by approximately \$19 million, and total operating expense has also gone up—not down—by about [\$]5 million.

Even more troubling for me, Madam Speaker, is on the same page, figures that represent actual personnel cost in government have also not gone down by what I would expect to be approximately [\$]7 million based on the 3.2 per cent reduction of the civil service salaries, but has actually increased by \$1.5 million. Now, Madam Speaker, that can only be one of two things; either we are not cutting the salary—and the world knows and the school children in China know by now that Ezzard Miller does not support cutting civil servants' salaries because I don't think it is quite necessary. I believe there are other areas in here that can be cut. And I will be presenting those during Finance Committee. Or we are going to continue to hire more civil servants so that the actual total cost is going to be more.

Madam Speaker, I will come back to the expenditure side of the Budget a little later on, but let me first deal with the revenue side of the Budget as presented by the Premier.



Madam Speaker, I believe that based on the economic and accounting advice that I have received from Caymanian professionals (more qualified than I am, by the way, to make such predictions) is that for the Government to forecast an increase of [\$]19 million in revenue for next year over last year while projecting somewhere around 5 per cent decline in the Gross Domestic Product is rather ambitious and optimistic.

Combine that with the reduction in the civil service of 3.2 per cent or approximately [\$]7 million from their purchasing power and such a large body of employees—because I believe that the Civil Service is still the largest employer of persons in the Cayman Islands—that the demand for goods is going to be negatively affected and, therefore, the amount of revenue that government gets from its consumption tax is going to be reduced.

Madam Speaker, this House can rest assured that if we reduce civil servants' pay by 3.2 per cent, that all those nice capitalist, profit-driven employers out there in the private sector are going to follow suit very soon in reducing their salaries as well, further reducing people's ability to purchase and increase government's revenue.

Now, Madam Speaker, the advice I have—and my commonsense tells me—is that any reduction we are going to make to the Government Budget, if we don't want to adversely affect the Gross Domestic Product and government's revenue, it should be in areas where the money is not currently spent in the Cayman Islands (i.e., all the money we spend in advertising tourism et cetera overseas) because that will have no effect on the local economy in terms of people's purchasing power.

And, Madam Speaker, while we are on the subject of salaries, I discovered something after I came back to this Parliament that really bothers me (and I might just as well get it off my chest now) and that is the two fundamental changes which were made to the parliamentary pensions while I was absent from this House.

The first one being the rate at which one earns the pension. When I left here, that was if you did four years you got nothing. If you did eight years you got a third of your salary. If you did 12 years you got half of your salary. If you did 16 years you got a maximum of two-thirds and you could not get any more than that. That has been changed to say now that if you do four years you get one-fifth of two-thirds of your salary. Madam Speaker, quite frankly, from my perspective, any person who does not do a good enough job down here in the first four years to get re-elected does not deserve a pension, and that was why I promoted the eight years to earn it before.

If you do eight years you get two-fifths of the two-thirds. If you do 12 years you get three-fifths of the two-thirds. If you do 16 years you get four-fifths of the two-thirds. And if you do 20 years you get the two-thirds and that is it. I really don't have a serious prob-

lem with that change, but other than the four years earning a pension for just four years of work.

But, Madam Speaker, the second change, which allows parliamentarians to retire while serving and double-dip, get a parliamentary salary and a pension cheque. Now, Madam Speaker, the definition of retirement as found in the biggest dictionary I could find in the Legislative Assembly, says, "To stop doing your job, especially because you have reached a particular age or because you are ill or sick; to stop competing during a game; to move back from a battle." et cetera.

Now, Madam Speaker, if a parliamentarian that was elected May last year wants to retire this year because he is 55 and he qualifies for his pension, he should have to resign, retire! You stop doing what you are doing. Go home. Let's have a bi-election! If you win you come back and start over. And this is not only happening in parliament, I think it is happening [in] other places in the civil service as well. And this is some of the things that are just double dipping; some of the things that are inflating the cost. Because, Madam Speaker, it can't be while it is legally possible, it can't be morally correct to be sitting here serving as a parliamentarian, tell somebody you are retiring, stay here, draw a retirement cheque and draw a parliamentary pension too.

And, Madam Speaker, I give notice now that we are going to face the motion up in here to change that part of the parliamentary pension law and to prevent any other civil servant in any other department of government, or any other company organisation in government from getting two cheques from government. The normal standard practise is, as long as you are receiving a pay cheque you can't get a retirement cheque from the same company. That's international practise and established procedure. So . . .

I don't have any particular evidence, Madam Speaker, that any current parliamentarian has so done. But, Madam Speaker, I can tell you I am going to put the EIU on the case. And you know I hope that [it isn't so] because I would really be disappointed if anybody is actually doing that.

**The Speaker:** Member for North Side, that is the second allusion to EIU. Which organisation is that?

**Mr. D. Ezzard Miller:** It's Ezzard's Intelligence Unit, Madam Speaker!

*[laughter from the House]*

**The Speaker:** Thank you.

**Mr. D. Ezzard Miller:** I started that in 1982.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Ah, that is a military secret.

[laughter]

**Mr. D. Ezzard Miller:** You'd be surprised how many of your friends are members.

[laughter and inaudible interjections]

**Mr. D. Ezzard Miller:** Ah?

[inaudible interjection]

**The Speaker:** Would you continue please?

**Mr. D. Ezzard Miller:** Okay, Madam Speaker.

I joined the Leader of the Opposition in saying that I cannot support the one government tax that is being increased, and that is the 25 cents on gasoline and diesel.

And, Madam Speaker, like the old country song "I was almost persuaded" to support them, the last part of that paragraph that exempts Cayman Brac really gets my ire up, because the people in Cayman Brac may drive 10, 12, 14, 15 miles a week to get to work. The people in my constituency average between 200 to 250 miles a week to get to work. So we are going to be . . . And the Member for East End, the man who built all those roads, his constituents will also have to drive hundreds of miles a week and pay this increase in gas and all the other costs. And the clear message from my constituents on Wednesday night was: *Ezzard, try and find some other area to recommend to the Government that they can get that \$10 million from.*

Madam Speaker, I'm prepared to make that recommendation. I agree with the Leader of the Opposition, that it is going to be inflationary. It is going to affect everything that we do; it is going to send the cost of living up and that that is the last thing that we need to do right now. The other side of it is that if we are going to cut their salaries, increase the cost of fuel, well they are going to reduce the consumption so the revenue is going to go down anyway because they are not going to have any money to buy gasoline with. So it is a "Catch-22" situation.

But, Madam Speaker, the alternative that I would like to provide to the Government as a revenue source, or one of the revenue sources I believe is much more equitable when it comes to transportation taxes—because the people in George Town are similar to those in Cayman Brac; they don't have very far to drive to get to work—is to put it on drivers licences and to put it on the licensing of the cars.

Madam Speaker, according to the information I have, we have 23,890 (about there) private motor cars, up to nine passengers, which are currently paying \$160 for 12 months and \$25 on inspection fee. I would recommend to the Government to increase that to \$400, including the inspection fee and that's going to represent somewhere in region of the \$9 million, less what is currently being collected at \$160.

We have 5,000 trucks under one ton that are only paying \$200 and inspection fee of \$25. Put them up to \$400 to \$500 as well. That's another \$2 million.

You have rental, people who are making money on cars. Right? Seventeen hundred and ninety of them. They are only paying \$200 too. Put them up to \$500 to \$600; \$1 million plus.

Total up the big trucks—the trucks which are destroying the roads, those one, two, three tons and above—we have 484 of them. Charge them \$1,000.

I pay \$1,000 for my wife's Hummer. When I went to get it licensed I didn't know, but when they told me that is what the price was I had to pay it. And why is somebody paying \$1,000 for a Hummer in this country when my wife's Hummer is smaller than the car that we are driving the Premier and the Deputy Premier around in?

Is he still here?

So, Madam Speaker the point I want to make about that is that people will pay it. And I think that is much more equitable than a duty on fuel and it certainly will not have the inflationary effect. It's a one time per year payment. Yes, it will reduce their disposable income but they are not going to have to pay it every time they go to the supermarket or every time they go to the restaurant, or every time they go to the night club, or every time they go anywhere. Because when we put it on fuel, which is used to help produce any product that we produce and sell in the Cayman Islands, whether imported or otherwise, it is going to send up the cost.

And, Madam Speaker, I believe . . . and since I'm dealing with revenue I would like to recommend two other areas to Government that I believe we can get money on our consumption tax base that will assist them in reducing the deficit.

We have the Customs Tariff Law currently containing 99 items of various duties. And I spoke to one supermarket owner and manager and asked him what was the approximate time that it took him to figure out (using these 99 different codes values and what-not) and prepare a Customs sheet for a 40-foot container of mixed goods. He told me one person four to five hours. And then he had to worry whether they had the rate right because he would have to go up to the Customs place at the airport and either wait for a couple of hours while somebody checked his calculations to make sure they were right. Right? And if they were wrong he had to bring them back, et cetera.

Now, I believe if we went to straight-across-the-board 15 per cent [it] would make life a lot easier for all of us. And according to the Government Statistics Office last year we imported something like \$131 million of stuff that was duty free. So if we get 15 per cent on that . . . And, Madam Speaker, quite frankly, I really don't see the fact that milk being duty free helps me when I go to the supermarket to buy it. It is still \$6 a gallon.

I remember when I was here (as was the current Premier) when Mr. Norman Bodden removed the

duty off of water, and I went around to every place that I could find in George Town the day before because I knew he was coming with it the next day, and wrote down the price of water. I went back the next week and everybody had increased the price of water on the shelf although we had removed the duty from it. We don't have any price controls to check on these people so they probably will save enough in staff time in preparing these documents with a flat fee.

We would probably be able to reassign at least half of the Customs staff that we have at the Airport Customs shop figuring out all of these papers. The amount of paper we would save in government alone would probably be a couple of million dollars in consumables. And I think that we could look somewhere in the region of 15 to 20 . . . I don't have all of the details, Madam Speaker, to calculate all of the exact things. But certainly, Customs should be able, within a short space of time, to tell the Government what would be the effect of going from no duty to 15 or coming down from 20 or 22 per cent to 15 [per cent] and whether we would make more money or break even. My guess would be that we would make more money.

My good friend here from Cayman Brac, you know, he has some exemptions in here too on things like . . . you know. But he might not want to go to the flat rate for that reason.

But, Madam Speaker, the point I'm trying to make is that I understand the financial quagmire that we are in. But we need to think, I believe, strategically and outside the box. And I really can't . . . I don't think this country can justify any more having all of these luxury items duty free to be sold to somebody else, because they are consuming, they are costing you and I money because we have to pay the taxes. They bring in the stuff, Customs has to clear them out and certify them, they contribute stuff to the garbage dump and their boxes and everything else and they are paying nothing.

The people who import the liquor here put a new label on it, send it out. It is doing millions of dollars of business a year; it is probably costing government hundreds of thousands of dollars in Customs officers' time to maintain their bonded warehouses and all of this kind of stuff, and we are getting nothing out of it. And it is time that the Government got something out of it.

And I have seen the advertisement that says that [a] Rolex watch in Cayman is \$35,000 cheaper than it is in Miami. So 15 per cent is not going to make it more expensive than the one in Miami; it will still be cheaper. I think that we need to . . . or at a very minimum, Madam Speaker, the Government should be making these people pay package tax taking the stuff out of the country. I have to pay package tax bringing it in. And warehouse fee. And under the 15 per cent flat rate there would be no need to have bonded warehouses. The cost of liquor in a hotel for tourists could go down because it would be 15 per

cent on value. And that might help the tourist [inaudible]

So, Madam Speaker, I believe that there are other alternatives to the gasoline and diesel tax, and I believe some of the other alternatives would, in fact, produce more revenue for government.

I've also recommended to the Government in another forum, Madam Speaker, that the four cents that the bank makes on foreign exchange . . . if my memory serves me correctly, that was put on by the banks in 1968 when we introduced the Cayman Islands currency because they feared that it was a weak currency, and it was not stable, et cetera, so they needed the spread. So, I think the Government should say to them, *Look, we need to take two cents out of that four cents*. It will improve government's cash flow because it will come in on a monthly basis, not just once a year. And it should have very little effect on the cost of living because everybody is paying it now anyway.

And, Madam Speaker, I happen to know that some banks use that as a tool to get big book business when they are competing for business. So the precedent is there. Again, I believe the information I have from professionals in the field say that we should be looking at somewhere around about \$40 million a year in revenue from that source.

Now, Madam Speaker, let me also express my disappointment that the Legislative plan for the Government as detailed on page 28, 29, 30, and 31, does not include the Public Management and Finance Law, because I was given the assurance here in April on a motion put on the floor of the Assembly that the Government was actively reviewing this law and expected to deal with it expeditiously. But it's not listed here. It does not appear here. I see the Health Insurance Law is here; that's good. I also see the Health Practice Law is here and the Pharmacy Law is here. My concern there is, is that simply to amend the laws necessary for the MOU (Memorandum of Understanding) signed with Doctor Shetty?

I have some serious concerns and will deal with those amendments, if they ever come to this House, because I hope they don't come. But if they come I will have a lot to say about them.

Another concern, Madam Speaker, is, either we are going to get rid of this law, we are going to amend the law, or we are going to follow the law. And on page 27, every statement here except one is that this Budget is not in compliance with the law.

Operating surplus should be positive—it does not comply. Net worth should be positive—it complies but then when you look for the asset value from other committees I've been I'm not so sure that they know exactly what their assets total is valued—but that one complies.

Borrowing, net service cost for the year should be no more than 10 per cent of government's core revenue—does not comply.

Debt should be no more than 80 per cent of core government's revenue—does not comply.

Cash reserves should be no less than estimated executive expenses for 90 days—does not comply.

Financial risk should be managed prudently as to the minimum risk—complies.

So, Madam Speaker, again, if we are going to keep this law we need to comply with it. And I believe that the additional revenue measures that I just suggested to the Government can go a long way to help them comply with it and wipe out the deficit.

Now, Madam Speaker, let me say a few words about the expense side of this Budget.

Madam Speaker, under Strengthening of the Economy, the Minister of Finance, in paragraph 8 says: **“Investor interest in the Cayman Islands is strong; evidenced by the successful Bond Issue offered by the Government in November 2009, the Memorandum of Understanding, now a signed contract with Dr. Shetty to establish a major new hospital in the Islands, which will start medical tourism in a real way in these Islands, the ‘road show’ visits conducted in November 2009 to London, San Francisco, Boston, New York and Singapore to promote these Islands and other major initiatives such as the MOU with Dart Enterprises Construction Company Limited (“DECCO”) to develop a cruise berthing facility. This interest needs to continue to be harnessed.**

Now, Madam Speaker, in other areas of the Budget the cargo dock in East End is mentioned as one of the things that is going to stimulate the economy. And the Government seems to be putting a lot of its hopes on achieving these numbers that they put in this Budget on these four projects getting off the ground—the Doctor Shetty hospital, the cruise ship dock, the channel in the North Sound [and] the dock in East End. And, Madam Speaker, I would like to say a few words about each of those.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** I am going to leave him for last. The best wine shall be left for the last, the Lord said.

Madam Speaker, would the cruise facility in George Town—

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** —I have a copy of the MOU that was signed and I have a copy of the advertisement that was placed into the paper.

Now, Madam Speaker, what troubles me is that there seems to be substantial difference from what was signed as the MOU and what was placed in the paper to attract people [who] expressed interest in this facility. And the problem I have, Madam Speaker, is that the minimum eligibility requirement for this thing that was in the *[Caymanian] Compass* on 1<sup>st</sup> Septem-

ber 1996, says that [for] minimum eligibility criteria: *Interested parties must meet the following criteria to be further considered. Provide proof of relevant experience in terms of completing projects of similar size and nature.*

Now, Madam Speaker, I have been all over the Internet and I can't find anybody that can produce any such record of any projects that the company with whom the MOU is signed has done. So I don't understand how the company was not eliminated in the first instance when [it] didn't meet the most basic of the requirements.

But, Madam Speaker, something else troubled me about this whole arrangement. A couple of weeks ago I was driving home in the rain and I got a phone call. The person on the other end of the line said that my name and a number had been given to them by a certain journalist in the country who I don't really see eye-to-eye with, so my rabbit ears started to vibrate. And he wanted to know what I knew about one Mr. Kenneth Dart and Vulture funds.

Well, I told him that I did not understand why anybody in the media would send him to Ezzard Miller to talk about Vulture funds because my undergraduate is in pharmacy and my post graduate is in hospital administration. I spent most of my life around health-care facilities. So, I really wouldn't know a lot about Vulture funds. And if the individual named met me in church and knocked me down I would not know him. So I really wasn't in a position to comment on it.

Then he proceeded to ask me questions about, was I concerned about the amount of real estate that was being bought up and such a person of such massive wealth being in the Islands, et cetera. And I told him again, I don't sell real estate so I would not know and hadn't done any search of the land registry to see what was owned by this individual. So I had no knowledge of what he was buying or what he was owning.

But it stirred my interest in the individual, so I went home and Googled him; both of them. Both the foreign journalist who called me on the phone on the recommendation of the local journalist and the person he named. And, Madam Speaker, I was shocked. I was surprised and I'm really concerned about the things that I found on the Internet about that individual and this whole idea of Vulture funds.

The Vulture fund thing is so bad that our Mother Parliament, the British Parliament, has actually outlawed them in April this year.

And, as I understand from the Internet, and again, Madam Speaker, forgive me if I err because I really don't know a lot about this kind of stuff. Ask me about aspirin, now I can tell you. But it appears that what these vulture funds like to do is that they like to go to these developing countries that are in problems with the national debt and they buy it on cents on the dollar and then they go to court in New York or a court in London and they get a court order that they have to

be paid back a full value. And there is an article on the Internet entitled “Argentina’s No. 1 Enemy.”

**The Speaker:** Is this relevant to the debate?

**Mr. D. Ezzard Miller:** Yes Ma’am, I think this is very relevant to the debate. And if you will bear with me for a couple of minutes I will explain the relevance.

This article claims that this—and this is also part of my concern about the Governor’s security issues in his Throne Speech. The article claims that this man is living in opulence in the Cayman Islands protected by armed guards. And, Madam Speaker, if that is so, and I believe it is so, I think this country needs to know how this man can have armed guards in the Cayman Islands protecting him from his property.

And I invite any Member of this House to go and Google and look for these articles, and to determine in the interest of the long-term good of this country, and the security of this country, whether this is the kind of person that the people of the Cayman Islands want its Government doing business with. In my view, Madam Speaker, it is not. And I would caution the Government to go and look. And I’m inviting the general public of the Cayman Islands to Google the man and see what is on there and what this man has done and not done in other countries, and determine whether that is the kind of person we want to promote our Government doing business, et cetera.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Well, at one time he was Belizean too, and they took that away. So I guess we will have to take ours away too if it comes to that.

But, Madam Speaker, I have great concerns when I see one or two people . . .

I brought a motion here earlier this year about a fair trade commission. Again, the Government accepted it, said they would look into it. It is not scheduled in their legislative stuff for the next financial year. But we need, as Caymanians, to find a way to limit and to control these individuals who come here with massive unlimited wealth that are buying up all of the businesses and land in the country, and what are we going to leave for our children and grandchildren. And what kind of people we are allowing to get established in this country.

If you go on Bill Clinton’s blog you will find some interesting stuff there too, and then you don’t need to wonder why the US is harassing our financial industry. That’s probably the biggest reason—that individual right there.

Now, Madam Speaker, another area of revenue that I believe the Government is not getting its fair share from is the real estate industry. Because, Madam Speaker, as a Justice of the Peace I am often asked to sign land transfer documents. It is amazing how many purchasers of land will come to you to sign the section of the transfer document from the seller,

but will refuse to fill in their section and have you sign that.

Well, Madam Speaker, this Justice of the Peace has a simple rule; if both sections are not filled in and both parties are not before me, I’m not signing it, because, Madam Speaker, there is a reason why the purchaser will not fill in his name. Because if he fills in his name, dates it, and the Justice of the Peace or Notary Public signs it and he keeps it for a year, turns it into the land registry, he has to pay a penalty. But if he only completes the seller’s section he can sell it to somebody else without having to pay any stamp duty at all.

And, Madam Speaker, it is a fact that there are real estate agents in this country, there are lawyers in this country who are advising purchasers of property in this country that they can avoid the stamp duty by only completing the sellers half of the bill.

Madam Speaker, I’m not asking anybody. I received a letter in 2006 from one of the biggest law firms in this country, signed by a partner in the firm with all the land documents attached to it, asking me to complete a new form to a third party because the first person whom I sold it to in 1994 had not paid the stamp duty and transferred it. And that person was now selling it to another party and this lawyer—who is supposed to be promoting law and order, Mr. AG, right?—is here asking me to break the law.

Well, I wrote him back a nice three-page letter and told him I was not doing it, because even if I had been minded to do it before, I certainly was not going to be doing it now that I had just been appointed a Justice of the Peace.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Okay. Well I’m just putting belts and bases around it. Okay.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** I am going to tell you what is going to be done.

And, Madam Speaker, talking about the real estate industry, the Government needs to take control of it and the Government needs to regulate it. The Cayman Islands Real Estate [Brokers] Association (CIREBA) is registered as a non-profit organisation. They pick up any magazines that they see, the front of it “we’re a non-profit organisation.”

It is my understanding that 2 per cent of every commission sold by a member in that goes into that association. And I believe that there are certain requirements to continue to be registered as a non-profit organisation through the company laws to publish audited accounts and returns.

Madam Speaker, we have seen no accounts and it is the same half dozen people who have been circulating through the management and ownership of

that for the last 25 years. And it is time for the Government to take control of it.

I've spoken to the President of the Community College, UCCI (University College of the Cayman Islands) and he has agreed. He already has a professor who has taught the course in Canada, he can put the course in at the Community College, Caymanians can go there, qualify as real estate people and get jobs in the real estate industry instead of being turned down and let go when things are bad by some of the foreign people in the real estate business.

And the Government should license them, collect a fee for licensing them, and regulate them, because they are now charging people to do the real estate course—this same association. And, Madam Speaker, that was okay 20, 30 years ago. But it is time now . . . and what the Government needs to do in addition, Honourable Premier, to sorting the land registry transfer document, is it needs to issue a directive to Immigration Board that no more permits can be issued for real estate salesmen. That's a job that can be done adequately by Caymanians. They can go to the Community College, the Minister of Education will see that the course gets in, get them licensed, put them in op. No more permits for it.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** No.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** No, no, I was paying close attention.

And, Madam Speaker, I agree that the Premier said he was going to look at it.

*[inaudible interjection from the Premier]*

**Mr. D. Ezzard Miller:** No, in setting up real estate companies.

**The Speaker:** No across the floor please. Talk through the Chair. Thank you.

**Mr. D. Ezzard Miller:** No, Madam Speaker, don't worry about that; that's how we get things sorted out. We're working together here now.

*[laughter]*

**Mr. D. Ezzard Miller:** But, Madam Speaker, it's not only the real estate companies that I am worried about [that] have to be Caymanians. I think we need to go one step further and issue a directive that no more work permits can be renewed or issued for non-Caymanian nationals in the real estate industry.

Madam Speaker, we did it with the condominium managers in 1990 and we took a lot of heat for about three months for it. But that is why there are

condominium managers in Cayman today. Right? I know it has been changed since and we're in a mess with it now.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Because right now . . . I have a special and a particular example of how the same company that we are giving the cruise ship dock to—

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** —Right?—is saying because they advertised for a condo manager and probably, if not the most qualified condo manager in the Cayman Islands, certainly one of the top three applied for the job. They called him in, interviewed him, and he was like what my grandmother talked about, he never heard *tehey* about it.

A couple of months later they sent the application to the Immigration Board to get a work permit approved. Well, that individual happened to have a ear of somebody on the Immigration Board and the Immigration Board knew of the Caymanian's experience and qualifications. And I'm not talking now, Madam Speaker, about five or six years of experience; I'm talking about a degree in tourism management and 25, 30 years experience—20 of which was in condo management. So they deferred the permit and told the company they had to call in the Caymanian.

The Caymanian went for the second interview which they got a person that this Caymanian introduced into the industry some 15 years ago and helped train and gain experience to interview this Caymanian with the clear understanding, *find a reason not to hire him*—one of these things that I call negative interviews which many of the Caymanian HR people are forced by the board of directors and partners in this country of many parts of the financial industry to conduct on Caymanians. Find a reason why they can't hire him. This person was not interested in working with this Caymanian and seeing how he could fit in.

They even came up with a novel idea; if you will withdraw your application for this job so we can get the permit we will create a job six months from now that you will get.

Now, Madam Speaker, you know that is preposterous. You know. Right? Because any Caymanian who accepts that, really doesn't deserve the job. But those are the kinds of things that are happening.

And, Madam Speaker, I've said it in other forums and will say it here today, we have to stop amending the Immigration Law to benefit non-Caymanians. We need to make some changes to that law that is going to benefit Caymanians. Because every change that was made to the Caymanian Protection Law since 1976, when a US citizen was allowed to be here to suit certain people, has been in favour of non-Caymanians.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** That's my view.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Oh yeah, yeah.

Now, Madam Speaker, let me deal a little more specifically with some of the areas in the budget on the expense side that gives me charge for concern.

Now, Madam Speaker—

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** No, Madam Speaker, just to put Members' minds at rest. I agree with the '03; it was an improvement. Had it been enforced as it was intended and implemented as intended, Caymanians might have been benefitted, but the lobbies out there in the sector who we know control things made sure, as they always do . . . Right? I can follow it from day one, Madam Speaker. It was always those same people who came to successive governments to get changes made in their favour. Right?

And, Madam Speaker, in the expense side of the Budget I find some things that I am not sure what they are. I haven't had time to look in the other three or four books, but I see in here under the Minister for Finance, Tourism, and Development, about \$20 million to be spent on promoting and advertising tourism.

And when I look at the revenue side it looks like we hope to spend somewhere in the . . . Well, if you add on the cost of collecting the money and other things it is more like [\$]25 million and Government hopes to collect about [\$]10 million in various tourism fees.

Now, Madam Speaker, I believe we can get a little closer balance there and reduce that and save civil servants [their] pay.

I also see strategic domestic air service, [\$]2.5 million. I assume that that is for the Brac Express. But then I see below that, Madam Speaker, strategic tourism regional and core air service, [\$]12.5 million. I'm not sure whether that is another subsidy to Cayman Airways. If it's a payment to Cayman Airways then it should be added to the equity investment of [\$]5.1 million that we are making in Cayman Airways. So, the subsidy to Cayman Airways then is actually [adding] 5 and 2 make 7, and 12) [\$]19 million in various forms or other.

Madam Speaker, one of the things that I see in here . . . and, again, I hope that I'm wrong. Management of Government Properties, \$11.4 million. Now I hope, Madam Speaker, that that includes lease payments on management of government properties, because I can tell this honourable House that I know at least two that are involved in this in Lands and Survey, and two that work Public Works that I have been trying to get to fix the air-conditioning in the Craddock

Ebanks' Civic Centre from July last year, and we have had 26 meetings. Now they can send the four of them home.

*[laughter]*

**Mr. D. Ezzard Miller:** Because they have no idea what they are doing when it comes to facilities management. And they ran the one Caymanian who was in there—who you could call and get some action—they ran him out the business. He had to go and find a job in the private sector.

So, Madam Speaker, when I talk about reducing the Civil Service and not cutting the pay across the board, it's [for] people like those, some of those 2,000 non-Caymanians who are into the Civil Service [that] need to go! And when they come . . . Madam Speaker, I had 26 meetings with these people trying to get the air-conditioning replaced in the North Side Civic Centre. And every time they come North Side, you know—five people, five vehicles. And I want to tell you one thing, they are not any fleet vehicles you know. They are nice vehicles. Sometimes I wish I had a little truck nice like that to drive.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Wha! Air-conditioned, CD, power windows, power door locks, leather seats, four wheel drive, you know?

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** But, Madam Speaker, the proposal to paint the whole civil service with a broad brush of 3.2 per cent . . . these are the reasons why I don't support it.

I got a call this week from one of the top, top ones. He is arranging appointments for the new Auditor General. Right? Now, Madam Speaker, any school leaver can do that. We should not have somebody way up that we are paying over \$100,000 a year calling me to make an appointment with the new Auditor General. I would suggest that nobody needs to do that. We will find each other. I found the other one and he found me! So there's another expatriate in the civil service you can send home, because that's another one that I know it is time to go. He's one retired, getting a pension, brought back on and getting a salary.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** I know the rules; don't you worry about that. I heeded the Speaker's warning.

Now, Madam Speaker I was also —

**The Premier, Hon. W. McKeeva Bush:** I don't know. It's not my fault.

**Mr. D. Ezzard Miller:** Oh I told you, as I said in the beginning of my speech (you were not here), when I

talk about you not having the authority as Minister of Finance to get what you need done, it's serious. This is part of it!

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** . . . get the blame?

**Mr. D. Ezzard Miller:** And you are going to get more blame now, because you don't have that halo, that Civil Service halo that politicians don't have.

And, Madam Speaker, I had an audience with the Chairman of the Board of the HSA (Health Services Authority) a couple of weeks ago, and the CFO and the CO. And they came here telling me that government was not going to have to give them any money this year, and next year they are going to make a profit of \$2 million. But we have in this Budget close to \$50 million subsidy for the HSA in various forms.

Madam Speaker, if we do the necessary reforms that we need to the Health Insurance Law we can save plenty of that. And the same private sector people out here who are beating up on the civil servants about they must cut their pay and you must cut the civil servants' medical benefits, the civil servants are bearing their cost of the private sector in theirs because the private sector companies are not being forced to insure high risk and people's pre-existing conditions.

They come into a company [and] the first thing the CEOs do is, *How can we get a cheaper rate? Well, if I don't include the high risk people, if I don't include pre-existing conditions . . . how do I get rid of them? Well, all I have to do is turn them down.* And they go and get another company to turn them down and government has to take them.

So, they keep their health cost artificially low and then they are blaming the Civil Service who is carrying their expensive cost through CINICO (Cayman Islands National Insurance Company) because they are costing so much. But that can only be done through the Minister of Health changing the law. Why are we budgeting \$10 million for overseas tertiary care if we have compulsory health insurance in Cayman? Shouldn't need to do it; everybody should have insurance.

And, Madam Speaker, again, I know that we need to be prepared for hurricanes and all of that, but do we need to spend [\$]1.2 million every year? What are we preparing? You know every year we create another committee, we create another something else. Right? For hazard management we bring in some other expert. Right? And the truth of the matter is that we are very unlikely to get anything worse than Ivan, and we managed that pretty good. The country was fairly well prepared and our recovery was managed pretty good. So why are we spending [\$]1.2 mil-

lion, [\$]1.3 million every year to prepare? I see them driving around in pretty four-wheel trucks too.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** They bought some of them. The Director of Environmental Health just got a brand new one this week.

**The Premier, Hon. W. McKeever Bush:** Oh yeah?

**Mr. D. Ezzard Miller:** Yeah. You better check him out. Some of them are there.

Now, Madam Speaker, getting back to the projects that the Government is putting their faith in: The North Sound Channel. Everybody knows that I support a channel in the North Sound. I don't support a mega yacht channel, never did. But I've always supported and believed that it was advantageous to dig a channel from Barkers Key to Duck Pond; 100 feet from the shore, maybe 7,500 feet wide, 8 feet deep. You can bring in your 60-foot sports fisherman. But I am a little bit more concerned if we are going to 400 or 500 feet and 18 to 20 feet deep.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Okay.

And we shouldn't stop this channel now, Madam Speaker, down by the Ritz Carlton or Camana Bay, because we got the Scott brothers who have invested a substantial amount of money in the marina.

We have Adrian Briggs and the Old Harbour House Marina. We have people inside of Rackley's Canal that have boats that need to get out. And then the rules should be that if your boat draws more than three feet of water you can't go across the sound. You have to follow the canal, come through Duck Pond [and] come out by Booby Cay to Rum Point because you have deep water all the way. I support that.

But the curious thing, Madam Speaker, is that the only money into the Budget on the revenue side for royalties from dredging is \$179,000. Now, Madam Speaker, that channel there—right?—we should be charging these people. When SafeHaven was done they paid a royalty. And if I am correct, I think it was 25 cents a cubic yard then.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** I think it should be one dollar, one dollar and fifty [cents] or two dollars a cubic yard now.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** And, Madam Speaker . . .

Mr. Premier, I don't know if you are going to get that much, but you get as much as you can because we need it.



And on the East End dock, Madam Speaker, all of the maritime people in my constituency who I talk to tell me that if the dock is being built and the investor expects to get his money back from shipping related activities, it cannot work because there is no business to be gotten at this late stage to do any transshipment port.

**The Premier, Hon. W. McKeeva Bush:** That's no so.

**Mr. D. Ezzard Miller:** Okay.

This is the information I have, Madam Speaker. And there is only one Caymanian who I am aware of today who is actually sailing as Captain and mooring master out there and still has a career. He is up in the Far East right now unloading the biggest supertankers in the world. Right? And he has a pretty good knowledge of the shipping industry.

But, Madam Speaker, the Premier said that the proposal for the East End dock is coming to Cabinet very soon. Now, Madam Speaker, I don't need to see the plans, those pretty things you draw on paper. What I hope Cabinet is going to insist on seeing is the business plan. How they are going to make the money back. And, Madam Speaker, I trust that the money is not going to be made on the sale of fill because the size of that port—600 feet wide, 60 feet deep, quarter mile long, 300 hundred acres dredged out—you are looking at somewhere in the region of between 14 and 15 million cubic yards of fill, maybe more.

Now, Madam Speaker, if this is being done to get the fill to sell somewhere else (because Cayman can't use that much fill, not even if you fill up the existing quarries) I have serious objection to that being done.

The fact that we may want to move the fuel tanks from South Church Street is a novel idea, but they can be moved and put on the cliff with a proper manifold at sea without digging a 60 foot, quarter mile long channel 600 feet wide on 300 acres of land. Deep water is off there, not far off, not much further from shore than out there by southwest point.

Now, Madam Speaker, the people in my community are very concerned if you are going to open up something 60 feet deep, 600 feet wide to let hurricanes in to the middle of the Island of East End, which means it can only wind up one place—and that is in my constituency, North Side—with flooding on Frank Sound Road, because everything from that is down hill! Right straight down to Little Sound! Because when the National Trust came up there and wanted to take people's land that is what they told you; they needed it because it drains into the North Sound. Right?

So, Madam Speaker, I am very concerned if the port is being developed. Because, quite honestly, Madam Speaker, I have not come to George Town too many mornings and there's three, four cargo ships circling off George Town trying to get to the dock to deliver cargo.

And where fill is concerned, the former Minister of roads who built all of those roads used up so much fill . . . the peak of fill had to be when he was in Government, because he used up more fill than anybody else in the history of this country building roads. Right? And we didn't need to dig out that kind of thing to get fill. So, Madam Speaker, I'm very worried about this whole dock thing and I remain to be convinced that it is a good thing.

The next one is the Doctor Shetty Hospital: Madam Speaker, I've always been a proponent of medical tourism in this country. I've always believed. I started it in 1979. And, Madam Speaker, my concern about the MOU which was signed with him is that we are putting all our eggs in one basket. And, Madam Speaker, our regular tourism is reputation sensitive, but medical tourism is even more so. All we need is for one institution to come in here and say they are going to do all of this and get us in trouble and no one else can start medical tourism in the Cayman Islands.

We are going to be just like Mexico that started it a long time ago, and that is what ruined them—quacks and their reputations. So we have to be very careful.

As I said earlier, I see on the Legislative agenda an amendment to the Health Practitioners Law. I also know that in an MOU the Government has promised to amend the necessary laws to allow physicians qualified in India and other professionals to practise here with direct registration.

Madam Speaker, I would raise a flag to the Government. Be very careful in doing that. We have a serious problem here now with medical malpractice insurance. That is going to substantially inflate what is going on there now. Because there are not too many countries that accept that nation's medical qualifications and registration processes directly. And we don't accept them from Cuba—where we know have good medicine—but we are going to accept them from India, completely around the world with the reputation that they have?

Madam Speaker, the other concern I have is that these projects are unlikely to come on line in time to generate revenue for this Budget. And maybe they are more advanced than I know that they are, but if they are not, then some of the projections in here which rely on them stimulating the economy could be in trouble.

And, Madam Speaker, I would just like, in accordance with Standing Orders, to give notice that I will be moving several amendments to the Appropriation [Bill] to reduce certain subheads. And I thank you for my time, Madam Speaker.

**The Speaker:** Thank you, Member for North Side.

I think this is a good time to take the afternoon break. We will suspend for 15 minutes.

**Proceedings suspended at 3.31 pm**

### Proceedings resumed at 4.14 pm

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

Would anyone else like to speak? Would anyone else like to speak? Would any other Member wish to speak?

[Elected] Member for East End.

*[inaudible interjections]*

**The Speaker:** It's going to be a long night.

*[inaudible interjections]*

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

Madam Speaker, I rise to make some contribution on the Throne Speech and Budget Address, as delivered on Tuesday, the 15<sup>th</sup> of this month.

Madam Speaker, as I rise I take note that the Government Ministers and Backbench seem to have taken the position that there is no need for them to speak. And, certainly, that is their prerogative. Or maybe it is a directive. Or maybe it's the need to have the Third Elected Member for George Town or myself speak first so that they can have something to speak about.

Madam Speaker, I sat here on Tuesday and have since read both of those documents. Maybe it is easy to confuse me, but, certainly, I was somewhat confused because it was obviously painful that the Premier and his speech writers did not coordinate his speech with the Budget documents, or they don't have a clue of what is going on in this country. Nevertheless, it is fair to give credit where it is due.

*[inaudible interjection]*

**Mr. V. Arden McLean:** The first three pages of the Budget Address delivered by the Premier, and some in the last pages as well, were dedicated to uniting the country on the challenges that we are experiencing. So, it should be lauded, albeit late in coming. That approach, I believe, should have been done a year ago. However, it appears the Government took the position that they were better off by blaming and blaming the previous administration for all that had transpired in this country.

The Premier did say that this is a new dawn; I trust that it really is a new dawn. I trust that this new dawn brings more inclusiveness in the running of this country and the solving of the problems we have and the challenges that we are facing.

One thing that he did admit on more than one occasion not only in the Budget Address, but, certainly, in the three-year plan proposal to the UK, [was] that much of our difficulties are as a result of the global recession. So we have to applaud him at long last for understanding where much of our problems have come from. It is good to hear that the Govern-

ment is coming to grips with that and are now going to get on with doing the job that they were elected to do.

Madam Speaker, while I pause to congratulate them on that, there are a number of areas in this Budget Address that I believe need responding to, and I will do just that.

One of the main areas is that we are here today with a three-year plan to address the financial situation this country finds itself in, albeit we were painted the villains of this country during the campaign and after, that it was all our fault. The country was told by the UDP Government that they had the fix it all. And we will all remember that shortly after coming to this honourable House, particularly in October when the Budget was presented, the Government presented a budget—not only a balanced budget, but they presented the surplus budget. Some \$5 million in surplus!

Madam Speaker, the Premier said in his Budget Address that only one Member from this side supported it—and that is true, Madam Speaker. The independent Member supported the Budget. We abstained from the Budget because we said we believed that it was too ambitious. We believed that it was impossible to have a surplus budget proposal in the wake of the PPM Government having [inaudible] \$1 million deficit, and at the same time, expecting the world economy to continue to contract. We didn't support it then and here we are today vindicated in our position because this Government now is faced with a \$50 million deficit expected on 30 June.

Now, Madam Speaker, the Premier in his Budget Address compared the forecast in February to the forecast now to 30 June. And I quote: "The Government's total cash balances . . ." and this is only one part, let me read the full paragraph.

**"A forecast made in February this year estimated a deficit of CI\$57 million for the year ending the 30 June 2010. The most recent forecast indicates a revised deficit of CI\$45 million. Government's total cash balances at 30 June 2010 is expected to be CI\$77 million; which is a significant improvement from the CI\$53 million forecasted in February."**

Now, Madam Speaker, I don't know if that was a slip or a deliberate attempt to mislead the country into believing that the management of the finances of this country is in good hands. Because, Madam Speaker, what we need to compare is the same that they compared when the PPM was in power, which is one year against one year. You cannot say that in February you are going to have a deficit of this, and we have significantly improved that. It is what was proposed in October that needs to be looked at.

Madam Speaker, I said that to say [that] when we were the Government it is publicly known [that] the Financial Secretary, the then First Official Member, came to this Honourable House—

**An hon Member:** Third [Official Member].

**Mr. V. Arden McLean:** Third, third, third. Sorry.

—and said to this country in a statement that he had warned us in October of the previous year (that is 2008) that if we had continued on the road we were going on we were going to have a \$60-odd million deficit.

Madam Speaker, in March of 2009 we came to this honourable House after doing the same thing this Government has done, sitting with all the civil servants and looking at where we could save. And at the end of that exercise we had a \$29 million deficit too. We were projecting a \$29 million deficit for 30 June 2009. The elections were 20 May. Before the Members of this Parliament, the newly elected Members could be sworn in, the Leader of Government Business Elect announced to the country that we were going to have \$80-odd billion in deficit.

**An hon Member:** Million! Million!

**Mr. V. Arden McLean:** Million! Million in deficit for the year ending 30 June.

#### Hour of interruption—4.30 pm

**The Speaker:** Member for East End I need to interrupt you. We are coming up to the hour of 4.30. I need a motion [for the suspension Standing Orders for the business of the House to continue beyond the hour of 4.30].

#### Suspension of Standing Order 10(2)

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, on Tuesday I said to the House that we were preparing to work late nights, and I said when we began today that we would start that process. Therefore, Madam Speaker, I move the suspension of the relevant Standing Order (Standing Order 10(2)) in order that we can carry on business after 4.30 [pm].

**The Speaker:** The question is that Standing Order 10(2) be suspended to all the carrying on of business after the hour of 4.30 [pm]. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Speaker:** The Ayes have it. The business of the House will continue.

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

**The Speaker:** [Elected] Member for East End, please continue your debate.

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

Madam Speaker, I said all of that so that those whom we would call “the uninitiated” will understand that this is not an exercise . . . or what the Government is currently doing to try to keep us in the black is not something that we did not do.

Now, it is obvious that they had as much problems with proposals and projections as we had. We had the same thing. So what they are doing is nothing new. We had many sleepless nights, long hours, and long days trying to do the same thing.

Madam Speaker, I hope in the good Lord’s name that they do not wind up, come 30 June, like we did. That is my fervent hope, Madam Speaker, because if the Government came here in October after having four to five months armed with the knowledge that the recession was still on, the global economy was still contracting, that the local economy was still contracting, and they still came here with a surplus budget, it is only their fault, Madam Speaker. They cannot blame the PPM. They cannot blame anyone in this country.

I don’t know what kind of technical advice they were receiving, but, obviously, they made the huge mistake of doing this. They must take full responsibility for this. They cannot polish it up by saying, *In February it was this, but we worked on it and it is only going to be this*. Madam Speaker, from October they knew. I submit that they knew from October the situation.

In my time in this honourable House, Madam Speaker, it has been commonplace that when you bring new tax measures you bring an all-encompassing bill in order to get approval from the legislature so those taxes can come into place immediately. This Government waited until January. Now they are saying that they need the full 12 months to be able to realise the full \$126 million in revenue that those tax increases were going to bring.

Madam Speaker, I further submit that the reason the Government brought a budget like that was to deflect from the position the then Minister of the Overseas Territories was putting forward to the Government, which was to do a three-year plan and do deficit budgeting during that time, borrowing small amounts to keep the country running.

The Premier rejected (and that word is thrown around quite often now) our proposal to do that. And he said at the time that that is all we wanted to do; borrow and put the country further in debt.

**The Premier, Hon. W. McKeever Bush:** [Inaudible]

**Mr. V. Arden McLean:** Here is where we are today, Madam Speaker. And he had to go and do the same thing. I know he is not going to admit that we were the first to say that, Madam Speaker.

[inaudible interjection]

**Mr. V. Arden McLean:** I know the Premier will never admit that.

*[inaudible interjection]*

**Mr. V. Arden McLean:** Because he has said on more than one occasion . . .

No, Madam Speaker, I am going to deal with him. I can handle him. Oh yeah.

*[laughter]*

**The Speaker:** Just please turn off your microphone so that it does not—

**Mr. V. Arden McLean:** No, he can leave it on too!

**The Speaker:** No. Ah—

**Mr. V. Arden McLean:** Madam Speaker.

**The Speaker:** Member for East End, I've asked them to turn their microphones off. Thank you.

**Mr. V. Arden McLean:** Yeah, because if he thinks he is going to distract me . . . I am going to deal with him.

Madam Speaker, on more than one occasion, publicly the Premier has said that he was not listening to us. He was not going to sit down with us because we had nothing to offer, albeit we wrote to him about it. He also said publicly that he could not and did not support the then Government in England.

I believe because of that attitude is why the Premier came back here and went and tried to do it without the sage advice that we were giving him, and that from England.

*[laughter from Premier]*

**Mr. V. Arden McLean:** Madam Speaker, you see I sat here through the Premier's entire Budget Address and I did not disturb him. He continues to show his lack of respect even on the floor of this honourable House, for anyone. It matters not to him who it is. He feels he has a responsibility to show them disrespect.

Madam Speaker, I have said nothing disrespectful. I have continued, I have started my debate, and I have conducted myself properly. I never disturbed the Premier. I have afforded him all the respect that is required of that Office. He needs to keep his mouth shut. That is what he needs to do.

*[inaudible interjection]*

**Mr. V. Arden McLean:** Madam Speaker, the disrespect for the previous Labour Government in England is the reason we are where we are today. The lack of ability on the part of the Government to negotiate with them and discuss our financial situation is why we are showing a deficit.

Madam Speaker, I'm not saying that there was not going to be a deficit. I'm saying this Government came here with a surplus budget, and within five

months they had to come back (which is February) and say they were going to have a deficit. What kind of management or misrepresentations of the facts are those?

Madam Speaker, on 15 June [2010], the Premier laid a letter on the Table of this honourable House from the Minister for the Overseas Territories, which was written on 10 June [2010]. And even in here he says, "**You expressed confidence in your Government's ability to implement the measures set out in the three year plan, which are, rightly, ambitious . . .**" He also went on to say, "**I should be grateful if you would keep me updated on progress as you implement the measures we agreed. I look forward to seeing you again soon.**"

Now, Madam Speaker, this is going to take a lot of discipline on the part of the Government and all the civil servants to ensure that we do not have a greater deficit than the \$30 million we are proposing in this budget. It is going to take a lot of discipline to ensure that we implement and realise the entire three-year budget plan that was put forward.

Madam Speaker, the Government is projecting a \$60 million surplus in the financial year 2013. Madam Speaker, I'm hoping that is what will happen. I really hope that is what will happen. But that too is very ambitious. Because even the Premier has admitted that once the global recession is over in the rest of the world it then slowly reaches us. And it is not over, over there yet. It is not over in Europe; it's not over in the great America; it is not over. We are seeing signs of recovery, but it is not over. By no stretch of the imagination is it over. That is very ambitious to project a \$60 million surplus in two- to three-years' time.

Madam Speaker, when the Premier said, and I quote on page 12: "**In fact in 2009, total spending by central government in the Cayman Islands was cut by 5.1 percent in nominal terms.**" That, someone needs to explain to me.

Madam Speaker, the Premier in his Budget Address has said that . . . and has proven how dependent this country is on expat labour, and the effects it has on inflation. And I certainly support any initiative that will assist in getting these people back. However, that should not be an excuse for not treating Caymanians properly. And I want to make that very clear.

Madam Speaker, I've said in this honourable House before that many will say that Caymanians are lazy and that being a Caymanian does not give us an entitlement. Well, Madam Speaker, I don't know what people mean when they say it is not an entitlement, does not give us the right to entitlement. In my view it is. We are entitled if you are in your country. We should have the first choice. That is an entitlement. We should be first choice. So no one should tell me that there should be anyone coming here going in front of us—at least not the people from East End, in particular, and the rest of the country in general. Madam Speaker, we are entitled to that.

There was a time when I had a discussion with a gentleman who was from England and it was quite a heated exchange, and the gentleman looked at me and said, *You know, your problem is that you have a chip on your shoulder.* I replied to him and said, *Yes, I do. But I take offence to you saying I have a chip on my shoulder. I have a Georgia Pine on my shoulder, particularly, where I'm standing.* Standing in the Cayman Islands.

I lived in New York for many years. Chip? I couldn't even have a sawdust sparkle on my shoulder when I was in New York. I stayed undercover. So the Americans have their entitlement in their country. Caymanians have theirs here. I'm not encouraging any Caymanian to say because you are Caymanian you have to have the job. I am encouraging Caymanians that they must be first. They must be first. They must put themselves up first. And if they are qualified they must have that job. There should be nothing used against them. Because of bad experiences with one that is not a right to not give that Caymanian his entitlement.

Madam Speaker, I would like to go on to another area now.

Madam Speaker, this Government has now said, that under the 2010-11 Forecast Financial Performance, they are going to achieve their objectives. They are now going to add on 25 cents on diesel and gasoline. The Government did not distinguish whether it was just on motor vehicle consumption or if it was also on CUC (Caribbean Utilities Company). So we can assume—I will assume that it is going to go on CUC also.

Now, Madam Speaker, let's talk about that for a minute. When I was the minister responsible for CUC, the then Opposition (the now Government) went to the press—in particular, the Members for West Bay—and implored me, demanded, that I take the 50 cents off because people were hurting; the entire 50 cents. My response to that was that we would have to put it on elsewhere. When all was said and done the PPM Government decided to partially follow the Opposition's advice and we took 20 cents off, leaving the fuel to CUC at 30 cents per gallon duty.

When the Government brought their budget in October they put it back on. Madam Speaker, that 20 cents was equated into dollars of some \$6 million per year. So the Government put it back up to 50 cents and then now they are proposing to increase it by 25 cents more.

Now, Madam Speaker, 75 cents . . . but first of all, Madam Speaker, no one . . . it was very little discussion in October about the amount of money, the 20 cents which was going back on to the bill on the cost of electricity. Now we see the Government proposing to put another 25 cents on. So, in effect, CUC . . . The people of this country, the little people that this Government holds out as their own since October last year will be seeing a 45 cent per gallon increase on their electricity bill in their fuel factor. Madam Speaker,

as far as I can calculate that equates to some 16 plus per cent of your bill [that] will now be made up from the fuel factor. That is the total cost of your bill on an average customer.

Now, Madam Speaker, this Government has agreed that the people are hurting. We have all agreed that.

Madam Speaker, the increase on fuel for CUC is inflationary which will eventually lead to CUC calculations which are based on the CPI (Consumer Price Index). And we are going to talk about the CPI too.

Now, Madam Speaker, this new increase of 25 cents is about 5.5 per cent of an average bill increase in cost. So here we are. A supermarket . . . One of those big supermarkets I would hazard to guess that their electricity bill is anywhere around \$100,000 a month. That is a \$5,000 a month increase. In a recession it is highly unlikely that a businessman in a supermarket is going to eat that up in his bottom line. Therefore, he will have to increase the cost of his goods. Immediately, when the Statistics Office tries to find out the cost of goods for the CPI there is inflation; it increases.

Now when we negotiated with CUC their request for increase in rates was based on the inflation. Prior to that, whenever CUC did not make their 15 per cent profit, they would come to Government and say that they did . . . Whether we were in a recession or not [but] more so in a recession, you would find that because people are not consuming as much electricity and they are trying to conserve, CUC would come to government and say *We did not meet our 15 per cent.*

Now, in our negotiations—and I'm sure the Third Elected Member for West Bay is going to agree with me on this—it was tied to the CPI and their X factors involved there (I won't go into all of those now). But, Madam Speaker, because the CPI now, the inflation is minus at this time, CUC cannot claim a rate increase. Under normal circumstances they would have. And their utilities all over the world right now request from the regulatory bodies an increase because they cannot keep up with the recession; the cost of doing business is still the same or a bit higher and the consumption demand is down. So, obviously, it would equate into rate increases.

Now, because of the negotiations done by the then PPM Government, CUC can't claim an increase right now because inflation is minus. CPI is minus or way down. That is the same negotiations, Madam Speaker, that we were told were not in the interest of the people of this country. So let's add it up.

We cut 20 cents off fuel; this Government puts 45 cents on. That is the better way forward, Madam Speaker?

The country needs to be the judge of that. The country needs to be the judge of that. Come summer when those electricity bills come in we will all share in that cost. This is the Government that said they are the best thing for this country.

Madam Speaker, I submit that this duty increase is going to affect the small man disproportionately. Summers when we get our large bills we have to be very careful the kind of pressures we put on the same small man who we all agree cannot afford it. And, Madam Speaker, I will—

*[inaudible interjection]*

**Mr. V. Arden McLean:** —I will come to proposals on how we cover all of that.

Madam Speaker, the Government needs to be a little more sensitive when they are applying these taxes. They need to look more carefully at it; they need to ensure that at the very least they carve out concessions or exemptions for those who are below a certain level in this country. Because last year we put so many taxes on the financial sector, we could not afford to do it this time.

The Leader of the Opposition has called for the Government to retract some of those taxes. I hope that we will review that kindly and hopefully that will bring some of our businesses back to the shores.

Madam Speaker, I still contend that much of what the PPM did . . . whatever we did as the Government, we always considered the small man. Now I don't know which small man this Government is talking about. They must be the dwarfs or something, but they are certainly not the small man that I know from a socio economic perspective. Maybe, Madam Speaker, if I had seen the UDP Government say "a common vision for the common people" I would have had a little more faith in their theme.

Madam Speaker, I believe that the Government needs to look seriously at this 25 cent increase on the diesel, particularly, that which affects the electricity costs in this country.

Madam Speaker, I'm going to jump ahead a little bit and go at the divestment aspect of the Premier's delivery.

Madam Speaker, there has been [what] the Premier talked about, the Miller/Shaw Report, and taking on some of the recommendations therein. And while some of those recommendations are worthwhile, we have to be extremely careful how we deal with that with some of them also.

Madam Speaker, I for one do not support the wholesale divestment of government assets. There are many worthwhile assets that this country depends upon. It provides employment for many of our people. It provides a service that is an integral part of running this country; things like water. The problem with divesting a government entity is that you are selling a monopoly. That's the problem. And then in most instances garbage is a monopoly. Water is a monopoly. And . . .

*[inaudible interjection]*

**Mr. V. Arden McLean:** It's a monopoly. The building of public roads is a monopoly.

Madam Speaker, the problem you have with it is, as much as some of them do not make money, you put it in private sector hands and then you have to try and regulate it. That's not to say that maybe it cannot be done, but it must be looked at extremely carefully. Madam Speaker, I do concede that there are a few that we can get rid of.

*[inaudible interjection]*

**Mr. V. Arden McLean:** Madam Speaker, my good friend, the Third Elected Member for George Town said, if we can find anyone to buy them. Therein lies the key to this, Madam Speaker. Therein lies the key. Let me explain. And this will cover a lot of what we need in this country.

Madam Speaker, for a second let's look at the proposals for Equity Investments under the appropriations to the Premier. EI-49—the Turtle Farm, \$10 million. Each year we have had to subsidise this place \$10 million, \$12 million, \$15 million dollars. Now, Madam Speaker, I know it is a sensitive issue, but the Premier keeps saying that his Government is prepared to make the tough decision. Here is the time to make the tough decisions; give it to someone to run. They must take on . . . I think the liabilities are some \$47 million. Give it out on a 99-year peppercorn lease.

Madam Speaker, immediately, we save \$10 million to \$15 million dollars in our budget. No subsidy. Done! I know it is a sensitive area because 1) it is in the Premier's constituency. Many of his constituents work there, but the Premier can negotiate that. Why are we dumping \$10 million to \$15 million into it each year when we are experiencing a deficit? That is \$10 million saved, Madam Speaker, in *this ya* budget.

Madam Speaker, I go further. There are many people, the cruise liners or whatever the case may be, passenger liners or whatever they are termed. All [of] these people will jump at that opportunity. If we consider even, let's say 10 years it is going to take to make it break even. Madam Speaker, that is \$100 million in 10 years from now we would have sunk in this place. Not counting the 60 it took us to build it.

We like to say that the private sector can run things better than the Government. Give them the Turtle Farm. Not the Turtle Farm, the other one, Boatswain Beach. The Turtle Farm is a little different off that. We have always kept that sacred to us. Give it to them for a peppercorn lease. It will ease the burden by \$10 million a year.

Let's talk about Pedro St. James. The Premier has \$1 million in here for its management. I know it used to be more than this. I was a little surprised to see it down to \$1 million. Two, three million each year! Give it to someone with the provision that the . . . What is the name? [talking to some other Member]

*[inaudible interjection]*

**Mr. V. Arden McLean:** The Castle remains a historic site. All the land west of it let them build a hotel or something of that nature. That's \$1 million we won't have to be spending on it each year. Two million, three million we won't have to be spending on it. I've already got it up to [\$]11 million saved. We don't need those types of things to be in Government's hands for them to remain here as attractions. We don't!

Let's talk about another one. The Cayman Islands Stock Exchange has been around for some 10 years. [It is] only now that you don't see a subsidy in there. I think it broke even a few years ago and we do not have to subsidise it.

Madam Speaker, I would venture to say [that] in those 10 years we have subsidised that to the tune of \$20 million, \$30 million. Now, Madam Speaker, it was commendable for us to start the Cayman Islands Stock Exchange. I will give credit where it is due.

In Jamaica it was started by the Government. There are many other countries [where] it was started by the Government. In America the New York Stock Exchange, the Buttonwood Agreement, I think it was, was 1781 or 92 or something.

So, Madam Speaker, here we are, this country started the Cayman Islands Stock Exchange; good idea. But everybody has made their billions out of it at the people's expense. It is time to sell it to those people and we become regulators. The same people who put their entities on it and billions of dollars recorded on it, and the proceeds go to all those people. And those who manage those entities make money from it too. And I am not saying this to disrespect them or to say I envy them; that's fine! There was some trickle-down effect for us here in the country too, but, Madam Speaker, I believe with an IPO (Initial Public Offering) we can sell the Stock Exchange and make \$20 million to \$30 million with the proviso that it becomes a publicly traded platform.

Madam Speaker, I have talked to some people who use the Stock Exchange, some the Premier knows, that the Government knows, who they used for advisors and so on. No disrespect to that. And they have agreed with me that it is time. These people will buy the Cayman Islands Stock Exchange, turn it into their own entity and do their own trading. We don't know what it will become.

Madam Speaker, we are considered the fifth largest financial centre in the world. Why can't we have a privately owned Stock Exchange? Because stock exchange is really not a representative of what ours is as there are no publicly traded entities in it but we need to reach that point. Government wants to sell their assets in the future. They publicly trade them so that Caymanians who have a little \$5,000 or whatever the [position] may be can buy shares in it. That's a government stock. And trust me, Madam Speaker, a country goes on in perpetuity. If you think that one is going to fail and government is not going to pay the

money, government is going to tax the people to pay to be able to pay the dividends. That's how it works.

But that is what we need in this country. We don't know what it will become. Who knows? It may become as big as the Canadian Stock Exchange. I believe it is TSX (Toronto Stock Exchange) now. They changed the name. Toronto Stock Exchange I think it is now.

And, Madam Speaker, understand, I'm no trader. I'm not auditor or an accountant or that kind of stuff. I'm no economist. But, Madam Speaker, this is good commonsense approach. Those three alone, I would hazard a guess would bring us close to \$40 million. Our deficit is wiped out.

The sewerage system, I have my own concerns about that. I'm afraid, Madam Speaker, that the cost of hook-up and making it mandatory, particularly in the George Town area where the first capital expenditure would have to be borne to . . . obviously, you have to spread it out in George Town first because that's where it is at. I'm afraid again [that] the little man is going to be squeezed. That is the fear I have.

Currently, there are some residential areas, like along there by Dixie, that are hooked up to the sewerage system. But if we put it in private hands, because it is subsidised by government the cost of hookup is not that extravagant. But if we put it in private hands, for them to get their returns . . . Even if government was getting returns on it, Madam Speaker, at this stage the proper returns. That is why we are not getting returns on it because it is too costly. It would be too costly to the little man. That is why we are not breaking even. Putting it in private hands, those are the ones that I have my grave concerns about.

Garbage: The Third Elected Member for West Bay and the Minister for Education know that I will not support the relocation of the garbage dump. Neither will I support the privatisation of garbage pickup. The Government increased duties by 2 per cent to cover garbage disposal. I see where the collections here have been reduced from what it used to be. It used to be four or five million dollars and now it is down to a couple of hundred thousand or something. So, I suspect that they will no longer be trying to collect that.

Madam Speaker, if there were not alternative methods available to us of processing municipal waste, then I would have to reconsider my position.

Madam Speaker, the Third Elected Member for West Bay, the Minister for Education and I travelled quite extensively during my time as a minister, because we had a policy of inclusion, but also because the Third Elected Member for West Bay had a particular interest in it from his technical thing and then the Minister was an accountant so I needed somebody to tell me what numbers had to be juggled around the place. But he also had an interest because he was a Member of this Parliament. So they were both on the committee.

Madam Speaker, we witnessed garbage municipal waste disposal systems that are located on one side of the road, and a mall is right on the other side. And they dispose some 500, 1,000 tons per day right there, and you don't even know that is what it is unless, of course, you see the collection trucks driving in and going around the back of that. Madam Speaker, that was my dream—mine and the Third Elected Member for West Bay, and the Minister for Education. That was our dream. That was our focus. Madam Speaker, I believe we focused so much on making provisions in this country.

Cayman Brac and Little Cayman too, we made extensive amounts of trips up there. We redesigned the disposal system in Little Cayman. We did work in Cayman Brac. We were trying to get the study done on the Cayman Brac one. At the same time, we engaged consultants to give us direction on our unique problem here. And it was there [that] we had a downturn in the revenues and global recession [that] stopped us from doing it. Madam Speaker, we were ready to start the bidding process just in 2008, the end of 2008, with the expressed intention of having this completed by mid 2009, or the end of 2008. Madam Speaker, those two Members can tell this country that there are alternative methods of doing it. And the generation of electricity there from is one of the other things I did.

I ensured in CUC's licence the provision was there that they have to buy the electricity which is generated on it, which would reduce our cost. Of course, Madam Speaker, we did not want the Government to do the plant. We thought it would be better for the Government to pay for tipping fees and then we would collect all the municipal waste and deliver it to this private entity, whoever got the job and the plant, and we would deliver it to them.

Madam Speaker, we have thousands and thousands of plants. People are no longer going to dumps or engineered landfills. If we had a large amount of land in this country like the great America, maybe we could, properly engineered landfills. There is nothing wrong with them. However, they are only for a time then you have to cover them up. You have to protect them, you have a legacy that is in perpetuity that the country has to deal with and then you have to move to another spot.

Pretty soon, in the next 100 years, we will have engineered landfills all over the country. I am not going to support it! There are methods that we can use that will cost the country maybe the same that we are doing now, but it is more beneficial to the environment. So we win no matter what, and at the same time we mind the legacy that we have. And we are going to have to approach that gingerly because anything can happen, and I don't want to frighten the public on that. Anything can happen but there are tools to be able to do that with, Madam Speaker.

So, I am not supporting the removal of the Dump, particularly on the eastern end of the Island.

And more so in the district called East End. No! Don't bring it there. But, Madam Speaker, I'm not saying that that is what the Government is proposing. I know I have at least two allies over there that will support my position of using alternative methods.

Now I hope, anyhow that they haven't changed their minds. They haven't changed . . . Three I believe because we have one engineer (let me put it that way, Madam Speaker) who understands the concept too. One of those little short guys who understands the concept, Madam Speaker. And I'm sure the others understand it but they have not been intimately involved as the three of us, the Third Elected Member for West Bay and the Minister for Education, and myself. So I am not going to support that kind of thing. There is no need to sell that.

On the Glasshouse, Madam Speaker, one of the concerns I have with this divestment proposal by the Overseas Territories Minister, is where he says, **“The proceeds of divestment activity would be used to establish a dedicated “sinking fund” within the next year to rebuild reserves and offset debt attached to the recent bond issue.”**

Madam Speaker, let me simplify it: If one in their personal life has their assets and sells them off to build up their bank account with cash and then something happens, catastrophic or otherwise, in that person's life . . . say a child, God forbid, gets sick or something like that. So we sell our house for \$1 million. We don't have anywhere to live now, we're renting. We put the \$1 million into the bank account and something happens to one of our family [members]; a catastrophic illness. Five hundred thousand dollars dead! Six months later something else happens, another \$500[000], dead. Spent! We don't have any house and no cash. What a mess we are going to be in.

Madam Speaker, I understand, if for some reason I have sufficient assets and my debt has spiraled out of control and I need to sell some of those to try and alleviate some of that problem; yes that is fine. I appreciate that, but not to build up my reserves. A moveable asset is of more value to this country than your reserves because you can go and borrow on that and you will still have it and in time you will pay it off.

Go and spend the money let's see how far we are going to get with it! Use it to pay off something and you are going to be out of asset too. Madam Speaker, I guess what I am saying is [that] the divestment of assets properly structured is something that we should all look at, but not to sell assets just for the sake of selling them.

I believe, Madam Speaker, that my proposal to get rid of the Stock Exchange, make 20 to 30 million dollars off of it . . . And I know the Minister for Education views this as a good proposal, but he may say that there is reason why we can't get 20 million [dollars] off of it. Maybe there is. Let's see if we do an IPO what will come back.



The Turtle Farm I know we will get [\$]10 million off of that. Just giving it away we have \$10 million. Just giving it away we [would] have \$10 million a year.

*[inaudible interjection]*

**Mr. V. Arden McLean:** Well give it away, Madam Speaker, in the sense of a peppercorn lease for someone to run it on their own and be responsible for the debt it owes. The \$47 million I believe I saw in here where there is a liability in the Budget.

And Pedro Castle: I don't think there is so much liability on that. And that is another one, two, three million a year! That ain't a one-off \$10 million, \$12 million amount of money. That is each year we have to put that in there. So, even though the new . . . What Timmy is? The CEO? [asking a question to the other Members.]

The CEO is saying that, *You know we're . . .* And I believe that the Premier said that here too. But we are still subsidising it to the tune of \$10 million a year. Get rid of it! And let them hire Timmy to run it.

Madam Speaker, let me go briefly on the projects that the Premier sent and told the UK that they were going to go through with. And I would like to speak on them, and, certainly, I want to speak in particular about the one in East End.

Madam Speaker, the Government in their three-year plan to the UK for the FCO (Foreign and Commonwealth Office), [speaks of] at [paragraph] 5.6, facilitation of major projects which have significant economic impact. And they did mention the new sewerage system. However, they are sending it out EOI (Expression of Interest).

Let me start with the Cargo facility and the channel into the North Sound. Madam Speaker, I believe on both instances I am qualified to speak thereon. I spent many years as a young man as a marine engineer. I have seen it all. I have been to more places. It is easier for me to tell you the places I have never been to in this world. And [it was] all because I was paid to do so.

Madam Speaker, I became a marine engineer at the tender age of less than 21 [years]. And I sailed one ship as a third engineer and the others were as second and first engineer. I did not have the licence but they will endorse your licence so that you can sail into the higher level. I was very fortunate to sit my exams only one time. Many people failed them many times. I don't know if it was fortune on me or I was so determined to get it that they had no choice but to give it to me. Nevertheless, I sailed and I understand the engineering principles of ships. So, my discussion will not surround the business aspect of the cargo port in East End. I'm going at it from a technical perspective.

Madam Speaker, in 2003 the then Government (which is now the same Government) proposed the same thing with Mr. Ugland who is a big shipping magnet. Same spot. At the time I went to East End and I had the architect with me. He was for it, of

course. He had designed it. And, of course, I was against it. So I had a big public meeting and then I canvassed the people, but not in the real sense of canvassing them in polling them; I went house to house as much as I could. But I got the distinct impression that the people did not want the dock. You can feel these things, Madam Speaker. Therefore I opposed it then from a political perspective.

Madam Speaker, as soon as this Government took office they announced again that they were going to put this dock in East End. I wondered where this dock was going because there were no details on it. Up until now there are no details. Anyway, I kept hearing rumours about where it was going to go; it would be the same place. And I know the same place (the one in 2003) was proposed [that] I had discussed with the owner of that property, Mr. Imparato, the development of a golf course and residential areas. But it had dawned on me that it had been like a year before leaving office that I had not heard anything and prior to that there was some anxiety about getting it done. So I said [that] I would wait.

Recently, two months ago maybe, Mr. Imparato wrote me an email explaining that he understood my position on this, my personal position. However, out of respect, me being the representative for East End, he wanted to update me on it. And I replied and told him that he was correct in his assessment of my personal position, but my political position would be dictated by the wishes of the people of East End. I'd also gone publicly and said: *If the people of East End approve it there will be no political spouting out of my mouth. If they oppose it I am going to lead them and lay down in front of the first bulldozer!* Now, can I make that any clearer? I don't think so.

*[inaudible interjection]*

**Mr. V. Arden McLean:** Now—

*[inaudible interjection]*

**Mr. V. Arden McLean:** I am going to be in the front. A good general always rides up front.

Madam Speaker, for me to do that I need a proposal so that I can go to the people. I don't want to go to the people and poll them because I am going to do a petition against the dock, and I am going to go house to house with the help of some people in East End to see who is going to sign it. If the majority of the people don't sign it, Madam Speaker, it is no skin off of my back. I won't get run over by a bulldozer. That is the only skin that I won't lose.

But, Madam Speaker, I cannot go there telling them that I believe this is what it is going to be. There needs to be some drawings, some artist impression or whatever. And I will not do that to the people and expect them to believe me. I want to show them what it is in their neighbourhood. And as soon as

I get that I will do that and will have meetings with the people.

Madam Speaker, suffice it to say I went to see Mr. Imparato and he showed me the artist impression and the basic plans of what he wants to do, and I thanked him for at least showing me the courtesy and the respect for the position I hold.

The Premier is yet to call me about it. He says a lot on the radio and in the news. But I am the representative for East End, and he has yet to call me to sit and discuss it. That is not to say he is going to get any different answer than what I gave Mr. Imparato now, you know. But out of respect . . . So I went and sat with Mr. Imparato and I told him straight up looking straight into his eyes, and I said, *Sir, no matter what you tell me here today, you are not going to change my mind.* You can show me what it is . . . and I explained the same thing. If the people agree with it he won't have any trouble with me.

Madam Speaker, what he showed me was that they were going to build a 600 foot channel, go out 1,500 feet where you get about 60 feet and then it would go in . . . and it's probably . . . the channel would go in probably about 2,000 feet past the main shoreline, and then inside there is a 100 acre lake to be built, contiguous to government property. Government has a couple of hundred acres there. So, that will go straight up to government property and the government could fill in that property and put all their facilities there. That is what the man said to me. And it showed passenger liners and hotels and the fuel tanks to move them from South Sound and those types of things.

Now, Madam Speaker, he also indicated to me that it would be somewhere around 14 million to 15 million yards of material that would be dug out when they calculated it, which I did not expect any less.

So, when I asked about the road to facilitate this big development he did say to me that government would be dealing with that. Now I want to know where government is going to get \$150 million to build that road up through there. I wonder if this is a pipe dream! I wonder, Madam Speaker, if this is but an opportunity to build a quarry.

Madam Speaker, the Member for North Side said that when I was the Minister for roads, [it] was the highest per year usage on aggregating this country. Ever! A million yards. Why? Because we were doing all of that; building all of those roads and we bumped it up. Has never been a million yards before that and I don't think it will be for a long while that we reach a million yards of material in this country. What are we going to do with 15 million yards? That means every small operator is done! Dead! Finished! We have five-, six- medium-size quarries. They are all done! Who is going to build the roads?

Madam Speaker, it is proven statistically [that] we import somewhere around 80,000 containers per year. Containers. Let's not talk about the general

cargo for a minute. Containers. That says to me, Madam Speaker, 99.9 per cent of those 80,000 are utilised in George Town. I'm sure everybody will agree with that. George Town, West Bay Beach, West Bay; demographically that is where the population is. So naturally from Bodden Town down is where that cargo is being used. Consumed we want to say. That means we are going to have to build . . . 80,000 have to come to town. Let's call it 75,000. Got to come to town and the containers have to return to East End. One hundred and fifty thousand trips a year!

The price on diesel has now gone up from duties. The distance is much more than delivering into town. Here goes inflation again. We are going to have to pay them. Not only that, Madam Speaker, these trucks are extremely large. You need to fix the road in such a manner that it does not destroy it.

Now the little road that we built, albeit we should have upped it, but it would have cost us another 20 per cent to 30 per cent. That is what that road is going to have to be upgraded to and built to, to accommodate axles with 10,000 and 20,000 pounds of weight on it when our little roads here . . . Madam Speaker, your little car is less than a thousand pounds per axle. And these people have one, two, three, four, five, six axles. So you have 60,000, 80,000 pounds gross weight on the road as opposed to your little car that is less than 2,000 pounds.

So you understand, Madam Speaker, what kind of base we have to put there to get that up. And we have 15 miles to go to build it. More importantly, Madam Speaker, the trucks are so large you cannot build these roads one next to each other because no one should be able to tell the truckers that you have to wait until all of them get down and then you come back with the rest. They are going to and fro. Therefore, Madam Speaker, we are going to have to build four lane highways to accommodate that dock. Okay.

If the Government is going to find the \$150 million to \$200 million to do it, that's fine. But we are scrambling now, Madam Speaker. You said this morning we went hat-in-hand to England. And they didn't pick up \$200 million to build a road. Your hat cannot be that big Madam Speaker! But, importantly, we are talking about a 7- to 10-year project. It is impossible to get that done: Cargo facility value in CI expenditure over the next five years at \$150 million.

Now, Madam Speaker, let's look at this. I want this country to listen to me. Fifteen million yards of material, Madam Speaker. It is going to cost somewhere between \$7 and \$9 per yard to take it out of the ground and nobody can tell me any different; I was in the business. When I was there it was five, six. I'm giving them the benefit of the doubt; seven to nine to take it out. It's cheaper but I am giving the benefit of the doubt. Raw material out of the ground sells in this country for \$19 per yard or ton, whichever. They are all around the same size. Madam Speaker, now it does not take an Einstein to figure out how much money you are looking at in profits. Ten dollars. Give

it \$10. One hundred and fifty million dollars in profits. Hello!

Madam Speaker, you think that anybody is looking to build a dock? No. You think we have any philanthropists in this country as generous as that? No, Madam Speaker.

*[Whispering]* Madam Speaker, it's a quarry and it is about money and it is about profit. That's what business is about. But it will not be done at the expense of the people of East End! Understand that, Madam Speaker!

I don't have to be the representative for East End but as long as I am here I am going to represent them to the best of my ability. And I am going to tell them . . .

Madam Speaker, you really think they are going to take out the plug? Nobody is going to take out the plug (i.e., the plug out to the water). But more importantly, it is my understanding that the Government is taking this to the Cabinet. Madam Speaker, the Premier said he is taking it there. He told the FCO he is taking it to Cabinet for approval.

Nevertheless, he says in his Budget Address that the channel in North Sound is going to have widespread consultation, and he is going to have to embrace the environmentalists! But East End *nah so*. Oh yeah, he missed the boat. So there is no respect for the people of East End. As long as I stand here in this little piece of real estate they are going to be respected by whether it is him over there or any other person over there. You have to have some respect man!

No! Because the channel affects his people in West Bay he has to take it to DoE (Department of Environmental) and the environmentalists and what have you, but not for East End.

And then the Minister for Environment is saying he is bringing the Environmental Law, the National Conservation Law. Does the right hand know what the left hand is doing out there? I know what. We will meet all two of them up Clarinda Beach.

Madam Speaker, this is the greatest attempt I have ever seen to mislead the people of this country (and I am not saying it is them) and the people of East End about a dock. They are building a quarry and I am not going to allow them to do it in East End! They are too nasty! And everybody just rolls over! I am not prepared to roll over in this *ya* Cayman Islands. As long as there is breath in my body I am going to own one square yard in this country.

No, Madam Speaker, they must stop it. And we must stop being so gullible. We, our people, must stop being so gullible. But this time . . .

*[inaudible interjection]*

**Mr. V. Arden McLean:** It's the same people involved who left the last hole up there. And the same people that dug out the government land and did not pay government any royalties on it! Same people involved

in this! But understand, Madam Speaker, they are not going to do it in East End.

There is no respect for the people of East End. None! And Arden must just roll over and play dead?

I got three years to go to the elections and if the people don't want me, that is fine; but I know what—in the meantime this little piece of real estate I occupy. They may change me and put someone else in this piece of real estate, but as long as this country exists, this real estate will be here. And as long as I occupy it the Premier or no Joe Imperato is going to walk all over me! I'm not telling you I am not going home with footprints on my shirt, but footprints are going to have to go on somebody else's shirt too. That's why I wear white ones so my wife can see exactly where the footprint is, so that she can use the little squirt thing to take the stain out!

No, Madam Speaker, this has to stop in this country. Everybody wants it their way at the expense of the people of this country. It ain't going to happen this time though you know. Okay?

*[inaudible interjection]*

**Mr. V. Arden McLean:** Everybody!

Now, the North Sound Channel, 300 feet wide, 20 feet deep or something . . .

**An hon Member:** That ain't going to happen either, I tell ya that.

**Mr. V. Arden McLean:** Madam Speaker, for what?

The Premier says it is to attract mega yachts. Madam Speaker, mega yachts at a minimum are 100 to 200 feet long. What are we going to do? The laws in this country say that we can't build a canal wider than 100 [feet].

What are we going to do? How are we going to turn them around in there? Slip a couple of houses so that we can turn them around? *We nah* going to get any mega yachts in there.

My proposal to the Government is to use right out there by Eden Rock. People who buy mega yachts, Madam Speaker, love to show them off and they want to be right in the middle of town. Monaco, name it—all of those European countries. And they want to be parked up right next to their friends so that they can show off and party on to the next boat. Right there at Eden Rock. Build that out there; build a pier out there and have the proper security and the facilities for the people, and they come and dock up right in there.

We are building the passenger liner dock. Put it right there behind the restaurant [asking another Member the name of the restaurant].

**An hon Member:** [inaudible] Paradise.

**Mr. V. Arden McLean:** Paradise. Paradise restaurant.

[inaudible interjection]

**Mr. V. Arden McLean:** Well no place is going to be protected, Madam Speaker. They can't get here unless they go over the sea you know. You can't lift it up. They have to travel by sea.

[inaudible interjection]

**Mr. V. Arden McLean:** There is no time, Madam Speaker, in this country that all around the Island is bad. If we have a northwester they can move and go up Spotts.

[inaudible interjection]

**Mr. V. Arden McLean:** That's easy. People will do that. They do it all the time.

When that big guy from Microsoft was here, [when] his yacht comes out there they move it around to the south side when northwesterners come. Build it out there. That's what people like, being right in the centre; being the centre of attention. Don't need to try to squeeze them up into the North Sound—destroying the North Sound—to do it.

Madam Speaker, I warn the Government about this sewerage system. I believe it is necessary to ensure that we are fully aware of what we are going into.

Madam Speaker, let me now turn to the crime that is going on in this country. Neither the Governor nor the Premier spent a lot of time on the crime that is currently going on in this country. It is important that we support the police. I've always advocated for and on behalf of the police force. It is our only means of protection and our only means of prevention. We don't have an army, Madam Speaker. The police force has gone through some terrible times in the last three to four years, albeit under the auspices and the direction of the Governor.

Madam Speaker, they are our people. We rely on them. The inherent cost of running this country we cannot, and we should not circumvent or truncate, and one of them is the police force.

Madam Speaker, I know much may be needed in the police force, and it seems a task to find that kind of money. But I implore the Government to ensure that the police force is given whatever is necessary to fight crime. I will support it. They can depend upon me. I hope that all of the vacancies will be filled in the not-too-distant future and the Government is supporting that. That's my hope.

The police force is of the utmost importance to this country. And, Madam Speaker, before I stop speaking about crime and the police force in particular, just let me say that there has been a lot of talk in this country in recent times about one individual going back into the police force by the name of Mr. Haines! And *oooh* he is the panacea!

[inaudible interjections]

**Mr. V. Arden McLean:** Well, Madam Speaker, I have to report to you Ma'am and to this country that I have 36 pages of *Hansard* on him. And, Madam Speaker, not in this country.

Madam Speaker, at the time, the Minister for Education, the Third Elected Member for West Bay, the Minister for Works as well, the Deputy Premier, and the Third Elected Member for George Town, we took him to task in Finance committee, on the floor of the Legislative Assembly. Monies were missing [and] to this date we have not gotten an audited report on that account. Madam Speaker, the Third Elected Member for George Town (I will never forget it) stood on this floor and said—when all of us were questioning the proceeds from the boats and the confiscated boats and engines and what have you—that he was operating a slush fund out of his back pocket; funds that were supposed to go into an account in this country. Not in my police force again. Keep him out of there.

[inaudible interjection]

**Mr. V. Arden McLean:** He gone? Let sleeping dogs lie. And I say no more on it, Madam Speaker.

Madam Speaker, I don't want to . . . I think I have made some proposals to the Government. There's much more I could say, but it is getting late. I believe the Premier said we are working until 12 o'clock—again—tonight?

But, Madam Speaker, I want to turn briefly to another issue that relates to my constituency; that of the Medical Tourism. I support the concept of medical tourism. I do because I believe if it is done properly it can be of extreme benefit to the people of this country. Therefore I think the "Shetty" thing may be a good thing for this country and I look forward to its implementation.

I look forward too, Madam Speaker, to the housing that the Premier said was started in my constituency. Just to go on record and say that I was the one who found the property there, filled it in and I am just glad that the Government saw the need to continue that, and the validity in continuing it.

But I would also say to the Government that the Chairman of the Housing Development Corporation is using his position for political advantage. Madam Speaker, he happens to be my cousin. The Minister for Housing— a classic example, coming to East End to open one of the houses up there, *build on your own land*. And I don't want to blame the Minister that much, but the Minister called me at quarter to ten. He didn't know that they hadn't called me! They would not notify me.

You see, that is how they do it. But I am going to tell the Chairman of the Housing Development Corporation this: You want politics? I can play it too. I've

been in it longer than he has, and I can deal with him too. You try to use your position to gain political advantage over me in my constituency, wrong man! Wrong man!

Madam Speaker, they must facilitate the Minister, that's their job! Not for them to decide whether a representative should come or not. It never happened one day with me as a Minister. Whichever constituency I was going in, even if I was going for happy hour, I would call one of the members in the constituency and tell them so. You hear what I tell you, Madam Speaker? I never went to Cayman Brac one day, nor did I have dinner up there unless I invited the two members from Cayman Brac, as a minister. I would implore the Premier to tell all his chairmen and those that they don't decide; the Minister decides who gets invited to these things.

But my cousin likes to think that he owns East End and he can control and he can do with the stimulus package what he wants, and then with the Housing too, and maybe so, Madam Speaker.

And while the Minister is responsible, Madam Speaker, I don't think it is in him to instruct anybody not to invite me! I don't think it is in him to do that. And, yeah, maybe we can say that he should have made sure Arden was there. Yeah, sure. And if there's anything for him to be held responsible for, it's that! But at least quarter to ten he called me (when it was going to open [at] ten) after he found out that I was not going to be there.

They tried to do me the same when they were going to break the ground for the Government's Affordable Housing Project. Were it not for him, the Minister, I would not have been at that either! That's how these people work. They *nah* see politics yet boy! They haven't seen politics! I can play politics too. Madam Speaker. Disrespectful to the Minister, every one of them!

When their heads of their boards and authorities and the civil servants do not respect them! I had it too in one of my boards! And he wrote me and told me that my management style was more like rowing as opposed to steering. I wrote him back and told him I agreed with him 100 per cent, however, if the boat is along side the dock there is no need for steerage! We got to get her away from the dock then you can steer. And your job is to be at the oars! I had to take over from you so I could get her from the dock.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Member for East End. Does any other Member wish to speak?

*[inaudible interjection]*

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

I call on the mover of the Motion to wind up the debate.

*[inaudible interjection]*

**The Speaker:** Member for East End, you've had your speech. Thank you.

**Mr. V. Arden McLean:** Thank you, Ma'am.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I intend to close my debate on Monday morning.

Madam Speaker, I am going to speak for a minute and then I'm going to take the suspension and complete on Monday morning.

I do want to thank everyone who thus far has spoken.

I was not here this morning, Madam Speaker, to listen to the Leader of the Opposition. But, Madam Speaker, as is usual, the Member didn't, after talking about the problem, point to any matter that could be a solution. And, Madam Speaker, I did get a chance to hear a bit of what was said by that Member, the Leader of the Opposition. And while I respect good advice and I do seek it, everything he complained about, everything the Member complained about—the delay of the Budget, the bad economic state of the country—is in its entirety because of him and his government. His administration made such a catastrophe out of this country's affairs in their mismanagement of the country's money, Madam Speaker, which left us with nothing, and then having to go to the United Kingdom. Their mishandling of Immigration which ran businesses away and left people without jobs; their inaction for not doing anything except to build a few roads and start three buildings without money and then we now have to raise that money to pay for it; their inability to bring inward investment which government needed to bring in sufficient revenue to do the very things that they were trying to do.

Madam Speaker, this is an atrocious record. And the Leader of the Opposition comes to this honourable House to point fingers. He has the audacity to say he wants to help. Madam Speaker, I'm sick of people telling me they want to help. If they want to help and they have an idea, then put that idea in writing and put it on the table and let the world see what it is. That's what I've been saying to them, but did they?

I hear the Member for East End talking about it was their idea. That was after I went to London (he might have forgotten). It wasn't before. Because if they had any idea of how to address the matter, Madam Speaker, they would have listened to us in 2008 when the country was beginning to run aground; from 2007 as far as I am concerned.

The Leader of the Opposition, the Leader of the PPM, is the man who said "not on the kindest of mornings would he listen" to anyone who was telling him he was taking the wrong course. I remember that day crystal clear, Madam Speaker, as I sat in my seat there listening to him. And his colleagues lambasted

me because I had dared to say that they were running in the wrong direction.

That Leader of the Opposition and at least the former minister for Education who is now the Third [Elected] Member for George Town, and the Member just now, Madam Speaker, who was shouting his head off, the Member for East End, are the bunch who left this country in a mess! Nobody else! Because the very things that they should have attempted to do, they didn't. The very programme that they should have tried to do something with, they didn't! They thought they would do between 2005 and 2009 what they had done between 2001 and 2005—that was to blame McKeeva, criticise him, say all manner of evil against him. He even said that I was talking when I was sitting and keeping my mouth shut a while ago when the Member for East End went on with his tirade about I'm not respecting and I disrespect, Madam Speaker, when I hadn't said a word except to laugh at him a little bit.

The Leader of the Opposition and his geniuses now—geniuses—who even said that the impending financial crisis could only make us lose \$200,000. The impending financial crisis which was plain for either one of them who watches television, or picks up an *Economist* magazine, or *Time* magazine, or listen to the radio, should have watched the international scene and [they should have seen] the impending financial crisis starting to materialise with the crash of the Lehman Brothers. Yet, this is the same man who had the country go through all this to end up with this sad state of affairs only a year ago, Madam Speaker.

Madam Speaker, I will deal more fully with him on Monday morning for the very things that he pointed out.

Madam Speaker, before I move the adjournment though, the Member for East End, in his usual fashion (I don't have to go on and on) did say some things that he agreed with us on. I don't know who informed him but somebody did, but he is a man who does not listen to other people. According to him, some time ago I was taking wrong advice. Well, some of those things he talked about, Madam Speaker, I think that are on [*inaudible*]. And he never just dreamt that up, somebody informed him.

[*inaudible interjection*]

**The Premier, Hon. W. McKeeva Bush:** I don't matter about the leaks. I know what leaks as much as they knew when they were there, Madam Speaker. But it is not the matter of leaks; it is the matter of saying something that you are not doing when you are doing it.

Madam Speaker, one of the biggest issues that the Member raised was the channel and the dock. And the dock is more personal to him because it is his constituency and that is where, if it goes, we proposed to do it.

I don't know that he has given any scientific reason of why the dock should not go into East End. I heard the Member for North Side say that there was at least . . . he hasn't seen nine ships, in other words, out in George Town Harbour not being able to get in so there's no need for a dock. It is obvious that neither he nor the Member for North Side have done their homework. The fact is, Madam Speaker, I cannot sit down and wait [for] the next opportunity for a world boom and not prepare to take advantage of it when it comes.

Madam Speaker, I took between 2001 and 2005 talking about the things that I thought this country needed to help push us forward and prepare for such a time that we are now facing. That is where the idea came up from when I was saying that you had to develop the country and prepare and save and put money away. But what the Opposition—those same Members you hear shouting now, in particular the Member for East End who shouts louder than the rest of them, although they all talk nonsense . . . Because, Madam Speaker, they were the ones asking, *Who are you developing for? Who are you getting the jobs for?*

Do you know who we were trying to get the jobs for, Madam Speaker? The people who don't have any today. *Where there is no vision it is true, the people perish.*

Every one of them, including some of their advisors and the cohorts, and even their advisor, the man from Barbados they brought in—all of them—thought that forever and a day Cayman would continue in spite of all the things that were happening internationally and telling us, *Look you better stop and think that all is not well and the industry that you have is one that moves around and it is not as solid as you think, and when any crisis hits you, you are going to feel it.*

Did you prepare anything, Mr. Member for East End? What jobs have you created? Where is the industry?

Do you think I could do it in one year? I didn't think I could do it in one year, because certainly, Madam Speaker, I never told the world that I had the answer to everything that would be done and it would be done in one year. What I did say at times was, *Look, I see this problem. You need to build an economy, an economic base that will hire people when other areas are going down or other areas have weakened.* I said, *Look, the crime, we need to do something about it and here are some of the things I thought could work.*

I didn't say that I had every answer to anything! What I did know and did say to the people [was] that the administration at the time was not making the right moves to help people presently or in the future. And I still say that; the proof is there. Mismanagement as you never saw it before.

And, so, Madam Speaker, I will not wait again. That's what I said on Tuesday, that the debate is over. I have stood afar off in the whole year, I've let people

say that they want to say. They have talked, criticised, pointed fingers. Madam Speaker, it is time for action in front of any bulldozer, or lie down in front of any truck. If the environmentalist impact does not negatively destroy the . . . well, if that dock don't destroy the Cayman Islands (and I doubt it will) and we can get it done, it will go there.

Madam Speaker, I cannot sit and wait until another catastrophe hits us. What is evident is that the world, as I have said, is moving out of the period when slowly but surely the economic state of affairs will be brighter. And so, Madam Speaker, what are we going to do? Sit down when our two industries have suffered most against the international business sector?

When the Leader of the Opposition this morning, with tongue-in-cheek, tried to say that I had done something to it when all I ever did was stand up for it and fight for it, now they say that wasn't good. No it was good for them to sit down and palaver and make deals with the Labour Government to get only God knows what! Certainly, it wasn't good deals for the finance industry because the Labour Government would have killed us. And no, Madam Speaker, I did not support them because they were trying to push me into direct taxation, the income tax and property tax! Madam Speaker, I will come back to that on Monday morning, God willing.

But I am not going to sit down at a time when we should be preparing and putting some kind of industry that will help this country in our weakest time. And I say now that if we had gotten a dock built from then we would have had a shipping industry, and anyone—the Member for North Side or anybody else, can't tell me that there is not room for this country to build transshipment in this country.

I just came from Brussels. I had just talked to the European Union and the United Kingdom representative in Brussels about the European Union state-of-play for transshipment. And I have already talked to people in Holland, in Dubai. Madam Speaker, anyone with any inkling of imagination of what is going on with the Panama Canal and the United States when the ships are being bigger and can't sometimes get into certain areas of the United States, and what is happening with transshipment that is now owned in certain places that people really don't want to go, that Cayman has an attractive environment, and I must sit down to listen to people who don't know?

You know, that is the problem that some of our own people have, Madam Speaker. They think they know it all! That's a problem. Nobody can't tell them anything!

Well, I'd like to think that I have a little bit of imagination. I'd like to think that I can go out and get information and look at it and say this can help us. I'd like to think that we can sit with the environmentalist and see how something can be done that does not affect us so negatively. I like to believe that putting shipping here can be a third leg of the economy for this country. And I don't want to be in a position again,

ever again, Madam Speaker, where we have nothing on our economic base to fall back on when we hit hard times—like how we have hit hard times since 2008.

None of them—the former Leader of Government Business, the former Leader of the Opposition, the Member for East End, and the Third [Elected] Member for George Town—none of them seem to understand what makes our economic base tick. And if they had any idea of what to do, then they would have done it!

So, Madam Speaker, in regard to what the Member for East End ranted and raved about, about somebody digging a quarry in East End, somebody digging up government land, I don't know who the partner was for that, but he might know. I just want to say to him he might know. I want to say to him that I have not disrespected the people of East End in any shape or form, so why is he getting up here shouting that I did! *Empty barrels do make the most noise.*

And when I have talked this matter through, Madam Speaker, firstly, with my colleagues as there has only been preliminary meetings on the idea, then I will take it to the public and the first will be to the good people of East End. But until I have substance to talk to the good people of East End about, I cannot go to them about a dock. He was the man who went up there and had a meeting talking about some plan. I haven't seen any full plan on my desk. I know about an idea. I have done background work on it but there are no plans on my desk. When the developer put it on my desk I am going to go to Cabinet and say, I am going out now to the public and talk to the public about a dock and the opportunities.

But, Madam Speaker, I want to tell this country, and I want to tell that Member if he believes that renovating, leasing, fixing Pedro Castle or the Turtle Farm is going to be the end-all and be-all for the development of this country, and that that is going to bring in the revenue, then he makes a big mistake. Then it's no wonder by him being on the Opposition front Bench; it is no wonder that the last government was so atrocious in preparing this country for the mess that we have now to deal with.

It is easy, Madam Speaker. It is quite easy for all of them to get up now and curse me and blame me and then go door to door and tell people who are not really listening, because that is one problem our people have—they listen to the wrong advice.

They listened to the advice in 2005 to 2009 and what did they get out of it? You know what they got out of it, Madam Speaker? They got a pile of nothing! Some roads that we still have to pay for; unfinished buildings, unplanned, unbudgeted! No money! Huge buildings up there that they are now knocking out doors, knocking out windows, ripping up floors that we have to pay for! No money to pay for it! And put us in the hands of the United Kingdom who can now tell us what we can and can't do!

I have laboured, as I said, until the wee hours of the morning—morning, noon and night, the Government and I (my colleagues together and some civil servants). We have worked on Saturdays, on Sundays, on holidays. This thing, Madam Speaker, has done to us nothing but consume us to get this thing right.

And, yes, I could have gone off and done some things; but I want to make sure, Madam Speaker, that we are doing the right things and setting the right foundation. Yes, we had to increase . . . Or we proposed an . . . Remember this: I have to bring a law. They discussed some revenue measures. Madam Speaker, I have yet to bring a bill for it and I can change. I can change. But why didn't they say where I should put it? I heard him murmuring and ranting and raving out there about selling the Turtle Farm and giving the Turtle Farm away. I wonder, if he gives it away, where he is going to get money from anyhow. Did you say that?

They have not come up with any solid idea as to how to put revenue in the pockets of the Government. He and the Member for North Side can get up and chat all they want about not putting on, and about not cutting civil servants salary. I didn't. The Civil Service Management Council offered it. It was the United Kingdom's last Government, the one they said I should not have fought. They were the ones who said, *Cut them; cut the numbers!* And you think that they were telling me . . . because they specifically said it had to be across the board. You are not talking about Caymanians or foreigners. You think it is just going to be foreigners, they said, "across the Board". And they specifically said that!

So, Madam Speaker, I did the best thing. I worked with them as best as I could. I saw the election coming. I prayed that changes would be made that people would have some more reason.

**The Speaker:** Ah—

**The Premier, Hon. W. McKeever Bush:** God answers prayer. And we do have a government in the United Kingdom now that is more reasonable thus far. But they put us there.

That man you see sitting there now with that Blackberry in his hand, and that one bending over there chatting to him, the two of them, I want everybody to know the [Elected] Member for East End and the Third [Elected] Member for George Town are the ones who put us in this mess!

And don't come and tell me about "don't point fingers"! Because the people had better understand who did it, and that what I am doing when they told me to get on with the job . . . The truth is, though, when you start to do something, Madam Speaker, what happens, they are the first ones to jump up and say, *You see what he doing?* I knew a long time ago that we couldn't please everybody and I am not going to attempt to do that, Madam Speaker.

We cut, or took what the Civil Service Management Council offered because what was being said was to cut the numbers. And I thought it was better to take a decrease, small as it was, than to send people home without a job. The old people say that a *half of loaf of bread is better than none*, and that is a fact, Madam Speaker.

I know the criticism I am getting. I know. The outright way that I am treated, disrespect because people don't want to have to admit and they don't really care, some of them; and maybe it is a drastic thing for some people, especially those at the bottom. Those at the bottom are worse off than anybody else. But these are not regular times, Madam Speaker.

Have we ever sat and thought [about] it? As much as people are having a hard time out there, have they really realised the difficulties that the country is in? That we are now beginning to . . . as I said, "night is fast spent, dawn is at hand". We are seeing a light. It comes to light.

So, Madam Speaker, I haven't fully dealt with them because I have some things to expose about their management.

Madam Speaker, some of things I won't bother to answer them on because when they want to talk about corruption, and they still try to use that old hat, there is none so good at hiding what they have done at getting rich over the years as some people who shouted most about corruption.

And when the Leader of the Opposition chats about no corruption in their administration he better recognise that there is a day coming, a day of reckoning. And those people, when you go and check their registers and see what they own, they better understand that some of the deals they made . . . But I have many other things to talk about, Madam Speaker. I'm not going to spend any time on . . . The people did not listen to them in 2009 because they had enough of the way that the PPM had mishandled the country, mishandled the money and wasted the time of the people of these Islands. That's why we are here. And I recognise that, Madam Speaker.

If the people had confidence in them they would still be the Government. Don't you realise that? Madam Speaker, I'm sure that Blind Bartimaeus could see it! Now what the Opposition is doing, trying to make a comeback but 2010 . . . It is not 2001. Circumstances have changed. And they are groaning? They *nah* groan yet!

So, Madam Speaker, I am going to move the adjournment of this honourable House until 10 am Monday morning,

Sunday, is Father's Day, Madam Speaker, and I want to take this opportunity to wish all fathers in this honourable House and all those in our communities, a very happy one. It's a tremendous responsibility, that of being a father. Raising two children, Madam Speaker, I know that even with the guidance of a good mother and many good people around me that my wife and I still had to, I guess by trial and error



at times, raise ours. It's no easy task. I still find myself getting up in the night and looking out the windows to see if my son's truck is in the driveway or going out to check his room.

Years ago when I was growing up [with] my mother, I would come in from partying late or late in the morning, early in the morning, and I would say, *Mama why are you up? What are you waiting on?* And she would say, *Wait until you get your own and then you will know.*

So, Madam Speaker, that's why I'm going to head off right now to a father-son banquet at our Church. I wish all fathers a very happy one with their families. Find a church, if you don't go to one, and attend it.

Thank you, Madam Speaker.

## ADJOURNMENT

**The Premier, Hon. W. McKeever Bush:** I move if I haven't before (I thought I did) the adjournment of this honourable House until 10 am Monday.

**The Speaker:** The question is that this honourable House do adjourn until 10 am Monday. All in favour, please say Aye. Those against, No.

**Ayes.**

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

**At 6.51 pm the House stood adjourned until 10 am, Monday, 21 June 2010.**



**OFFICIAL HANSARD REPORT**  
**MONDAY**  
**21 JUNE 2010**  
**10.23 AM**  
*Third Sitting*

**The Speaker:** I will call on the Elected Member for East End to say Prayers.

**PRAYERS**

**Mr. V. Arden McLean:** Let us pray.

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

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

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

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

**The Speaker:** Good morning everyone.  
Proceedings are resumed. Please be seated.

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

**Apologies**

**The Speaker:** I have no messages and announcements, other than an apology from the Third Elected Member for George Town who will be absent today and, very likely, for most of the week.

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

**The Speaker:** I have no notice of statements by Honourable Ministers and Members of Cabinet.

**GOVERNMENT BUSINESS**

**BILLS**

**Debate on the Throne Speech and Second Reading of the Appropriation (July 2010 to June 2011) Bill, 2010 (Budget Address)**

*(continuation of debate thereon)*

**The Speaker:** Honourable Premier continuing the debate begun on Friday.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, thank you very much.

Madam Speaker, when we took the adjournment on Friday evening, I was dealing with comments made in the course of debate by the Opposition.

Madam Speaker, to begin this morning I would want to say that while I heard much about the state of the financial affairs in the country, the one problem that this Government found, and that the country knows and understands (because it is absolutely clear and it is only those people who would attempt to say otherwise), was that revenue in the country was not matching expenditure. And then borrowing is far too much.

All of us should be, if we are paying attention to appropriate forums around the world to see what is happening . . . Madam Speaker, when we read about what is happening in Greece, we should recognise that that is what was happening here on a smaller scale. But that's where we were headed, and that is what I have been scared of as the Premier and Minister of Finance, that we did not put ourselves in that kind of situation.

That is why, Madam Speaker, perhaps we have not dealt with the reduction and the expenditure maybe the way that some people wanted. But then we felt, for instance, that laying off civil servants would have been far too much pain—to extract much more than what was extracted would have been greater pain for the country. And that is why we sought not to increase fees to sort out the deficit that we are experiencing this year.

And I think, Madam Speaker, regardless of what the Opposition says, or the Member for North Side, who is an independent Member, or the would-be experts on the blogs and radio shows, that we have done extremely well to come out this year with as little deficit as we have, and that we have been able to come to grips with the plan supported now by the United Kingdom.

That is why, Madam Speaker, I did not pursue to try to raise more fees to wipe out the deficit. Just think, if we had to borrow much more to do all that was left to be done by the last government, and the things they had started and committed the country to, legally, then I wonder if people believe that we would have only been extracting 25 cents on fuel, gasoline or diesel.

I will come to it, Madam Speaker, but I listened to them and I must say that none of them has an alternative that is the best alternative, the best position. None of them! None of the three who spoke: no one in the public fora none! All of it, everything suggested would have meant licks for somebody. And as a government, and as the leader of this country, certainly I do not expect to make a whole heap of friends in this sort of environment because the country has been suffering this economic downturn, and when people hurt, they hurt.

The Opposition knows that. They will never say that they were the cause of much of what we are facing. No, no. They are the good guys. Unfortunately for them, but correctly for the people of this country, the people recognise that we were headed in the wrong direction and changed course. And people expect me to act. And people expect me to get things done. And get things done, I will!

I have given a year to civil servants to object. I have given a year for public discussion. And, Madam Speaker, I am not going to spend the rest of my time debating. There are some things to talk about. There are some things to bring to the attention of the public, and we will do that. But the programmes that I have campaigned on I am going to do them because I believe from the bottom of my heart that they are good for this country in the long term.

Never mind who says that we will destroy the North Sound. I know that's not going to happen. Never mind who says they are going to lie down in front of a bulldozer. They are a bunch of cowards; they are not going to do that either. They are a bunch of yard champions! Say all sorts of things, but can't do anything.

So, Madam Speaker, having said that, let me hopefully set the pace for this morning. I want to turn now to the Leader of the Opposition who, in his—[he's] not here this morning; he wasn't here on Friday afternoon (maybe for good reason)—but who in his usual, dirty way did in his speech what he loves to do best. That is, Madam Speaker . . . I paid close attention to his operation since he'd been elected. I recall what he did to Mr. Truman Bodden when he was

Leader of Government Business. What he does best is to muddy the water by talking about corruption and backdoor deals, like he is some angel, like he is lily white. Maybe he has gotten away with that for far too long; him and other Members of the Opposition.

And I want to leave out the Second Elected Member for Bodden Town because he is different. He has always been different in that regard. We oppose each other on opposite sides, but we have a good relationship. And he is not of that mode. I say that frankly. We have great differences. He should not be where he is—on the wrong side. He knows that too.

We know different. And the Leader of the Opposition is nothing but a former Leader of Government Business who got nothing done but to set in motion ways of scandalising me and the United Democratic Party. He started investigations that they believed could not prove anything, but that would dirty me and give the press a lot to say. And, of course, to please their backers and those that have hated me ever since the day that McKeeva Bush was elected because they feel that I should not be here. I was never born on the right side of the street for some of them. I was never one of the chosen ones, for some of them. It is not today that I know that. So anything that they can scandalise me with they have been doing it.

But when they put it to the test, and went to the police . . . yes, it hurt my family. Yes, it caused me some consternation that people who know different and I believe should know different would go to those lengths to stay in power. Because if they could have succeeded in somehow proving anything against McKeeva Bush at any time in my life, they believed that it would be best for their party the PPM.

But all it did was to exonerate me because there was nothing in the first place, and I had nothing to worry about other than my children, my mother, and close supporters who take these things to heart. When your hands are clean and your heart is pure you have nothing to worry about. You sleep *good*.

Madam Speaker, I can tell you today that the People's Progressive Movement set in motion a disinformation campaign to ruin the Government of the Cayman Islands in the eyes of the people here and abroad, and to bring down the Government at home. And they were aided and abetted by certain newspapers then and certain radio shows, and today, by certain Internet so-called media.

From the time the PPM was created, our party, the United Democratic Party, and our Party's leaders have been under a sustained and calculated attack by an organised and calculated programme of the PPM [who] unleashed their misinformation involving the spreading far and near of misinformation. The leaders of the PPM unleashed this campaign and their followers up and down the country were encouraged to do likewise. Vile and vicious personal slander and abuse were heaped upon many of us, including some who are not part of the party today, and would take an

opportunity to throw a lick at me too. But they did not escape the PPM's dirt.

"Corruption" they shouted with their lips and their songs. So we were expected to run and hide. But we refused to do either. In fact, I chose precisely the opposite route. I chose to stand and fight and I was alone for four years because some people did not believe what I was saying until the very end. I chose to face the onslaught head on.

Now, don't forget, Madam Speaker and honourable Members, what a disinformation campaign is. *It is a campaign of deliberately spreading misinformation intended to breed mistrust in the minds of the public so as to influence people's opinion and actions, but not intended to prove anything.* Remember that now. *Intended to breed mistrust—as they accomplished in 2005—so as to influence opinions and actions, but not intended to prove anything* because they know what they are saying is not so.

Instead of giving the country viable alternatives to what he (the Leader of the Opposition) and the Member for East End say is wrong, he comes back again talking about backdoor deals and corruption. It seems that he is consumed with it, Madam Speaker. But he has always looked in the wrong direction.

I told him before that he is not lily white; and I have said so too to the Member for East End who sometimes gets on that bandwagon with him. He doesn't do it all the time. Oh, he will holler at you, he will insult you, but he doesn't get on that bandwagon all the time. They used up their whole four years trying to come up with some claim against the United Democratic Party. They have accused, they have investigated, and they have laid blame on me and on the membership and party leaders of the United Democratic Party.

Why is he not as true to himself as he says he is, and look amongst his own for their bad deeds committed? It is time that the Leader of the Opposition, who slipped by this time . . . the George Town people are beginning to realise that he is not what he says he is. He only beat our candidate by a mere 60-odd votes. He better understand that not everybody is fool-fool.

Understand that he understands that the so-called backdoor deals he keeps claiming went on in the last four years when the new cars, the land, and the apartments were bought up. He ought to remember, Madam Speaker, over in the Kirk's building (I think it is called) when this building was under renovation some years ago, that I quizzed them on the law firm with four suitcases of money and who counted it and whose girlfriend got house and which one got car out of it. Nobody said anything about it.

He ought to remember that I asked them who Hartley Henry is and what the PPM's connection to him is, and what kind of character he is, and how many investigations has he had, and whether Government money was being spent to pay Hartley

Henry. He ought to remember, the Leader of the Opposition, before coming here to talk about backdoor deals, raising the spectre of corruption, he ought to say what happened to Joey Ebanks and what happened to Shane Ebanks now that Government is called upon to pay them from the Turtle Farm.

And before I lay on the Table of this honourable House, one from the lawyer of Joey Ebanks, and one from Joey Ebanks himself, setting out a claim for funds they say are owed to Joey Ebanks by Cayman Turtle Farm, and why, because of an agreement made by the Leader of the Opposition and his cohort, Clifford [Charles Clifford] and a letter setting out what they said and what they did to Shane Ebanks who also sets a claim against Cayman Turtle Farm because of what they did to him, a young Caymanian businessman.

Before I lay those letters, I want to read them, Madam Speaker, because I intend to lay them. I want to read them.

**The Speaker:** May I have copies while you read please?

**The Premier, Hon. W. McKeeva Bush:** It will take some time to do that, then, Madam Speaker.

**The Speaker:** It will take just a few minutes.

[pause]

**The Premier, Hon. W. McKeeva Bush:** Because, Madam Speaker, it is time [for] the PPM [to get] on with the business of making viable alternatives as an Opposition is supposed to do. Not to get up here and talk about wild accusations, continuing this trend where they believe that they can fool the people again.

Madam Speaker, they must put viable opportunities to help the people of this country. That's what they get paid for! Not to lay themselves down in front of a bulldozer. Tell me how we are going to deal with the problems that they know they left behind. Tell me how we are going to get new revenue. Don't come with any Anancy story about you can put mega yachts out by Eden Rock and build a little wharf for it.

I wonder if they ever stop and look at what our competition is doing and why we are suffering today, why Caymanians are not employed. Why? Because that Government failed miserably. They did not remove the glass ceiling they always talked about. They did not! They amended the Immigration Law until it was pitiful, 'til it ran away business and made business more uncertain and, therefore, Cayman got less revenue when we should have been hitting the big time.

When they should have been preparing for the future, what was the Leader of the Opposition doing? Going and signing huge contracts for insurance, but yet, did not examine what it said, for us to pay \$2

million a year, \$1 million a year. And when the storm hit us, as it did in Cayman Brac, did we get anything?

And, Madam Speaker, when they want to talk about backdoor deals, have they looked at Matrix and all the atrociousness of it? Only for them to say, "Well, we got paid \$600,000." Oh yeah, they did! There is more yet to be told. I am not going to deal with that today; I am going to leave that for another time. So when they start to squeal and holler and say that McKeeva Bush does not respect them, I will respect them by laying on the Table some other documents.

Madam Speaker, I wish I never had to take the time this morning to do this; I wish I could have gotten on with dealing with some of the issues that I want to talk to the House about.

Madam Speaker, now in your possession and in mine, is a letter from Sampson and McGrath, dated 18 April 2010, written to Appleby, Clifton House, Cayman Turtle Farm Limited and Joseph Ebanks.

[Inaudible interjection]

**The Premier, Hon. W. McKeeva Bush:** You should.

**The Speaker:** I am sorry, what did the Member for East End say?

**Mr. V. Arden McLean:** Madam Speaker, I was just drawing to your attention that we do not have any assistance.

**The Speaker:** The Clerk is not here?

**Mr. V. Arden McLean:** No.

**The Speaker:** I am sorry. I did not know the Clerk was not here.

**Mr. V. Arden McLean:** The—

**The Speaker:** I would ask one of the Clerks to come in please and take a seat in the Chamber.

[pause]

**The Speaker:** Mr. Premier, will you proceed please?

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I proceed now to read this letter.

"I refer to the above matter in which we are instructed to write you on behalf of Mr Ebanks. We understand that you act for Cayman Turtle Farm (1983) Limited who were previously our client's employer.

"Our client has provided us with a copy of his Employment agreement dated 10<sup>th</sup> September 2008 and a proposed settlement agreement dated May 2009.

"**Vacation pay:** The entitlement to vacation pay is contained within Mr Ebanks contract of employment which allows for 5 weeks paid vacation per year . . . It appears from the proposed settlement agreement that it is accepted that the accrued vacation leave amounting to CI\$18,500 was owing to our client at the cessation of his employment.

"At this time, these monies have not been paid to our client and whilst we understand that you are attempting to set this sum off against monies you say are owed to your client, we say that this is not appropriate and that this vacation pay should have been paid immediately upon cessation of his employment.

"**Breach of Contract:** It is apparent from the settlement agreement that your client is attempting to invoke the provisions contained within clause 5.2 of the Employment agreement. That requires him to pay twice his monthly salary for each month of notice not worked.

"Before entering into any explanation over the factual backdrop of the events that culminated in the letter of resignation with immediate effect dated 24<sup>th</sup> March 2009, we would make the point that this provision in the contract is clearly a penalty clause and is therefore invalid and unenforceable.

"The requirement to pay the sum of CI\$150,000 is clearly not a genuine pre-estimate of loss and is for payment of money stipulated as *in terrorem* of the offending party and we would refer you to the case of *Dunlop Pneumatic Tyre Co. Ltd. v New Garage & Motor Co. Ltd.* . . . as authority for this.

"We therefore believe that your client has no valid argument to make such a claim. Even upon a finding that my client has breached the contract by resigning without notice we say that no damages have been incurred as my client assisted with the handover of the management to existing members of staff for the 6 months subsequent to his resignation.

"**Factual Background to resignation:** Mr Ebanks submitted [that is, Mr. Joey Ebanks] a letter of resignation dated 19<sup>th</sup> March 2009, in that letter he stated that he would give 6 months notice to terminate his employment.

"As you will be aware at that time, Mr Ebanks was considering running for government office and was also under investigation over the payment of salary advances to himself for sums in the region of CI \$55,000.

"Whilst Mr Ebanks is employed by a Limited Company and is therefore not a public body, his understanding is that the Company is wholly owned by the Cayman Islands Government and the Board of Directors report to the Cabinet.

"Since prior to taking employment at the Company, Mr Ebanks has been an active member

of the local political party, the P.P.M. (the party). Prior to the election campaign it was understood that Ms Moyle would be running for election in the campaign. At all relevant times the P.P.M. were the party in power in the Cayman Islands.

"In or around February 2009, Ms Moyle approached my client stating that she was not in fact going to run for office and that the party wanted my client, Mr. Joey Ebanks, to stand in her place.

"My client discussed this with party member and minister for tourism, Mr Charles Clifford, and related his concern over clause 5.2 in his contract. This discussion was made in his role as both a member of the Party and as the Minister in charge of tourism and therefore the Minister responsible for the Turtle Farm.

"Mr. Clifford indicated to my client that it had been agreed that he could submit his resignation with notice and this would be accepted but that the Board would respond by allowing my client to resign with immediate effect with the express understanding that the penalty clause would not be invoked against my client and that in fact some payment would be made to my client for the remainder of his contract."

[Yeah, all back door!]

"A meeting was then held on a date between the 19<sup>th</sup> of March 2009 and 24<sup>th</sup> March

2009 at which were present my client [Mr. Joey Ebanks], the Hon. Kurt Tibbetts (Leader of Government Business) [now the Leader of the Opposition], Mr Charles Clifford (Minister of Tourism) [since, voted out], Mr Walton (Chairman of the Board of Turtle Farm) and Mrs. McField (Board Member, [Mrs. Gloria McField] Turtle Farm, and the Chief Officer to the Minister of Tourism) [Mr. Charles Clifford].

"At that meeting the issues of my client running for office and the salary advances were both discussed in the context of his letter of resignation dated 19<sup>th</sup> March. At that meeting it became apparent that the previous understanding between my client and Mr Clifford, on behalf of Government, had not been agreed by the Board. [Poor Board got blamed.] My client was informed that his resignation with notice was not acceptable and that he was to resign with immediate effect. The Leader of Government Business gave this instruction.

"By refusing to accept his resignation with notice and asking him to resign with immediate effect your client effectively terminated his employment with immediate effect notwithstanding that a second letter of resignation from my client was forwarded on the 24<sup>th</sup> March 2009.

"Such termination not constituting either unfair dismissal or invoking the payment of severance pay this results in the only payments being

due and owing to my client are those of vacation pay and notice pay.

"Notice Pay: On a strict reading of our client's legal rights he would make a claim for the 6 month's [sic] notice pay, being CI\$75,000. In light of the events surrounding his resignation he does not seek such payment and indeed at no time has he asserted a claim for those monies.

"You will also be aware that our client repaid to the Turtle Farm late last year all monies received by way of unauthorised salary advances, that sum being almost identical to the suggested settlement figure in your proposed settlement agreement of May 2009. Furthermore he also completed the 6 months of unpaid consultancy at the Turtle Farm, ensuring the smooth running of the company throughout this notice period.

"We believe that this matter should not be prolonged with protracted and expensive arbitration and request that the terms of full and final settlement simply reflects that your client should pay the CI\$18,500 in vacation pay outstanding to my client along with the non-monetary terms as can be agreed.

"Please take instructions and revert."

Here is the March 19<sup>th</sup> letter to Mr. Joel Walton, Chairman:

"I wish to tender my resignation as the Managing Director & Chief Operating Officer (COO) of Boatswain's Beach/Cayman Turtle Farm (Boatswain's Beach/CTFL) with effect from September 30<sup>th</sup>, 2009.

"I have perused my signed contract with Cayman Turtle Farm and under section 5.2 I am required to give a minimum notice period of six months.

"I do apologize for the short notice but as I mentioned before it was a difficult decision for me to make. I feel like I am leaving a part of me because I have worked assiduously to ensure the enhancement of this facility.

"I wish to thank you and other members of the Board for all the support I have received during my tenure at Boatswain's Beach/CTFL. It was a challenging walk but at the end it has helped me to become a better individual.

"Once again thank you all for the opportunity to work in this premiere attraction—our own.

"Yours sincerely, [signed] Joseph Ebanks, MBA."

And on the March 24<sup>th</sup>, again to Mr. Joel Walton:

"As per my letter of the 19<sup>th</sup> of March, 2009 I wish to tender my resignation as the Managing Director & Chief Operating Officer (COO) of Boatswain's Beach/Cayman Turtle Farm (Boatswain's Beach/CTFL) effective immediately. My previous letter provided a six-month notice period, however

this letter replaces that and takes effect immediately.

“The reason for this immediate notice is because I have decided after much deliberation to stand for office in the upcoming general elections which will be held on 20<sup>th</sup> May 2009.

“I have perused my signed contract with Cayman Turtle Farm and there is not any clause that specify [*sic*] prior notice for this form of termination. However, in my absence I wish to nominate Mr. Joe Parsons, Chief Scientific Officer to act in the capacity of Managing Director and COO .

“I do apologise for the short notice but, as I mentioned before it was a difficult decision for me to make. I feel like I am leaving a part of me because I have worked assiduously to ensure the enhancement of this facility.

“I wish to thank you and other members of the Board for all the support I have received during my tenure at BB/CTFL. It was a challenging walk but at the end it has helped me to become a better individual.

“Once again, thank you all for the opportunity to work in this premiere attraction—our own.

“Yours sincerely, [signed] Joseph Ebanks, MBA.”

Madam Speaker, uh-huh. And they want to talk about back door deals? Yes. And utilising Government's money for their own political ends! This is the kind of hypocrisy that exists in the PPM. And this is the kind of hypocrisy that continues with the leadership! As long as they can get to *blackgyaad* somebody and use scapegoats, they do it. And they are aided and abetted by some of the most vicious people in this country who talk well, who speak good English, who understand good English and know full well when they are scandalising people on the blogs and in their radio shows.

They know it! But that's the way they want to do it. If they can use McKeeva Bush as a scapegoat, then they believe they can fool the people of this country. They might feel that the people don't have another alternative. I will soon be gone, Madam Speaker, and there are other alternatives.

Now to deal with Shane Ebanks: This letter is dated May 27<sup>th</sup> and from Joseph (Joey) Ebanks, PO Box 214 Grand Cayman, KY1-1104, Cayman Islands. And it's written to the Premier, the Honourable William McKeeva Bush, OBE, JP, MLA, Minister of Finance, Tourism and Development.

“Mr. Premier, Thank you for the opportunity to address you on the issues of my alleged breach of contract with the Cayman Turtle Farm, Ltd.

“In or around February 2009, Ms. Moyle approached me stating that she was not in fact going to run for office and that the party wanted me to stand in her place. I discussed this with

party member and minister for tourism Mr Charles Clifford and related my concern over clause 5.2 in my contract. This discussion was made in his role as both a member of the party and as the Minister in charge of tourism and therefore the Minister responsible for the Turtle Farm.

“Mr Clifford indicated to me that it had been agreed that I could submit my resignation with notice and this would be accepted but that the Board would respond by allowing me to resign with immediate effect with the expressed understanding that the penalty clause would not be invoked against me and that in fact some payment would be made to me for the remainder of my contract.

“On or around the end of February 2009 I submitted my resignation to the CTF Board providing six months notice; a copy can be found in my email files at CTF (copy attached). This resignation was rejected and on March 23<sup>rd</sup> I was summoned to a meeting at the Government Admin building with the Chairman Mr. Joel Walton, Board member, Mrs. Gloria [McField], the then Hon. Charles Clifford and LOGB Hon. Kurt Tibbetts. The discussion centered on my repayment of salary advances and resignation. I was at this meeting required to submit another resignation effective immediately. I was instructed to return to my office at CTF and submit the resignation immediately and then vacate the office. This was done at or around 11 pm following the meeting.

“It is my opinion that I provided the [required] notice under the contract, the initial resignation was rejected and a resignation effective immediately was demanded, provided and now I am being accused of breach of contract.

“I wish to bring this matter to closure and I believe that I am entitled to the following:

- 1 The initial resignation providing six months notice is accepted.
- 2 The six month consultation as requested and provided is recognized.
- 3 The outstanding \$18,500 for vacation not taken is paid to me.
- 4 A separation agreement signed by CTF and I.

“I have enclosed copies of the two resignation letters and a copy of the letter written by my attorney to Appleby, the CTF attorney.

“I look forward to your favourable response.”

“As to the matter with respect to Mr. Shane Ebanks and CTF.

“In my capacity as the Managing Director of CTF I entered into an agreement with Mr. Ebanks to partner in a shore excursion. This excursion was designed to move cruise passengers from the port to Stingray City and then on to CTF. Traditionally, the operators of those excursions



will first stop at CTF and then on to Stingray City, shortening the visitor's stay at CTF. Following several months of discussions with other operators, Mr. Raymond Hydes, the CTF Manager of Tours and I approached Shane and he agreed to partner with us. The excursion description was drafted and I personally pitched this to the cruise lines in Miami, and one Cruise Company signed, Royal Caribbean.

"Once we began operations we immediately saw improved spending at CTF as the visitors were coming to us from Stingray City wet and hunger [sic]. Following the Turtle Farm tour they would shower and relax at Schooners.

"Within a very short time we saw very impressive growth which required Shane to seek to increase the number of boats to accommodate the growth in volume. As I recall there was no need for an increase in the bus service as Shane was willing to share this with other operators who were also happy to assist.

"As we began to reach one hundred bookings and without one single customer complaint, I was notified by Royal Caribbean that they were cancelling our contract.

"Upon my investigation I discovered that another on Island Company with operations on other Caribbean Islands had negotiated better prices and demanded cancelation [sic] of our contract. After all attempts to resolve this issue with Royal Caribbean failed, I reacted by increasing the CTF price to this company forcing their prices up. This resulted in my being called to the Ministry by the Chief Officer and the owner of the local company. [Who that is, it doesn't say, as you can see.] At this meeting I was instructed to reinstate the original price as the owner was investing [that is, the other local company, not person] in other tourism products on island and the Ministry wished to maintain its relationship with him. [Him, who, I do not know.]

"I was further instructed to do what was necessary and possible to promote Shane's business and try to increase his volume without our tour.

"It is my opinion that Shane invested additional capital as a result of the increase in volume and the high level of service we demanded. I deeply regret that I was unable to obtain the necessary support from the Ministry to prevent his company from the necessary hardship as a result of the canceled contract.

"At all times prior to the signing of the contract the Board and the Ministry [were] informed and supported the CTF and small operator partnership.

"Respectfully [signed], Joseph Ebanks."

Madam Speaker, this letter does several things. There is a claim, now, against Cayman Turtle

Farm from the young man because the fact is that they made him lose his business, put him in tremendous debt. They made him lose his business because the Ministry wanted to support somebody else who had a local licence, but who had business overseas. Who that is, we still don't know.

And it does another thing, Madam Speaker. It just tells you that when they get up over there and scream, as the Elected Member for East End did Friday about them helping small business and taking care of Caymanians, that they don't! They say it here in the House, but when they get behind closed doors, it is a different matter.

And, Madam Speaker, facts bear it out. This is not hearsay. It's coming from the horse's mouth. And the truth is . . . I am sorry for Joey Ebanks, a young Caymanian with an MBA. I am sorry for him. I think he allowed himself to be used by the PPM. But the fact is that the young man has a family. And nobody is going to say that I did anything to hurt their family. Not if I know it. So I am going to attempt to settle it with him. Notwithstanding that he allowed himself to partner with the PPM and they used him. No. That's his decision. But I am going to do what I can to help him.

Madam Speaker, these are the people—the Leader of the Opposition—that is the same Leader of the Opposition who talks about no backdoor deals in his Government, when it is quite obvious that he was in that dirty deal up to his neck. I hope he understands that we are not going to allow him to continue to make charges on us, mislead the public and walk around like Master Willy talking about he is lily white.

None of them over there had better . . . and they had better stop because I leave out the [Second Elected] Member for Bodden Town, but the rest of them I will deal with whenever they come to this thing about them being lily white and wanting to accuse people and hurt people, hurt people's mothers and their children. They are not lily white! The last time I saw her it didn't look like a one of them.

The Member for North Side, while I disagree with a lot he has said, he does not get into that. It is just their dirty backdoor deals, Madam Speaker, that have put us so in debt with the schools. That yet has to be realised in a letter. But I will get that before these four years are out. Oh yes.

Why do you think, Madam Speaker, Tom Jones ran away the way they did? Because they felt their deal had fallen through. It . . . look, Madam Speaker, with what went on there, only blind Bartimaeus and Day-Day . . .

[Inaudible interjection]

**The Premier, Hon. W. McKeeva Bush:** This is not *sub judice*.

I did not know you were a lawyer, Mr. Member for East End. I am not giving the facts of any case. That is why I said before the four years is over I will have opportunity to lay some information. Oh, they

would like to call *sub judice* to shut me up! But he can't. I know the rules of this honourable House. I have been here long enough and I know them.

Madam Speaker, I hope that the PPM will stop this, that the Leader of the Opposition will do some work instead of trying to *blackgyaad* people. The truth is, Madam Speaker, after 16-odd years from that Member serving George Town, tell me how better off is George Town? Show me the programmes they put in place to help George Towners.

And they come here with the temerity and the audacity to lay blame and point fingers? The other two Members for George Town, on our side, Madam Speaker, just got here. And I tell you this, I am going to be driving them, as the Premier, to do things, and I know they have started putting ideas in place. But it is a bad thing, Madam Speaker, when you come into Government and you find a situation where you don't have money to do anything with, and then it takes forever to get the revenue going. And when you attempt to do the revenue you have people on the other side beating you down with a mortar pestle.

And that's what they want! The PPM wants us to pay attention and spend time on things, like defending ourselves, so that at the end of the day they can say we got nothing done. Uh-uh!

I say again to all concerned, and they can call me "dictator" they can call me anything they want, it is going to get done. And they will have to *lie down in front of the bulldozer*.

It now seems to me, Madam Speaker, that in their selfish and hungry pursuit of political power, the PPM will do anything, anytime, any how, anywhere to anyone and with anyone. But for us who love our country, our course is clear. I say this: *Our vessel, our bark is seaworthy, and if the tens of thousands in this country pull our oars in unity, Madam Speaker, we have no doubt that our bark, our vessel, will emerge safe and victorious through all the turbulent and treacherous seas of political competition.*

Madam Speaker, can I take it that this letter is now laid?

[No audible reply]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I want to turn now to some of the things my good friend, the Elected Member for North Side, mentioned.

Madam Speaker, the truth is that in my time I have listened a lot to the Member for North Side when he speaks, because he has a passion for what he is saying. It's not all the time that he's right. But particularly when he talks about healthcare because I believe that the Member knows something about it. But I need to ask the Member for North Side if he is saying that because we got elected a year ago that somehow people have worse healthcare with all the doctors in the public service and all of the doctors in the private sector practice and the services at the Chrissie

Tomlinson [Memorial] Hospital available to people, that somehow healthcare is now at such a dangerous state of affairs? Or, is he saying that the present Minister, who only has been in post for one year can, or could have fixed the decades old problems by now?

Does he think it possible that Mrs. Yearwood and the new HSA Board, when given a timely opportunity, can deal effectively with the problems, some of which seem to hang around from when the Member for North Side was Member for Health?

Madam Speaker, I know, for instance, the problem of bringing home Caymanian doctors who are living and working overseas. And the Member knows, I heard him on the radio the other day saying that this was a problem and that we should be doing something about it. But he has been around for all time. That problem has been around for all time—even when he was Member for Health! Yes, Madam Speaker, because the problem is that we cannot pay those doctors what . . . or, it's not in the system; it's not in the schedule, not yet, and has not been, to pay them what they can receive overseas.

You take Dr. Panton, who [I have] tremendous amount of respect for, and Dr. Woodburn Levy, two people that I know parents struggled to put through school. I believe that given a chance, given an opportunity and paid the right amount they would come back. But we have to pay them the right amount. You can't expect them to pull up roots and break up their career for \$60,000 a year. No.

So, I know the Member for North Side knows different than what I heard him say on the radio that day. No, he did not mention it here in his [debate] on the Throne Speech. I don't think he mentioned anything about that aspect. I am drawing reference and asking him some of the things that he is saying, whether he thinks that that could be done in one year and whether he thinks that he should be on the attack all the time.

I do feel, Madam Speaker, that the Member need not be so attacking as an independent; but use his good knowledge to assist. We see the problems, Madam Speaker. We know that the Health Services has had it for years. I said publicly, I don't run from anything; I face things. I was given health for one year and I told them they could keep it because I know the problems we have.

You raise the salaries of doctors on the scale it is from where it is, and then you have a tremendous outcry in the public service because they'll never match what is existing. That is a problem. We see the problems, and the Minister will get some work done.

We are not going to be able to cure every problem. I think the Member for North Side knows that because he had his fling with it for four years and he knows how difficult it is. We see the problems and in the next three years we will address them.

Madam Speaker, as has been aptly demonstrated by the economic and social theme, that everyone in the Cayman Islands has suffered after four

years of mismanagement and outrageous spending, coupled with anti-business policies, Madam Speaker, doing nothing is not an answer to the future of Cayman's economy and its people. Our enviable society and way of life has been built over the decades on the twin pillars of the finance industry and tourism development.

These two industries were fostered by bold and visionary Caymanians. I had the privilege of serving with some of them in our younger days—the Member for North Side and I. Sir Vassel Johnson, we got elected together on the same ticket. Mr. Norman Bodden, he had been elected one term before. Capt. Charles Kirkconnell, and even the man who might want to see me dead, Mr. Benson Ebanks. They all had their part to play and made strides for the country.

Truman Bodden, John McLean, the late National Hero, Mr. Jim Bodden, and many others, Madam Speaker, that I had the privilege to serve with in this House to be on their side and to fight them when I had cause to fight them as well. These Caymanians saw opportunities and did the necessary things to foster in Cayman a place where they could grow and prosper. As they did so, the people of the Cayman Islands prospered as well.

But we all know that our financial services sector is and will continue to be under attack by every industrialised nation in the world. This is 2010. This is not 1966. And what the Opposition is not saying and did not deal with is the globalised position that we are in, small as we are. But it is not un-noticeable, Madam Speaker, that we have the kind of economy that we have. We might not be an independent country, we might not have mountains and rivers, and huge industry, but what we have is paid attention to—more so today by the Internet. And that is why, Madam Speaker, I rail against people who get on there and say all manner of evil about me or the next politician or the next person or a situation, because it does not stay here.

And it is meant to help destroy us. And those people grin and love it because some of them who put it on there do not have to stay here. They can run! And Caymanians grin, *Hee, hee, hee! Hear what they said about McKeever? Hee, hee, hee, hee!* All the time we are killing ourselves, Madam Speaker, and they don't realise it.

Just travel to Brussels. Go to Germany. Go to Luxemburg, go to Ireland. Go to Canada. And if you believe that this little rock is loved, you are making a big mistake. They see us as taking their business. But we are under attack by every industrialised nation in the world. Whether this is fair, or right, or a good policy for them to adopt, it is a fact, and a fact that we have to face. And in facing it, Madam Speaker, it takes the actions necessary to protect and grow our economy and our way of life.

And, Madam Speaker, I object to some of the things that I see in the papers and on the news and the Internet, because some of them came from noth-

ing that wrote it. And had nothing! And will go back to nothing, and they don't care if they destroy this country in what they are saying!

Now, you write that and put it on.

I know some of them, Madam Speaker, are good people, and they care for where we are at. I know that. I talk to them and I see by their demeanor. And when they write you can tell that they are not vicious. And I speak to Caymanians today, and I speak to our Members in this House, let us not be fooled and continue to allow them to separate us. Let us not quarrel over fire ants while elephants are trampling us!

Madam Speaker, when I listened to the Leader of the Opposition, it reminds me . . . You know, when we sit in the backseat some of us (not all of us) tell the driver what to do. "Go!" "Oh, you're going too fast." "Stop!" "He stopped too sudden." "Stay on the right side." "Don't look out there." "That's a green light." "That's a red light." "Don't do this, don't do that."

And then, Madam Speaker, as one of my good friends in preaching at a graduation service the other day said, "When they are in the front seat, they have the wheel. They don't care how fast they are going; they don't care how fast they are stopping; they don't care how slow they are moving; it is they who know best."

That's the Leader of the Opposition. "Not on the kindest of mornings." Do you think I could ever forget that? I am coming to it.

Madam Speaker, we know . . . he said that I was now paying attention to external forces. In other words, he was saying that I did not before. He is a crazy man if he believes that. Madam Speaker, I took on the UK and took them to court because what we had, I knew that we could get better. And what happened? We won in the Court of First Instance in Europe. We won! Was that wrong?

No! That was right for the Cayman Islands. I took on the battle of the Savings Directive because when that man was leading the country between 2000 and 2001, they wrote to us and he did not do anything. And the time went by when we should have acted. That's what happened with the Savings Directive. When I took over in November 2001 it was right in front of me to deal with.

And I took the course, *I am not going to agree right away, let me fight a little bit. I know I can't win at the end of the day because we are only little Cayman, and I am not . . .* Well, I was the constitutional leader in that day. Leader of Government Business, was in the Constitution. But where do we punch? At what weight?

So I knew. But did that mean that I had to give up? That I should not have stood up to any one of them? I said, *No, I can get better out of this, and I want better out of it.*

And what happened, Madam Speaker? Yes, we got recognition for some of our institutions. We have membership in IOSCO (International Organiza-

tion of Securities Commissions) because that was part and parcel of the deal. And all of that is good for our institutions today and we are better off than the deal we had before.

If I had not fought, what would have happened? So there is a time to fight; but there is a time to work. And that's what he failed to do. He did not work.

Madam Speaker, why we got on the grey list and our position became significantly weakened, was due to their failure. And I don't blame anybody else but the [former] Leader of Government Business and the Third Elected Member for George Town who took over responsibility for international finance matters from Mr. Ken Jefferson, the then Financial Secretary. He was responsible when we got on the grey list, and that was due to his failure to follow through on the advanced commitment given to the OECD (Organisation for Economic Co-operation and Development). And between the time when the OECD Model Agreement was finalised in March 2009, there was a great opportunity for Cayman to negotiate the Tax Information Exchange Agreements and accompanying benefits that would have been advantageous to our financial industry.

And he came here again, trying to lay blame on McKeeva. Has he no shame? That open door from the OECD up until March 2009 became effectively narrowed when the G-20 threw its weight behind the OECD on 20 April 2009. And everyone—except him, and perhaps the Elected Member for East End and the Third Elected Member for George Town—knows what happened.

Since then, Madam Speaker, in our negotiations with countries, our primary objective has been to recapture our reputation and good standing in which we have made significant strides with the OECD. We even have membership in the OECD's steering committee and peer review group.

So he would naturally seek to belittle the accomplishments I have made because he did nothing and the PPM did nothing but put us on the grey list and we lost business. We lost business.

**The Speaker:** Do you want to take a break?

We will suspend proceedings now for 15 minutes.

**Proceedings suspended at 11.36 am**

**Proceedings resumed at 12.15 pm**

**The Speaker:** Proceedings are resumed, please be seated.

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development, continuing his debate on the Appropriation Bill.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

We know that our tourism sector is under threat and has not grown as it should in recent years. With the closing of the Hyatt and the Marriott Courtyard, among others, we have fewer hotel rooms and stay over visitors than we did perhaps a dozen years ago. And, Madam Speaker, as much as the Ritz Carlton has been criticised, if it were not for the opening of the Ritz Carlton the situation would be much worse.

While we have stagnated, our competitors in the region have been growing and they have studied our success and systematically endeavoured to take our business in both the finance and tourism development sectors. Madam Speaker, that is why I am pursuing development. I keep saying that we cannot sit down and do nothing. We had the Hyatt closed since Hurricane Ivan. The Marriott Courtyard closed in recent times.

Between 2001 and 2005, when I was leading the Government, at every stroke of midnight there was a cry of "who are you developing for?" and "what do you need more hotels for?" And I kept saying we needed better brands of hotels, we needed to have hotels that attract their own visitors, their own people who carry a following. Now we know the want of them. Today we do, because the attitude was we'll sit down and do nothing because, of course, we weren't doing anything for Cayman.

Those that want to live in fear say we should do nothing, Madam Speaker. Sit still, and somehow the Golden Goose will continue to provide us with eggs, while we spend those that have not even hatched yet, those, that if they ever come rightly belong to our children and grandchildren. The truth is, as our forefathers knew, nothing stays still. You are either moving forward or sinking backwards. And under my administration we will move forward and we will create opportunities for Cayman to grow and prosper for the benefit of all Caymanians for the long term.

We cannot cling to the hope that the world economy will improve and the world's governments will decide to cease their war against our industry, that somehow our economy will improve and we can continue our [carefree] spending ways. Madam Speaker, to do so would be the height of foolishness. We owe it to the Caymanian people to act wisely to secure our children's and our grandchildren's future rather than wait for the day when the financial industry can no longer provide the base for the economy. We need to recognise that we must use the time, while we have it, to expand and develop other sectors and other businesses.

We have already witnessed the price of ignoring reality when the last administration chose to live in denial of the changing world economy and moved us from surplus to massive deficit, a deficit that we have been struggling with from the first day we arrived as a government, narrowly avoiding destruction of Cayman's economic model through the institution of direct taxation.

I did not hear any one of the three speakers who spoke—including my friend from North Side—talk about it. They never mentioned the battle that I had against what I was being told to put in, income tax or property tax. Maybe they agree. Maybe the Elected Member for East End agrees that we should have income tax or property tax. Madam Speaker, maybe the Leader of the Opposition does. But what I can tell them is that the day we do [that] the *little small* man they claim they want to protect will suffer more than anybody else because it won't stay at 1 per cent; it won't stay at 2 per cent, and it won't be forever above their salary.

Madam Speaker, it never did. In all the places it was introduced, they licked everybody after awhile. And if anyone believes that income tax or property tax is the answer, well, they will have to go, put up their deposit, and let us shed the light on them as a candidate. But not McKeeva Bush. I am not going to put in place income tax or property tax. I will resign first as the Minister of Finance.

So, Madam Speaker, we may have survived that storm so far. But it continues to threaten us and we have to have the courage to make the decisions and take the actions to restore our economic health in the short term and pave the way for our long-term health for generations to come. That is why we have to increase in a little area—and it is small, although they are making big amounts of noise about the increase in import duty of 25 cents on fuel. But why have they not been saying how much worse it could be?

I didn't hear that from the Member for East End or the Leader of the Opposition. I never heard it from my friend the Member for North Side either.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** No, no.

Well, let's say you gave an alternative, but you didn't say how worse it could be.

They are not saying that because they would like the public to believe that it is not as bad as we are saying. Madam Speaker, again, if they do not, I would like for them to start paying attention to world affairs.

Look at what is happening . . . if they don't understand Cayman's economy. I am not saying the [Second] Elected Member for Bodden Town does not, I believe that some on the Opposition bench do. They do not understand what made business here, and they do not seem to be paying, and they were not paying in 2008, Madam Speaker, because can you imagine that the Leader of the Opposition who wants to advise me when Lehman Brothers went down, that was the Leader of the Opposition who said, "Oh, that? That's only going to cost us \$200,000."

Uh-huh. I must listen to that kind of advice now?

I tell the people of the Cayman Islands that I will not pay much credence to what they say because

it has been proven that they can't lead. They do not know what they are talking about and they will never say that I know more than them. The truth is that I read enough to understand. I watch enough of the world stage to understand something when it's coming down the pike.

And I see what's happening. And I repeat this: I see what is happening to Greece. And how do you think it got there, Madam Speaker, [by] not having the revenue, but spending and continue to spend and then finally getting into trouble. Of course, a lot of other socialist things went wrong. But that's the main problem—no revenue. And that's where the PPM left us. No revenue! Deficit! High loans and continuing high loans for their projects that they left without planning the projects, without having the money to do the projects, without having the loans even at that time to go ahead with. That would have been bad enough, but to start those kinds of projects without having a plan, without having the revenue source to do it . . . what did they think was going to happen?

Well, again I say, go and ask Tom Jones who picked up and left. There is a correlation. There is! And it had to be a backdoor deal too because nobody is saying up front what happened. We know that they have sued us. Ha-Ha! *[said in a sarcastic manner]*. Yeah.

You don't know, eh?

Madam Speaker, it seems that there are many in Cayman who believe they have the answers to everything under the sun. But as far as I have heard, these experts only seem to have many reasons why not to do things. I have not heard much about what can or should be done. No! Because that would mean that they would put themselves on the line politically. And they are not going to do so. They will stand there and they will sit there and they will go shoo-shoo under the Almond tree. And they will go up on *Rooster* in the morning and talk, because not many people are going to call in and disagree. They will get their supporters to call in and agree with them.

They will not say that I could have taken the United Kingdom's idea and lay off the Civil Service, cut the Civil Service now. They wouldn't say that. They will not say to do it either. They just say it was wrong to cut the Civil Service to 3.2 per cent.

Why do you not say what can and should be done that makes sense? Uh-uh. Because that puts the PPM on the line and they still have their supporters in the Civil Service who will help block us and continue to do so.

No. They are not going to do that. We all know, Madam Speaker, that it is easy to criticise but much harder to do. And now is the time when action is needed. This administration is committed to making sure that we do not stand by and let opportunities pass us by while our competitors in the region seek out new business. They are creating new space for the mega yachts. They are creating the channels for them to come in. They are creating the channels for

the cruise ships to dock. They are improving their cargo.

But some of them are not as fortunate, even while they do that, as us. We can. And we have managed to keep our environment intact. But we can let those assets work for us. And that's all I am saying. And it does not take a rocket scientist to understand that. It takes good common sense.

This administration is committed, while our competitors are growing and finding new ways to grow their economies, we are already behind. There have been few better opportunities in recent memory than the chance now to develop yachting tourism. With the recent decisions in both Havana and Washington which were confirmed to me by representatives at the Regional Tourism Conference in Puerto Rico to begin opening Cuba to American and international yachtsmen. Cayman is being presented with a golden opportunity.

And they are here talking about why I want to do yachting, and I heard one on the radio this morning. Oh, but ignorance is bliss! And I guess it's better when the owners and the radio show hosts, the Internet and the radio give them all the preference. Ignorance is bliss.

Madam Speaker, whereas we used to be on the western edge of the cruise touring grounds, isolated by Cuba, we are now poised to become the centre of the region, placed perfectly between the cruising grounds of Mexico and Central America and the Leeward Islands. We are now poised to be the gateway and home base for the next chapter in Caribbean yachting.

While the opportunity to cruise the waters of Cuba will attract the majority of yachts coming into the Caribbean, I doubt they would want to be based there. I do not accept the proposal by the PPM, the Elected Member for East End, that we can develop yachting or enhance yachting by anchoring off Eden Rock.

Hear the Member for East End, *I don't think that we need to do that; just build a little platform off by Eden Rock and let them off out there.* Oh yeah? I reckon they don't need to put their \$50 million, \$60 million or \$30 million yacht out there to get beat up by any Nor'wester and have to run every minute or keep up on engines. No! I am not going to support that idea because it is nonsensical.

Tell me how many days we are losing now because of bad weather out here? Tell me how many days. Does he know? Has the PPM studied that? I tell you what, it's growing. We are losing tremendous revenue because the ships either pass us by because we don't have a proper facility . . . we can say, But, this is where my grandfather brought the Merco; this is where the Kirktrader was . . . oh how far away we are from those days, Madam Speaker! And those days revenue, can't pay today's one school child.

Madam Speaker, I heard someone say this morning that we have to think outside the box. Well, we have. While those in the yachting community will

want to see what Cuba has to offer, they will want somewhere safe and sophisticated to begin and end their journeys. This yachting clientele wants to be able to fly in on private jets and know they can leave them safely while they cruise. They also want to know that their vessels will be safe before and after their journeys and they can repair and stock with first class product and service that the owners can enjoy the very finest in onshore dining, shopping, spas and other amenities.

Cayman is uniquely suited to fill this need and nobody is going to try to convince me otherwise. It builds our seafaring heritage and brings tremendous synergies to our other maritime sectors, whether it is taking advantage of our world-leading registry, expanding options for our local fishing fleet, paralleling the supply and logistic segments of our cruise industry, enhancing and expanding our stay over tourism and development sectors. This is an area we need to embrace and utilise as we work to build new pillars for our expanded economic future. Madam Speaker, this industry has the potential to fulfill our long-stated desire to have maximum benefit from minimum impact; the greatest gain for our people from the fewest number of visitors.

Madam Speaker, did any of them ever go and find out anything about yachting? Did they go even to the Bahamas to see what is taking place there? Have they? Or do they only go from here to Cayman Brac and look goats?

Which one?

**The Speaker:** Honourable Premier, you are repeating yourself a bit. And we need to get this debate—

**The Premier, Hon. W. McKeever Bush:** Madam Speaker—

**The Speaker:** —on the move.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, it is very important what I am saying here. And I don't think that I really covered before what I am covering now.

I might have just said that they are only going to Cayman Brac, and that is the truth, and I only said that once; but I don't want to hold an argument with the Speaker.

**The Speaker:** Thank you.

**The Premier, Hon. W. McKeever Bush:** That's the last person I want to get in trouble with.

**The Speaker:** Thank you.

**The Premier, Hon. W. McKeever Bush:** But I know when I'm right too, you know, though, Madam Speaker.

**The Speaker:** Me too.

**The Premier, Hon. W. McKeever Bush:** All right. Good.

**The Premier, Hon. W. McKeever Bush:** This industry, Madam Speaker, has the potential to fulfill our long desire, I repeat, to have maximum benefit from minimum impact; the greatest gain for our people from the fewest number of visitors.

There are over 7,000 luxury yachts over 80 feet in length, with over 650 new yachts coming this year. There is a lack of berthing for those that exist already. And the desire for new cruising grounds and home ports, the place where these yachts stay when they are not being used, is growing and will continue to grow for decades to come.

It is well documented, Madam Speaker, that these vessels bring in substantial dollars to the places they visit and stay in, which is why so many of our competitors regionally and internationally have actively been pursuing this market. In a study prepared for the Maritime Industries Association of South Florida, it was found that the average economic for the 1,500 mega yachts, meaning only the largest, was \$500,000 per yacht, or \$750 million annually.

In addition to this, Madam Speaker, we also have the opportunity to quickly generate hundreds of millions of dollars in direct economic activity as the facilities to host these yachts are constructed. We can turn our late arrival into the market to our advantage by being able to deliver not only the newest cruising ground, but the newest and highest quality facilities.

Madam Speaker, I heard two developers' names mentioned here the other day. Say what you like about Michael Ryan or Dart, no one can argue that they deliver the finest quality. And I believe that they and others will put us at the forefront of this industry. And this industry will deliver opportunities and benefits to all segments of our economy and in segments where work is badly needed, that is, construction, mechanics, boat building and repair, fishing, supplying and navigating, areas where we have a strong base of skills within the Caymanian population.

There have been some on the Opposition bench who have said that we don't have to do anything to attract these vessels. Oh? Well, we do have them on the registry, but what are they providing to us? And they say that they can stay on the outside. Ha! Well, only fool-fool people think that a large yacht wants to travel to a place where they are not assured of a safe harbour and stay there while they will roll and roll all day and all night. The North Sound is one of the great natural harbours in the region and we need to use it and use it wisely.

Madam Speaker, I have also heard it suggested that we only need a channel to attract boats around 50 feet or so. I don't agree with the Member for North Side about that. Even if we can attract them, what benefits will they bring? There is a reason that

the market is divided between boats over 80 feet and those below. It has to do with what they spend—and that's where we must get in—and what they require to spend it. And it is a fact that the larger yachts spend more.

Madam Speaker, yes, we will have to build a bigger channel and a deeper one than 8 feet. I'm sorry. But a 300 foot yacht is not going to come [into a channel] 50 feet because they need to turn. So it will be bigger. And they cannot come in on 8 feet of water. That's nearly nothing. At low tide they could not come in. So I do not agree with the Member for North Side on that. We didn't disagree, and I want to assure him that it is not going to stop because none of them are involved. They have not made any presentation to me. We won't stop on the Ritz Carlton or Dragon Bay. And it won't stop at Camana Bay.

In fact, the very people that the Member for North Side mentioned, the Scotts, have already discussed with me a need and I aim to fulfill it. Madam Speaker, it cannot destroy the North Sound. And let those people out there who think they know it all understand that. While we have assets, Madam Speaker, we have to utilise the assets that we have.

Yes, we know that the North Sound is already suffering, has been suffering for years from the left-over effects of Ivan, suffering from turbidity caused by boats dragging a brown streak as they head across the North Sound.

Take a look out the next time you fly over and you will see that the bottom looks like someone has taken a knife and slashed it. And I can tell you that I have been in that North Sound many, many years with my step-father, long before some of these know-it-alls have been out there. And I can tell you that the clarity of the water is not what it used to be when I was 10, and 12, 13, 14 even 15 years old. And the more bigger boats we get in—and we can't stop people from bringing in bigger boats that can cut across and ply across the North Sound—it's going to tear up the bottom. I say let us build a proper channel and they will have to comply, those bigger boats. The smaller ones carry their little 15 hp or 60 hp and do not tear up the bottom; it's the bigger ones that do. So they will have to course the channel.

The North Sound is suffering from lack of circulation and they don't want to tell us that because they don't want . . . their policy is you can't touch the North Sound, so they are not going to tell you how bad it is. They are not going to tell you that it's suffering from too much pollution leaching in from the dirt, from the dust and other areas, from the things that we had to drill or cut for mosquitoes. They are not going to tell you that. They don't even want to admit that the hot water going from CUC into that area has killed the whole area. Go look and see!

If we do nothing, the North Sound will continue to suffer and we will all suffer as well. And I believe that a proper channel done correctly will work, Madam Speaker. It will help the North Sound. But be-

cause the environmentalists, some who have nothing to do except to say "I'm an environmentalist, you know, McKeeva is not" . . . oh yeah? Maybe, maybe one of these days they will have to eat mangrove steak and sea-grass soup!

Madam Speaker, this country here, this little island here, was one time more than 50 per cent swamp. They can say what they like about the West Bay Peninsula, it was leased a long time before I was born, and from that day on it will never revert to the Caymanian children nor public. It was given to Benson Greenall. Those that had that vision did it, now everybody utilises it. And we are sitting down getting pitance.

Me? My thing is that I can't get that back. My children will never get it back; Caymanian children will never own it. Get something out of it! Get something out of it. Stop complaining about a buffer like that is going to stop the sea from coming in. Did it stop the sea last time? Didn't that sea get up and come over the little bit of mangrove down there?

Madam Speaker, they are talking nonsense! They are not true environmentalists. They do not know the first thing and the last thing about being an environmentalist, those who write on the blogs. Not one of them!

They come from England, some of them. They come from other places, who did nothing, saw nothing, have nothing—and will never have anything—except that they can write a story and tell you that you were wrong. And they love to do that. And I tell you . . . I am a sensible nationalist, I think. I do sensible things. I create laws for medals, Caymanian medals. I create national heroes. I think that I am a sensible nationalist. I think I have good common sense. I love to go out there, but I want to utilise it for the children of this country to get a betterment from it.

Stop thinking that someone is going to get a dollar off of it and you're jealous of that because, oh, that green-eyed thing called *jealousy* is a bad thing, Madam Speaker! Some of them got nothing, had nothing, want nothing and are not going to get anything and hate like hell to see somebody else get something!. It is a bad thing, but it's a truism and I don't want them telling me what I should do because they don't have any scientific facts. They do not know.

Am I off course again, Madam Speaker?

**The Speaker:** Yes sir. You told me you know the rules.

**The Premier, Hon. W. McKeeva Bush:** Ah, Madam Speaker, I'm still talking about yachting, that was raised on the other side. I'm answering it.

Madam Speaker, we recognised that we need to do something to promote our tourism and development sectors so that they can support our people and provide the money and jobs we need in the future. We cannot do this without developing and improving our

infrastructure. And the yacht channel is a key area where this needs to happen.

The intelligent approach is to see this as part of the overall advancement of our product and our island so that it is logical to combine this channel with the long overdue lengthening of the airport runway so we can grow and expand our market. See what is already there, like the existing channels already cut, but not connected. And that is what we will be doing in the vast majority of putting a channel in the North Sound and find a way to make the greatest benefit from it for all Caymanians.

Recognising the limited resources available, we will not heedlessly try to borrow yet more money like our predecessors, but will harness the private sector that stands to benefit, along with all of us, in seeing these projects move forward. In this way, both efforts—the channel and the runway extension—can support each other providing both the necessary fill required for the runway and the funds necessary to complete it as well as the channel.

This is not about Government spending money we don't have. It is about recognising the private/public partnerships that were the foundation of Cayman's past success but has been missing in the last four years.

The extension of the runway provides greater access for the owners and users of the yachts, and also provides expanded markets for the rest of the Cayman tourism segment. And, by combining them, Madam Speaker, we can in one step put Cayman back on top with our regional competitors who all have both better air access and berthing facilities for mega yachts while we have done nothing.

The Bahamas, Turks and Caicos, BVI, St. Thomas, US Virgin Islands, Anguilla, Antigua, St. Kitts, St. Barts, St. Lucia, the Grenadines, St. Martin and many others, Madam Speaker, Cuba now, are jumping or have jumped ahead of us with both runways and berthing facilities. But we, as a Government, are determined that Cayman can regain its position as the preferred destination in the region, and that we can do so in a way that keeps the benefits at home for Caymanians to enjoy.

We are not proposing that these efforts will be done without proper care and concern, without proper study and consultation, without proper transparency and oversight. No! What we are saying is that they will be done and that we need to get started and get started now. (I am repeating that!)

Those who will be involved, Madam Speaker, will be required to provide full and complete environmental studies based on real data and real experience. But I am not going to listen, and we want to repeat that, to any radio blog about it or show about it because I know that they don't know what they are talking about. I haven't heard one yet. And we are not the first people in the world to address these issues; and we can learn from the successes and failures of



others to ensure that we are [making] the best possible approach for our long term future.

We want a clear and open discussion based on facts, not on emotion and conjecture. We know things can be done right and we will ensure that they are done. But mark my words, they will be done. The country needs it and our children's future needs it. And when looking at our overall infrastructure, Madam Speaker, we also need to look at the dock. This is another example of a problem ignored in the vain hope that if nothing is done somehow things will improve.

I think we all know that it is the definition of insanity to keep doing the same thing and expect a different result. It is time to do something about a dock that is not working, neither fulfilling the wider needs of the cargo community, the cruise community, the business community of George Town, or the wider community of Grand Cayman. It will, and is not bringing in the revenue.

Cargo alone will not do it. For the past four years we have heard about one Go East Initiative after another. All by the same PPM people who in the same breath say we should not encourage growth. The truth is, Madam Speaker, that if you want economic development, then you need to create the opportunity for it to thrive in the real world. The Go East Initiative is not going to help the eastern districts by digging out by the gas station up there. It is not going to do it. It's not!

By moving the dock we not only improve the situation in George Town and remove the growing congestion in the Capital, we not only improve the situation for our cruise visitors, we not only provide true and sustainable economic activity in the eastern districts, we also open up a new area for economic growth through trans-shipment and areas like yacht tourism, which our historical location as the cross-roads of the Caribbean can be utilised for our economic growth. Have they studied it?

Why is it that the Member for East End does not want East End people to be hired? Why?

He talks about his Government talking about Go East. What have they done for Go East?

As I said, Madam Speaker, I want to repeat that. Digging out the sand and putting in a few cabanas by the gas station and putting in a fishing ramp cannot bring the kind of environment that I believe they were talking about. But I keep saying that the way the PPM talked, what they did, and what they said, was divergent.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Yes.

As with the channel and the runway, this will be done with exceptional care and oversight. It will be done the right way, the smart way and the sustainable way and it is not being done with Government money because we don't have any. It will be done using the lessons learned by others and by following best prac-

tices and it will be done utilising the resources of the private sector rather than the public one. It will be done after the discussion has taken place with the good people of East End also.

The truth is that there is no public sector income that exists on its own, Madam Speaker. It all comes from economic activity in the private sector. And when we borrow funds on behalf of the public, it is the public who will have to pay them back, no matter what we might hope and prefer. For, far better [it is] for the private sector to take the lead role with the public sector to oversee them to be the impartial custodian of the public good and to ensure that the promised benefits are realised.

Let the private sector take the risk and provide the resources. That's what they do. And together with the public sector can provide what is necessary to not only support the traditional pillars of our economy but create new ones. My administration has been working full force from its first day dealing with the ruin left us by the recession and the thoughtless and foolhardy actions of the previous government. But we have, thus far, won through and we have created the opportunity once again to focus on supporting and growing the Cayman economy so that our best days, I believe, lie ahead.

Along with our recent historic agreements that will create a medical tourism industry, that will provide much needed . . . and counter, Madam Speaker, cyclical economic activity, the channel, runway and dock provide new pillars to our economy: pillars that will enhance and embrace opportunities for all Caymanians. The more we expand our economy by maximising our natural and manmade advantages, the less dependent we will be on up and downs and vagaries of the international communities and any one industry.

No longer will we have to live in fear that some foreign government or institution will decide our fate by passing a new regulation. No more will our children have limited scope when looking for future opportunities. No more will we be seen as one-dimensional island, but we will fulfill our destiny to be the premier location in the region in all the areas of lifestyle and economic growth.

Madam Speaker, let me turn to this matter they talked about, crime, that they said we did not address. I think we said enough; the Governor said plenty in his speech and I did not have to cover a lot in it. It is a matter that faces the Caymanian public. But let this country know that crime is the purview of the Governor and the Deputy Governor. As a Government, we will vote money, we will attend the National Security Council and give our advice to the Governor, but stop blaming elected governments as we do constitutionally what is required of us.

And, the Leader of the Opposition is also on the National Security Council. He can't get out of that.

In the last six months, let's look at what has happened. Yes, there have been murders and crime that is unprecedented. But in the last six months, eight

individuals have been charged with murder. And these charges relate to five separate offences, four of which were committed this year. All of these individuals are remanded in custody. Charges have already been brought in four of the five murder cases this year. The successful short-term secondment of 14 officers from the West Midlands Constabulary in support of the RCIPS helped bring about some of the charges. The Royal Cayman Islands Police Services aim to build on this positive relationship.

In addition, three people have been convicted of murder this year. These relate to two separate murders committed in 2009. There has been a reduction in serious crime. In a year on year comparison, serious crime is down over 5 per cent, which equates to 22 fewer victims. There have been a number of successful investigations in the last six months. Four individuals have been charged with abduction and blackmail, after a man was kidnapped and held for ransom. A number of people are currently charged with attempted murder on firearms related matters.

In the last 18 months the Marine Unit has conducted over 800 hours of border patrol protecting the borders of the Islands and conducting search and rescue operations including the operations in January after people were tragically lost at sea.

The helicopter was put in use—not even that happened under the Opposition. In the past 18 months over 1800 pounds of ganja has been recovered. A further three pounds of cocaine has also been recovered. During one of these operations, three firearms were recovered, having been imported here. After a month long gun amnesty, 26 firearms were handed in together with several hundred rounds of ammunition.

During the last six months 12 further firearms were recovered in police operations, together with a large quantity of ammunition. In the first six months of this year, the number of fatal motor vehicle accidents reduced from five in 2009 to one this year.

In 2008 and 2009 many trained officers left the police service. The police service has been working throughout fiscal year 2009 and 2010 to recruit officers with the relevant training and skills to fill their vacancies. The number of vacancies has been reduced from 80 to 35, and the police service hopes to get back to full complement by the end of this year. This will allow more trained officers to return to front-line patrol functions and will have a significant impact on frontline operations.

The police service and the portfolio are pressing on with a programme to install country-wide close circuit television to enhance security in fiscal 2010.

Madam Speaker, on the Prison, one Richards, one of the most dangerous prisoners at Northward, was removed 18 June to serve the remainder of his sentence in the United Kingdom. That is one good thing that the United Kingdom is helping us with.

Madam Speaker, we have enacted the legislation to allow witnesses in certain cases to testify or

provide statements [anonymously] in order to minimise the pressing issue of witness intimidation. We are moving ahead with the revamped Police Law, which will provide additional investigative powers to the police service as well as enhance the capabilities of the criminal justice system.

In the coming months, the Government will be looking at other legislative measures to help tackle the incidents of crime that these Islands are facing. We will be looking at judge-alone trials for some firearms related offences. That is being criticised. We will be looking at abolition of preliminary inquiries so as to fast track certain cases to the Grand Court. That, too, is being criticised. Similarly, we will be amending the Evidence Law to provide for better use of video link facility for the giving of evidence in certain circumstances. That, too, is being criticised by the Opposition.

All these measures will be put in place following the appropriate level consultation with relevant agencies and other stakeholders.

Madam Speaker, in a year's time I think that we have attacked the problem. What we can't do is kill attitudes that have been built up. What we can't do is remove that criminal element that is going where they want to go. We are putting measures in place to impact it, but for the Opposition to get up and say nothing was said about crime . . . and I know he did that in here. And he went on television talking about it. Madam Speaker, it's a pity they don't bite off their tongue. It's a wonder!

But they like to lay blame, and that is the job of an Opposition. But it's also the job of an Opposition to provide alternatives. It does not work one way for the Opposition. It does not.

Madam Speaker, a while ago I spoke about our pressure on tourism. Pirate's Week . . . Madam Speaker, I think that festival can play an important role in our on-island festivities that are supposed to bring in tourists. Madam Speaker, I am one who believes that we don't need another event for island people, for our people to go. I don't believe that. I don't think that I should be spending millions of dollars for that. We have enough things that if we want to do, we can do; and go if we want to go.

I really believe that those events that we have that are supposed to attract tourism let us deal with that and bring them in. Yes, it is good for us to recognise our heritage on those days. But I do not believe that I should be spending millions of dollars to do that too. I don't feel that way.

And after being involved with it for . . . since its inception in 1977, I thought in the last couple of years that we needed . . . well, more people come out. I see people come out on the afternoon of the landing. But I don't know that there are a lot of people going to heritage days, which is when I thought they would be going. I feel that there is a lot lacking. So, when we appointed Mr. Bernie Bush, I said to him, "You have to make changes. It can't be the same old, same old."

So, Pirate's Week 2010 is coming. And the festival takes place from 11 to 21 November this year. And it is intended that it will be a fun-packed 11 days for the whole family whether they are residents or tourists. That's what I want to see. The Pirate's Week Committee will be launching the new Pirate's Week branding in a print and online campaign that will start next week. The new branding, which has been designed in conjunction with Cayman Free Press, is a more modern and contemporary reflection of the direction that the Pirate's Week Committee is carrying the festival and heritage days. We still kept the name "Pirate's Week."

The festival director, Mr. Bush, has confirmed that the Pirate's Week Committee is returning to having a theme for the festival. This year is "The Past, the Present and the Future," blending everything that came together to make Cayman the place it is today whilst speculating as to what is yet to come. As usual there will be heritage days throughout each district, but this year a huge infusion of energy has taken place with more young people getting deeply involved in order to make the district days exciting, make it historical, and good natured as ever.

And I want to take this opportunity to give my support and best wishes to the Pirate's Week Committee in their organisational endeavours for this year's festival.

I am also pleased to provide this update on tourism to this Assembly, which, as you know, tourism is one of the subjects in my portfolio of responsibilities. In late March, the Cabinet appointed a Ministerial Council for Tourism and Development chaired by the Deputy Speaker, Third Elected Member for West Bay [Hon. Cline A. Glidden, Jr.], and Mr. Carson Ebanks, Chief Officer, Miss Pilar Bush, and Mr. Jude Scott serving as council members.

Around the same time I reactivated the Tourism Advisory Council and appointed Mrs. Kerry Bergstrom as the Chair of that private sector advisory group. Since its appointment, the ministerial council has been working closely with the public and private sector to develop a turnaround plan for our tourism industry. Some of their efforts are already reflected in the 2010/11 Budget and there is a tremendous amount of work still to be done.

They have a number of initiatives underway and are scheduled to deliver to me the outline turnaround plan at the end of July. However, in advance of the turnaround plan, one issue that was identified by Government last year and reiterated by the Tourism Advisory Council is the need for us to develop additional airlift from key source markets. And this is the subject of my update today.

I am pleased to report that the Government, through the Ministerial Council and the Department of Tourism is in the second month of advanced discussions with WestJet to start three times weekly non-stop service from Toronto in December. As the country will no doubt be aware, the Cayman Islands has

long held a policy position that we will not provide operating subsidies to foreign carriers and in this case we are holding firm to that position.

However, we are prepared to support the development of new airlift within our marketing promotions and public relations resources and ensure a successful route that helps to grow the destination. Of course, airlines like WestJet are seeking some options of risk mitigation in the event that the route underperforms, and this remains a discussion point which we have tied to a close working relationship with Cayman Airways, both commercially and operationally.

Founded in Canada in 1996, WestJet is one of the most profitable airlines in North America, operating a fleet of Boeing 737 aircraft, with 737-600s, 700s and 800s in their fleet, and flies an average of over 350 flights per day. Madam Speaker, the possibility of three weekly non-stop flights from Toronto would be a significant boost to our airlift offering from Canada and provide some competition on the route.

Canada has demonstrated strong growth potential for the Cayman Islands, and it is a market, I believe, that can provide significant new visitors to the Cayman Islands both as incremental, leisure tourists and as persons visiting friends and family who live and work here. We will require the full support of the local tourism industry and the Canadians who reside here to ensure the success of the route. We are confident that we will reach a mutually beneficial agreement with WestJet and I look forward to updating you with the final decision on WestJet and the turnaround plan for tourism before the end of the summer.

Madam Speaker, the first thing the Honourable Leader of the Opposition did in his reply to the Budget was to question the projection of the three-year plan by seeking to suggest the world economy is not expected to recover by 2011. I do not know where he gets his information, but the IMF (International Monetary Fund) world economic outlook from April 2010 reads as follows:

**"The world economy is poised for further recovery but at varying speeds across and within regions. Global growth is projected to reach 4¼ percent in 2010/11. Advanced economies are now expected to expand by 2¼ per cent in 2010 and 2½ percent in 2011 following a decline in output of more than 3 percent in 2009. Growth in emerging and developing economies is projected to be over 6¼ percent during 2010–11, following a modest 2½ percent in 2009."**

The report went on to say, **"Among advanced economies, the United States is off to a better start than Europe and Japan. Among emerging and developing economies, emerging Asia is in the lead."**

This is consistent with the emphasis my Government is placing on Hong Kong, Dubai and China with respect to expanding and diversifying the financial services industry.

The Leader of the Opposition played like a batsman who is uncertain about where his off-stumps is. In the Cricketing world this has become known as the corridor of uncertainty. He seemed certain that there is a need for fiscal sustainability in support of the Miller/Shaw Commission Report, but he is very uncertain about how this can be achieved.

Apart from being uncertain, the Leader of the Opposition is also confused. He said that deficits are not carried forward. Deficits are certainly incurred in a specific time period, but they have to be financed. And in this sense they are carried forward. So let us demonstrate this to the Leader of the Opposition. In 2005, he inherited an economy from us, the UDP, with an outstanding debt of \$156 million. By the time he demitted office in May 2009, the country's outstanding debt was a whopping \$416 million. And, Madam Speaker, that did not include the large projects, nor his deficit.

This dramatic increase in debt under his watch was the direct result of the deficit his administration incurred in the capital spending which it undertook leading up to the last election. Over the period of his administration in 2005 and 2009, the fiscal deficit deteriorated from \$13 million during my time—that was after we spent over \$50 million in cash on Ivan, and that was 2005, because of Ivan in 2005. And we ended up in 2009 to \$81 million, in May 2009.

Madam Speaker, that is a deterioration of some \$68 million which had to be financed. And this was done through borrowing. In addition, his administration spent some \$384 million on executive assets and equity investments, which had to be financed through borrowing. The total borrowing under his watch amounted to about \$331 million on face value. And this is possible because interest expenses have to be paid on borrowings. Therefore, he spent more than he borrowed, which means that he passed on his fiscal indiscipline for us to manage. And now they complain.

This fiscal indiscipline can be quantified as the \$68 million deterioration in his fiscal deficit. The \$53 million in capital spending over what he borrowed, plus the interest expense which accumulated on the outstanding debt under his watch. I wish he was here, but he has not come in yet.

I want to repeat the outstanding debt. It moved from \$156 million in 2005 to \$416 million in 2009.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** It must be evident by now to the Leader of the Opposition that fiscal deficits are carried forward in the form of the method by which they are financed. Indeed, Madam Speaker, the total fiscal deterioration will be summed up in an increase of \$260 million in the country's outstanding debt under the watch of the now Leader of

the Opposition when he was Leader of Government Business between 2005 and 2009.

There are two basic ways, as I understand it, for us to achieve fiscal sustainability: 1) by adequate revenue performance; and 2) by manageable expenditure growth.

As we identified in the Budget speech, revenue adequacy was threatened as early as 2008, though there were clear signs in 2007 when the other side was in Government. Government expenditure accelerated in the same year. Fiscal sustainability was in doubt back in 2008, and this was what prompted the motion which I brought to this Legislative Assembly in February 2008, a matter which I will turn to, Madam Speaker, a little later before I close.

Our partnership for immediate fiscal recovery proposed to minimise any increase in revenue given the potential negative effects on the economy while identifying more efficient allocations of Government expenditure. By immediate fiscal recovery we are speaking to the current fiscal year 2009/10. For the first time in our history, we will be experiencing three consecutive years of fiscal deficits and, therefore, we have to address both short and medium term issues.

This is why the key strategies supporting the three-year plan include:

- 1) Public sector reform.
- 2) Limits on new borrowing.
- 3) Broadening the revenue base (of Government, of course).
- 4) Reducing operating expenditure.
- 5) Creating public and private finance initiatives.

These strategies indicate the Government's commitment to implementing the plan over the medium term. In the short term we have had to grapple with the need for immediate fiscal recovery. As stated before, the two basic ways to address the recovery were through enhancing revenue performance and efficient expenditure allocation. This required making some tough decisions, which is the essence of leadership.

It is now evident, Madam Speaker, that the increase on duty on fuel is a source of concern for the Opposition, as it seems to be an easy political target. As far back as February 2008, I brought a motion that requested the Government at the time to reconsider and reduce the level of expenditure and borrowing over the short term. I went further and asked the Government to establish a public/private fiscal management committee to review the Islands' revenue base and the level of acceptable debt, given the prevailing economic conditions.

I called on the Government in that debate to establish the committee to review the country's revenue base and determine an appropriate level of borrowing that would not overburden the traditional source of revenue. Of course, the appropriate level of borrowing must bear some relation to the prevailing

economic condition. There I was told, *not on the kind-est of mornings would they listen to me.*

Since the motion in February 2008, the prevailing economic conditions have deteriorated. And I sought to address the fiscal recovery through better expenditure allocation and some revenue measures which have not performed as expected. Correct.

In fact, by the end of this fiscal year, 30 June, it is likely that the measures will have only raised just over one-quarter of the estimated revenue increase expected from those measures. One quarter!

This underperformance does not mean that the measures themselves are ineffective, but, rather, the underperformance reflects later than planned implementation of the measures, and not pursuing some of the measures at all in order to pay heed to advice from the private sector such as a planned annual fee in respect of the tax-exempt undertaking certificate. This underperformance of the new revenue measure has been recognised, but at best it demonstrates the confusion of the Leader of the Opposition who, on the one hand said the measures did not perform; yet blames the measures for the economy having already said that external conditions are responsible.

What a state of confusion! The Elected Member for East End had a right to want to take over the leadership.

[laughter]

**The Premier, Hon. W. McKeeva Bush:** In an attempt to justify that—

[Inaudible interjections]

**The Premier, Hon. W. McKeeva Bush:** You have been involved. You're a Member.

—that his fiscal indiscipline was not responsible for the current debt situation in the country, the Leader of the Opposition pointed to the external conditions in 2008.

Hear him now. He gloated that he is happy to see that I am now fully aware that external conditions affect the Caymanian economy. Yet he went on to lay blame on the revenue measures for the current state of the economy.

He also boasted that the new measures did not raise the expected revenue. If, as stated, the new measures will realise just over a quarter of the revenue expected, then they cannot be responsible for the economy. What is certainly responsible for the country's current debt profile is the excessive borrowing that happened under the last Government. There is no escaping that truth.

The Honourable Leader of the Opposition has had a number of unfortunate firsts under his belt when he was leading a government. Now he comes today and wants to be the guru to tell me how wrong I am in economics; but there is no escaping what he did.

In 2001, under his leadership, the Cayman Islands Government borrowed for the very first time to cover operating expenses. For the first time, because he couldn't get anything done! He couldn't move.

In 2008 and 2009, again under his leadership, the country recorded the single largest deficit in a year of \$81 million. And as a result of that same deficit, we had to go again for the first time to the United Kingdom Government to obtain permission to borrow funds—again, another first for him. And it was there that they caught hold of us and said, *Baby, put in income tax and property tax and cut the numbers in the Civil Service.*

Whilst these unfortunate firsts, and the fact that we can truthfully lay them squarely at the feet of the Leader of the Opposition, does not help us solve the present situation. No, Madam Speaker. We know that. I want this country to always remember that the present Opposition spells financial disaster for the country when they are in power. The country must never forget this. They cannot. No matter how many roads they built, they messed up the finances of the country and we are now paying dearly for it.

The decline in the country's economy is now accompanied by an unprecedented debt situation. This adds to the difficulty in managing the path to economic recovery. Since it is obvious that fiscal deficits contribute to the country's debt we are financing, we have to correct the country's fiscal position. Nobody can get out of that fact. I think the [First Elected] Member for Cayman Brac on their side knows that.

We know that there are effectively two ways to correct the fiscal position and the best approach is to address the growth of expenditure over the medium term. And that is what we have been doing. But in the short term, some increase in fees was inevitable so as to avoid more borrowing.

The eventual choice of the rise in duty on fuel took into consideration two principles: 1) the amount of fees; and 2) the incidence of the fees. It has been admitted that we are seeking to raise about \$10 million from the fees. And in the absence of the fees, we would have had to borrow more than the \$155 million that has been agreed to and for which the Foreign and Commonwealth Office said, "No, I cannot allow you to borrow more than that."

The people who are grumbling about the fees saying they are not going to support us are the people that put us in that position, and the Member for East End is part of it.

I know you can throw your hand up in despair. Ask forgiveness rather than being so impetuous!

[Inaudible interjections and laughter]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I don't mind his interruptions. It gives me a break. But I know he is out there burning. But he has four years to stew.

In the circumstances, Madam Speaker, given the fiscal conditions which we inherited from the Opposition—from the Leader of the Opposition—it was prudent, though always difficult, to extract additional revenue from the economy. So the need to raise revenue was predicated on the need to restrict our borrowing given the rate at which our country's outstanding debt increased between 2005 and 2009.

The incidence of the increase is about who bears the burden. And while we were not looking to kill the goose that lays the golden egg in the initial set of fees, we were conscious of who could bear the burden. The choice of the fuel fee is based on: 1) fairness; and 2) equity.

The fairness comes in asking those most able to bear the burden to do so. They are vehicle owners and the electricity generating company. In this instance the principle of fairness is also based on the usage of fuel. By any measure, Madam Speaker, this has to be fair. And I will come to the reasons why.

Apparently, the fear raised by the Opposition is that the electricity generating company will pass on the increase by increasing the cost of electricity. And since electricity is an input in businesses, prices, especially food prices, will rise. That is what they are saying.

In an environment where the demand for electricity might have fallen, given the fall in housing rentals, and its importance to the Consumer Price Index, the electricity generating company ought to be aware that increasing prices in this environment is not the best option for a company that continues to make profits—profits that the Opposition allowed them to make by giving them the kind of contracts that they did!

If, as is being suggested by the Opposition bench, the increase would be 5 per cent across the board, then the incidence would once again be based on usage. Hopefully in the case of the electricity company the principle of putting the country first would exceed any desire for additional profits at this time. Why does the Leader of the Opposition not say that CUC is already extracting huge profits under the licence given to them, by them, the Opposition? And that out of love of country they should not increase. Why don't you say that?

Uh-uh. You can't say that because 1) you have to make me look bad; and 2) you're afraid it will lose votes.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** The choice of the fuel fee is certainly preferred to the duty on vehicles suggested by the Independent Member, since it better satisfies the principle of fairness and equity. A duty based on the engine's ccs does not take into consideration the true ability of the owner to pay in the way that the fees impact on duty does.

I invite everyone to think on these things. Don't quarrel. You were part of it. You can't get out of it. You didn't get an MBE, but you were part of it!

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, let's talk about the low, small man that they keep harping on.

My sister pays \$200 per month, people in her category pay about \$200 electricity bill per month. And on a bill, maybe even go to more, but on a bill of \$200, they will pay \$10 per month, according to the Opposition. That is \$120 per year (12 x 10).

Four hundred dollar increase *[on vehicles]*, as put forward by the Member for North Side, is an extra . . . they are paying what now \$160 per year? So, that is already \$240 per year more than that. Even if it went up a little bit more, even if the small man's bill was \$300, it is still more for them to be charging that on the vehicles.

Madam Speaker, she will pay that small amount, and people in her category will pay that small amount. I will pay much more, as the Member for Cayman Brac, I believe. But he's in a different situation.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** You don't have any to pay.

**Moses I. Kirkconnell:** *[inaudible]* . . . truck.

**The Premier, Hon. W. McKeever Bush:** Not car. I am talking about electrical bill.

**Mr. Moses I. Kirkconnell:** I won't pay as much as you . . . *[inaudible]*.

**The Premier, Hon. W. McKeever Bush:** Let's say my bill is about \$1,500 per month because I have air-conditioning; I use it all the time. I am scared, so I keep all my lights on.

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** I have a bigger refrigerator. I have a freezer. All those things!

**An hon. Member:** I guess you got . . . too!

**The Premier, Hon. W. McKeever Bush:** Got more washing to be done, as I have to wear full suit or shirt and tie every day.

Madam Speaker, what I am saying is that I am going to pay more on that increase. But that's the way it should be because I am spending more. I am using more, it is costing more. If you use more, you pay more.

So don't come and tell me, Independent Member or anyone else—and I heard them on the radio this morning, *Oh how atrocious this is!* It's going to kill the world now! Have they stopped and figured out . . . and I keep saying, Madam Speaker, that this has happened because we couldn't borrow. If I could have borrowed it, a little bit more, I would have done it to keep from hitting anybody in these bad times that we are faced with. But I couldn't. And I couldn't allow the deficit to be that much more. We had to get that little bit of revenue.

And 25 cents on fuel is going to kill you? Twenty five cents. It shows what I am just saying, it cannot do the damage that they are saying. It can't, Madam Speaker. And they should tell the truth, rather than blowing it out of proportion. Say to them, *Look how bad it could have been. Mr. Bush went to England and fought and tried to keep us out of income tax and property tax.* You would have to be paying income tax and property tax, income on your salary and property tax.

But are they saying that? No! In fact, you are lucky they never told you that I never got anything done in England.

The Leader of the Opposition, in his reply, went so far as to suggest that I was apparently making an effort to rebuild confidence. He said that I was painting a picture of optimism in difficult times, and then he asked, *can the optimism be justified?*

Madam Speaker, I agree, I am trying to build optimism, build hope. But if you consider my speech against his last one, where he told us even though we are facing a recession “just think” he said (standing right here!) “just think” he said, “it is not a recession.”

*[Inaudible interjections and laughter]*

**The Premier, Hon. W. McKeever Bush:** And it goes away because you think it is not . . . ha, ha, ha.

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, that one . . . I am going to get that speech bound and keep in my library!

*[Inaudible interjections and laughter]*

**The Premier, Hon. W. McKeever Bush:** *The Power of Positive Thinking!*

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, it does not work like that.

My role as the Premier and Minister of Finance: what is my role if not to rebuild confidence? In fact, he made it quite clear that the issue of confidence was at the heart of managing an economy, yet

he questioned my desire to rebuild confidence in outlining a partnership for recovery.

He suggested that there were no real surprises because the issues were discussed in public fora. He noted that he was happy to see that the Government's proposals were influenced—now, here is another part of their confusion—by comments by the Opposition and the people. They blame me, they say, *You take the licks!*

But now, no, no, no, what you got done, I got that done for you.

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** The Leader of the Opposition . . . and I heard the Member for East End saying the same thing on the radio too.

Madam Speaker, the truth is that they knew the mess they left. And if I had sat down with them, they could have come back and said they got this done. And they know McKeever Bush; they knew I was going to do it! That's why they wanted me to sit down long hours and get nothing done with them. Then they would come back and do the same thing, saying they did it.

It is true that a lot of it was out in the public fora because as much as they said that I am not listening, and as much as they said that I don't want to give out information, how many times was I talking to the press? How many times did I sit down and talk to people? How many times did the press call me up and I gave them information? When things were just ideas and they put them on the front page, and then they came back and said, *Well, the Minister again changed his mind.* I wanted to give them as much information as possible. And I did that.

So, yes, things are out in the public fora. But is that wrong?

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** He said at one stage that the Opposition fully supports the Government, as this was a period that required the two sides to work together for the good of the country. He however concluded by saying that he could not support the budget because of the fees on fuel.

You see, he has a problem with the fact that the electricity generating company and other industrial users pay about 90 per cent of the revenue collected from the fee on diesel fuel imports. He argued that the electricity company would simply increase the cost of electricity to the public and he called on us, now, for a rolling back of the fees.

He'd better not have given them the type of contract he gave them! That was the first step that should have been made. He never argued, Madam Speaker, he never argued—given the Opposition's strong connection with the electricity company—for

the electricity company to play its part in our fiscal recovery strategy. No, he didn't do that.

But I call on them, and I hope that I don't hear in Cayman Brac, because Cayman Brac is not going to get an increase. So I don't want to hear . . . I said that I hope I don't hear it in Cayman Brac, because you didn't get an increase. So, no increase on the people in Cayman Brac! There will be some here. But, Madam Speaker, everybody has a share in this and that, I think, was the best way of doing it.

What I want to promise the people of this country is that we are going to review these things, but the economy must be up and running. If I can get these projects off, Madam Speaker, in another year, we can reduce it I am sure. We have to get the things done and get the money in. But that's why they are trying to stop us, Madam Speaker. They know that we can succeed. So all manner of things are being said.

But I want to continue to demonstrate the confused mind of the Leader of the Opposition. Last year the Government removed the rebate on diesel as a way of reducing expenditure. We did that. And I heard the radio show say this morning that we did it and they were talking much about it, it was the wrong thing because we had asked the Government to do it and now we went and put it back on. But the Leader of the Opposition criticised the measure back then when he put it back on.

The Government proposes to introduce the fuel fees to address the fiscal position he left. The Leader of the Opposition criticised the measure too. So, on the one hand he criticised the Government's removal of the rebate and now he criticises this. This is an example of the Leader of the Opposition's confusion in addressing our fiscal sustainability.

Madam Speaker, I cannot forget, while they talk their foolishness, that it was that Government, that Minister—former Minister, who now sits on the back bench, from East End—who made us pay \$13 million—\$13 million—to CUC! To do what? They already had insurance, but to help them he said. So a figure was put on every month to our electric bills without having any due concern about the fuel factors.

**An hon Member:** [inaudible]

**The Premier, Hon. W. McKeever Bush:** And everybody was in recovery mode, still. And that was the only company that Government helped. Why?

Of course, I am reminded, Madam Speaker, that when they took the duty off, when the last Government took it off, the Government supposedly had a surplus position. But they left it in deficit. We have to build back something. The best thing for all of us in this House to do is to beg CUC not to increase because they got \$13 million from us that you—the former Minister responsible for CUC, now the Member for East End still—

**An hon. Member:** Tell the people!

**The Premier, Hon. W. McKeever Bush:** It was him that did it! And he has the audacity and temerity to want to interfere with me when I am speaking about what they have done. They made a mess of things.

Madam Speaker, I am nearly finished.

*[Inaudible interjections and laughter]*

**The Premier, Hon. W. McKeever Bush:** I have already stated that there are truly two effective ways to pursue fiscal sustainability. By adequate revenue performance, and by managing expenditure growth. The fuel fee is an attempt to pursue fiscal sustainability in a very small way by enhancing revenue performance, while the removal of the rebate was an attempt to address fiscal sustainability by managing expenditure growth. He opposes both, but he supports fiscal sustainability as identified in the Miller/Shaw Report.

The state of confusion is consistent with the behaviour of the Leader of the Opposition over the years. When I brought the motion to address our fiscal sustainability in February 2008, he said, and I quote: **“Madam Speaker, if the Honourable Leader of the Opposition is correct about this recession mode, it cannot be Government's position. While we have to watch our pennies the Government is the Government. The Government is not a little individual business. The Government cannot take the position of shrinking everything, tightening everything and helping the economy to shrivel up. The Government cannot take that position. It cannot, Madam Speaker, and I am going to repeat, it cannot take that position.”** [2007/8 *Official Hansard Report*, page 736]

Now, Madam Speaker, they want a national conference, they say. Can you imagine? That was the time when a national conference on the way forward was needed. But what did he say? “Not on the kindest of mornings am I going to listen to you.” And they all sat in the back of him, right here, and said, “*Hee, hee, hee, hee, hear what my Leader is saying?*” I remember that morning when they were laughing at me.

This budget, Madam Speaker, points us on a path to recovery based on a partnership for recovery. The Government's proposals are influenced . . . or they would like to see us be influenced by the comments made by the Opposition and the people. That's what they say. This would be the greatest expression of consensus, he says. If it were genuine, it would be, Madam Speaker. But all he was doing was trying to take credit. So it is not consensus that they are seeking. We are not that stupid.

Having made this observation and having said in the early stages of his speech that the Opposition supports the Government, he later justified not supporting the budget on the grounds of the fuel tax. He supports a channel, but he has worked out the environmental impact . . . that's not the Leader of the Opposition, that is the Member for North Side. He sup-



ports a channel, but he has worked out the environmental impact of a small channel versus a larger one without having done or even seeing a study.

Most disturbing from the Member for North Side was the suggestion that we should abandon marketing the Islands overseas as a means of saving money. In an economy that depends on financial services and tourism, to the extent that they account for about 90 per cent, it is ludicrous to even think about not marketing the Islands, far less saying that in public.

So, Madam Speaker, the truth is the Opposition and the Member for North Side found it difficult to reply to the Government's budget. There was no sense of cohesion as the Leader of the Opposition struggled to speak for one hour. In fact, he could have touched down after 40 minutes, but prolonged the agony for an additional 40 minutes.

There was obviously no collaboration with his colleagues, and the one other Opposition Member who spoke is not disposed to any collaboration as he knows it all!

[laughter]

**The Premier, Hon. W. McKeeva Bush:** It was shocking that perhaps the most able speaker on the Opposition bench, the Third Elected Member for George Town, did not speak at all. What does this say about the organisation and togetherness of the Opposition? Only that it is in tatters and that it could not find anything wrong with the budget in a major way.

Madam Speaker, we have had to use every available tool at our disposal to pursue fiscal recovery while keeping our eyes on the need for economic recovery as well. In light of this, I now describe how we will spend the borrowed \$155 million which was approved on 10 June.

We will allocate \$88 million to equity investments; \$37 million to executive assets and the remainder to other funding needs. In the area of equity investments, some \$54 million will go to the Ministry of Education to permit continued expenditures on the new high schools and primary schools and other capital works. Another \$19 million will go to statutory authorities and government owned companies, and \$16 million to other ministries and portfolios.

In closing Madam Speaker, while there are problems and people are hurting, for the most part I like what I am feeling and what I am seeing. I see a people committed to their country and a Government responsible and still responsive to the people. This reality gives me renewed vim, renewed vigour, and replenished vitality.

Madam Speaker, we will go forward from this House as members of the UDP with very, very few, if any, differences of opinion. We will go forward united in a calm determination to take the lead in making our country large and driving and generous in spirit, ready to embark on great national deeds that will make our

hearts swell to call ourselves Caymanians and the United Democratic Party.

The growth and progress of our country will hinge largely on how involved all of us become. We are determined and this country cannot develop in a vacuum. Only the work of all of our hands matched to reason and principle will lead to further growth and development. This involves, yes, all of us.

I say to our people, you can get involved in many simple, yet important ways. I want to say that to all our people. They have a responsibility. Don't litter the parks and the streets. Don't display rudeness to residents and tourists. Don't encourage crime through carelessness and greed. Don't close your eyes to the vandalism of public property. Get involved by asking yourselves the question John Kennedy asked some years ago, *What can you do for the Cayman Islands, not what can the Cayman Islands do for you.*

Get involved in such a way that long after the flags stop waving, the music stops playing and the banners stop waving, it may be said that we kept the faith, that we kept our word and that we maintained the onward stride.

Finally, Madam Speaker, I say to them that they can get more involved with their families. The family has long been the foundation of everything that we are and aspire to be. As members of our party we must lead the way in ensuring that our pursuit after material positions and possessions does not cause us to shortchange the deeds of our families. Of what use are our possessions, I say to our people, and money, anyway if we lose the warmth and excitement and sense of purpose that only a family can give.

Madam Speaker, I believe that we will be victorious as a party, as a Government, because we chose not to govern with negativism and fear of the future, but with vigor and vision and sound leadership.

Our victory has hinged and must always hinge on the fact that because we are not isolated from the people we do feel their pain, their challenges. And we do share their dreams. And we can weep with them and we can laugh with them. We take our strength, our courage and our wisdom from our people.

I say we will be victorious because we have lived up to our responsibilities under our Constitution, and lived up to the civil decency of our people. Now, let us say, despite victories that have come to our Government, the battle rages on. And let me assure you, Madam Speaker, that we will spare no energy. We will not rest and we will not relent in our quest to increase employment and decrease crime throughout the Cayman Islands. On that issue we will not falter, we will not flounder, we will not flinch, and we will not fail.

Madam Speaker, this has been my first budget. I trust that at the end of the day the people of the Cayman Islands will be well served. I thank you for your kind indulgence, and I do thank the House for its indulgence.

Thank you kindly.

**The Speaker:** Thank you Honourable Premier.

The question is that a Bill shortly entitled the Appropriation (July 2010 to June 2011) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, can I have a division?

**The Speaker:** Madam Clerk.

**The Clerk:**

#### Division 1/10-11

**Ayes: 10**

Hon. W. McKeeva Bush  
 Hon. J. Y. O'Connor-Connolly  
 Hon. Michael T. Adam  
 Hon. J. Mark P. Scotland  
 Hon. Cline A. Glidden, Jr.  
 Capt. A. Eugene Ebanks  
 Mr. Ellio A. Solomon  
 Mr. Dwayne Seymour  
 Mr. Moses I. Kirkconnell  
 Mr. Anthony S. Eden

**Noes:**

**Abstention: 1**

Mr. V. Arden McLean:

**The Speaker:** The results of the Division, 10 Ayes, 1 abstention. The Appropriation (July 2010 to June 2011) Bill, 2010, has been given a second reading.

**Agreed by majority: Appropriation (July 2010 to June 2011) Bill, 2010, given a second reading.**

**The Speaker:** And now in accordance with Standing Order 63(3), I will commit this Bill, the Estimates (which have been referred to the Finance Committee) and the Appropriation Bill to the Finance Committee for further consideration.

There being no further items on the Order Paper, I will call on the Honourable Premier to make a motion for the adjournment of this part of the Budget sitting.

### ADJOURNMENT

**The Premier, Hon. W. McKeeva Bush:** Thank you, very much, Madam Speaker.

I move the adjournment of this honourable House as we now commit to Finance Committee.

I suspect that you will take a lunch break at this time, Madam Speaker.

**The Speaker:** Yes.

**The Premier, Hon. W. McKeeva Bush:** A shortened one, or . . .

*[inaudible reply]*

**The Premier, Hon. W. McKeeva Bush:** Of course, Madam Speaker, I think it goes without saying, but the motion for the adjournment is to go into Finance Committee until the completion of Finance Committee.

**The Speaker:** We have a motion to adjourn the House to go into Finance Committee until its completion.

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

**Ayes.**

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

I will adjourn the House until 3.30.

*[pause]*

**The Speaker:** Sorry.

I am adjourning the House to a date to be fixed. And Finance Committee will begin at 3.30.

**At 2.00 pm the House stood adjourned until the completion of Finance Committee.**

**OFFICIAL HANSARD REPORT**  
**THURSDAY**  
**24 JUNE 2010**  
**1.25 PM**  
*Fourth Sitting*

**The Speaker:** I will ask the [Elected] Member for North Side to say Prayers.

**PRAYERS**

**Mr. D. Ezzard Miller:** Let us pray.

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

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

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

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

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

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

**Apologies**

**The Speaker:** I have two apologies: One from the Third Elected Member for George Town, which was registered earlier in the week with my Office, and from the Minister of Education who is attending a graduation ceremony at this particular time.

My apologies for the late start.

The limited staff in this Legislative Assembly have been working practically around the clock to keep up with the necessary paperwork which accompanies a sitting like the Budget Sitting and because of all the time constraints it has been a very difficult period for us. I think we need to express our thanks and appreciation to them for their dedication.

Thank you.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**Report of the Standing Finance Committee on the  
Appropriation (July 2010 to June 2011) Bill, 2010**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to lay on the Table of this honourable House the Report of the Standing Finance Committee on the Appropriation (July 2010 to June 2011) Bill, 2010, the First Meeting of the 2010-2011 Session of the Legislative Assembly.

**The Speaker:** So ordered.

I don't have one of those on my desk. Honourable Premier, please proceed.

*[inaudible interjection]*

**The Speaker:** I don't know.

**The Premier, Hon. W. McKeever Bush:** All that was, was that the Speaker did not have a copy. I handed her the copy I had, but that was a signed one which I should lay on the table, and I gave her [an] unsigned one.

Madam Speaker, following the Second Reading of the Appropriation (July 2010 to June 2011) Bill, 2010, on 21 June 2010, the Bill stood committed to the Standing Finance Committee of the Legislative Assembly in accordance with the provisions of Standing Order 63(3).

The composition of the Committee is in accordance with the provisions of the Cayman Islands Constitution Order 2009, section 71(7). The Standing Finance Committee comprises all elected Members of the Legislative Assembly with the Honourable Minister of Finance, Tourism and Development as Chairman. It is hereby noted that this is a historical moment as it is the first time for a Minister/Elected Member to be Chairman of the Standing Finance Committee.

The Committee met on the following days: Monday, 21<sup>st</sup> June, Tuesday, 22<sup>nd</sup> June, [and] Thursday, 24<sup>th</sup> June.

The Chief Officers attended meetings to provide information to the Committee. Other government officers were also in attendance to provide information and/or to assist the Committee and Chief Officers.

The Committee had before it the Appropriation (July 2010 to June 2011) Bill, 2010, together with the Annual Plan and Estimates for the Government of the Cayman Islands for the financial year ending 30 June 2011, together with the Annual Budget Statements for ministries and portfolios for the financial year ending 30 June 2011; Purchase Agreements for statutory authorities, government companies, and non-government output supplies for the year ending 30 June 2011, and ownership agreements for statutory authorities and government companies for the year ending 30 June 2011.

In accordance with the provision of Standing Order 64(1) clauses 1 and 2 of the Appropriation (July 2010 to June 2011) Bill, 2010, stood postponed until after the consideration of the Schedule of the Bill.

The Committee considered the Schedule of the Bill and agreed to the appropriations for output groups: Other executive expenses, equity investments, transfer payments, financing expenses, loans made, borrowings, and executive assets, set out in the Bill with the following amendments:

Under Motion [No.] 1—Appropriations for the Premier, the Minister for Finance, Tourism, and Development, moved by the Premier, Minister for Finance, Tourism, and Development, on output groups FTD-15—Promoting Commerce and Inward Investment, and FTD-20—Services Provided by the London Office, by decreasing FTD-15 by \$117,179 and increasing FTD-20 by \$117,179. The total revised output group FTD-15 is \$2,307,499. And the total revised output group FTD-20 is \$537,498. The Committee agreed to the revised appropriations for FTD-15 and FTD-20.

Motion [No.] 2—Appropriations to the Deputy Governor, moved by the Deputy Premier, the Minister for District Administration, Works, Lands and Agriculture. Output groups IEA-1—Policy Advice and Ministerial Servicing, and IEA-2—Coordination of Official Visits and Ceremonial Occasions, by increasing IEA-1 by \$159,873 and increasing IEA-2 by \$159,873. The total revised output group IEA-1 is \$2,693,692. And the total revised output group IEA-2 is \$134,678. The Committee agreed to the revised appropriations for IEA-1 and IEA-2.

Motion [No.] 3—Appropriations to the Deputy Governor, moved by the Deputy Premier, the Honourable Minister for District Administration, Works, Lands and Agriculture. Output group IEA-15—Servicing of the Legislative Assembly and Members of the Legislative Assembly, by increasing IEA-15 by \$6,000 to purchase the Cayman Islands Legislative Assembly wig

and robe. The total revised output groups, IEA-15, is \$1,199,010. The Committee agreed to the revised appropriations for IEA-15.

Motion [No.] 4—Appropriations to the Deputy Governor, moved by the Honourable Leader of the Opposition, First Elected Member for George Town. Other executive expenses, OE-2—Personal Emoluments for His Excellency the Governor, Premier, Speaker of the Legislative Assembly, Deputy Premier, Ministers, Elected Members of the Legislative Assembly, and Deputy Governor.

BE IT THEREFORE RESOLVED THAT the appropriations OE-2 entitled Personal Emoluments for His Excellency the Governor, Premier, Speaker of the Legislative Assembly, Deputy Premier, Ministers, Elected Members of the Legislative Assembly and Deputy Governor, be reduced by using the present salary of the Premier, Deputy Premier, Leader of the Opposition, Ministers and Members of the Legislative Assembly as the base, and reducing that base amount by 20 per cent for all Elected Members except for the Premier whose based amount shall be reduced by 30 per cent. The result of the division was 4 Ayes and 6 Noes. The Motion was negated by the majority.

A question was put to the Opposition Members to ascertain whether they would agree to take the salary cuts, as had been proposed in the above motion despite the fact that the Motion had been negated. The Opposition Members present did not agree.

Motion No. 5, moved by the Deputy Premier, the Honourable Minister for District Administration, Works, Lands and Agriculture: Re-committal of output group IEA-39, appropriations to the Deputy Governor, by deleting output group IEA-39—Telecommunication Services, \$860,673 from under the appropriations of the Deputy Governor and inserting a new output group under the Ministry of District Administration, Works, Lands and Agriculture, named DWG-25—Telecommunication Services, \$860,673. The Committee agreed to the re-committal and deletion of IEA-39 and the insertion of a new output group DWG-25 under the Ministry of District Administration, Works, Lands and Agriculture. The question was put [and] agreed that the appropriations for DWG-25 stands part of the Schedule to the Bill.

In accordance with the provisions of Standing Order 64(4) the Committee agreed that the Schedule as amended stand part of the Bill.

Standing Order 64(5): In accordance with Standing Order 64(5) the Committee on consideration of the clauses of the Bill agreed that clauses 1 and 2 of the Appropriation (July 2010 to June 2011) Bill, 2010, stand part of the Bill.

Standing Order 64(7): In accordance with the provisions of Standing Order 64(7), I beg to lay upon the Table of this honourable House the Report of the Standing Finance Committee and the Appropriation (July 2010 to June 2011) Bill, 2010.

And in accordance with the provisions of Standing Order 74(5), I do move that the Report be adopted.

This is signed by myself as the Minister for Finance; the Honourable Deputy Premier, Minister for District Administration, Works, Lands and Agriculture; the Honourable Michael T. Adam, Minister for Community Affairs, Gender and Housing; the Honourable J. Mark P. Scotland, Minister for Health, Environment, Youth, Sports and Culture; the Honourable Cline A. Glidden, Jr., Deputy Speaker, Councillor of Tourism and Development; Captain A. Eugene Ebanks, JP, Fourth Elected Member for West Bay; Mr. Ellio A. Solomon, Councillor of Housing and E-business, Fourth Elected Member for George Town; Mr. Dwayne S. Seymour, MLA, Third Elected Member for Bodden Town.

Mr. Rolston Anglin, Madam Speaker, could not sign as yet because he is away attending a graduation ceremony at this time. Other Members of the House did not sign the Report.

The Report is hereby laid on the Table of this honourable House.

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

**Hon. D. Kurt Tibbetts:** Madam Speaker, craving your indulgence just to state to you regarding the Report.

The Opposition did not sign the Report because, in our view, the construct of the Report is with fault.

The Motion No. 4, Madam Speaker, which the Honourable Premier just read regarding appropriations by the Deputy Governor, has portions of the debate in it, and I'm sure advice to you from staff will tell you that convention dictates that the Report will not contain portions of the debate, but rather portions of the debate are contained in the verbatim minutes of Finance Committee.

To be very frank with you, Madam Speaker, we were surprised that the Report was accepted with this in it, hence, we were not prepared to sign it. And more so the fact that that was plucked out of that section of any debate and put in there and not the whole thing was put in. But nevertheless, regardless of that, our position is . . . as we understand it, in all the years we have been here, no debate is contained in the Standing Report of Finance Committee.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I don't think anything is wrong with the Report as it stands. The Report merely records that the Motion was taken and that a question was put to them and they refused the question. I read that and I think that is all for the full House to hear and for anyone listening to hear.

Also, Madam Speaker, if the Members had attended the Finance Committee meeting that we held . . . they had full and ample opportunity to submit a dissenting report. They would not come in except for

two Members who attended for a period of time and left.

Madam Speaker, I suggest we move on.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Yeah, you want to put it to a vote?

**The Speaker:** There is no vote on the Report. I've accepted the Report in view of the fact that there was no dissenting paper filed in my office.

*[inaudible interjection]*

**The Speaker:** Shall we move on?

### **Cayman Turtle Farm (1983) Limited Financial Statements – 30 June, 2006**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to lay on the Table of this honourable House the Cayman Turtle Farm (1983) Limited Financial Statements to 30 June 2006.

**The Speaker:** So ordered.

Does the Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** No, Madam Speaker. Just to say that I hope that the new Management and new board at Cayman Turtle Farm, Boatswain's Beach, will soon be able to have their accounts up to date—if they can find the papers, as it seems that a lot of stuff is missing and they can't find records to complete bills for 2007 and 2008. And, of course, up until May 2009. I hope that that can soon be rectified.

As soon as I can get it rectified, Madam Speaker, we will, of course, bring the reports as soon as I can get them into my hands. But I trust that the new management and new board will be able to find relevant documents. They can run but they can't hide.

**The Speaker:** The Honourable Attorney General did mention to me that he would be away but we did not swear in a deputy for him so the—

**The Premier, Hon. W. McKeever Bush:** No, Madam Speaker, I'm suggesting that we leave that item until—

**The Speaker:** It will be deferred.

**The Premier, Hon. W. McKeever Bush:** —the AG returns.

### **Cayman Islands Electoral Boundary Commission Report 2010**

**The Speaker:** Honourable First Official Member.

**The Deputy Governor, Hon. Donovan W.F. Ebanks:** Thank you, Madam Speaker.

Madam Speaker, I beg to lay before this honourable House the Report of the Cayman Islands Electoral Boundary Commission for 2010.

**The Speaker:** So ordered.

Does the Honourable First Official Member wish to speak thereto?

**The Deputy Governor, Hon. Donovan W.F. Ebanks:** Yes, Madam Speaker, for a few minutes please.

Madam Speaker, the previous Governor appointed the three-person Electoral Boundary Commission in December of 2009, just a month after the new Constitution came into effect. The new Constitution, in sections 88 and 89, makes provisions in respect of the appointments and functions of the Electoral Boundary Commission.

The Commission was composed of Mr. Carl Dundas as Chairman, and Mr. Norman Bodden and Ms. Adrienne Webb as Commissioners.

Mr. Dundas, Madam Speaker, is a distinguished expert in the field of elections. He was the first Director of Elections in Jamaica some 30 years ago, in 1979, and since then has worked in more than 30 countries in the Caribbean, Africa and the Pacific on election management and electoral reform matters. And he is no stranger to us here in the Cayman Islands having chaired the 2003 Electoral Boundary Commission during which time, incidentally, Ms. Webb also served a Commissioner.

The Commission started their work, Madam Speaker, on 6<sup>th</sup> April 2010 and completed their work on 7<sup>th</sup> June, a period of about two months.

By virtue of subsections 88(4) and (5) of the Constitution, the appointments of the Commissioners ended the day after the Report was submitted, and so the Commission no longer exists.

The essential function of the Commission, Madam Speaker, was to review the boundaries of the existing electoral districts and to make recommendations to the Governor and to this honourable House regarding any changes to the number of electoral districts in the Cayman Islands and the boundaries of such districts.

The Commission was supported by existing staff in the Elections Office, Lands and Survey, and in the Portfolio of Internal and External Affairs. I would like to acknowledge the work of the Commissioners and the support staff who produced this Report for us in such a relatively short time.

The Commission invited views from the public and held a number of public meetings throughout the

Cayman Islands. They reviewed the boundaries of the existing electoral districts and, taking into account the proposed changes, submitted their report to the Governor, as I said, on 7<sup>th</sup> June. Their report contains recommendations for changes in the number and boundaries of the electoral districts.

In accordance with subsection 89(3) of the Constitution, the next step, Madam Speaker, would be for the Premier to lay before the Legislative Assembly for its approval the draft of an Order by the Governor, giving effect, whether with or without modifications, for the recommendations contained in the Report. And this draft may make provision for any matters which appear to the Premier to be incidental to or consequential upon the other provisions of the draft.

Section 89 (4) to (7) of the Constitution sets out the provisions for the consideration of that draft when it is submitted.

And so, Madam Speaker, the tabling of the Report today now affords the public access to it and the media on the public's behalf. This access will be enhanced within the next 24 hours by making the Report available online on the Government's website. An announcement to that effect by media will be made during the course of the next day, and I would invite members of the public to make themselves familiar with the Report.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable First Official Member.

Madam Clerk, please read the next . . . Just read it, please.

**Mr. D. Ezzard Miller:** Madam Speaker, can I indulge—

**The Speaker:** There are two Members on their feet.

Can I ask what the problem is now, Member for North Side?

**Mr. D. Ezzard Miller:** I was only seeking leave of the Chair to ask a question about the Report, Madam Speaker, that was just tabled.

**The Speaker:** Sorry, you may proceed. I'm sorry I did not see your hand about a question.

#### **Short Question thereon (Standing Order 30(2))**

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

Just to ask the Honourable Deputy Governor if there is any timeline on the Order from the Governor on this Report. I have some concerns in that in my view the Report makes two conflicting recommendations: 1) a new multiple constituency and the possibility of single-member constituency. Is there any timeline as to when the decision would be made by the

Government as to which recommendations they are going bring, and when the order is going to come under 85(3)?

**The Speaker:** Thank you, Member for North Side.

Would you like to clarify that issue, Honourable First Official Member?

**The Deputy Governor, Hon. Donovan W.F. Ebanks:** No, Madam Speaker.

I think I understand where the Member is coming from. All I can say to him is that, no, unfortunately I can't give him a definitive timeline. But I think it should be indicative, as to where we've reached now, that, certainly, all efforts on the Government's part of being directed towards moving this thing along as expeditiously as possible.

**The Speaker:** Thank you.

Any further questions, Member for North Side?

*[inaudible answer]*

**The Speaker:** Thank you.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, at this time we are going to adjourn the House until 2.30 as I have a—

**The Speaker:** Honourable Premier, are you asking me to suspend the House until 2.30?

**The Premier, Hon. W. McKeever Bush:** suspend, I meant, until 2.30.

**The Speaker:** Yes, but that is my prerogative. I will suspend the House.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I said I was going to ask to, to—

**The Speaker:** Thank you. I understand what you're trying to say.

**The Premier, Hon. W. McKeever Bush:** Please, this is not a good day for anyone to start trouble.

For us to all understand, I am, Madam Speaker, asking for the House to be suspended so that I can go to a signing with the Canadian Commissioner until 2.30.

**The Speaker:** This is the signing of another TIEA (Tax Information Exchange Agreement) with the Canadian Government and so the House will be accordingly suspended until 2.30. Is that what you asked for sir?

*[inaudible answer]*

**The Speaker:** Thank you.

**Proceedings suspended at 1.57 pm**

**Proceedings resumed at 3.10 pm**

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

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

**The Speaker:** I have notice of a statement from the Honourable Minister for Health, [Environment, Youth, Sports and Culture].

### **CayHealth Programme**

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker.

In a very brief statement I would like to inform honourable Members of an initiative being piloted by the Ministry of Health and the HSA. The initiative will be known as the CayHealth Programme.

Madam Speaker, I'm sure that everyone will agree that improving access to healthcare, preventing disease and controlling chronic illnesses contributes to better quality of life.

One of the priorities of this Government, which my Ministry and various stakeholders have been actively working on over the past year, is the systematic development of a sustainable high quality healthcare system in the Cayman Islands. A major focus of this system will be increasing access in continuity of care.

Madam Speaker, we need to more fully embrace evidence-based clinical management of chronic conditions like diabetes, hypertension, and asthma to improve the quality of life and prevent poor health outcomes, and work towards the reduction in the prevalence of these conditions to an effective national health education, promotion and prevention strategy.

These needs are the driving force behind the development of a new Health Services Authority programme called CayHealth. The programme is founded on the concept of evidence-based healthcare and will improve access to and insure the continuity of healthcare to all of the Health Services Authority's patients.

The CayHealth initiative is specifically designed to take the pressure off of emergency and acute care services by focusing on implementing preventative healthcare measures and providing primary health care.

Patients are at the heart of the healthcare system and this Government has been committed to listening to their needs. It has also taken into account the views of stakeholders who, like patients, are calling for improved access to health care services.

The CayHealth Initiative is the Health Services Authority's response to the feedback from patients and stakeholders, which will provide the HSA clients with:

**1. Access to preferred primary care physicians:** Under this new plan patients will have the benefit of scheduling all appointments with a preferred general practitioner who will also coordinate their access to specialists in overseas care, if required.

With a preferred general practitioner patients will get more personal care as it allows the physician to build up a body of knowledge about a patient's complete medical history. This in turn will allow the physician to work productively and directly with patients to improve their medical condition as they have the benefit of consistently monitoring their care and progress.

**2. Access to care in their communities:** CayHealth brings health care to the people in their districts. Instead of having to travel to the Cayman Islands Hospital, under CayHealth, patients will have the convenience of accessing all the available health-care services at their respective district health centres.

This will reduce wait times and improve access to quality health care - two of the most important health care issues highlighted by Health Service Authority users. Making significant gains in these two priority areas will be crucial to improving the health of all residents and ensuring the future sustainability of the health care system.

**3. Access to medication at district health centres:** In addition to easier access to physicians, residents will also be able to fill their prescriptions at the district health centres. This measure will once again avoid unnecessary waiting times by decentralizing services as standing in line is sometimes inevitable when a large volume of persons access services at the same point.

**4. Access to health education & healthy lifestyle programs:** This programme will provide access to:

- Lifestyle health and fitness programs undertaken by the Public Health Department
- Diabetic education classes.
- Other health education and health promotion activities undertaken by the Public Health Department or coordinated with other agencies

The new CayHealth Initiative is just the beginning of a journey that will shape healthcare for future generations. However, as with any new initiative it is always best to do a phased implementation and therefore in collaboration with the Ministry of Community Affairs and Housing my Ministry has identified clients of the Department of Children and Family Services who currently receive healthcare benefits through the department's health benefit program as the first participants in this new initiative.

Representatives of the Department of Children and Family Services and the Health Services

Authority have been meeting over the past months to plan the implementation strategy and develop the program parameters. These will be outlined in a public outreach campaign starting this week, including community meetings and briefings with various stakeholders.

Madam Speaker, I believe this initiative provides a tremendous opportunity to improve the health of the people of the Cayman Islands and the sustainability of our healthcare system.

I believe that that CayHealth programme will help the Ministry and the H.S.A. as we move towards a sustainable, patient-focused healthcare system that provides greater access to quality healthcare services, improves focus on health prevention and improves the quality of life for all residents of the Cayman Islands.

Thank you Madam Speaker.

**The Speaker:** Thank you, Honourable Minister for Health [Environment, Youth, Sports and Culture].  
Madam Clerk.

## GOVERNMENT BUSINESS

### BILLS

**Mr. D. Ezzard Miller:** Madam Speaker, out of an abundance of caution, it might be necessary to suspend Standing Order 14(3). I think it is the one that gives Private Members' business priority today because it is Thursday.

**The Speaker:** Honourable Premier.

#### Suspension of Standing Order 14(3)

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, in accordance with the relevant Standing Order, 14(3), I move that it be suspended to allow the Budget and attendant matters to go ahead.

**The Speaker:** The question is that Standing Order 14(3) be suspended to allow the business of the Budget and other matters to [have priority] today. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

**Agreed: Standing Order 14(3) suspended.**

**The Speaker:** Honourable Premier, [you may] proceed.

## THIRD READING



**Appropriation (July 2010 to June 2011) Bill, 2010**

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I move that The Appropriation (July 2010 to June 2011) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that The Appropriation (July 2010 to June 2011) Bill, 2010, be given a third reading and passed.

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

**Ayes and Noes.**

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

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, can I have a division, please?

**The Speaker:** Madam Clerk.

**Division No. 2/10-11****Ayes: 8**

Hon. W. McKeewa Bush  
Hon. Juliana Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour

**Noes: 4**

Hon. D. Kurt Tibbetts  
Mr. Anthony S. Eden  
Mr. V. Arden McLean  
Mr. Moses I. Kirkconnell

**Abstention: 1**

Mr. D. Ezzard Miller

**The Speaker:** The result of the Division is 8 Ayes, 4 Noes, and 1 Abstention. The Appropriation (July 2010 to June 2011) Bill, 2010, has been read a third time and is passed.

**Agreed by Majority: The Appropriation (July 2010 to June 2011) Bill, 2010, given a third reading and passed.**

**Suspension of Standing 46(1) and (2)**

**The Clerk:** Suspension of Standing Order 46(1) and (2) to enable the Bills on the Order Paper to be read a first time.

**The Speaker:** The question is that Standing Order 46(1) and (2) to enable the Bills on the Order Paper to be read a first time.

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

**Ayes.**

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

**Agreed: Standing Order 46(1) and (2) suspended.**

**FIRST READINGS****Customs Tariff (Amendment) Bill, 2010**

**The Clerk:** The Customs Tariff (Amendment) Bill, 2010.

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

**National Honours and Awards Bill, 2010**

**The Clerk:** The National Honours and Awards Bill, 2010.

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

**Statistics (Amendment) Bill, 2010**

**The Clerk:** The Statistics (Amendment) Bill, 2010.

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

**Customs (Amendment) Bill, 2010**

**The Clerk:** The Customs (Amendment) Bill, 2010.

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

**Suspension of Standing Order 46(4)**

**The Clerk:** Suspension of Standing Order 46(4) to enable the Bills on the Order Paper to be read a second time.

**The Speaker:** The question is that Standing Order 46(4) [be suspended] to enable the Bills on the Order Paper to be read a second time.

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

**Ayes and one audible No.**

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

[pause]

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I move the Suspension of Standing Order 46(4) to enable the Bills on the Order Paper to be read a second time.

**The Speaker:** The question is that Standing Order 46(4) [be suspended] to enable the Bills on the Order Paper to be read a second time.

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

**Ayes and one audible No.**

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

[pause]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, can I have a Division please?

**The Speaker:** Madam Clerk.

### Division No. 3/10-11

**Ayes: 7**

Hon. W. McKeeva Bush  
Hon. Juliana Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Mr. Ellio Solomon  
Mr. Dwayne S. Seymour

**Noes: 5**

Hon. D. Kurt Tibbetts  
Mr. Anthony S. Eden  
Mr. V. Arden McLean  
Mr. Moses I. Kirkconnell  
Mr. D. Ezzard Miller

**The Speaker:** The result of the Division is 7 Ayes and 5 Noes. The Ayes have it. Standing Order 46(4) is accordingly suspended.

**Agreed by majority: Standing Order 46(4) suspended.**

## SECOND READINGS

### Customs Tariff (Amendment) Bill, 2010

**The Clerk:** The Customs Tariff (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, [Honourable Minister responsible for Finance Services, Tourism, and Development.]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the Second Reading of a Bill entitled The Customs Tariff (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I rise to present on behalf of the Government a Bill for a law to amend the Customs Tariff Law (2002 Revision) to increase import duties on motor gasoline and diesel oil.

The fee increases contained in this Bill forecast the result in an additional \$10.2 million in operating revenues for the Government during the 2010/2011 financial year.

Madam Speaker, the proposed increases in duties on motor gasoline and diesel oil includes:

- a. an increase in tariff code 27.01, motor gasoline from 50 cents per gallon to 75 cents per gallon;
- b. an increase in tariff code 27.02, diesel oil, excluding diesel oil under code No. 27.03, from 60 cents per gallon to 85 cents per gallon; and
- c. an increase in tariff code 27.03, diesel oil imported for supply to an undertaker, from 50 cents per gallon to 75 cents per gallon.

Madam Speaker, there has been a lot of discussion on this policy to increase the fee on fuel without any real analysis of the change and its implications, or so I thought. I wish, therefore, to put the increase in its proper context.

Madam Speaker, in this period of fiscal recovery we have identified two ways to address the fiscal position: 1) By enhancing revenue performance; and 2) by managing expenditure growth. This approach is designed to reduce the fiscal deficit in both the short- and medium-term which allows us to put less emphasis on borrowing over the medium term.

Contrary, Madam Speaker, to what has been said by the Opposition—and, in particular, the Leader of the Opposition, who said that fiscal deficits are not carried forward—I say contrary to that, fiscal deficits are carried forward and have to be financed. If they were not carried forward countries would not have to worry about debt accumulation and there would be no need to have budgets. The philosophy would simply be to spend as you like without any need to raise revenue.

Indeed, Madam Speaker, if the Leader of the Opposition had listened to the emergency budget in the United Kingdom earlier this week, he would have learnt of the state of the British fiscal position which has contributed significantly to that country's record level of debt. He would also have heard frequent references to the need to use both revenue measures and expenditure adjustments to tackle the fiscal situation in the United Kingdom.

Perhaps the Leader of the Opposition—and in fact, all of them who I just heard voting against us—is out of touch with what is happening around and about us and in Europe as well, with Greece leading the way in terms of fiscal difficulties. But other European countries, including Spain and Portugal are struggling to manage their level of deficits and debt. Anguilla, a sister territory, just produced their budget. They should get a copy of it. They had to increase on their property or income tax (whichever one they have). They had to increase on it.

The important thing is, Madam Speaker, that something had to be done to address our fiscal position, and we have chosen to lead, not to chicken out.

When the other side was warned about the

recession the present Leader of the Opposition, who was then the Leader of Government Business, said, “**I . . . reiterate that even if in the short term the negative effect of the trouble that is seen in the U.S. economy is to trickle over here in the Cayman Islands—and we do accept and expect that whatever negative effects are felt over there will have some effect on us. But even if that is the case . . . we as a country cannot adopt the attitude, especially the Government cannot adopt the attitude that Government activities must shrink in order to fall in line with what may be seen as a slow-down in the economy.**” [2007/8 *Official Hansard Report*, page 737]

The fact is that leadership requires prudence and as leaders we must be prepared to make the tough decisions that are in the country’s interest.

Madam Speaker, according to very recent information on the importation of diesel and gasoline, the impact of the change in policies to move the fee as a percentage of the retail price on diesel from 13.7 per cent to 19.5 per cent, while for gasoline the change in the fee as a percentage of the retail price will move from 11 per cent to 16.6 per cent. In the meantime, Madam Speaker, the local markup on a gallon of diesel is \$1.67 before the change in fee. This markup is on a Cost Insurance Freight (CIF) value of \$2.08 per gallon. Most of this local markup is obviously profits to the businesses at the distribution and retail stages. In the case of gasoline the current local markup is \$1.78 per gallon. This markup is on a Cost Insurance Freight value of \$2.23 per gallon.

Again, Madam Speaker, this constitutes very healthy margins which can be reduced in these times in the interest of the country. And that is where the Opposition should be offering its support. Perhaps that is compromise, given the knowledge that was in the Opposition’s possession a few years ago.

For a gallon of gas that sells at \$4.51 the Government currently gets 50 cents, which is the lowest in the region. And this is consistent with the earlier study. The remaining \$4.01 is divided as follows: CIF value of \$2.23 local markup of \$1.78. By any measure, Madam Speaker, the Government’s take is indeed small, especially in the context of what is practised elsewhere.

We are proposing to increase the fee on gasoline by 25 cents per gallon, and given the existing local markup on gasoline and the obvious level of profits in this business, it is not necessary for the full increase to be passed on to the consumer. And I am begging—I am begging those who have the power in their hands to not go in that direction. This is a time when the country needs their help. And if anybody believes that we don’t need their help, Madam Speaker, they should have been, and I say again, should have sat down in the front of the Foreign and Commonwealth Office (FCO) when I had to sit there and beg them to allow us to borrow that money, and they said, *No, but we will allow you to borrow this*

*much so you will have to raise some of your own fees or cut your staff. And I said, Well, we are not going to do that.*

So I think it is good—as much licks as I have taken and as much as they have laughed at me and I see them still laughing—that I am not today introducing an income tax bill or a property tax bill. But you are not going to hear that because it does not suit the Opposition or anybody else. Maybe it does not suit the independent Member either, to give credit where credit is due to say how much I have gotten done, and how much the Government has been able to do in these very hard times. No, they would rather make it look, Madam Speaker, like we are doing nothing and rather make it look [like] we are destroying the country when that is not the facts.

The First [Elected] Member for Cayman Brac [and Little Cayman] who just voted against us here, against the Budget—mind you, Madam Speaker, one that has money in it for him! I am not raising the 25 cents on Cayman Brac; yet they take that kind of political position when money in it abounds for him. One million dollars here, \$2 million there, [\$]3 million here. And when his business will profit from it!

I pleaded with those who control the pumps and I pleaded with CUC because their profit is good enough. They make enough money. I asked them not to increase to anyone at this time, although I’m going to show that the increases are small.

In a similar vein for gasoline, Madam Speaker. For a gallon of diesel that sells for \$4.35, the Government currently gets 50 cents in respect of diesel used to generate electricity, and 60 cents in respect to other diesel imports, which is also the lowest in the region. The remaining \$3.75 is divided as follows: On a CIF value, \$2.08; local value added \$1.67. Again, by any measure the Government’s take is small on these, especially in the context of what prevails in the region.

We are proposing to increase the fee on diesel by 25 cents per gallon which in percentage terms is less than the 25 cents per gallon on gasoline when one takes into consideration the existing fees on those two commodities.

Over the course of the next several months, Madam Speaker, we will monitor very closely the fiscal position. And I said, and keep repeating, if it is possible to ease the fee we intend to do that. It is proposed that there will be a comprehensive review of our revenue-raising system.

Madam Speaker, according to the public utterances the Opposition is not opposed to raising revenue, nor is the independent Member. It is against the fee they say, increased on fuel. I hope, Madam Speaker, that the small increases demonstrate to the Opposition that the proposed change satisfies not only taxation principles (if that is what they want to say, which is simple), but fairness and equity. But it also satisfies the principles of public policy. And that is the policy [that] is certain in its incidence.

We know what we are getting here because we had to make a deal with the FCO. We can't go on if's, and's, and but's. We have to know what we are getting. So it's certainty that I am looking. It is consistent with the Government's fiscal strategy also, Madam Speaker. It is cost-effective from the point of view of collection. We don't have to create any new systems and any new staff to do so. And it has clarity of purpose in terms of Government's fiscal recovery plan.

Madam Speaker, we have already demonstrated that a possible 5 per cent increase in electricity—which I said does not have to happen—is preferred to the proposed [\$]400 registration fee on vehicles suggested by the Member for North Side, I think, and supported by Opposition Members. And I . . . well, maybe this is one time that I will see how you all wiggle up and down as I see you all doing in other things, because, as you know, I've been around long enough.

I showed in the Budget, Madam Speaker, that 5 per cent of a small number gives a smaller number than if the 5 per cent is imposed on a larger number. And, therefore, in the case of someone who has an electricity bill of \$200, they will pay \$10 per month more than they do now, and over a year they will pay \$120 more; \$10 per month.

The proposal of [\$]400 registration fee on a car would be more burdensome as this would represent an increase of \$240 over the present fee level of \$160.

Madam Speaker, on a bill of \$100 the increase is \$5 and it is a 4.99 per cent increase, so that comes to \$105.16.

On a bill of \$200.11 it is \$10.26 added on, and a 5.13 per cent to make it \$210.36.

On a bill of \$300.18 the increase is \$15.49 and 5.16 per cent to make it \$315.67.

On a bill of \$400.08 it is \$20.59, or \$420.67 or a 5.15 per cent increase. On \$500.27 bill it is \$25.70 increase to make the bill \$525.97 or [5.14 per cent].

On a \$1,000 bill it goes up to \$51.22 or \$1,051.28 or 5.12 per cent. On a bill of \$1,500.14 it is \$76.74 or a bill for \$1,576.89 or 5.12 per cent.

Madam Speaker, the increase, as I said, varies with usage as opposed to the proposed fee increase on vehicles which is not equitable or fair, as it stands. And, Madam Speaker, I keep asking why someone with the smaller car should pay the same as those with the SUV vehicles. And I have said in the reworking of our tariffs and schedules of other fees, that these are the kind of changes that I am seeking and will make, because that is more equitable; that is fairer.

The person who has a small Toyota, even a small Toyota truck or a small truck, should pay less than the person who has the bigger truck and the SUV. And that's what I'm going to do. Madam Speaker, we cannot do that now but it is being worked

on. The Minister is working on that right now. And we have said this time and time again.

Don't tell me that they don't hear, Madam Speaker. They hear! But the politics is good for them to get up there on the radio show for two hours and a half and beat us and imply all sorts of things and say all kinds of things. I turn off the radio, Madam Speaker, when I hear them on because it is not genuine. It is just them making us look as bad as possible. And, of course, the press will help them. I will say more about that at another point because I think they know the press good too when the press has to beat them, because that is how the press is.

If the Opposition supports an increase in revenue, why is it quibbling over the Government's choice in the face of the evidence provided, Madam Speaker? It is merely a political ploy just like Tuesday's motion to increase salaries.

Madam Speaker, let me just say to the people of this country that if I was to put on 2 per cent income tax, as some people have been pushing, and which I was urged to do by the UK—house and property. Madam Speaker, on property tax, \$100,000 value of your home, at 2 per cent property tax, would be \$2,000 per year.

On a house and land that [is] valued at \$200,000, the same thing valued for the small housing scheme now that we're doing, \$200,000 at 2 per cent property tax, \$4,000 per year would be their property tax. And even if you went to 1 per cent, well it would be \$2,000 per year that that group had to pay.

And if it went more to the middle income, upper-middle income, or let's say the middle income person in this country, \$400,000 land and property at 2 per cent, it would be \$8,000 per year. And if we went into the higher-middle income, at \$500,000 per year at 2 per cent, it would still be \$10,000.

At \$750,000, probably what all of us in this House own, more in our income or house bracket, \$750,000, 2 per cent property tax is \$15,000 per year. On \$800,000, still within what we might own as our homes, 2 per cent property tax, \$16,000. If it was only 1 per cent property tax it would be \$8,000. And on \$1 million at 2 per cent, well figure beyond that.

On income tax of \$800 per month, at 2 per cent, \$16—\$192 per year. On \$1,000 per month at 2 per cent, \$20—\$240 per year. On \$1,500 per month at 2 per cent, \$30—\$360 per year. On \$2,000 per month, \$40—[\$]480.

And I am going to keep going, Madam Speaker, although Members could use their imagination. On \$2,500 per month at 2 per cent, \$60 for \$720 per year. At \$3,500 per month—now we're getting into the lower civil service at the \$3,000 and \$3,500; probably from the \$2,000—but \$3,500, \$70 [is] \$840. Four thousand, 2 per cent [is] \$80 per month—[\$]960 for the year. At [\$]5,000 per month, \$100—\$1,200 per year.

Seven Thousand dollars, again, the upper-middle in the civil service, [at] 2 per cent, \$200—\$2,400 income tax.

All these estimates, Madam Speaker (that's what I'm saying these are, estimates) are all ifs—if a government came in and only charged 2 per cent or 1 per cent. But what happens when it goes to 5 per cent, 8 per cent, or 10 per cent? And that is the experience with income and property tax everywhere. Everywhere it exists today, Madam Speaker, it has been increased, just like what happened recently in the region.

So, instead of them trying to see with the Government where we are at, and trying to see to the mess that the bunch of them left us—left us, where I had to go begging the UK to help me borrow; left us where the Civil Service had to cut—and don't say they didn't do it, and don't say I'm repeating it! I am repeating it because it bears repetition. They left this country in the mess that it is in! Every one of them!

When Moses Kirkconnell, the First [Elected] Member for Cayman Brac [and Little Cayman] wants something he gets it, and it increases the expenditure in this country! And it helped [to] put us into the situation we are in today!

And when we built the roads that we built . . . now we drive on good roads, but we got to pay for them! But I had to go to the United Kingdom and beg, cap-in-hand, and take my licks! And they have the audacity to get on the radio to call me names. That's why we have to put on what we are putting on today, because we could not get out of doing something, and I say that this was the best thing to do.

You think, Madam Speaker, for McKeeva Bush, who has never gone in that direction, that this was easy for me to do? No! I'm a politician and I think I'm a good politician. I've managed to survive the onslaughts for over 26 years. Everything that they could throw at me, they have thrown at me, and I managed to survive it. You think that I wanted to have this kind of people . . . because what they are doing, the people who understand, understand. But it is the people who can't understand—and we have them in this country—and it is the newspapers, the *bloggers* and the CNS's (*Cayman News Services*), whatever that is called and whatever that is. Nothing but a rubbish heap!

*[inaudible interjection]*

**The Speaker:** Please.

**The Premier, Hon. W. McKeeva Bush:** And, Madam Speaker, [they are the ones causing] misinformation to be led to people in this country, and fool the people of this country by misleading the country and not educating the people of this country.

**The Speaker:** Honourable Premier, please keep your remarks to the subject on hand. Thank you, sir.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I am speaking to the subject at hand, if I should say so! Because what I am speaking to is what is said there and don't tell me that I can't say that! I am speaking to what I hear on the radio; I am speaking to what is read on the blogs; I am speaking to what is said in the *[Caymanian] Compass!*

**The Speaker:** Please continue your debate now.

**The Premier, Hon. W. McKeeva Bush:** That's what I'm doing!

**The Speaker:** Without further comment. Thank you.

**The Premier, Hon. W. McKeeva Bush:** Well, if I—

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, please! Okay, let's me and you not get into an argument. But I know when I'm right too.

**The Speaker:** There is no argument when I speak. Thank you.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I must say to you that there are Standing Orders in this House and there's a Book called *Erskine May*, and if you want to stop and take the time to check out whether I'm doing right, well do that! But I believe that I am right.

**The Speaker:** I'm going to suspend this House for five minutes until you get yourself under control.

**The Premier, Hon. W. McKeeva Bush:** Well, I think that you are more not in control than I am!

**Proceedings suspended at 3.55 pm**

**Proceedings resumed at 4.29 pm**

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

## ADJOURNMENT

**The Speaker:** I call on the Honourable Premier to make a motion for the adjournment of this honourable House until 10 o'clock tomorrow morning.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, the Government is minded to adjourn this honourable House until 10.30 am on the morrow.

**The Speaker:** The question is that this honourable House do adjourn until 10.30 tomorrow morning. We expect an early start. Please, all Members be here. I will make a statement at that time as well.

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

**Ayes.**

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

**At 4.30 pm the House stood adjourned until 10.30 am, Friday, 25 June 2010.**

**OFFICIAL HANSARD REPORT**  
**FRIDAY**  
**25 JUNE 2010**  
**1.00 PM**  
*Fifth Sitting*

**The Speaker:** I will ask the Fourth Elected Member for George Town to say Prayers.

### PRAYERS

**Mr. Ellio A. Solomon:** Let us pray.

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

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

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

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

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

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

#### Apologies

**The Speaker:** I would like to record again today that we do have apologies from the honourable Third Elected Member for George Town for his absence.

### Statement by Speaker

**The Speaker:** Yesterday I stated that I would make a brief statement, and I am going to do so at this time.

When I accepted the position as Speaker of this honourable House, I made a statement which promised my full support to the Government in its exercise of carrying out its business as the governing body of the Cayman Islands. I promised the Opposition that they would have their say, as they should in a democracy, and I promised the people I would ensure that their image as a people would be reflected through this Legislative Assembly.

To be the Speaker is an awesome responsibility, and one which I would not have assumed without having the highest regard for all Members of this honourable House. I recognise that this is a House of debate, and in my 13 months in this Chair I have given much latitude to all Members in the expression of their opinions, and that I shall continue to do.

By the same token, I have had occasion to call to order to various Members who, in the heat of debate, breached the rules which govern the proceedings of this legislature. That, too, is a part of my role as Speaker, and one which I shall carry out, as long as I sit in this Chair, fairly and with due respect to all.

I thank you.

### PRESENTATION OF PAPERS AND OF REPORTS

**Annual Report 2008-2009 – Cayman Islands National Insurance Company CINICO**  
*(Deferred)*

**The Speaker:** Honourable Minister of Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Thank you, Mr. Chairman.  
In the interest of time today, I respectfully request that we defer tabling this to a future sitting.

**The Speaker:** Thank you.  
Your report is accordingly deferred.

**National Pensions (General) (Amendment) Regulations, 2010**

**The Speaker:** Honourable Minister of Education, Training and Employment.

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to lay on the Table of this honourable House The Na-

tional Pensions (General) (Amendment) Regulations, 2010.

**The Speaker:** So ordered.

Does the Member wish to speak thereto?

**Hon. Rolston M. Anglin:** No, Madam Speaker. At a future sitting of the House there is a Government Motion that deals with the substance of the paper.

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

**Public Service Pensions Board Annual Report  
2005-2006**

**The Speaker:** Honourable Premier, Honourable Minister of Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** I beg to lay on the Table of this honourable House the Public Service Pensions Board Annual Report 2005-2006.

**The Speaker:** So ordered.

Does the Honourable Premier wish to speak thereto?

**The Premier, Hon. W. McKeeva Bush:** No, thank you, Madam Speaker.

**Electricity Regulatory Authority Financial Statements for the Two Month Period ended 30th June 2005;**

**Electricity Regulatory Authority Financial Statements for the Year ended 30th June 2006, 2007, 2008 and 2009**

**The Speaker:** Honourable Minister of District Administration, Works and Gender Affairs.

**The Deputy Premier, Hon. Juliana Y. O'Connor-C Connolly:** Madam Speaker, I beg to lay on the Table of this honourable House the Electricity Regulatory Authority Financial Statements for the Two Month Period ended 30<sup>th</sup> June 2005; 2006, 2007, 2008 and 2009.

**The Speaker:** So ordered.

Does the Minister wish to speak thereto?

**The Deputy Premier, Hon. Juliana Y. O'Connor-C Connolly:** No, Madam Speaker.

**Fifth Annual Report of the Law Reform Commission 1 April 2009-31 March 2010**

**The Speaker:** Honourable Second Official Member responsible for Legal Affairs.

**Hon. Samuel W. Bulgin:** I beg to lay on the Table of this honourable House Fifth Annual Report of the Law Reform Commission for the period 1 April 2009-31 March 2010.

**The Speaker:** So ordered.

Does the Honourable [Second Official] Member wish to speak thereto?

**Hon. Samuel W. Bulgin:** No, Madam Speaker, I think it is quite self-explanatory. Thank you.

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

**Cayman Airways Ltd.**

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Because of the many misleading statements being made publicly regarding Finance Committee's approval of funding as it relates to Cayman Airways, and to ensure that the public is not misled by biased and uninformed opinions, I want to make sure that the public fully understands what the Committee approved and stress that this approval was given without any elected representatives of this honourable House voting against it.

I find it most disappointing that such important and positive news for our national flag carrier is being dragged through the dirt by the very nay-sayers who benefit one way or another from the airline's commitment to these Islands.

First, I want to be clearly understood that the airline's current Board and this Government inherited the financial challenges crippling the airline when we took office. For far too long these challenges have been ignored or simply swept under the rug. This current Government found this situation completely unacceptable, especially in light of the other financial challenges facing the country. So, when the current Cayman Airways Board was appointed, they were mandated to identify the fundamental problems that existed and provide tangible solutions.

The current Board and management have had the courage to set aside the politics that have plagued the airline for too many years, take the Board by its horns and steer a clear path to the development of a sound framework for the future operation of the airline which will enable accountability and appropriate transparency.

For much of the latter half of 2009, the Board and management worked on identifying and addressing the various financial matters and concerns. By the start of 2010, the fundamental financial challenges were identified and a plan to address these was formulated.



This Government has been working very closely with the Cayman Airways team to implement this plan. The funding approved by this Committee on Monday was as a result of this review and action plan. While those who wish to mislead the public are being critical of the recently approved level of funding, I would like to inform you, Madam Speaker, and this honourable House that over the last three financial years, 2007, 2008, 2009, under the previous Government the airline experienced an average operating loss of approximately \$19.6 million each year.

On top of this \$19.6 million average in annual losses, the airline needed another \$3 million per year to repay principal on its former bank debt related to historical unfunded operations for a total annual average cash requirement of \$22.6 million.

During this same period, Government only provided the airline with average annual funding of \$13.7 million resulting in an average of approximately \$8.9 million of cash shortfall after Government funding each year.

Additionally, to compound the situation further, non-bank debt continued to grow during this time due to the continued under funding. When looking at former bank debt, it is important to be aware that there is both a principal portion and an interest portion. Many of us are familiar with this as we have mortgages on our homes. In the airline's Profit and Loss Statement, interest is easy to see as it shows up as an expense. The principal portion, however, which is simply a repayment of borrowed funds, does not show up as an expense on the Profit and Loss Statement. The fact that it is not on the Profit and Loss Statement does not mean you can ignore the principal payments or not find the cash to make those payments.

I can assure you, Madam Speaker, and this honourable House, that the banks will not ignore the need for that principal payment.

If the previous administration had funded the airline adequately, they would have been spending approximately \$22.6 million annually. Instead, the Government only gave an average of \$13.7 million to the airline and the rest was ignored.

I can see why some of the Opposition had to abstain from voting on this funding approval as they ignored the importance of fully funding the airline during their administration. Pretending a problem does not exist does not make it go away.

The first of the two funding decisions approved by Finance Committee provided for a new operational funding model, one that more accurately matches the operating results for the routes Cayman Airways is required to operate. CAL 1 and CAL 2, the two output payments for Cayman Airways, totalling \$15 million, are often incorrectly referred to as being entirely a subsidy.

To break down the \$15 million, first there is the issue of interest related to debt as a result of the historical under funding. This accounts for \$2 million of the funding. Next, payment for agreed purchase

strategic airlift services (including tourism routes and Sister Island service accounts) for \$10 million. The final component of the \$3 million is the only portion that should really be considered a subsidy to support the airline's core airlift operations.

The second funding decision by Finance Committee addressed the principal portion of the airline's debt related to historical unfunded losses. Due to the accumulation of the annual under funding, Government currently has a negative shareholder equity in Cayman Airways of approximately \$51 million. To formally address this deficiency and the related debt, Finance Committee approved an equity injection of \$5.1 million into Cayman Airways for fiscal year 2010/2011 which is to provide the funding to service the principal portion of the debt related to this lack of adequate funding.

Over the next 10 years, this annual injection is expected to fully address the Government's negative shareholder equity in the airline. As part of the overall plan for the country's tourism and development strategy, Cayman Airways provides the Cayman Islands with unique advantages in a variety of areas. Among them Cayman Airways ensures a competitive fare structure and prevents foreign carrier monopolies while also preventing other airlines from dictating the country's air service based on their priorities, which may not always be in the best interests of the Cayman Islands.

Cayman Airways also allows a unique nimbleness in responding to market changes and plays a key role in developing new markets for the local tourism industry with non-stop service. Domestically, Cayman Airways serves as an essential air bridge providing affordable fares between Grand Cayman and the Sister Islands. This service is critical in keeping all three islands connected and fundamentally important for the continued development of all three islands.

For six months out of each year, Cayman Airways provides peace of mind to visitors and local residents with guaranteed provision of pre- and post-disaster relief while also ensuring adequate capacity for any needed evacuations. This, by itself, is critical in reassuring our visitors that they can enjoy a holiday in any of the three Cayman Islands any time of the year.

The recent decisions made by Finance Committee will ensure that the airline is able to carry out its many roles and strategically serve the country providing a unique benefit to our tourism product and to the greater economy. We should all feel a great sense of pride in knowing that we have this tremendous asset in our national airline. We all must play a role in ensuring that this asset is able to be used effectively by showing our patriotism and support when we choose which airline we travel with and all Caymanians should be travelling on Cayman Airways whenever the opportunity arises.

Also, Madam Speaker, we must continue to reduce the various outside influences that often result in inefficient and ineffective operation of the airline. We must allow the airline's board and management to guide the airline strategically with continuity of direction and with minimal distractions or interference. As Caymanians and residents alike, we all have a part to play in the airline's success. As I said, the greatest one for us is to travel the airline. Get on Cayman Airways whenever you are leaving these Islands.

During these difficult economic times, it is more important than ever before for Cayman Airways to be on a solid financial base to better support our tourism industry which, we must not forget, is one of only two pillars of our economy. With the correct level of output payments going forward and addressing a debt related to historical unfunded operations, we can now be assured that Cayman Airways is fully funded to allow it to more effectively operate as the strategic engine for tourism and, Madam Speaker, our economic development, providing the country with an optimised return on its investment.

I should say, Madam Speaker, that the board will now have to keep a tight grip on Cayman Airways and the way it operates. And thus far, as the Minister responsible, though I am not on the board, Madam Speaker, and I have little contact other than getting regular updates, I am satisfied that we have a good board. We have a good chairman, and I am satisfied that the management now itself is moving in the right direction and I do want to put on record my sincere thanks for all the hard work that the board does without getting any payment.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Premier. You have another statement?

**On Government Motion No. 3/2010-11 – Government Guarantee in respect of a Credit Facility for the Cayman Islands Development Bank**

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I rise to make a statement in this honourable House with regard to Government Motion number 3/2010-11.

This Motion seeks the issuance of a Guarantee in the principal amount of US\$5,000,000 to FirstCaribbean International Bank (Cayman) Limited (FCIB) for the purpose of financing approved loans awaiting funding and to support the Cayman Islands Development Bank's (CIDB) ongoing lending programme.

Madam Speaker and honourable Members, you may recall that earlier this year the Legislative Assembly approved the issuance of a Guarantee in the amount of US\$5,000,000 to FCIB in respect of the provision of funding to CIDB.

However, during negotiations to finalise the Guarantee, the attorneys recognised that there were

some previously undetected errors with the form of Guarantee which now must be addressed. Now that these corrections have been made, the Motion is once again to be laid before the Legislative Assembly.

CIDB currently has approximately CI\$2,000,000 loans in the pipeline awaiting funding. These loans include mortgages totalling CI\$735,000, business loans totalling CI\$1,100,000 and student loans totalling CI\$100,000.

CIDB has invited proposals from local banks and FCIB has offered a 5-year credit facility to CIDB for US\$5,000,000 at a floating rate of 180-day US\$ LIBOR plus a margin of 275 basis points. The current effective floating rate is 3.5 per cent, and CIDB will have the option of fixing the rate for the term of the facility as provided therein.

Section 17 of the Development Bank Law provides that the Governor in Cabinet shall not guarantee the borrowings of CIDB unless a statement of the proposed Guarantee has been laid before the Legislative Assembly and a resolution approving that statement has been passed by the Legislative Assembly.

And with that, Madam Speaker, I recommend all honourable Members to give their full support to this important Government Motion (when it comes) on today's Order Paper.

**On Government Motion No. 2/2010-11 – Government Guarantee in respect of a Bond held by various bondholders for the Cayman Islands Development Bank**

**The Premier, Hon. W. McKeeva Bush:** This Motion seeks the issuance of a guarantee in the principal amount of US\$5,800,000 to various holders of the Bond issued by the Cayman Islands Development Bank (the "Bank").

Back in June 2005, two bonds were issued by CIDB. One bond was for US\$6,000,000 to expire in five years on 30 June 2010, and the other to expire in ten years on 30<sup>th</sup> June 2015. A single Government Guarantee was issued for US\$12,000,000 which covered both Bonds.

Madam Speaker, this statement which I am laying before this honourable Legislative Assembly is in relation to the bond which is due to expire on the 30<sup>th</sup> June 2010. Over 95 per cent of the bondholders have agreed to extend the final bond maturity date of the 5-year bonds from June 30, 2010, to June 30, 2015, and to increase the interest rate from US Dollar six month LIBOR plus 0.75 per cent to US Dollar six month LIBOR plus 2.75 per cent.

The extension of the Bond's maturity for another five years will allow CIDB to build up its liquid reserves with a view to meeting future debt repayment.

With these changes to the terms of the original bond agreement, the issuance of a new Guarantee must be approved by the Legislative Assembly.

Section 17 of the Development Bank Law provides that the Governor in Cabinet shall not guarantee the borrowings of the CIDB unless a statement of the proposed guarantee has been laid before the Legislative Assembly and a resolution approving that statement has been passed by the Legislative Assembly.

The associated Government Motion which appears on today's Order Paper, contains the details and recitals related to the extension of the term of this bond. And when that comes, Madam Speaker, I trust that all Members will offer support.

Madam Speaker, these have been two separate statements in regard to the Development Bank. Thank you, kindly.

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

## GOVERNMENT BUSINESS

### BILLS

#### FIRST READINGS

##### National Weather Service Bill, 2010

**The Clerk:** The National Weather Service Bill, 2010.

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

##### Traffic (Amendment) Bill, 2010

**The Clerk:** The Traffic (Amendment) Bill, 2010.

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

##### Proliferation Financing (Prohibition) Bill, 2010

**The Clerk:** The Proliferation Financing (Prohibition) Bill, 2010.

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

##### Criminal Procedure Code (Amendment) (No. 2) Bill, 2010 (Withdrawn)

**The Clerk:** The Criminal Procedure Code (Amendment) (No. 2) Bill, 2010.

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

**Hon. Samuel W. Bulgin:** Madam Speaker, with your leave . . . I had intimated to the Clerk that I intended to move a motion to withdraw this Bill.

**The Speaker:** A motion of withdrawal?  
Which piece of legislation?

**Hon. Samuel W. Bulgin:** The Criminal Procedure Code (Amendment) (No. 2) Bill, 2010.

Just briefly, Madam Speaker, the reason being that it is intended to consolidate that amendment with some additional amendments which will be brought back as a separate Bill. So the motion is for the Bill to be withdrawn, taken off the Order Paper.

**The Speaker:** There is a motion before the House for the withdrawal of the Criminal Procedure Code (Amendment) (No. 2) Bill, 2010.

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

**Ayes.**

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

**Agreed: The Criminal Procedure Code (Amendment) (No. 2) Bill, 2010 withdrawn from Order Paper.**

##### Labour (Amendment) Bill, 2010

**The Clerk:** The Labour (Amendment) Bill, 2010

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

##### Suspension of Standing Order 46(1) and (2)

**The Speaker:** Honourable Premier, can you move the suspension?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the suspension of Standing Order 46(1) and (2) to enable the Bills on the Order Paper to be read a first time.

**The Speaker:** The question is that Standing Order 46(1) and (2) be suspended to enable the Bills on the Order Paper to be read a first time

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

**Ayes and one audible No** [Mr. D. Ezzard Miller]

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

**Agreed: Standing Order 46(1) and (2) suspended.**

##### Merchant Shipping (Amendment) Bill, 2010

**The Clerk:** The Merchant Shipping (Amendment) Bill, 2010.

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

### **Charities Bill, 2010**

**The Clerk:** The Charities Bill, 2010.

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

### **Public Service Pensions (Amendment) Bill, 2010**

**The Clerk:** The Public Service Pensions (Amendment) Bill, 2010.

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

### **Public Service Management (Amendment) Bill, 2010**

**The Clerk:** The Public Service Management (Amendment) Bill, 2010.

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

## **SECOND READINGS**

### **Customs Tariff (Amendment) Bill, 2010**

*(Continuation of debate thereon)*

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, when we took the adjournment yesterday, I was giving an example, various scenarios on income tax and property tax, if we had embarked on income tax or property tax what people could have expected. As I said there, \$800 per month at 2 per cent would have been \$192 per year going down to \$10,000 per month would have been \$200 per month or \$2,400 per year.

Madam Speaker, I had also mentioned the various debates and inaccuracies in the media, the Internet, video shows and the written media otherwise. Madam Speaker, I don't need to reiterate that because I think the country, from the many calls that I have received, now understands what is happening. And, of course, people who want to differ will offer their dissent. Not that I believe that they are genuine. And I think the country understands that as well because there are no solid solutions; there is nothing that is not going to hit any one in any shape or form.

But all the estimates that I gave on income tax, property tax, they are all "if". And as I said yesterday, if a government came and only charged 2 per

cent, what would we expect? Over the years, if we put in a system of income tax or property tax, then it [will go] from 5 per cent, to 8 per cent, to 10 per cent and above—as has happened everywhere that those systems have been put in place. That is the experience everywhere that that exists today, it increases.

Madam Speaker, the reality that our people ought to recognise and this House ought to recognise, is that we all get our salaries, we all make our income, businesses make their income, because people from outside came here and invested their money here and made it possible for us to obtain business, to obtain salaries. That's how we make money. There are hardly a few Caymanians who generate business. And even when they generate it, they could not generate the kind of business they do by just Caymanians alone. People from the outside do come in and they help us in that way.

And the day, Madam Speaker, that those persons get any idea that their money or their property will be subjected to a tax, as such, it will move and it will find a place to go. It will find a place to go just as surely as it did in 1966 when it began to come here and when our people created the wherewithal and the atmosphere and the laws for them to come here and invest. That's one of the reasons why Cayman exists as an international business centre today, because income tax and other taxes were being pushed in that other country and we took advantage of it.

So what will happen to us? Because of all the high incidences of fees we have today, we are nearly to the point of being uncompetitive. So, lest anyone believe that we can just willy-nilly put on a fee without doing the right checks, and anyone believing we can just say, *Oh, we're going to tax business*, or, *We can tax the rich man or the big man*, and that it ends there, Madam Speaker, they are sadly mistaken.

And, if any Member of this House believes that business will not run away, we can test it. Property and/or income tax will change the way the Cayman Islands do business. Caymanians, every one of us, will be the sufferers, Madam Speaker, while those who dissent and agitate in the so-called media will move away from here to find other officials somewhere to criticise and cause problems for.

Madam Speaker, the enactment of this Bill—

**The Speaker:** I am sorry to interrupt you, honourable Premier. There are cell phones receiving messages in the balcony. Please turn them off. Our transmission is from that booth right between you up there, and it reflects in the recordings. We lose two and three sentences out of every speaker's voice when it happens.

Thank you.

Honourable Premier, please continue.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

The enactment of the Bill before us is a critical component of the Government's overall fiscal strategy

to bring the financial affairs of these Islands over a period of time back into full compliance with the Public Management and Finance Law, and I am urging all Members of this honourable Legislative Assembly to lend their support to the Customs Tariff (Amendment) Bill, 2010.

Should they choose to vote against it and offer an alternative, I await to hear what that alternative is, and whether that alternative is, in fact, going to make us any better, and whether that offers the incidence of certainty that I need as the Minister of Finance to allow this budget to go forward. And whether it allows the incidence of certainty that I gave the Foreign and Commonwealth Office in order to have this budget that we just passed.

So, Madam Speaker, Members can do as they please. If they want to vote against it, if they want to offer something else, let's see. I await.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish—  
Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I rise to oppose the Bill for a law to amend the Customs Tariff Law (Revised) to increase the duties of customs on motor gasoline and diesel oil; and for incidental and connected purposes.

Madam Speaker, this Bill proposes to replace the current charges of fifty cents per gallon of gasoline and substitute seventy-five cents per gallon, in other words, adding twenty-five cents per gallon. It also proposes to change the charge on diesel from sixty cents to eighty-five cents per gallon.

Madam Speaker, I rise to oppose this Bill for two reasons. I believe it is going to be inflationary. I believe it is going to affect the cost of everything that my constituents and other Caymanians do in this country. It is going to be tax that is going to affect the cash flow of every individual in this country on a daily, monthly, weekly, annual basis.

Madam Speaker, let me make it clear that I am not an economist. I am going to use the numbers that the Government has indicated they believe this is going to increase cost by to prove my point as to how I believe it is going to affect everything that we do in this country. In an economy that the Government itself suggests remains in a contracting mode and is expected to contract somewhere between 4 per cent and 5 per cent for the next financial year, this tax is going to be very hard on the people of this country.

The second reason that I am going to oppose the Bill is the fact that the Government announced in the Budget Address that the good citizens of Cayman Brac are going to be exempted from this tax. And, Madam Speaker, I find that extremely difficult to accept on behalf of the good people of North Side who have sent me here to represent them, in that we have

the longest travel (second only to East Enders) in getting to our jobs on a daily basis.

Most North Siders are going to travel between 200 and 250 miles per week in their cars to get to and from work. If you add a social event in George Town a couple of times during the week, or having to take kids to George Town to play ball or other events that your children might be involved in, it's going to increase even more.

Madam Speaker, there is not a lot in this budget that North Side constituents are getting. There is quite a bit that Cayman Brac's constituents are getting, and I think if they are getting the benefit, they should contribute to the revenue cost of the pie.

Now, Madam Speaker, the Government has indicated that this is going to represent somewhere in the region of 5 per cent increase in cost of fuel from what we are currently paying. And, Madam Speaker, we know that in the business world here in the Cayman Islands, the only component of business, other than the cost of goods that you are going to re-sell in retail, [and] that is higher than electricity cost, is personnel cost. So no one can convince me that this is going to be absorbed by the supermarkets, by the hardware stores, by the rum bars, by the hotels or anybody else.

I also believe, particularly in the instance of supermarkets, that the percentage markup per item is usually fairly low, given the cost. And for them to be expected to absorb this amount is totally unreasonable, I believe, because let's look at some of the numbers, Madam Speaker. I am reliably informed that the supermarkets average between \$75,000 to \$100,000 for electricity bills on a monthly basis.

Now, Madam Speaker, if we take 5 per cent of that, or if we take the other end, which I believe is closer to reality—because I have been advised that we are looking at more of a 9 per cent increase—those are substantial amounts of money. And I don't believe that the supermarkets or the hardware stores have the kind of margins that they can just extract \$3,500 or \$5,000 on a monthly basis from their profit line and donate it to Government. And that's what we're asking them to do, if we're asking them not to pass it on.

Madam Speaker, before I go any further, let me make it absolutely clear that I have never and will never support any form of direct taxation in this country. I have said that the countries that are suggesting to us that the better way forward is through direct taxation, because they have income tax and property tax and all other forms of direct taxation, when you look at the state of their economies compared to the Cayman Islands, they are really not in a position to be offering us, what I would consider, intelligent or reasonable advice. And, certainly, there is no proof in what has happened in this worldwide financial meltdown in which we are being affected, that those countries that have many years of direct taxation are any

better off than we are with our consumption-based tax.

What I have always supported and what I support today is an increase in our consumption-based taxes. I just do not happen to believe that this particular increase in consumption tax, because of the broad sweeping effect and the inflationary effect it is going to have in this economy.

Madam Speaker, I can only be sure within a reasonable doubt [as] to what this tax is likely to cost me, based on what I spend on various things on a monthly basis. Madam Speaker, my gas bill is somewhere between \$300 and \$400 a month, sometimes it might go up as high as \$500. That's \$15 a month. My grocery bill (and I am only feeding three) runs around \$700, \$800 a month. So I am looking at about \$40 a month. That is assuming that we only get an increase of the 5 per cent at the supermarket.

I think it is going to be higher than that. I have been reliably informed by people whom I respect and who are knowledgeable in the business and who are qualified economists that the effect of the government adding 5 per cent duty to the cost of gasoline and diesel to the wholesaler, by the time it gets to the pumps and gets through entities like CUC and others back to the supermarket and the consumer, it's likely to be closer to a 9 per cent effect in increase in price.

My electricity bill is, again, \$300, \$400, \$500 a month, that's another \$15. Water bill, \$150, \$7.50; clothes, household items, et cetera, \$300, \$15.00; entertainment, \$150 to \$200 . . . I am looking at a total of about \$100 per month. You take the 9 per cent and that translates to over \$200. Madam Speaker, you multiply that by 12 and that is a \$1,200 increase per year increase for me, because we are talking about monthly cost here.

Much has been made by the Honourable Minister of Finance about the alternative that I have offered, which is to increase the license on cars from \$160 to \$400 per annum—a one-time payment which is going to mean an increase for every private car owner of \$240 a year, which you can plan for, you can save for. I think the authorities even allow you to do it twice a year, in six-month allotments. If not so, you can do it per quarter, but I am absolutely certain you can license it for half a year.

Madam Speaker, the information I have says that there are something like 32,000 private vehicles in the country currently licensed by the licensing department. So if you take \$240 and multiply it by that 32,000, we are looking at \$7.6 million, give or take a few cents, which is \$200,000 more than what is in the Budget from gas and diesel.

The Honourable Minister of Finance is concerned about the incidence of certainty to collect the revenue. Now, Madam Speaker, if you want to drive your car for one week out of the year, you're going to have it licensed. You can cut back on how many trips you want to make from North Side to George Town

per week, but if you want to have your car to come in, you have to pay for a licence.

So, the certainty of getting the \$7.6 million is infinitely more certain than getting it on gasoline and diesel, which people can cut back on in a contracting economy. And when we are, in fact, reducing people's salaries, and, therefore, their disposable income and their ability to buy gas [it] is going to be contracted even further. So, Madam Speaker, I am not concerned that there is not sufficient incidence of certainty to go to a license fee as opposed to a duty on gasoline and diesel.

This is not only going to affect the locals, it is going to affect the tourism industry which is in the doldrums. Because like the supermarkets, the second greatest cost of doing business for hotels (other than personnel) is electricity. They are also looking at monthly electricity bills in the region \$75,000 to \$100,000 a month. I believe it is correct to say that the Ritz Carlton Hotel is the single largest consumer of electricity that CUC has in the Cayman Islands.

So, Madam Speaker, the only thing the hoteliers can do about that—and we know that they are not here for our generosity, they are here to make money—to recover that cost is to increase their room rates. They will have to increase on liquor; they will have to increase on food. So the cost to the tourists is going up. Higher costs, less tourists; less consumption, less revenue for Government.

And do not forget, Madam Speaker, our little Caymanians operating the taxies who claim they have not gotten an increase from the government in quite some time, are [being] asked now to accept this increase in gas and diesel as well, and just eat it out of what they are making now. So the bus fares are going to have to go up on the local people as well.

Madam Speaker, I found out yesterday afternoon why there is this great resistance from Government to accept my alternative of increasing car licensing. [It is] because they intend to bring a Traffic Law later this year that is going to have the increases in it. So, the people are going to get hit now with the gasoline and diesel, and then at the next Sitting of the Assembly they will get a Traffic Law that will do what I am asking them to do as an alternative. So we are going to further inflate the economy.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Exactly! As an addition to this 25 cents!

From what the Minister of Finance intimated, it is not going to be just an increase in car licensing for your annual permit to drive your car, there are going to be other areas in the Traffic Law, including fines that are likely to increase.

That is why the Government is so reluctant to accept my suggestion to do it now and leave the gasoline and diesel alone.

Madam Speaker, as I said when I started my contribution to the debate, I oppose this increase in fuel taxes particularly at this time in this economy. When my constituents who are being told, because we need to increase protocol from \$400,000 to \$900,000, we need to do all these other increases . . . because, Madam Speaker, remember . . . and Madam Speaker, I understand this. I am not trying to revive any debate. But this Budget that this Bill is hoping to fund is an increase in expenditure over last year in its totality.

So, Madam Speaker, there is no reduction in expenditure. We are expecting to increase revenue by almost \$20 million. There is no reduction in the total cost of personnel costs to the Civil Service. Those presently serving are having their salaries reduced. And the ones who live in North Side who have to drive to George Town every day to work for Government will have to pay the extra gasoline with a 3.2 per cent reduction in their income.

Madam Speaker, I believe . . . in fact, I have the benefit that I do not think any other Member in this House has, in that I had a public meeting last Wednesday night with 30-plus people up in North Side. They specifically told me that they would prefer to pay the one-time increase in the license fee than to pay every hour, every day, every week, every month, every year an increase in the cost of living every time they go to the supermarket, every time they go to the fuel pump. They know what it is, they can budget for it and they can handle it.

Madam Speaker, in that kind of scenario, where we are reducing the income of the very people who we expect to purchase this gas while increasing the gas, it is impossible for those people to buy more gas this year than they bought last year. And we do not need an economist to tell us that. That is straight, good, North Side commonsense.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** That's who I represent. Your turn will come.

Madam Speaker, I believe that the Government in this case is doing the wrong thing at the wrong time for the wrong reason. Because, if the numbers that were in my book here showed an approximate \$7 million reduction in personnel cost, which is what the 3.2 [per cent] is equal to, I might be almost persuaded—provided they do not let the Cayman Brackers off the hook—to support the Bill if it were absolutely necessary. But there is no such reduction in the overall expenditure of the country.

We are selectively punishing the people of my constituency—because they have the longest drive—making them pay a higher portion. Every time they have to get something delivered to North Side the delivery fee goes up. Madam Speaker, even though the Cayman Brackers might be exempted from paying at the pump, they are going to pay it down here in the

prices they pay at the supermarkets and retail outlets for goods to take over to Cayman Brac to re-sell.

So they might be getting a wolf in sheep's clothing. What little benefit they are going to get out of not being charged the extra gasoline prices up there, because they have so little driving to do on an annual basis, I would hazard a guess is going to be negatively offset by the cost that is going to be added to the goods they buy in Grand Cayman to take over to Cayman Brac to sell because of the inflation it has caused in Grand Cayman.

Madam Speaker, the higher costs reduce demand, and the reduced demand is not by choice. The reduced demand is forced upon the people because the money with which they would buy it has been reduced by the Government in an economy that we are predicting is going to continue to contract, cannot lead to deficit reduction in Government when the Government is basing on consumption taxation and fees.

Madam Speaker, I will be voting No on this Bill when it is put to the vote. Thank you.

**The Speaker:** Thank you Member for North Side.

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

First Elected Member for Cayman Brac and Little Cayman.

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker.

I rise to make a short contribution on the Customs Tariff Bill before this honourable House.

When the Budget was brought, I was the first Member of this honourable House to be on a radio show the next morning. The first question of that radio show was "What do you think of the Budget?"

I had not had time to go through the four books that had been provided the day before, but my comment was that '*I was very pleased on the delivery that the Premier did in the House yesterday*' [the day before.]

The reason I was so pleased was because of how he delivered stability to this country. He talked about a three-year plan. He talked about what he had been able to accomplish in the UK with the Foreign and Commonwealth Office. He talked about the work that he had put in, the travel, and the new people, the new Government that he'd met.

Madam Speaker, as that programme continued, it was, I thought, an exchange of very positive ideas and, in theory, business principles that were discussed for this country. That is one of the reasons I want to make a contribution on this proposal before this honourable House.

Madam Speaker, I compliment the Government on the work they have done to bring this Budget to give us stability for three years. I believe that we have some opportunities that we can all take comfort

in and take advantage of. And, Madam Speaker, quite frankly, I am not sure that the proposal in front of us is the best proposal to take advantage of the opportunities that we now have.

Acknowledged by just about everyone I speak to, not only in this House, but all walks of life, the world economy will not recover right away. The economy of today by what we have heard will continue to not be flat, but decrease in the way we know it. So, Madam Speaker, what I believe is a fundamental principle of business and a fundamental principle of life, is that when you have a budget or a plan that has come forward that needs to be balanced and has been balanced through revenue measures that will cause in the short term a decrease in spendable income, and I believe have an effect on each individual in this country, that we can look at some of the other principles that come along with that.

To balance a budget or a plan, you can increase revenue, you can cut expense, or you can do a combination of both. And you do that in a way that you believe gives the best for the social fabric of the country to stabilise itself in the short, medium and long term. And, again, what the Premier's trip and what the Budget brought by this Government has been able to do is offer stability in the short term.

Madam Speaker, I believe that if we look at what we can do to take advantage of that, if we look at how \$10 million (what we are trying to find in this Customs tariff change) there are other ways that we, as a group of people, can look to find that \$10 million in the short term to keep the stability in front of us until we see the global economy, which dictates what happens on these shores, turn and we have comfort that it is 12 months, 18 months, 24 months, that we start taking advantage of when our revenue sources pick up.

Madam Speaker, examples of what this will cost the individual were given by the Member for North Side. I am not going to go over those numbers, and I will deal with the Cayman Brac issue in a minute. I would say to you that there is truth in the cost of electricity going up. There is truth in the cost of gas for your car going up; there is truth that everything that arrives on our shores by ship goes through a Port Authority which will now have to charge more when it arrives.

The increase in trucking, the increase to the cost of doing business for retailers, the increase of the cost of goods . . . if you want to put that number at 8 per cent or 9 per cent, I am not going to argue with that. And I am going to say that that is a true fact of what will actually happen.

*[Inaudible interjections]*

**Mr. Moses I. Kirkconnell:** You think it would be higher?

But, Madam Speaker, there is another part to this equation. Let us also remember that our revenue source that we depend on, not only from our local

economy but from our global economy, the financial industry and the tourism industry, is projected but not guaranteed. And in that projection, with the global economy doing what it is doing—sailing through uncharted waters, what kind of guarantee do we really have of the revenue that we are projecting?

That is why I believe we all have to put our heads together. I just heard the Premier say that if you have a different point of view, come with different ideas. Tell [him] what it is. And the Opposition, the minority, is not involved in the Budget preparation to say when they were challenged with the responsibility of preparing and stabilising, which they have done.

But now he has openly said that he would listen. And that is our job, Madam Speaker, at this time. If we have some ideas we need to stand up and put them forward—good, bad or indifferent. At least we state our case. And that is why I am so pleased that you have given me the opportunity this afternoon to make a few comments.

Madam Speaker, \$10 million in a \$500 million Budget is a small percentage. I believe that we can be challenged here today to find a way to raise that \$10 million without this revenue measure of increasing the duty on the importation of gasoline and diesel. Madam Speaker, whether it is accepted or not, I am quite happy to propose some ideas that I believe will not affect the man that makes \$1,000, a family that depends on \$2,000 per month, or the family that depends on \$10,000 per month. I believe that the consideration of some of these ideas would give comfort to all of us that they are fair and across the board.

Madam Speaker, I do not think there is one solution. I do not believe there is one idea that is going to give us a magic bullet that delivers \$10 million guaranteed. But I believe that there is a combination of ideas that, put together, can accomplish what we need to do in a way that will benefit all of us.

Madam Speaker, I have publicly said that the Turtle Farm itself is a \$10 million issue for this country every year. The Budget that was approved has \$10 million. The Turtle Farm Boatswain's Beach in theory has two profit centres. One is profitable, to my knowledge, I have been told, and one is not.

Madam Speaker, when my constituents come and ask, *What are you going to do?* I have to look them in the eye and give them as much comfort as I can about things that we can do. Obviously, the mere fact that the stability has been delivered and I can say that we are going to have the status quo for the next year gives them great comfort.

But when we have an opportunity to look at some of these expenses that we have, and some that just pop out right in front of you, when you have an opportunity to say there is part of a business that the Government owns that can continue to operate, can supply the people of this country with what they enjoy, and have enjoyed for generations (and that is the turtle meat itself) and go uninterrupted and not cost us anything, I believe that is a very positive thing.



Madam Speaker, when you look at the other part of this \$10 million issue—and remember, I am picking this \$10 million because that is the number we are trying to find—I do not believe that we could reduce the subsidy or equity injection, whatever you want to call that \$10 million, and just say, *You're not going to get \$10 million*. But I do believe that in looking at the people who can do business for this country in a private/public partnership with Boatswain's Beach that depends on visitors to come and enjoy that attraction, I believe that there is enough . . . my good friend from West Bay who has been challenged with the council-ship for Tourism, I believe that with his stewardship that he could lead in finding a partner for that attraction that we could look at this and say that it might not need \$10 million; that with the private/public partnership of an entity that is costing the citizens of this country \$10 million, it may need \$5 million.

Madam Speaker, that speaks volumes to what we are trying to accomplish here in partnership. So now we're chasing \$5 million because of the good job the Third Elected Member for West Bay has done.

Madam Speaker, I said I had to deal with my friend from North Side. But before I do, his idea of the increase in vehicle licensing . . . I am not sure of the exact way it has been presented. But I will say that there are a lot of very big vehicles in this country, vehicles that the people who can afford to drive I believe can afford to pay more for licensing. I think that that too is an idea to look at to try to help us find this amount of money that we are seeking to bring in . . . it becomes revenue because it is not an expense. In other words, it helps us balance the budget.

There are some other opportunities that have been mentioned and talked about and that, again, is part of our tourism product, whether you look at Pedro St. James, not from the standpoint of private/public partnerships, but from the standpoint of strengthening the relationships that they do not cost us the money. We are a tourist destination, Madam Speaker. And we are striving to bring over a million visitors, more than that, on cruise vessels that are looking for attractions. Again, as we look at how we can reduce the cost to us and the cost in this Budget, I believe that is an opportunity as well.

Madam Speaker, the last one that I will mention is the idea of some type of revenue measure from cell phones and telephones themselves. I do not believe that that is a revenue measure that would generate \$2 million. I do not believe it is a revenue measure that will generate \$3 million. But I believe it is a revenue measure that we could look at that is fairly painless, it is a revenue measure that may generate between \$600,000 and \$1 million. But it is a measure where you make the decision when you want to use that phone, knowing that when you use it, it will cost you a few dollars more.

I have addressed this in a very constructive, positive way to try to say that the burden is on us to try to provide ways to help balance this Budget. I be-

lieve that if we can step back and realise that we have done a tremendous amount in the short term and medium term, and to say that there is without a doubt a cost to individuals with the increase in the gasoline and diesel tariff, but there are also ways that if we look at it constructively together that we may be able to help this not to be as restrictive and not to take this amount of money out of our economy, not to shrink our economy by that percentage.

Madam Speaker, I believe that this will be looked at; I believe it will be thought about. I hope that it will be considered.

Now, Madam Speaker, I have to come to Cayman Brac and the Member for North Side, and my friend.

*[Inaudible interjections]*

**Mr. Moses I. Kirkconnell:** There are two islands in my district; one is Little Cayman. That is affected by this increase. But, Madam Speaker, Cayman Brac is just recovering from a hurricane by the name of Paloma.

Cayman Brac is a district that has tremendous potential. He identified and almost answered his own question when he talked about what this revenue measure was going to do for the cost of goods in Grand Cayman and what it was going to do from the standpoint of probably 65 per cent to 70 per cent of the importation of goods in Cayman Brac and Little Cayman are purchased here in Grand Cayman.

So, I applaud the Government. And I would assume that that was driven by the Deputy Premier and it was a good thing for Cayman Brac. I believe that she and the Government realised that if that revenue measure had been put on Cayman Brac it would not have been transparent from the standpoint that it was going to be 25 cents or whatever add on. It was going to be a double add on because of what was going to happen here in Grand Cayman and then added on again.

Madam Speaker, North Side is a place where I have many friends. But they are blessed with a road that they drive on to bring them into George Town, and blessed to live on the same island that has many districts. The Deputy Premier and I represent two islands that depend on importing everything by barge. We depend on Cayman Airways to bring the goods.

Madam Speaker, I am going to forgive him for not understanding more about Cayman Brac and Little Cayman.

*[laughter]*

**Mr. Moses I. Kirkconnell:** But knowing what he came here and said, I would never expect him to come again and say that the people of Cayman Brac should not be made whole the way he did this afternoon.

And I will invite him to come to Cayman Brac and enjoy the hospitality—while he still has an invitation, Madam Speaker!

*[Inaudible interjections and laughter]*

**Mr. Moses I. Kirkconnell:** And I assume he is going to take me up on that shortly.

*[Inaudible interjections]*

**Mr. Moses I. Kirkconnell:** Madam Speaker, I am not sure that people are finished dealing with that Member for North Side, but I appreciate that he has brought some of the things to the attention of this honourable House as far as the cost of importation of goods to Cayman Brac. He had a contribution there, and I am not sure that he had anything really derogatory. He was using that to bring out a point probably.

Madam Speaker, I leave with those short comments, and I leave those in a very constructive way that, hopefully, every Member of this honourable House will consider them and understand them in a request for unity in how we deal with the Budget and how we create a non-shrinking economy.

Thank you, Madam Speaker.

**The Speaker:** Thank you First Elected Member for Cayman Brac and Little Cayman.

Does any other Member wish to speak?  
[pause]

**The Premier, Hon. W. McKeeva Bush:** *[Inaudible]*

**The Speaker:** Honourable Premier, will you bring a motion for the adjournment? Is that what you are saying?

**The Premier, Hon. W. McKeeva Bush:** No.

Madam Speaker, we said that we would stop at 2.30, and I am minded to do that. So I think someone else can start.

**The Speaker:** The funeral is not until 3.30. We can take one more speaker. Is someone minded to speak?

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

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

I notice that three minutes is important nowadays when we had to wait almost three hours for the House to start.

**The Premier, Hon. W. McKeeva Bush:** *[Inaudible]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Certainly not like that.

**The Premier, Hon. W. McKeeva Bush:** Worse!

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Oh, anything would be worse for you.

**The Premier, Hon. W. McKeeva Bush:** Oh yeah, it was worse.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Want to continue that for the next three minutes?

*[Inaudible interjections and laughter]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Oh, don't worry, Madam Speaker. Not today. Sorry. Forgive me.

**The Speaker:** In the interest of time, we do all want to attend that funeral.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Yes, Madam Speaker, that was why I was suggesting that we close, but the Premier would have none of it.

Madam Speaker, thank you very much for this opportunity to speak to this Bill. We will all recall that the Opposition and the Member for North Side voted against the Budget. And I said in my response to the Budget Address that I would not be supporting the Budget. While there was a lot in the Budget Address that we were grateful for, coming from the Honourable Premier, that we would not be, or that I would not be supporting the Budget because of this measure.

Madam Speaker, many of us . . . well, I shouldn't say, because I am referring to those of us who are here in this honourable House. Several of us who are still here will remember years ago a similar issue when it was raised to what it is now, not what is being proposed here, but what it is now. And we went through the very same arguments. And one might say, Madam Speaker, that the country survived. But at that time the country was not under the circumstances and facing the challenges that we face today.

We spoke about all of the negative effects, the spin-offs, the multiplier effect and all of that. Many of us . . . I was fairly new to the Legislative Assembly at that time. And many of us argued against it, and it was done. I do not have the information available to me today, but I can distinctly remember that it stuck in my mind and I waited it out to see what inflation was going to be like when it was recorded a year later.

Madam Speaker, the basket of goods at that time (which was one that was continued to be used for many years) was nowhere near as accurate as what the new one is supposed to be. And the difference from one year to the next was more than 3 per cent.

You see, Madam Speaker, colleagues have argued their points about the negative effects of the

proposed hike in the duty and gasoline and diesel in these circumstances. And by Monday I am going to do a bit of that myself. I don't want to be too repetitive with what has already been said, but there are a few other issues which certainly we are going to want to discuss. And just so that you will know, Madam Speaker, I am hinting that I will not be finished for now and it is after the hour of 2.30 and we said we were going to close at 2.30.

So I will be very happy and wonderfully obliged if you would ask me to sit so that we can adjourn until Monday morning, Madam Speaker.

*[Inaudible interjections]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** It is 2.30.

**The Speaker:** Honourable Premier, would you bring the motion for the adjournment, please?

## ADJOURNMENT

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, we're sorry that we have to be adjourning for the reasons that we are, but I could see the Leader of the Opposition labouring heavily—

*[laughter]*

**The Premier, Hon. W. McKeeva Bush:** —and I do want to give him a chance to make the same mistakes that the Member for North Side made. So, I do adjourn this honourable House until 10 am on Monday.

**The Speaker:** Honourable Premier, I have a request from the Fourth Elected Member for West Bay to make a statement.

Fourth Elected Member for West Bay.

### Personal Explanation (Standing Order 31)

**Capt. A. Eugene Ebanks:** Thank you, Madam Speaker.

I appreciate you giving me the opportunity to do a personal clarification on an article that was written in the *Caymanian Compass* on Thursday, 24 [June 2010] by Mr. Brent Fuller. I see he is in the gallery now so it's a good time to deal with it in case he has any other questions.

*[laughter]*

**Capt. A. Eugene Ebanks:** With your permission, Madam Speaker, I will just read a section of the article that concerns me.

**The Speaker:** Go right ahead, Member.

**Capt. A. Eugene Ebanks:** Madam Speaker, it goes on: "The Cayman Islands lawmakers rejected a proposal by a narrow six to four vote that would have resulted—

Sorry, it's entitled "Larger pay cut voted down" and it goes on to say: "**Cayman Islands lawmakers rejected a proposal by a narrow 6-4 vote that would have resulted in a 20 per cent pay cut for all elected members of the Legislative Assembly.**

"**The vote was taken in LA's Finance Committee late Tuesday.**

"**The motion was brought by Opposition Leader Kurt Tibbetts, who stated that Premier McKeeva Bush had earlier proposed the 20 per cent cut – as well as a 30 per cent reduction for himself – and then had withdrawn the plan due to a lack of support from his own government.**"

Madam Speaker, before I go any further, that is not factual.

"The vote—

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** What are the facts?

**The Premier, Hon. W. McKeeva Bush:** *[inaudible]*

**The Speaker:** Please continue with your statement.

**Capt. A. Eugene Ebanks:** Yes.

**The Premier, Hon. W. McKeeva Bush:** I will deal with Kurt.

**Capt. A. Eugene Ebanks:** Okay.

"The vote revealed that to be the case, as six members of the government's bench voted against the pay cut. Four members of the opposition bench voted for it.

"**Voting against the measure were Deputy Premier Juliana O'Connor-Connolly, ministers Mike Adam and Mark Scotland, and MLAs Cline Glidden Jr., Ellio Solomon and Dwayne Seymour. MLA Capt. Eugene Ebanks, who was sitting in his chair for the vote and muttered something inaudible, was apparently counted as having been absent.**"

That's where I have the problem, Madam Speaker.

Madam Speaker, I was not in my seat when the vote was called. The Member for East End knows I stared him straight in the eye as I walked into the Chamber and I knew that if I attempted to vote he would be the first to jump up, and rightfully so.

*[laughter]*

**Capt. A. Eugene Ebanks:** So, Madam Speaker—

*[Inaudible interjections]*

**An hon. Member:** Oh man, what a reputation.

**Capt. A. Eugene Ebanks:** So, Madam Speaker, I consider this statement to be a direct attempt to mislead the public.

**The Premier, Hon. W. McKeeva Bush:** They do it all the time.

**Capt. A. Eugene Ebanks:** It is inaccurate, it is deceptive and it is definitely misleading.

**The Premier, Hon. W. McKeeva Bush:** They do it all the time [inaudible]

**Capt. A. Eugene Ebanks:** Madam Speaker, when the Premier gets up and speaks of the inadequacies of the press, this is a prime example of what has happened.

Mr. Brent Fuller has a bird's eye view of this Chamber, Madam Speaker. He sees when every Member leaves or returns. It is obvious that he does not know the proceedings of the Chamber. But parliamentary convention says that a Member must be in his seat when the vote is called for him to be eligible to vote.

Madam Speaker, it appears to me that because I am not one of the Members in the Chamber who jumps up and screams all the time he feels that he can write anything about me and I won't say anything. But, Madam Speaker, he's barking up the wrong tree!

*[Inaudible interjections]*

[Gavel]

**Capt. A. Eugene Ebanks:** Madam Speaker, I want to take this opportunity to invite Mr. Brent Fuller to take what I have just said, print it verbatim, and it ought to make the headlines like he did on June 24<sup>th</sup>. I thank you, Madam Speaker.

**The Speaker:** Thank you Fourth Elected Member for West Bay.

The question is that the House do adjourn . . . the adjournment is until 10 am on Monday?

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

**Ayes.**

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

**At 2.39 PM the House adjourned until 10.00 am Monday, 28 June 2010.**

**OFFICIAL HANSARD REPORT**  
**MONDAY**  
**28 JUNE 2010**  
**10.55 AM**  
*Sixth Sitting*

**The Speaker:** I will ask the Honourable Second Official Member to say Prayers.

### PRAYERS

**Hon. Samuel W. Bulgin:** Let us pray.

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

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

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

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

**The Speaker:** Good morning everyone. Please be seated.

Proceedings are resumed.

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

#### Apologies

**The Speaker:** I have an apology that the Third Elected Member for Bodden Town will be late.

I want to welcome back the Third Elected Member for George Town. He is kind of incapacitated this morning, but we do appreciate his appearance.

I want to say a special welcome to the school children in the Gallery this morning. It is always encouraging to see children here to learn how their Government operates. I am particularly pleased that this group of children has made an effort to come this morning. I am sure the Minister of Health and the Minister of Education may have something to say about this later on.

### PRESENTATION OF PAPERS AND OF REPORTS

#### Annual Report 2008-2009—Cayman Islands National Insurance Company (CINICO)

**The Speaker:** Honourable Minister of Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** I beg to lay on the Table of this honourable House the Annual Report 2008-2009—Cayman Islands National Insurance Company (CINICO).

**The Speaker:** So ordered.

Does the Minister wish to speak thereon?

**Hon. J. Mark P. Scotland:** Briefly, Madam Speaker, thank you.

In accordance with sections 52(1) and (2) of the Public Management and Finance Law (2005 Revision) I am pleased to place before this honourable House the Annual Report of the Cayman Islands National Insurance Company (CINICO) for the period July 2008 to June 2009.

This 2008/9 Annual Report discusses in detail the changes in distribution of overall members enrolled in CINICO. In terms of overall membership, there was a slight decline of 2 per cent. The largest portion of this decline occurred in the standard health insurance contract plans which declined by 15 per cent from the prior year. Membership in the civil servant plan experienced a 3 per cent decline due to the hiring freeze which came into effect in the fall of 2008.

As a result of former civil servants reaching retirement age, membership in the civil service pensioners' category continues to increase with a growth of 4 per cent. Likewise, the total number of members covered in the indigent plan experienced a small growth of 1 per cent.

The Report also details the claims made during the 2008/9 year in the areas which had the highest incidence of referrals. Claims for the year ending 30 June 2009 increased to \$40.7 million, up from final claims of \$34.9 million in the prior year of 2007/8.

Madam Speaker, the top five overseas diagnosis referrals for the year ending 30 June 2009 were carcinoma and oncology, cardiovascular, musculoskeletal, neonate and neurological.

The Annual Report also includes the audited financial statements of the company. Members will note that the Auditor General's opinion is that the company's financial statements presented fairly in all material aspects the financial position of the company as at 30 June 2009 and the results of its financial performance and its cash flows for the year then ended in accordance with international financial reporting standards.

Madam Speaker, I invite Members of this honourable House and the public to review the Report in detail. Thank you.

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

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** I have statements from the Honourable Minister of Education and the Honourable Minister of Health which will be dealt with this morning.

I will start with the Minister of Health.

### Recent Achievement by Caymanian Athletes

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker.

Madam Speaker, 2010 is turning out to be a great sporting year for the Cayman Islands. Since the start of this year our athletes have excelled in different disciplines at different levels. But all have made us proud as they have represented their country overseas and here at home.

I certainly hope that our outstanding young athletes will continue to build on their successes. Although most of us have already heard of their achievements, I thought they were of such significance that I invited a number of them here today along with their coaches, parents and teachers. Many of them are present in the Gallery today.

We invited them here today to highlight these achievements and to honour their hard work and dedication as they are a source of national pride to us. I hope that in doing so it will encourage them to continue in their quest for excellence while at the same time cause others to become involved.

In highlighting these achievements, I also congratulate their parents, coaches, teachers, volunteers

and supporters in the community generally for their contribution in the achievements of our young athletes.

### CARIFTA TRACK AND FIELD MEET

At the recent CARIFTA track and field meet, Chantelle Morrison secured the Under-17 100 metres title winning a coveted CARIFTA gold medal with a time of 11.74 seconds.

There is no doubt that greater things are to come from Chantelle. Last year, she held the title of being the fastest 15-year-old girl in the world. To date, she is holding on to that title with a personal best in the 100m sprint of 11.69 seconds.

We also congratulate the other athletes who, though they were not medalists, had many positive results at these games. Anissa Owen finished sixth in the U20 girls long jump and in the process set not only a national junior but also a new national senior record for the event with her leap of 5.59m. Kristin Dixon who has only recently started training for the 100m hurdles qualified for the finals and posted a personal best of 15.17 seconds in what is a highly technical event. Shanique Yen, though injured, qualified for the finals of the U 17 400m. Melinda McLean at 15 was one of the youngest competitors in the U17 sprints yet she recorded personal bests of 12.4 seconds and 25 seconds for the 100m and 200m respectively.

Jorel Bellafonte set a new national junior and senior record when he clocked 1 minute 59.58 seconds. This is the first time that a Caymanian athlete has run under two minutes in the 800m event. In the 200m Joseph Suberan ran a personal best in a time of 21.47 seconds which makes him a qualifier for the World Junior Championships later this year.

Tristan von Kerchenheim was running in his first CARIFTA Games and he returned his personal best for 3,000m in a time of 10 mins.6.05 seconds in the U17 boy's race. Troy Long's personal best of 22.92 seconds in the U17 boys 200m meant that he has the qualifying standard for the Youth Olympic Games.

Travis Webb's finished fourth in the U20 boy's high jump with a clearing height of 2.08 metres which was his personal best.. Andrew Frederick, Vernon Kelly and Alex Pascal were all competing in their first CARIFTA Games. And I should mention that we also had athletes from Cayman Brac participating in the Carifta Games.

These youngsters, who were all comparatively new to the sport, recorded personal bests in the U17 boy's shot put, discus and javelin events respectively.

In the U17 boys 4x100m relay and U20 boys 4x100m relay, both teams finished fourth just outside the medals.

### CARIFTA SWIM MEET

Equally triumphant was the Cayman Islands swim team, upon their return from the CARIFTA swim

meet in Jamaica. There, they earned nine medals, including three gold [medals].

Two gold medals went to Coral Tomascik, in the 200m breaststroke and 400m individual medley (Girls 11-12) while Lara Butler won the 200m butterfly (Girls 15-17). Coral also took silver in the 200m individual medley and bronze in the 100m backstroke, and Lara placed 3rd in the 400m individual medley.

Other athletes who achieved podium places were Tori Flowers, 3rd in the 800m freestyle (Girls 13-14); Geoffrey Butler, 3rd in the 1,500m freestyle (Boys 13-14), and Seiji Groome, 3rd in the 200m breaststroke (Boys 15-17).

#### CONCACAF FOOTBALL CHAMPIONSHIPS

In the CONCACAF Football Championships, Madam Speaker, last year our U17 Women's Football Team made history (and we all remember that) when they became the first-ever national football team to make it to the second round of the World Cup qualifiers. They subsequently competed in the CONCACAF Championships this March in Costa Rica.

Although they did not progress beyond this stage they ended their campaign with a one-nil victory over Haiti, moving them to Cayman's highest FIFA ranking ever for any team. Never before in the history of the Cayman Islands Football has any other team, male or female, reached that level of achievement. This is still a very young team and they certainly have a bright future.

#### 2010 SPECIAL OLYMPICS LATIN AMERICAN (SOLA) REGIONAL GAMES

In the 2010 Special Olympics Latin American Regional Games, Cayman's Special Olympians showed their mettle in February during the 2010 Special Olympics Latin American (SOLA) Regional Games in Puerto Rico, bringing home thirteen medals, seven of them gold.

Our swimmer, Andrew Smiley won the 100m individual medley and 400m freestyle. Last year Andrew also proved himself to be an outstanding open water swimmer placing 107th overall out of a field of 800 swimmers in the Tiburon Mile in San Francisco - a premier international open water swim event.

In this event, he also placed third in the 19-29 age group in the non-wetsuit division in what was his first cold-water experience.

Special Olympics runner, Cindy Whittaker, who is also here with us today, was first in the Special Olympics Regional Games 100m and 200m sprint events and won her shot put (3kg) event, while Solomon Webster took gold in the individual bocce event and Leon Lambert won gold for the shot put (4kg).

We are very proud of our Special Olympians' performances. They are proving that the Cayman Islands is a Special Olympics powerhouse in the region. This exposure and experience that the team gained in

Puerto Rico will assist them in future regional and global competitions and we wish them the best of luck as they prepare for the 2011 Special Olympics Summer World Games in Greece.

#### 2010 VANCOUVER WINTER OLYMPICS

This year we also saw Cayman's first Winter Olympian, Dow Travers, compete in the giant slalom in Vancouver, Canada. Although he did not get a medal, Dow placed 69th in a world class field and his outstanding performance highlighted the opportunities that exist for our young people.

#### RUGBY

Our U-19 Rugby team is the reigning Caribbean champion and we had two young Caymanians in the Caribbean 7's squad last year - both these achievements are products of Cayman Rugby Football Union's Youth Rugby Academy system.

#### SQUASH

In Squash, Cayman's own Cameron Stafford continues to excel on behalf of the Islands and retained his # 1 ranking in the Caribbean for the third year in succession. He was also a runner up in the Mens' invitational at the Cayman Open International Squash Tournament this year and has been selected to represent the Cayman Islands at the Central American and Caribbean (CAC) Games and the Commonwealth Games later this year. We wish him every success at these games.

#### ELITE ATHLETES

Our elite athletes, Madam Speaker: At present we have four talented elite athletes that represent us on the world stage: Cydonie Mothersill, Ronald Forbes, our hammer-thrower Michael Letterlough, and boxer Charles Whittaker.

Swimmer, Shaune Fraser has just become Cayman's latest elite athlete as he has completed college just recently.

I would also like to note that Cydonie continues to take the Cayman Islands name around the world and has kicked off her 2010-11 track season with solid performances recently running a 22.70 in the Jamaica International Meet for second place and 22.66 seconds for a third place finish at the Diamond League meet in Doha.

Charles Whittaker continues in his boxing career. While he picked up 25 stitches in his last fight, he, nevertheless, won in a sixth round victory over his competitor from Thailand in the Philippines recently. Over the years he has demonstrated that despite the odds Sport can be an effective vehicle in achieving your goals.

This was also borne out by two special young men who recently graduated with Master's Degrees from Middle Tennessee University. I am happy to announce that the Ministry has recently granted these two young men, Carl and Carlos Morgan, support in their quest to become Elite Athletes competing for and on behalf of the Cayman Islands in the sport of Long Jump.

Our elite athletes continue to receive government financial support enabling them to focus on training and competing. My ministry is proud to offer these young Caymanian athletes the opportunity to further their sport careers, and in turn, our country benefits from being represented by athletes of great calibre on the international sport scene. They also serve as positive role models and take part in motivational exercises throughout various schools and community groups.

But it is for more than just performing and winning that I want to congratulate all our young sports people today.

As athletes, they have an important role to play. Their abilities put them in the spotlight, and as such they are in an exceptional position to serve as positive role models to others.

#### JOINT SPORT DEVELOPMENT PROGRAMMES

Our joint sport development programmes: One such programme is the Cayman Islands Sailing Club's school sailing courses—one of our most successful joint sport development programmes. This initiative has seen hundreds of students try their hands at sailing, many of whom would have been unable to otherwise have access to sailing lessons.

The programme is also important to develop the next generation of Caymanian Olympic sailors, and in this sense, is already paying off. The Cayman Islands entered the youngest competitors in this year's Race Cayman 11-year-old Ben Williams who competed in the Byte CII class and 12-year-old Dejean Solomon, who sailed as a J/22 competitor. They are also here with us today, Madam Speaker.

These two, as well as our other youngsters, are testament to the positive growth of sailing in Cayman.

The Ministry also sponsors a number of youth sport development initiatives in association with the Sporting Federations including the South Sound Squash Club's Junior Squash Programme and the Youth Rugby Academy, among others.

#### LOCAL FOCUS SPORTS

The Ministry and Department of Sports partnered with National Sports Associations to support a number of youth leagues throughout the year.

#### YOUTH FOOTBALL

In Youth Football in the U13 League and Cup Competitions 200 youngsters participated. Winners were Cayman Athletic Sports Club. In the U13 FA Cup Bodden Town were champions.

In the U15 League and Cup Competitions, over 250 youngsters participated. Cayman Athletic Sports Club was winner of both the League and the FA Cup.

In the U17 League and FA Cup over 200 young footballers participated. Congratulations to winners, Bodden Town.

And In the U17 FA Cup, Cayman Athletic emerged winners over Elite Sports Club.

#### YOUTH BASKETBALL

In Youth Basketball, CNB sponsored the Primary School Basketball League. There were 10 boys' teams and 5 girls' teams – involving over 180 young people.

Following the Girls' Championship Match, John A. Cumber Primary emerged Champions over Truth for Youth School. Alyssa Connor of JACPS was named Most Valuable Player.

In the Boys' Championship Match, Truth for Youth School was champion over St. Ignatius School. Most Valuable Player was Albis Amaya of Truth for Youth.

In the U16 Boys and Girls Leagues for basketball, there were 6 boys' teams and 4 girls' teams. The finals took place yesterday [27<sup>th</sup> June] at Camana Bay. We congratulate all those players in Basketball as well.

Appleby U19 Boys and Girls Leagues—6 Boys' teams and 4 girls' teams - over 130 players. The Beachsuits Shockwaves emerged winners over the Sparks.

#### YOUTH SWIMMING

In Youth-swimming, Madam Speaker, locally there has been an increased participation in swimming, including the largest turnout since 2004 when only 150 swimmers took to the pool for the Annual Lions Club meet last month.

Inter-primary School Swim Meet - over 400 participants from 12 schools including both North Side and East End Primary (both of which have received lessons throughout the school year from the staff of the Department of Sports with the kind assistance of the Reef Resort who have allowed the use of their pool).

Cayman Prep School won the competition, Cayman International School second and St Ignatius Primary School finished third.

#### LOCAL Athletics

In Inter-primary athletic sports, 16 Schools with 600 athletes participated including Light House



School. Cayman Brac and Little Cayman Schools participated as a single unit. The top three schools were Red Bay followed by John Cumber Primary and Prospect Primary.

The outstanding performances came from: Giovanni Foster (Prospect): Champion Boy; Shalysa Wray (Savannah); Champion Girl.

Inter-secondary Schools Track and Field 12 schools with over 300 athletes participating.

Top three schools were John Gray High School, followed by New Horizon High and Cayman Brac High.

Champion Boy was Jouri Haylock and Champion Girl, Amanda Nelson.

#### OTHER TRACK ACTIVITIES (CLUBS)

On the weekend of May 28-30 the Mustang track club under the guidance of Sports Department part time coach, Tyrone Yen, traveled to Tampa, Florida to take part in the 19<sup>th</sup> Annual Baytaf Track and Field championship. The Baytaf classic is one of USA's stellar age group track and field championships, and this year was no different as they had teams from the Bahamas, US Virgin Islands, Puerto Rico and the host, USA, compete for honours.

At the end of the 3-day meet the Cayman Islands team had amassed 30 medals with a break down as follows; 10 gold, 14 silver and 6 bronze. Top Cayman athletes were Mikayla McLaughlin who took home 3 medals (gold in the 10-year-old girls' long jump and 200m, and silver in the 100m), Deandre Rowe, 3 medals (gold in the 9-year-old boys 200m with a very impressive display of sprinting, silver in the 100m and long jump). Ashleigh Nalty, 2 medals (gold in the 15/16 year-old-girls' high jump and in the process set a new record in that event. She also got a bronze in the long jump).

Similarly, in the Miami Classic, National Coach Kenrick Williams took 30 Athletes comprising 21 males and 9 Female.

They returned with 10 Gold, 1 Silver and 2 Bronze medals. There were golden performances from Vinton Wedderborn, Tiffany Cole, Denniston Thompson, Thaj Lewis, Alexandra Terry, Alexander Pascal and Dwayne Anglin. Tyrell Cuffy had a silver in the 200 and Demetri Chambers had a bronze in the shot put.

#### LOCAL CRICKET

In the local Cricket competitions in the Primary there were 10 schools and a total of 150 children participated. Winners were John A. Cumber [1<sup>st</sup>]; George Town, 2<sup>nd</sup>; Prospect, 3<sup>rd</sup>; Red Bay, 4<sup>th</sup>.

In the Secondary Schools Cricket competition (U15) - seven schools for a total of 105 children. Competition should be completed this week, weather permitting.

I would like to take the opportunity to wish the National Senior Men's team best of luck in the International Cricket Council's World Cricket League Division 4 Competition in Italy, August 7-24 of this year.

#### YOUTH NETBALL

In Youth Netball, U9 and U11 leagues and rallies were successful. All primary and private schools took part in these leagues and rallies with 150 children participating.

#### UNDER 9 RALLY RESULTS

In the U9 Rally, 1<sup>st</sup> place, East End Primary; George Town Primary, 2<sup>nd</sup> place; John A. Cumber Primary School 3<sup>rd</sup> place.

#### UNDER 11 RALLY RESULTS

In the U11 Rally, 1st place, Prospect Primary School and 2<sup>nd</sup> place, John A. Cumber.

All government and private schools also took part in the U13, U15, U16, U18 leagues and rallies.

#### UNDER 13 LEAGUE RESULTS

In the U13 League, the results were 1<sup>st</sup> place, Heritage High School; 2<sup>nd</sup> place, New Horizon High School A, and 3<sup>rd</sup> place was New Horizon High School B.

#### UNDER 15 LEAGUES RESULTS

There were 124 students participating in the U15 Leagues and Rallies.

The results for U15 Leagues were 1<sup>st</sup> place Heritage High School; 2<sup>nd</sup> place Leading Edge High School; 3<sup>rd</sup> place St. Ignatius High School.

#### UNDER 16 LEAGUES RESULTS

In the U16 Leagues, 1<sup>st</sup> place John Gray High Stingers; 2<sup>nd</sup> place was Prep Tornadoes; and 3<sup>rd</sup> place was St. Ignatius.

#### UNDER 18 LEAGUES RESULTS

In the U18 Leagues, 1<sup>st</sup> place, JGHS Cruisers; 2<sup>nd</sup> place, Prep Dynamics; and 3<sup>rd</sup> place was Prep. Momentum.

#### SPORTS CAMPS

In addition, there is a growing partnership between my Ministry and a number of non-governmental organizations to provide sports summer camps for youngsters Island-wide.

Last summer, my Ministry strongly supported as many sports camps as possible to give parents a

choice of affordable, and mostly free, activities for their children. These camps keep our children healthy and active through summer, and provide a healthy option to working parents for keeping their children engaged during the long days of summer and we hope to expand the programme this year.

As part of our goal to elevate the importance of sport in the Cayman Islands, my ministry has also worked with several associations this year as they brought international sport tournaments to the Islands. In all of these events, our local athletes had the opportunity to compete at top level, while spectators had the opportunity to enjoy different sport disciplines—all on home soil. It was clear that hosting international sporting events raises sport's profile—which is with good reason one of my Ministry's aspirations.

However, my ministry's support also stems from the fact that these events place Cayman on the map as a sports tourism destination. Already this year we have had the privilege to host four significant international sporting events: Race Cayman which included the Byte CII Midwinter and North American Sailing Championships, and was also a qualifying event for the Youth Olympic Games, CARIFTA, the region's premier junior track and field event, The NORCECA volleyball tournament that brought together top players from the Caribbean and the Americas, and The Cayman Islands Squash Open.

And so, when we then talk about sport development in the Cayman Islands, it is not only our athletes that deserve praise - I also take this opportunity to pay tribute to our Sporting Organizations within the community.

But why am I sharing all this with you today? Firstly, at a time when our youth feel increasingly marginalized, it is vital that we highlight and celebrate their achievements; secondly, their achievements and the commitment from our sporting organizations show that we have the resources and capacity to grow Cayman's talented youth.

And so in conclusion, I reiterate the importance of my Ministry's continued support for sports projects, programmes and events that build up and support our youth.

We must persist in developing the vast pool of talent we have on these small Islands and we must provide creative and active outlets for our youth's energy. If we fail to do so, we risk losing an entire generation as they remain focused on a pessimistic future.

On the other hand if we continue to support their development, we will allow them to dream, achieve and inspire as they grow to take their places as responsible and productive adults.

Thank you, Madam Speaker.

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, if I may.

This is an impressive record where a lot of complaints about our young people . . . and I would ask, with your permission, so that all of us as Members (and I think both sides will agree) [can] rise and applaud these young people.

**The Speaker:** You have my permission.

*[Honourable Members of the House rose and applauded the young people in attendance in the Gallery]*

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

**The Speaker:** And that is an exceptional tribute from this Parliament.

We have a statement from the Protocol Office. Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

#### **Courtesies Extended to the Premier**

**The Premier, Hon. W. McKeever Bush:** As early as May 2008, the Protocol Office conducted a review of protocol courtesies customarily provided to the highest ranking elected government official, particularly in the UK Overseas Territories. These are put in place for reasons of security and to enable those persons to properly carry out the obligations of the post.

The Protocol Office purchased a vehicle in April 2009 for the purpose of transporting visiting dignitaries and this is the vehicle currently being used to transport the Premier. It is important to note that none of these courtesies are ever regarded as personal to the holder. They are attached to the office, not to the person and are thus available to any individual occupying this position.

The absence of an official residence necessitates the use of the Premier's residence for meetings and functions that would not be practical or cost effective in large public venues, such as Pedro St James Castle or Boatswain's Beach. As a result, certain concessions have been made to facilitate this purpose and each successive Premier will be assisted in this manner until an official residence becomes a possibility.

The use of the Premier's personal home for certain functions gives the erroneous impression that these courtesies are personal, rather than official. The Protocol Office considers that the funds utilised for security upgrades on the Premier's residence, in the circumstances, to be both practical and cost effective for our highest ranking elected diplomat to properly represent the country, to host official visitors, and discharge the duties inherent in the position of Premier, absent of distraction.

**The Speaker:** Thank you, Mr. Premier.

We now have a statement from the Honourable Minister of Education—there are two statements I am not sure which one you will make first.

**Hon. Rolston M. Anglin:** Madam Speaker, the first statement I will make is in regard to an update on the Department of Employment Relations.

**The Speaker:** Thank you.

### Update on Department of Employment Relations

**Hon. Rolston M. Anglin:** I have previously made certain public statements regarding the changes being made to the Department of Employment Relations (the "Department"). As indicated these changes will reshape the Department in two ways. First, the role of the National Pensions Office in dealing with disputes surrounding pension issues will transfer to the new Department of Labour and Pensions, which will have responsibility for all labour dispute related matters.

Secondly, the Job Placement Unit and Statistics Unit of the Department will be removed and placed with other relevant entities to form the new Human Capital Development Agency.

Madam Speaker, as will be further elaborated on in my statement on the Human Capital Development Agency; several of our interventions into the Department have revealed the existence of certain functional and systemic issues. I now feel compelled to touch on some of the more sensitive matters related to the Department of Employment Relations that my Ministry plans to address over the next two years. I would again like to state that I do not raise these issues to cast aspersions on the hard-working and dedicated staff of the Department, but merely to present the situation as it is.

Firstly, Madam Speaker, in May 2009 I found that the Department operated without a clear and uniform management system. The lack of efficiency in the Department's systems and processes relating to job placement and dispute settlement has resulted in frustration by jobseekers, clients seeking redress under the Law and other key stakeholders.

The internal management systems employed, especially as relates to Human Resources Management have been inefficient and produced a negative impact on the morale and productivity of the staff. In addition to this, clear processes such as those for handling of complaints, budget preparation and financial reporting, oversight and reporting of Departmental units, and discipline, were not properly developed.

Madam Speaker put bluntly the previous Minister, in the person of the Third Elected Member from George Town, left this Department in an absolute mess. Quite frankly, in May 2009 the Department was on the verge of collapse!! Staff relations were at a serious boiling point. There was nothing but finger pointing as staff struggled just to make it through the day without incident.

Complaints of the use of foul language, unprofessional, unethical and immoral behaviour were reported to me from within and without the Department. Staff reported of little to no interaction from the previous Minister and Ministry had led to this state of anarchy! The previous Minister needs to clearly admit that he and his administration failed miserably in labour and employment relations.

Madam Speaker, the PPM Administration cannot point to one single labour initiative in their four years in office. What they can rightfully claim is the hiring of the current Director and that the Department plummeted to an all-time low! It is an absolute shame that the previous Minister has the audacity to run around this country questioning "what has this administration done in one year," and stating that "he is so disappointed in me." That Member ought to be truthful about his disastrous four years as a Minister.

I hope that my series of statements will serve as the sobering tonic that will awake him and his colleagues from the hypnotic stupor they seem to have fallen into over the past twelve months. Hopefully it will serve as some much needed "memory juice" so their actions can be plainly recalled.

Madam Speaker, the impact on service delivery to the public has been significant. As stated prior, the public perception of the Department has not been one of strong confidence. Therefore, there is now a need for a strong public relations campaign to improve the image and to renew the public's confidence in the Department. I plan to initiate this campaign as part of the PR surrounding the introduction of the new Department of Labour and Pensions and the Human Capital Development Agency. I also hasten to point out that the introduction of these agencies affords us a timely opportunity to examine the systems and make the necessary corrections through the planned legislative and management reforms.

In addition, Madam Speaker, we are currently pursuing an expanded use of technology to assist in bolstering public perception, most notably through the creation of a user-friendly website with interactive capabilities, so that our clients can better access our services. This new approach to labour will also benefit our key stakeholders, and we will extensively pursue building relationships with the Education Department, Chamber of Commerce, Society for Human Resource Professionals, private sector entities and other relevant organisations.

Madam Speaker, of utmost importance in achieving the goals that we have set for ourselves will be the capabilities of the staff of both entities. It is obvious that training will have to be undertaken to best prepare our staff to deal with the needs of the public, as it relates to preparing our citizens for long-term work placement, navigating the Law in regards to complaints so that we ensure that the workforce and employers are treated fairly in labour dispute situations; and to provide the key information that we will need in order to build and maintain a proactive—

instead of reactive—approach to training and employment in the Cayman Islands.

I intend to initiate a skills gap-analysis in light of the reorganisation so that proper training plans are created for our staff. I also intend to pursue International Labour Organisation (ILO) labour-specific training for the staff. This, Madam Speaker, is something that used to occur but had fallen away in recent years.

Also falling away recently was the Occupation Safety and Health (OSH) training that the Department used to offer, especially to the construction industry. Part of the reason that this training was not being offered is that the certifications of the Department's OSH employees had been allowed to lapse. I am happy to report, Madam Speaker, that our officers have been recertified and have already completed two successful rounds of OSH Training for the construction industry.

The importance of this type of training Madam Speaker was highlighted only a few short weeks ago, by a major scaffolding collapse right here in central George Town that could have had dire consequences for those involved.

Madam Speaker, the Department of Employment Relations is currently dealing with over 1,000 labour-related complaints, and the job placement database lists over 900-plus unemployed Caymanians. These are sobering statistics, resulting largely from the current economic situation and the lack of effective training for our people respectively. I am confident that with the combined approach of the creation of the Department of Labour and Pensions and the Human Capital Development Agency the installation of proper management systems, effective use of technology and proper training for our staff, the country will see marked improvements in the delivery of labour related services and sharp rises in the long-term prospects of successful employment and career building for Caymanians.

Madam Speaker, it would be remiss of me to not comment on the status of the Director of Employment Relations. As you will recall I have addressed this honourable House previously on the decision taken by the Chief Officer to place the Director of Employment Relations on Required Leave. This decision was taken subsequent to the receipt of several letters of complaint against the Director from Department employees, and in order to carry out a fair and proper investigation into those complaints.

Therefore, the placement of the Director on Required Leave was necessary in order to provide him with the proper opportunity to respond to the allegations against him, and so that the Chief Officer could gather pertinent information in such a way that employees would not be placed in the position of potentially being influenced for or against the Director.

Madam Speaker, the investigative process has so far been thorough and robust, and has afforded the Director every opportunity to take part. As you can imagine, an investigation of this magnitude

and importance must be handled very carefully; hence the length to date of the process.

However, we are hoping to have this process finalised soon, at which time I will once again update this honourable House and the wider public.

Madam Speaker, I thank you.

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

The second statement, please.

### Update on UCCI

**Hon. Rolston M. Anglin:** Madam Speaker, this statement is an update on UCCI.

Madam Speaker, I would like to address a subject that has been of central concern to the UDP Government and particularly to my Ministry as we focus on the education of our young people, and that is the matter of the University College of the Cayman Islands (UCCI).

Upon taking office in May 2009, it was evident that UCCI was still reeling from the Hassan Syed fiasco and that the previous Minister had not ensured that the institution was put on a sound footing with any form of permanent or emergency action plan.

Madam Speaker, once again it was evident that the previous Minister and his PPM Administration was on a four-year joy ride and had wreaked havoc on yet another key aspect of the Ministry of Education. It was disappointing to find an absolute absence of strong and coherent leadership.

Obviously the previous Minister and his colleagues were simply on a PR campaign to artificially bolster numbers at the institution with no care for improving the life chances of Caymanians.

Prior to the appointment of Mr. Roy Bodden as President of UCCI, a number of issues contributed to undermining its ability to function as an institution of excellence. These included:

- Absence of formal policies governing the operation as an educational institution of higher learning.
- Lax and disorganized campus security.
- Poorly planned and maintained campus and physical plant.
- Disorganised and problematic student registration.
- Weaknesses in the financial systems of internal control.
- Poor and irregular management accounting.
- Irregular, varied and unfair faculty contracts.
- An absence of regular faculty and staff meetings resulting in a communications vacuum.
- A student services vacuum.
- Programme vacuum and gaps with secondary system.
- Institutional weaknesses. For example: entry requirements were lowered to bolster enrolment (that is, three 'O' Levels which is low

compared to the standard US institutions which require five 'O' Levels).

- Programme development was compromised to get positive PR versus quality programs (for example the Post Graduate Diploma in Education was developed without formal endorsement by the Education Department).
- No Vice Presidents appointed to support the Office of President.

Madam Speaker the list above is by no means exhaustive. It is simply meant to provide a flavour of the mess that my predecessor left at UCCI. His focus was obviously on PR spin versus quality programming and a strong institution.

However, Madam Speaker, I am pleased to inform this honourable House of the strong beginnings of a turnaround that we are enjoying at UCCI. The selection of Mr. Roy Bodden as President has proven to be effective not only in distancing the institution from the dubious dealings of Hassan Syed, but in laying a foundation for better Board of Governor's oversight in partnership with the Ministry. It has also resulted in better attention to student needs, and in significant progress towards the alignment of UCCI offerings with programmes and projects in our compulsory education facilities.

I wear no rose-tinted glasses where UCCI is concerned, Madam Speaker. Neither does President Bodden, nor the rest of the Board of Governors including the Chief Officer of my Ministry. We realise the gravity and extent of the challenges we face. We must do more, and we must do it quickly. We remain vigilant of these needs and are making reforms as urgently and as rapidly as we are able.

But even as we remain focused on overcoming these challenges, what is most important is that we learn to impress the business community with our output—the graduates. We must partner with the business community to ensure they get the people with the right attitudes and skills they need. There can be no priority higher than that.

Madam Speaker, I would like to take this opportunity to recount, if I may, some of the more significant matters undertaken so far, and close by pointing out where we must go from here and what we must do to get there.

I will now offer a few remarks about college and higher education in general.

Madam Speaker, education, training and employment are combined under my Ministry and we have arrived at this arrangement with good reason. It is clear that they are fundamentally inter-related. It is clear that we have not considered this relationship in sufficient depth. But, Madam Speaker, we need to do so. We must understand that education, training and employment are different facets of the same issue.

Caymanians want good, decent jobs. Good jobs mean higher standards of living, a more thriving country and a greater capacity for all of us to achieve our dreams. Furthermore, good jobs and business

start-ups are inter-related. We must keep generating new businesses to sustain the cycle that creates good jobs and general economic growth.

In addition to a healthy business climate and access to capital, the requirements for success are skills, confidence and the commitment to hard work. Our schools need to provide the foundations for those capabilities. In addition, our schools need to provide our students with the capability to read and write in 21<sup>st</sup> century terms and in 21<sup>st</sup> century ways. UCCI must remain focused on the skills and practical competences that the workforce needs. It must be a bridge between a stable society and the promise of good jobs. That, Madam Speaker, is a tough role, and we must all work to support it.

Madam Speaker, I hope we have learned a very important lesson. I hope we have learned that, for most people, good jobs cannot mean working for the Civil Service. For one thing, the Civil Service cannot afford to employ all Caymanians. Instead we need to keep producing skilled people to work in the private business sector. We need entrepreneurs, leaders, managers and workers, all of these if we are to have a vibrant economy. And to get those outcomes, we are going to have to coordinate the levers of our scholarship programmes, our local education institutions, including UCCI, and, most importantly, our high school and college graduates in ways we have not achieved before.

Madam Speaker, the point I am seeking to emphasise is that we are going to have to rethink the whole idea of higher education and its role in our society. High wages without first gaining quality skills and education will not, Madam Speaker, be the norm going forward. That may be tough news to digest for some, but it is the reality we now face. Times have changed. Not only do we need to see more of our people pursuing higher education, which will lead to better paying jobs, we need education to be more targeted, more focused on our futures. We need our people to be more productive, better skilled, and better able to cope with market changes.

Madam Speaker, I offer no history lessons to those who sit here today, but I think we can agree in this honourable House, that our community, our economy and, really, our whole future faces a reality different from that of the last few decades. The world is aware of the Cayman Islands in a way it was not just a decade or two ago. Every move we make is scrutinised, and that seems unlikely to change in this hyper-competitive age.

As a country we have to remain innovative and business friendly, but most importantly, we must ensure our people are skilled enough to compete on an equal footing with their peers in the global workforce.

Unless we choose to give up—which I certainly do not—and which, Madam Speaker, is not the Caymanian way I know of—we will need to be stronger, smarter, wiser and quicker. Schools must be

a key part of that response. We must ensure higher education for a significant percentage of our population. We must aim high!

Madam Speaker, we must ensure that at least 40 per cent to 50 per cent of the youth who are now in primary schools will earn a college degree. This may seem like a lofty goal, but we must be brave enough to set high expectations of ourselves. And for those who do not take that path, we must ensure that people have real skills that will lead to decent jobs that merit high wages. We do not want nor need a Caymanian underclass that has no skills and no capacity to learn. For those who find themselves in such a place, we must have bridges that are tested, effective and funded.

Moreover, simply stamping an application and putting people in a lecture hall is not good enough, Madam Speaker. It just will not cut it! We need educational standards to be real—particularly at UCCI. We cannot continue to endlessly import, high wage employees in a hope that some trickle-down effect will miraculously give us the standard of living we desire. We must have a broader segment of our society participate at higher levels in our economy. But participation cannot be forced without the merit, the real capacities to do the jobs.

Being Caymanian is not enough. We must be Caymanians with merit. That merit, that excellence is founded in education and skills. We must improve in these areas and we must measure our efforts closely. If we do so Madam Speaker, our future will indeed be bright. UCCI must be a key institution in that future.

Madam Speaker, let me now set out the work undertaken at UCCI in the past twelve months:

First, as you know, we have installed a president who has worked hard with his staff and with the Board of Governors to recover the dignity and integrity of the institution.

Mr. Bodden has done a good job thus far, and I am grateful for his willingness to tackle such an important challenge. He did not need to accept this task which is stressful and difficult. That sort of service to the community is indeed praiseworthy. He has willingly worked with the Ministry, and while we do not always agree, the existing communications between the Ministry and the University College are, as I understand it, much improved from that which prevailed previously.

Second, we have embedded the President as a member of the Board of Governors. He is, in fact, what we could describe as a sort of managing director working with other directors. We have supported him by providing him with a more active and more engaged board and it is expected that this will continue. Third, and perhaps most importantly, our Board has urged that the foundation of any sound educational institution of higher learning must be a body of formal policies that are documented for any to review.

The foundation of the future of our institution will be a set of policies that cover everything from ad-

missions to staff regulations and Board operations. These are being drafted now and I expect the Board to be presented with a working draft for review very shortly. This is a huge undertaking that has engaged the President and several supporting persons at great length—including Ministry staff up to the Chief Officer. Nothing we do is more important than formalising policies. This is of critical importance if we are to be taken seriously by those who review us as peer institutions and by those who work and study under the resultant standards.

Madam Speaker, every institution of note in the world makes such policies publicly available. We will join their ranks soon.

The physical security of the UCCI campus is much improved. Not only is it now fenced, in addition key security guards are posted at its entrances to keep a close watch over who comes and who goes. Furthermore, the reporting structures for those security staff have been implemented which are more professional than they previously were, with chains of command that link right up to the president's office.

The property and facilities of the overall campus are much more carefully maintained and new procedures and facilities, such as CCTV monitoring, are now in force to protect students and staff as well as physical properties. Please note that we had this before, but it was not properly functional. We have also put protections on the Internet to guard against misuse of those important facilities.

The registration of students is improving. I have had the opportunity to take a close look at the information systems supporting this, and I am convinced we are on the right track. We have to get better at using the tools we have, but new staff and new policies are aiding this process significantly.

Madam Speaker, I would like to say to the Members of this honourable House that if your constituents have issues in this area, I hope you will bring them to my attention. I am taking a deep interest in the service level and effectiveness of UCCI registration, student information, scholarships and grading systems.

Overall, as part of the policy formalisation process, we are getting better financial controls in place, stronger staff processes and rankings, and a host of other basic college management facilities that are essential for operating a sound institution of higher learning. We will continue to carefully improve these management systems and to assure that they are overseen with the necessary care and approval by the Board and the Ministry, where appropriate.

Ultimately, these systems will position the University College to stand with peer institutions around the Caribbean, the United States and the United Kingdom as a recognised and reviewed facility.

Madam Speaker, let me close with some remarks about where we must go from here: Higher learning institutions work because there is a vigilance and care given to details, to processes, and to stan-

dards—especially standards. That vigilance and care must be linked with good facilities and good staff in order to create a strong institution. Madam Speaker, such vigilance and care must be shared by administrators, staff, students, parents, governors and government bureaucracies. In the end, it is a process of coordinated reviews and checks that assure what must be done is being done. We must all be promoters of quality.

Madam Speaker, our efforts going forward, are really, at its core about institution building at UCCI. We need to strengthen UCCI to fulfil what it does. We need to operate with greater vigilance and care in the areas concerning its standards, its programmes, and its outputs—the graduates.

We must do that without regard to any one person or set of personalities; it must be truly institutional. We must all demand and strive for an institution that does its job to the policies and standards we agree are essential to national success.

Madam Speaker, it is unacceptable for employers to find graduates of UCCI who cannot do what their certificates and degrees document they should clearly be able to do. That is totally unacceptable, and as Minister for Education I refuse tolerate it. There will be no games played on my watch where we hand out diplomas just because a student "showed up" for class.

There will, Madam Speaker, be meaning to degrees and awards. It is imperative! If we cannot as a community come together and be united on this point—that we must take our achievement measures and grading systems seriously—we are in grave trouble. Of course, compassion is part of that measure, but compassion cannot and should not overshadow the demand for hard work, for real performance, for excellence.

Madam Speaker, the certificates and diplomas that are awarded must make sense for our economy. We cannot operate a school of fashion design unless we have a fashion industry base here in need of skills in that area. We have not coordinated our skill development and our economic development enough, and we need to do a better job of that.

I, together with my Ministry, am working hard to launch a Human Capital Development Agency to focus extensively on these areas and problems as we promised in our Manifesto prior to the elections. But UCCI must do more as well.

We have also funded the development of new technical and vocational programming. This is crucial in order to build our skills nationally and allow Caymanians to fully participate in our economy. UCCI will work closely and build bridges from secondary to tertiary education. This will also foster life-long learning and allow adults to acquire these crucial skills and qualifications at any stage in life.

We will perform a review to establish our need for teachers and then ensure that the UCCI programming is directly linked to our needs assessment.

We will also fund the provision of hiring the two new vice-president posts. This is crucial to ensuring that UCCI can provide the leadership for quality tertiary education in the Cayman Islands.

We need a national qualifications framework like other developed nations that sets the standards for how trained our people are and what a particular training course demands of its graduates. UCCI must offer bridges to higher skills from the mandatory Year 12 programmes, for instance. It cannot duplicate these programmes or run aside them.

Overall, we must plan a future for higher education that allows for local professional scholarship of a high standard, but that also facilitates life-long learning and the acquisition of vocational and technical education skills. The exact role that UCCI will play in this framework will be decided during the coming year. It will require that we develop a strategic vision for tertiary education and this process will commence with a strategic retreat at UCCI.

Madam Speaker, for now, we have focused on stabilisation. Going forward, I intend to focus on responsiveness to national need. If that means we need a distinct National Community College and TVET faculty within UCCI, so be it. But my strongest finding to date in my work as Minister is that we must be making a greater commitment to developing and building skills across our society.

If there is one area you hear me focus on, it will be skills, skills and more skills. Of course, Madam Speaker, these skills must make economic sense as well.

Overall, Madam Speaker, I think it is fair to say that UCCI—a recently dysfunctional institution—is again starting to function as we need it to. I intend to see that it continues to strive toward the standards, policies and commitments that will allow it to be an institution that sits at the core of our country's future.

We will all need to commit to making sure standards are high. I urge everyone in our community to join me in helping UCCI continue on a path toward stability while moving, this year, toward a strategic vision of what it must be to support our future as a cornerstone. You will hear more in coming months concerning the Ministry's input toward such a strategic vision.

Madam Speaker, before I take my seat, I will note that I intend to make a number of other statements which will link directly to these two statements I have made today and will flesh out in greater detail how the overall mission of the Ministry will be achieved.

Madam Speaker, I thank you for allowing me to make these two short update statements in this honourable House.

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

## GOVERNMENT BUSINESS

### MOTIONS

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

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the suspension of Standing Order 24(5) to enable two Government Motions to be dealt with during the current Meeting.

**The Speaker:** The question is that Standing Order 24(5) be suspended to enable two Government Motions to be dealt with during the current Meeting.

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

**Ayes.**

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

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

### BILLS

#### SECOND READING

##### Customs Tariff (Amendment) Bill, 2010

*(Continuation of debate thereon)*

**The Speaker:** We were in the midst of hearing the contribution from the Leader of the Opposition.

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

When we adjourned on Friday afternoon, I had just made the point that several years ago when there was an increase (I believe the increase was from 25 cents to 50 cents—and when I say several years ago, I mean several years ago) there had been a noticeable increase in the rate of inflation the following year based on the Consumer Price Index. I was unable to get the specific details of that over the weekend, but I wanted to mention it for continuity purposes.

Madam Speaker, the Bill before us is a simple Bill. It proposes in the Customs Tariff to increase the duty by 25 cents on the three categories included in the Bill. Those three categories are gasoline, diesel consumed by the public, and a specific category for diesel consumed by Caribbean Utilities Company for the generation of electricity.

Madam Speaker, the numbers (going from memory, so that we get a feel for what we are looking at) . . . gasoline is somewhere in the region of 11 million gallons consumed by the Cayman Islands per year and diesel is somewhere in the region of 29 million gallons. So, the consumption of diesel is almost three to one with the consumption of gasoline. And the vast majority of that diesel is used by Caribbean Utilities Company.

If we add everything together and speak about fuel, I do not think we would be very far off in saying that the total fuel used, including gasoline and diesel throughout the Islands . . . somewhere between 65 per cent and 70 per cent of that is consumed by Caribbean Utilities.

[Loud electronic interruption]

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, I do not have the exact figures, I am just wagering a guess, which I do not think I am far off, somewhere about 65 per cent.

In any case, Madam Speaker, it is fair to say—

**The Speaker:** Would you pause please because the transmission is being interrupted?

We do need to get this fact across to people. When someone is on the floor speaking and you hear that buzz, the transmission is not being recorded. We need the words of the [inaudible] . . . and the Deputy Premier in this Chamber . . . to be recorded at all times.

I hope I do not need to speak on that matter again. I will have to take necessary steps to enforce that rule if I cannot get it done any other way. Serious steps!

Leader of the Opposition, please continue. We will try to ensure that all of your speech is recorded.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

As I was saying, Madam Speaker, it is fair to say that the majority of fuel consumed throughout the Islands is consumed by Caribbean Utilities Company. So, the 25 cents on all three categories means that the majority of the revenue derived from this to the Government will be derived through Caribbean Utilities Company.

The way that their rates are structured, the fuel factor is a direct pass-through to the customer. So that means that the consumer pays directly for whatever the increase in the duty is. Madam Speaker, the consumer includes everyone and everything—every entity that uses electricity. This includes private homes and commercial operations and everything else you would wish to categorise.

The point to be accepted here is that when you have the consumer paying directly for the



increase in duty to fuel, that is paid immediately and that is done. But everybody providing goods and services—retail, wholesale or otherwise—is also going to be looking at that increase and passing it on to the consumer. So it is very fair to assume that the consumer is going to be paying several times over what the actual increase is that government will be deriving. I do not think anybody will argue with that analogy.

So, when we say that we are hopeful that CUC will not pass on this increase, we are hopeful that the supermarkets will not pass on this increase, or, if we even go so far as to say that we are hopeful that the distributors, Esso and Texaco, will not pass on that increase, Madam Speaker, that is not going to happen.

My colleague says what?

*[Inaudible interjections]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** My colleague says that's a dream in colour.

Madam Speaker, bringing that point home is to say that we believe that we should be looking elsewhere to see how it can be done.

I listened to the Premier carefully in his delivery. He said that we now have a three-year plan. We are all happy for that. The Premier went on to say that we have to stick to that three-year plan and that three-year plan required certain things, which includes a certain level of revenue guaranteed. And we have to stick to that. And we accept that.

The Premier also said that if there are any alternatives they must be sure alternatives. And we understand that. What we on this side are asking the Premier and the Government to do is to look at some proposals. And in a little while I will speak to some of those very specifically. They are not new, because I have had discussions with the Member for North Side. The First Elected Member for Cayman Brac and Little Cayman also spoke to some of these, but we are going to get into some more specifics to see if, by chance, the Government would look at these as an alternative for what is proposed presently.

Madam Speaker, there are two points the Premier made that I want to speak to. First of all, he spoke to the fact that the Government's take from imported fuel compared to other jurisdictions in the region is very small. And I do not argue that, Madam Speaker. But there are different models.

For instance, Bermuda has purposely put a high tariff on their fuel. For many years now, consciously, they have tried to discourage the use of vehicles. They have not done a lot of expansion to their road networks, and their roads are very narrow. That is a principle they have applied and that has been the case. Now, the Premier alluded to the thought that maybe we should be thinking like that. I do not know if that is the policy the Government will follow.

But let's take another country, like Dominica, in the eastern Caribbean. Dominica actually subsidi-

dised the cost of fuel in order to keep the prices at an acceptable level for the consumer. So these countries have different ways of dealing with it and the fact that what the Cayman Islands now gets in duty from the importation of fuel is not considered to be high compared to other jurisdictions is not saying that that is what we should be seeking to do.

One of the great difficulties, as I have said before, is that because fuel is used by everyone and every entity here as an integral part of their operations in one form or fashion, it means that the pass-on effect is going to be multiplied over, and over, and over again.

The other quick point that I wish to make, Madam Speaker, is when speaking about the deficit and the need for revenue measures, and he quoted that fiscal deficits are not carried forward. Then the Premier went on to say, and I paraphrase (I am certainly not going to try to do it verbatim) that it would appear like I am saying that if you have a deficit this year it is not carried forward to the next year so you don't have to worry about it. Once the deficit is identified it just goes away. And that was certainly not what I was saying, Madam Speaker.

All I was saying was that as an accounting treatment an operational deficit is not carried forward to the next year, meaning that if there is a \$50 million operational deficit this year and there is a \$30 million operational deficit next year, at the end of next year that is not quoted as \$80 million. It does not mean that the expenditure is going to disappear; it does not mean that the money does not have to be found. Certainly not! All I was saying when I was making the point is that the accounting treatment is not a carried forward situation. So I just wanted to get that one clear and out of the way.

Madam Speaker, looking at the Government's estimate of \$10.3 million for this proposed 25 cent increase on all three categories, as indicated in the amending Bill before us, we now need to look to try to find alternative sources of revenue which could replace that. And, as the Premier has said, if there are proposals, let them hear it; but they must be as concrete and sure from a revenue standpoint as this proposed increase in fuel.

Madam Speaker, the First Elected Member for Cayman Brac and Little Cayman mentioned a surcharge on cell phone bills. We got a little bit closer to the information on the weekend. And I hasten to add that we feel, with just about all of these that we are going to be proposing, that they will not have that knock-on, domino, effect to the consumer. The utopia and best case scenario is that you do not have to increase any charges. But we are working on the premise now that we have to, so it is not a question of whether we do or we do not. The question is how do we do it?

I am informed that the gross billing for cell phones here in the Cayman Islands annually is approximately \$80 million. There are many types of

packages for cell phone usage. Some people have two phones, sometimes more. But the fact of the matter is that a cell phone is not like gasoline or the diesel that CUC uses. The use of a cell phone is much more discretionary, and [once] a bill is sent to the customer, that's it.

I do not know what the average cost per customer for a cell phone is, but what we are saying is that if the total billing for the year for cell phones to customers is \$80 million and there is a 5 per cent surcharge on a monthly basis, that's \$4 million right there. That means that if your cell phone bill for the month is \$50, with the surcharge the bill would be \$52.50. If your cell phone bill is \$100, then your total bill would be \$105. But, as I said, Madam Speaker, that's the end of it. And it's spread out throughout everyone who uses it.

I am told in recent times the average has been around \$80 million, so that's \$4 million right there. Each entity that does the billing has monthly statements and audited accounts. They could simply deal with it on a monthly return basis when the gross amount billed is taken and the Government receives a cheque for 5 per cent of that total and that can be cross-checked and audited. I do not believe, from speaking to them, that that is a major annoyance. The same way a bill is produced, that amount can be added. The same way the bill is paid, they can do the same.

It is a similar situation, Madam Speaker, except that it can be more tightly controlled to the transaction fee at the bank. Whatever the arrangement is with the Honourable Financial Secretary, whether monthly or quarterly, they send him their cheque with their listing of the number of transactions and that 25 cents is paid to the Government. The Government doesn't really have much to do.

This one is much easier to control because there will be monthly statements and there will be audited accounts. The Government, at almost any point in time, can ensure that companies are paying the right amount in because they will have recorded their billings.

Madam Speaker, that is one item.

I also had discussions with the Member for North Side and what he proposed. We are proposing to open that proposal up a little bit, not have a straight across-the-board fee, as was suggested. His main argument on how to derive that amount . . . he was actually using that one section to try to get \$10 million. But if we would accept the cell phone surcharge (as I call it), then we would not need to have that much of an increase on licences. In fact, I am not so sure we would have to increase every single section, because some of them are very sensitive. We have to look at that. But there are a few basic ones which I can point out and show the numbers, having gone onto the [www.dvdl.gov.ky](http://www.dvdl.gov.ky) which gives you all the prices and licensing fees.

Madam Speaker, a private motorcar is \$160 a year to license. That can be done quarterly, half-yearly or yearly. Quarterly is \$40, half year is \$80, yearly is \$160. If we increase that to \$240, which means if you do it quarterly it is \$60, half year is \$120 . . . one-time payment. Madam Speaker, if there are 24,000 private motor vehicles then [multiplied] times \$80, the increase equates to \$2 million right there.

The next largest number of vehicles on the roads are trucks under 1 ton. Just over 5,000 are registered. And if they are \$200 per year, and we increase that to \$300 per year, that equates to \$.5 million.

Then, Madam Speaker, driver's licences are now \$20 per year, both for your licence and your renewal. When you renew your licence for three years it's \$60. Madam Speaker, there is no real hardship experienced if that annual fee moves from \$20 to \$30. And if it is some 50,000 licences, that is another \$.5 million. As I understand it, 50,000 licences is a realistic figure because I understand that there are many people overseas who retain their Cayman driver's licence and renew it.

Madam Speaker, visitors' permits are now \$6 each. Visitor's permits in many jurisdictions cost more than that. And you want to work with figures that are pretty easy to deal with, not with cents. It makes life easier in all of the transactions. There is no reason why that one-time fee to the tourists . . . and compared to daily rental and insurance, that visitor's fee going from \$6 to \$12 (which would make it US\$15), that is another million and a half dollars.

When you look at just what I spoke about, Madam Speaker, that is a little bit more than \$8 million if we were to be specific.

You might say, *Well, you are taxing people* by adding another \$80 a year onto licensing their vehicles, or adding \$10 onto their driver's licence . . . Madam Speaker, that is far less than the monthly increase at the gas pump for them, plus their electricity bill, plus everything else that is going to be impacted, which means higher charges on a daily basis just to live when they are purchasing goods and services provided for them, whether they are essential or non-essential.

So, the point at hand is that we are simply saying that these fees are much more palatable to individuals than the 25 cent increase in fuel tariff because everyone, including us here, will end up paying much more than that additional on the cell phone bill and that additional on the driver's licence and that additional on the vehicle licence. For the average individual, looking at the increases we have proposed, and they have a private vehicle and they have a cell phone and they have a driver's licence, you are looking at \$150. That is,  $\$80 + \$10 + \$12 \times 5 = \$60$ ; ( $\$90$  and  $\$60$ ) You are looking at \$150 spread out over 12 months for those three items, which is \$12 and some cents per month.

[With] the addition of the 25 cents on the gas bill, Madam Speaker, before they go anywhere else, at the pump alone, let us . . . the Member for North Side (and I can't remember what he said but I know he's an exception as he travels a lot further than a lot of other people) . . . but the gas bill for the family could easily be \$400 per month. Let's say, (using round figures) 100 gallons, that's \$25 a [week]. One hundred times 25 cents is \$25. So the gas bill alone is twice the other payments that we propose here. It does not speak to the electricity bill and it does not speak to the impact it will have on all the other goods and services that you buy during the course of the year, including on the supermarket shelf.

Madam Speaker, we are not arguing against the principle, we are simply putting forward some alternatives which could bring the same amount that is expected.

Speaking of the various numbers of vehicles, if you have 34,000 on the road (and the two categories that I mentioned are about 29,000 vehicles) there is another 5,000 scattered—school buses, taxis, omnibuses, trucks, bigger trucks. I don't need to go into all of those to make the point. And, Madam Speaker, I am not suggesting that we would actually want to increase all of those proportionately because some of them, given the circumstances and the climate that we live in today and the way the economy is, you might well not want to do that. But if we put that whole thing together, Madam Speaker, then we are looking at around the same amount that we are talking about with the 25 cent fuel increase.

Madam Speaker, we are hopeful that the Government will be prepared to look at these proposals. As I said, we are working on the premise that it is not a question of whether we should or should not. We know we have to. The question is: How do we do it? And we are saying that when you look at the proposals that we are putting forward that at the end of the day they are much less costly to the man in the street, to the average consumer, than going the route of the fuel, the 25 cent increase on the fuel.

Madam Speaker, I am sure that other points will be made and I simply wished to make those proposals and explain the premise on which we are working and the principle that we are applying to the proposed increases. I am hopeful that the Government is prepared to look at them.

I can only wait to hear the Government's thoughts on the matter. We have thought the proposals through to the best with the information we have in front of us. Other thoughts may be expressed. I certainly do not wish to go beyond what is necessary with regard to any fees, given the economic climate that the whole world is in. But if we have to do some things than we believe that what we are proposing would make it more palatable than going the other route.

Thank you very much.

**The Speaker:** Thank you, Honourable Leader of the Opposition.

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

If not, I call on the mover of this Bill to wind up the debate.

*[Inaudible interjections]*

**The Speaker:** Did someone say, Madam Speaker? Pardon me?

**Mr. Ellio A. Solomon:** Madam Speaker, I was trying to get your eye.

**The Speaker:** I am sorry, I did not see you, and I have already called—

**Mr. Ellio A. Solomon:** Fine, Madam Speaker.

**The Speaker:** Honourable Premier, would you please conclude the debate?

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I have listened carefully to what the three Members on the other side had to say, particularly the two Opposition Members. I thought that by now, after all the chatter by the Opposition and their votes against the Budget these past several weeks, they would finally come forward with a list of suggestions for the good of these Islands.

Madam Speaker, we all know the mess we are trying to climb out of was their doing—their mismanagement, their wasteful spending. I waited to hear what the business guru, the First Elected Member for Cayman Brac and Little Cayman, was going to offer. What great and new solutions they have to cure to revenue problem. But *the mountain laboured and it brought forth a mouse*.

Madam Speaker, I appreciate the thanks the First Elected Member for Cayman Brac and Little Cayman offered. He said he understood why the Government was doing what it did and what we are doing. He appreciated the work, the efforts I made. After saying all of that I had to think to myself, *Why did my good friend, the First Elected Member for Cayman Brac and Little Cayman, vote against the Budget? Why?*

Indeed, I was struck when the only solution offered by that Member was a public/private partnership for Boatswain's Beach—all that waiting for the last several weeks, and he said that would save \$5 million. That suggestion from the First Elected Member for Cayman Brac and Little Cayman, the PPM Member, came right on the heels of his leader's (that is, the PPM Leader and the Leader of the Opposition in this honourable House) saying that these public/private partnerships are the wrong way to go.

No, go back and listen to yourselves on the radio. All the beating that I took by you asking . . . they

are asking themselves if they said that. You said that and more.

He suggested—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Yes.

—this is what we must do after the UDP has been called all kinds of names because we espoused the policy of private/public partnership. Can't forget it! How much it was going to destroy the country; we're selling out the assets. Uh-uh. They can't come now and ask, Madam Speaker, if they said it.

And I can tell them, Madam Speaker, that is exactly—because we have espoused the policy—what we have been doing in the past year. I have already discussed the idea and received two preliminary proposals for a private sector partner with Boatswain's Beach. But sometime ago I was accused by the PPM of not knowing what to do. And that doing that type of partnership was giving away the Cayman Islands. How easily they forget.

Simply, because they have no other idea better than what we have. You've heard the Leader of the Opposition labour this morning. He does not approve of the way we are getting revenue. *You must not put it on that because it is going to cost too much. Put it on cell phones. Put it on car licences.* And I am sure, Madam Speaker, if we had put it on those areas they would be making the same claim that they are making about the 25 cents on gas and diesel. It would not be any different. They would be saying the same thing because they have nothing better to do, no solutions to offer, other than to oppose.

Madam Speaker, I heard the Leader of the Opposition and the Independent Member . . . they said they had discussions with him. I am glad they did that much. Caribbean Utilities said it is 5.5 per cent. That's what they said. The total cost on the electricity bill. Madam Speaker, the truth is if they had not given CUC a sweetheart contract they would not be able to do it, if I had it my way, because—

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Change it after you'd gone and signed it for 25 years?

Madam Speaker, they are a bunch of jokers, that's what they are! They tell me I must change it.

If you had left it alone . . . but you rushed ahead to give them a sweetheart contract because you didn't want the election to catch you. Now you challenge me and say I must change it? You are a bunch of jokers!

Madam Speaker, we heard them talk about how this was going to go across the board, according to the Leader of the Opposition and . . . well, all three Members who spoke. But more pronounced by the Leader of the Opposition and the Independent Member for North Side, how this was going to raise every

major and every bill in this country was going to be affected; how they were going to affect it.

In the past two days there was a long conversation with the owners of a major food supplier here in the Cayman Islands. And we discussed what effects this increase would have on their air-conditioning and food products. They came to the conclusion that their one-twentieth increase in their power bill would not cause either of them to raise their prices because it is something like less than one-fifth of 1 per cent of their overall cost of doing business.

So, Madam Speaker, what is this mysterious multiplying effect that they keep talking about?

**The Speaker:** Order please.

**The Premier, Hon. W. McKeever Bush:** That is going to magically push the price of every goods and service through the roof? When we increase the price of fuel in Cayman, Madam Speaker, it does not increase the world price of crude oil used to make most of the products imported to Cayman.

Madam Speaker, I spoke to Foster's. They said with all the items that they have to purchase every month, this 25 cents could not increase anything appreciably, so they would not bother to put it on even.

I spoke to Hurley's. Their electric bill is \$70,000, let's say. Five per cent is \$3,500. Even if they added that much more for trucking, which could not be—because I think they own their own—\$7,000. But they import 100,000 items for the month. When you spread that out, what does it cost?

I hear the Leader of the Opposition saying put it on cell phones, \$80 on your car license. I am wondering if George Towners don't go to him and ask him what people around the Island are coming to ask me—to help them with their car licensing because they can't pay. Don't they go to him? And you [would] put \$80 on it?

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, they come back with this shouting thing again . . . But the truth is even when you shout they don't listen and you can't teach them anything.

Madam Speaker, where is this big increase which is going to kill us through the supermarkets? Where? The truth is that they say anything to anyone when it suits them.

As I said, if we assume . . . as I said some of them import 100,000, but if it were just 1,000 different items and the number of stock each time is 500, then the \$5,363 that they would have to pay on a bill of \$100,000 on electricity, that \$5,363.41 monthly increase in electricity would result in the price of each item of stock increasing by one cent. That's just 1,000 different items.

So, there is no justifiable reason, Madam Speaker, why an import duty increase of 25 cents per gallon should result in large supermarkets having to increase their prices. And I just named two that said they are not going to. And they come and talk like this is going to increase this amount of dollars, when I am just showing you, Madam Speaker, on \$100,000 that become \$105,363.87.

Madam Speaker, the Leader of the Opposition himself did a study in 2006, I think it was. Let me put this increase in its proper context. In response to local public concern regarding the high fuel prices in July 2006, the Minister of District Administration, Planning, Agriculture and Housing, the former Ministry which the Leader of the Opposition was the Minister for, directed the petroleum inspectorate to investigate pricing in the Caribbean region by comparing wholesale and retail prices and investigating the elements that comprise the consumer price in Cayman.

As I said, this happened under the last Government and, in particular, the Leader of the Opposition. Of course, no action was taken on this important matter. Now, they come and tell me I must do something about it. But that is their usual ploy; that is what they have been doing. They saw the problems, they felt the problem; they created some of the problems and did nothing about it! No action was taken on that very important matter.

And when the Opposition had a real opportunity to remedy a situation—which has plagued the Cayman Islands for a long time—it did not act. Mm-hmm. The same thing they did with some of the other major problems in the country. But this Government intends to be different and we will not leave the present situation unchanged.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** [Shouting at the interjector] *Well, you can say anything about making it worse! We can't do much worse than what you did!*

If we can't improve on that then we shouldn't be here. But the people believe that we can improve on it, and that's why they put us here and we are going to make an improvement. There has to be some pain or some increased fees.

Now, let's not talk about pain; let's talk about increased fees. There has to be some!

I repeat it, Madam Speaker, because they put us in the hands of the Foreign and Commonwealth Office, and the Foreign and Commonwealth Office said, *You have to do this. Get this money. My people up here have to pay, so you have to pay some.* And I chose not to go income tax, property tax, or all those other taxes.

This is the way. You can grunt and groan as much as you want!

So we intend to change. We will not leave the present situation unchanged, Madam Speaker, a

situation which results in quick to respond fuel prices increases, but when those prices are decreasing everywhere else fuel prices remain stubbornly high in the Cayman Islands and the Leader of the Opposition had an opportunity, because he did a study—it showed him—and he did nothing about it. And we will do something.

That study found that the duty payable to government as a percentage of wholesale costs was approximately 15 per cent in Cayman for gasoline and for diesel, whereas the averages for the region were 26 per cent for gasoline and 20 per cent for diesel. That study compared the Cayman Islands with two kinds of markets in the region: those that are regulated and those that are unregulated. The regulated markets included Barbados, Grenada, St. Lucia and St. Vincent. The unregulated markets were Anguilla, BVI and the United States.

I think he was trying to draw some reference just now about it, but he would not come out and say they had done a study. He tried to say the reason why I was talking about Bermuda was because we were not going to do anything about roads. I think that's the idea he was trying to push, and that Bermuda has small roads. They have small roads, but look at how well they are organised. Yes, they have small roads. You don't see them—and that's another item for discussion—having 30 foot roads down one little piece of 100 foot land, Madam Speaker. Well, that's for another time.

In the case of gasoline the level of duty on gasoline in the Cayman Islands was the lowest in the region, except for the BVI when compared to both the regulated and the unregulated markets. In the case of diesel, the proportion of duty was lower than in all the regulated markets, but in the unregulated markets it was higher than in Anguilla and the BVI, and lower than the US.

In terms of the retail margins in the Cayman Islands, the consultants—the consultants now, mind you, that he put in place!—found the profit margin for both products are among the highest in the world—highest in the world!—with respect to the wholesale margins, the study found that the average distributor margin for gasoline was 28 cents per gallon. It went on to state that the Cayman distributors record the highest average gasoline margin at 64 cents per gallon.

In the case of diesel, the same study found that the average distributor margin for diesel in the region was 34 cents per gallon. Again, Cayman distributors record the highest average diesel margin at 92 cents per gallon.

These are the consultants that that Member put in place and paid for!

The fee on fuel . . . I think I have already mentioned that. But the study recorded and discovered other very revealing things about the pricing of petroleum in this country. But the most telling observation was that the government . . . here it says, "The Gov-

ernment recognises the potential exists to reduce margins.” The “Government” referred to here is the last Government—the one headed by the First Elected Member for George Town, and the now Leader of the Opposition who is getting up and claiming all these bad things are going to happen, Cayman is going to die over this 25 cents. When he had an opportunity, he did not.

The fee on fuel was last increased in December 2001, and that is almost 10 years ago, Madam Speaker. This means that as the retail price of fuel has increased over the years, the Government’s take has declined while the businesses have been making more profits. In fact, Madam Speaker, more recent evidence suggests that the margins in the petroleum sectors have increased since the study of 2006 commissioned by the previous Government by the Minister of District Administration, Planning, Agriculture and Housing.

So, say what you will; tell the public what you found! And tell the public what you did to help them!

Now they laugh at me because—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** You took 20 cents off, but you gave CUC \$13 million that nobody else got!

**An Hon. Member:** Nonsense!

**The Premier, Hon. W. McKeeva Bush:** Nonsense?

Yeah? Tell me who else got it.

They can’t say that Madam Speaker, because the truth is that nobody else got that \$13 million that they allowed CUC to get.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** [Shouting at the interjector] You can talk for the next 100 Wednesday mornings on any radio show.

The fact, Madam Speaker, is that they did what they did. And when they found out the truth, because they did not want to hit maybe friends, maybe other businesses, whatever, they did nothing about it. They were not worried then about who was passing on what, or what costs were being created by their friends.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Now, you want to talk about going wherewith. Wait until Wednesday morning . . . well, you can go from another 100,000 Wednesday mornings. I ain’t going to listen to you because you have nothing good to offer this country.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** I ain’t going to call in any more. You don’t have to worry about that one, Madam Speaker.

Yeah?

No!

One thing is, I know you can’t deal with some people when they have a microphone in their hand! I know that.

*[laughter]*

**The Premier, Hon. W. McKeeva Bush:** I know that.

Since tongue learned to talk it says anything, with some people.

**An Hon. Member:** That’s true!

*[laughter]*

**The Premier, Hon. W. McKeeva Bush:** So, Madam Speaker, they have no answers to the problems we face. They do not!

And this idea that I hear them coming across that we don’t like Caymanians, or we are not doing anything for Caymanians . . . Madam Speaker, I again want to challenge either one on the other side. Tell me! Show me how much more they did for Caymanians than this Member. Show me!

When I came here, Madam Speaker, people left this country 40, 30 years, holding their hands behind their back when they left. And do you know what they got? Maybe a little wristwatch that 10 days down the road expired. That’s what they got. Today they have an opportunity to get a pension.

Women in this country were not getting pregnancy benefits in their time of need. I fought the evil forces and got them put int. And the benefits they have today are because I fought for it, because I stood up for it. Pensions, labour benefits, scholarships. I came here 26 years ago and found a lot not happening. But you will not hear that today. People 25 years old do not know what I did, though they criticise me.

Senior citizens were getting \$25 if they were on the right side. If they figured that they had voted for them in the last election, you got \$25. Today they get \$550. And they try to say that I don’t like Caymanians; that I haven’t done anything for Caymanians. Show me what they have done.

I know what they did: Let every single Caymanian and everybody living in this country a tremendous amount each and every person to pay back \$600-and something million by their hardheadedness. They would not listen “on the kindest of mornings” not even on a rainy morning when you had a good chance to listen. And now they come and talk about this Government.

Madam Speaker, I don’t think I need to carry on this debate any longer because the truth is that the Opposition said nothing to pose anything that I think

could really help us at this time. I was going to say that I would stop at this point, but I would rather take the lunch break at this point. I have one matter to clarify, just to make sure I have said the right thing.

But, as I said, so far I should have wasted time with them? To tell me I must put on, on cars? And tell me I must put on, on cell phones? . . . they have no ideas. They left the country in a mess and they don't know how to clear it.

Madam Speaker, like I said, I prefer not to . . . I really want to check one matter out.

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

We will take the lunch suspension now, until 2.30.

**Proceedings suspended at 1.00 pm**

**Proceedings resumed at 2.58 pm**

**The Speaker:** Proceedings are resumed, please be seated.

Conclusion of the debate by the Honourable Premier on the Customs Tariff (Amendment) Bill, 2010.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

The last point I want to draw attention to is the point being made by the Opposition about inflation. As we well know, inflation is made up of several components including electricity, cost of housing, and so on, in this so-called basket of goods. So, while it is reasonable to say that the fee increase will cause the cost of utilities to increase, we need to bear in mind that inflation in the wider sense is caused by factors such as housing, which is a huge influence on inflation and which is actually now putting great downward pressure of inflation right now because of the depressed situation in the housing market.

So, as I understand it, the overall impact of inflation due to the duty on fuel will likely be greatly offset by factors such as cheaper housing.

Secondly, the economy, as mentioned in the three-year plan and as talked about by several Members over there, is forecasted to contract by a further 3 per cent during this calendar year. Clearly, there are serious downward pressures on prices. The truth is, Madam Speaker, we have a concern about ensuring that the economy recovers. So inflation in this current recessionary climate is unlikely to be a major concern because it is highly unlikely under current conditions.

Thirdly, Madam Speaker, the idea that all of a sudden every business selling everything will increase their prices because of the impact of one input (that is, electricity) is no more than scaremongering at best.

The cost to that business depends on how that business depends on electricity. Is it 5 per cent of their cost? Is it 20 per cent? Is it 15 per cent? We say it is 5 [per cent], because that's what CUC has said.

Can they simply raise prices knowing full well that we are in a recession? Now, I have spoken and called upon them not to. Or, Madam Speaker, will they take into account the fact that they need to maintain competitive prices against their other suppliers in order to survive in the current climate? The overly simplistic view that the 25 cents will cause a great impact on inflation without recognition of the wider economic situation does not help the debate at all.

The Leader of the Opposition mentioned that there was an impact on inflation the last time the duty was increased on fuel. But what were the economic conditions at that time? How much of that increase in inflation was due to other factors? Were we in a recession or was the economy doing well and, therefore, demand was pushing up prices in various sectors? Indeed, was this period, if you remember correctly, Madam Speaker, not the one following the robust economic growth after Hurricane Ivan? I think it was. Let us not try to over-simplify the issue by crying out inflation for political expediency, Madam Speaker. And that's what they are doing.

What is being done, I say, is not ideal. The fees are not ideal. But it is the best option under the circumstances and it is certainly better than introducing income taxes on our people at this time, or property taxes. So, the question is, would our constituents prefer a potential moderate increase in their monthly electrical bill over someone taking money from their pay-cheques?

We are certain they would not want income tax or property tax, or payroll taxes. Oh, they would want them, Mr. Speaker, if they said it was only rich people; but they had better not buy that argument from the Opposition. Indeed, if that were the argument of the Independent Member, they'd better not buy that argument because any fee put on in this country is going to be put on across the board because that's what demands.

There are persons out there saying this Bill will cause double-digit increase in prices or an X per cent increase. But what are these arguments based on, Madam Speaker? Do they take the factors that I have mentioned into account? Maybe not! Maybe they do not understand it. Or maybe, if they understand it, they certainly want to mislead the public.

Madam Speaker, the matter I wanted to check on was the matters of how much is being charged by the supermarkets. And what I had said, Madam Speaker, is correct. I do not have anything to correct.

Madam Speaker, I do not think I can say any more to Members. Those who are convinced are already convinced. The Opposition has said they are not voting for it, they have voted against the Budget.

Madam Speaker, I say in closing that when you vote against the Budget you vote against everything in the Budget. This is but one component of the Budget. And when you vote against the Budget you vote against after-school care, you vote against teachers, you vote against revenue that could pay for

the bus that we have been asked for for East End. So, Madam Speaker, when those Members vote against these kinds of things they ought to realise what they are voting against.

In my time in this House I have voted. I held arguments against increases, and vehemently so. But, Madam Speaker, I did not fail to vote for the Budget. I voted against the specific measures. So, Madam Speaker, I cannot understand why they did that. I think it is a most dangerous precedent to set in abstaining and voting against a country's Budget because it does more than just might allow the Budget to fail. And if we had failed, Madam Speaker, what then would have happened? If we do not get this passed, the Budget will not be right. Let us say that we did not get everybody voting. Then what would have happened?

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** No, you are asking if my people are going to vote. Certainly, every one of my Members on this side that can vote is going to vote if they are in the Chamber. And, Madam Speaker, that is what I expect them to do. I am not worried about it.

What I am saying, Madam Speaker, is that I worry to the extent that I have Members opposite who expect that their constituencies will get money from this Budget. They make requests from this Budget. They are asking us to do certain things for the country from this Budget, yet they vote against the Budget. And all I am saying, Madam Speaker, is that that does not bode well.

If somehow this \$10 million fails, when will the UK say to us? There is no use getting up on that side, Madam Speaker . . . I don't know if what I am saying will convince any of them, but, Madam Speaker, if this Budget were to fail, if I cannot get the \$10 million, what would the UK tell us now?

I know how hard I fought to get that extra \$10 [million] in on the borrowing. So what would they tell their people? What would the First Elected Member for Cayman Brac and Little Cayman tell his people in Cayman Brac when he wants \$1 million or \$2 million for roads? What would he tell them? Madam Speaker, I think they are not just being blinded, but I think they are doing some scary things when they ask in this small environment that we have to vote against the Budget.

Madam Speaker, I doubt that anything I said is going to convince them. But what I have stated are the facts. We cannot do any better. What I do know is that the little bit that people will pay—yes, it's a little bit—is better than the big amounts for income tax and property tax, no matter if they are coming from North Side . . . what I expect people to do, if this is so troubling is to organise. It is the other side that has said that this thing is going to put people so out of whack and cause people such a headache and such a cost

per month . . . plan [your] day better. That's all I am asking. The same way I begged with the businesses not to increase, I will now beg people to organise themselves better. Keep off the road. If you only need to make one trip to George Town try not to make more than one trip to George Town, wherever you are—whether it is East End, North Side or West Bay. Try to organise yourselves so that you keep down your costs.

I know, certainly on electricity, you can do this. You can make sure that your lights are cut off and that you are not burning every light in the House. You can make sure what kind of [appliances] you are using in the house to make sure they are working properly—your irons. There are many things that can be done that really create a use for a lot of electricity.

In these times we are in, Madam Speaker, our people have to know that these are not ordinary times that the country is in. Look around us. Watch television. Look at what is happening in every country. People are suffering, losing jobs, and here we are trying our endeavour best to ensure that our people who have jobs keep them, and those that do not that we get jobs for them. With the Civil Service we have tried our best not to harm them any more than the 3.2 per cent that they offered.

Madam Speaker, I think that Members on the other side ought to be ashamed of themselves when they vote against the Budget.

I thank you for your indulgence, Madam Speaker, and I thank honourable Members for their patience.

**The Speaker:** The question is that a Bill shortly entitled the Customs Tariff (Amendment) Bill, 2010, be given a second reading.

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

**Ayes and Noes**

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

**The Premier, Hon. W. McKeever Bush:** Can I have a division Madam Speaker?

**The Speaker:** Yes.  
Madam Clerk.

**The Clerk:**

**Division No. 4-2010/11**

**Ayes: 8**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Mrs. J. Y. O'Connor Connolly  
Hon. Michael T. Adam  
Hon. P. Mark J. Scotland  
Hon. Cline A. Glidden  
Capt. A. Eugene Ebanks  
Mr. Ellio. A. Solomon

**Noes: 6**

Hon. D. Kurt Tibbetts  
Mr. A. M. McLaughlin  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller



**The Speaker:** The result of the Division – Ayes: 8 and Noes: 6, the motion is carried.

**Agreed by majority: The Customs Tariff (Amendment) Bill, 2010, given a second reading.**

#### **Suspension of Standing Order 46(4)**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the suspension of Standing Order 46(4) to enable the Public Service Pensions (Amendment) Bill, 2010 and the Public Service Management (Amendment) Bill, 2010 to be given read a second reading.

**The Speaker:** The question is the suspension of Standing Order 46(4) to enable the Public Service Pensions (Amendment) Bill, 2010 and the Public Service Management (Amendment) Bill, 2010 to be given read a second reading.

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

**Ayes.**

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

**Agreed: Standing Order 46(4) suspended.**

### **SECOND READINGS**

#### **Public Service Management (Amendment) 2010**

**The Clerk:** The Public Service Management (Amendment) 2010. Second Reading.

**The Speaker:** Honourable First Official Member [Deputy Governor].

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Thank you, Madam Speaker.

I beg to move the second reading of a Bill entitled the Public Service Management.

**The Speaker:** The Bill has been duly moved. Does the Member wish to speak thereto?

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Yes, Madam Speaker, Thank you. And in particular, I wish to thank you and the Business Committee for allowing me to move up in the queue, today being the 28<sup>th</sup> of June. I am feeling a bit like in extra time of a football match trying to beat the 30<sup>th</sup> with these two Bills.

Madam Speaker, the Public Service Management (Amendment) Bill is intended to facilitate the

. . . [Inaudible words—caused by a Member's loud cough] contained in the 2010/11 Budget and which are essential to the Government's goal to achieve financial recovery in the short to medium-term.

This Bill allows immediate cost reductions by temporarily reducing staff remunerations.

Madam Speaker, the Public Service Management Law sets out the legal framework governing human resource matters within the Civil Service. That legislation stipulates the use of employment contracts similar to what occurs in the private sector. Consequently, to achieve the proposed cost savings it is necessary to introduce legislation which enables unilateral variations in the remuneration and terms and conditions of the Service where in the opinion of the Cabinet the public interest so requires.

Madam Speaker, as the 2010/11 Budget demonstrates, and there can be no disputing, reversing the Government's deficit position is a national imperative. The 2010/11 Budget forecasts an overall deficit in excess of \$31 million and that's after borrowings of over \$150 million.

I think I should say at this point that while I may be known by those who work for me as being cheap, it is not something that I am in any way ashamed of. I have a mortgage, yes, and I have one credit card—only one. I have no other credit facilities. I have never had a car loan in my life or a gas account in my life. And I simply believe in living within my means. And, Madam Speaker, I have always believed in spending Government's money the same way I spend my own. So, it grieves me at this point in my career that we are in this situation of having to borrow these amounts that we have to borrow.

When my father left this House, 26 years ago, he did not leave a lot of money for me to repay. And when I look at the prospect of perhaps in another year or two not being down here, what I leave for my two children will be significantly different. So, the need for prudence and constraint in what we spend, to me, cannot be over stressed. Certainly, that was the message that I tried to impart to chief officers recently as we struggled to reduce the Government's budget needs for this coming fiscal year.

That budget also, as we would have noticed, about 45 per cent of the costs are human resource related. And, given that extent, it is obviously necessary for cost reductions to be achieved in those HR areas in addition to the other reductions which are being effected in other areas of the Budget.

So, Madam Speaker, to this end, Cabinet has agreed numerous policy changes aimed at reducing our expenditures for personnel costs. And some of the key measures proposed include a rollback of the 3.2 per cent cost of living adjustment awarded in July 2008 for 2007. Again, it is a monumental and historic development for these Islands to find ourselves where we actually have to roll salaries backward. Reducing or suspending certain allowances and amending certain terms and conditions.

In terms of the temporary rollback affecting salaries and wages, it is estimated that this measure will produce approximately \$5.4 million in savings in 2010/11 financial year. In addition, savings of approximately \$3.1 million have been forecast in respect of healthcare costs in the coming year. The suspension of certain travel benefits for overseas contracted officers will yield additional savings of approximately \$300,000 from across the Civil Service, with a similar amount estimated to be achieved by the proposed introduction of a 15-day minimum threshold before persons may earn acting or duty allowances.

In addition to those items just cited, the budget also calls for reductions ranging from 50 per cent to 75 per cent compared to the 2009/10 expenditures for overtime, temporary relief, call out allowance, motorcar upkeep, freight and recruitment expenses. Certain allowances are being temporarily halted during the 2010/11 financial year, including entertainment allowance and the laundry allowance for uniform branches.

Madam Speaker, overall, these measures combined will achieve in excess of \$9 million in savings related to personnel costs. And they were not adopted lightly. In fact, as is widely known we went sort of back and forth with them. And they were by no means the first cuts that were affected. But having said that, if there is . . . well, the bitter side is the reality of having to do this. I guess the sweet side is that this finally gives a true and real message, one that on occasions I tried to talk the Financial Secretary in to at least paying salaries late so that some people could finally get the message that the country did not have money.

Of course, I did not manage to pull that off! But for anyone who is still living in Utopia, this hopefully will get through to them in July when they see their amount in the bank account.

These measures have included the introduction of a recruitment moratorium to prevent growth within the Civil Service, a process that started in October 2008. And in less than two years, between then and 31 May this year, the number of staff within the Civil Service has decreased by just over 150 persons.

Again, it is a role that I have had to carry out. I know I haven't made any friends, but that's okay. I even offended some of the Ministers from time to time. But there are times, Ma'am, when you just have to say "No!" And somebody had to say no. I don't mind being the one who has to say no. But that is the only way this thing is going to happen.

Madam Speaker, I should also mention that during the current financial year, all as part of the efforts which the Premier discussed and came to arrangements on with the Foreign and Commonwealth Office, we commenced a number of reviews of major spending agencies within the public service. Teams comprising members of the public and private sectors conducted a review of four high-spending public agencies, namely, the Department of Tourism, Public

Works Department, Prison Department and CINICO, which between them combined for about one-eighth of the overall government expenditure.

In particular, I would like to acknowledge the contributions of four people from the private sector, Mr. Jim O'Neil, who is managing director of Caledonian Bank; Mr. Wil Pineau, the CEO of the Chamber; Mr. David Kirkaldy, president of Massive; and Mr. Colin Reid, Chief Operating and Chief Financial Officer of Bodden Holdings.

Those reviews identified potential efficiency savings of approximately \$17 million within those four agencies. And if you pro-rate that across the other seven-eighths of government, you would see that you could potentially identify well over \$100 million of potential savings. It does not follow that all that anyone examining an entity suggests, is going to be agreed to by the ownership. That is certainly not the norm. So, one can apply whatever discount you want. But even if 50 per cent of those were accepted, certainly there is the potential for major savings to be accomplished, in spite of the fact that the media (and even some people from in here) were quick to label the operation as one of the *fox guarding the hen coop*. So I don't know where \$100-and something million worth of savings . . . must have been a pretty good fox.

[Laughter]

**Hon. Donovan W. F. Ebanks (Deputy Governor):**

Anyway, Madam Speaker, since the delivery of that report in March of this year, agencies have responded by pursuing various [areas] of those recommendations. For example, programmes underway at the prison to introduce remote court appearances for prisoners on remand by using video-link technology, the restructuring of the Department of Tourism's offices overseas, and ongoing work on the design of work order processes in place at Public Works.

And so, Madam Speaker, while this important work is ongoing, we expect results in improved productivity and reduced cost, it is also time consuming. It was not just those four people. We had a group of 14, 16 other senior people from within the Service who worked as part of those reviews. And, by the way, no employees, no individuals were reviewing the agencies in which they were employed. Anyone that we chose was assigned to an agency other than their own.

But that process, while I believe it is the way we have to go in order to reduce costs, the yield is not instantaneous. You don't go in and immediately identify how you can reduce 25 per cent of costs and start effecting that next month. They take time to be adopted and for you to get the result. In the meantime, obviously the Government was in need of immediate reductions and by temporarily reducing remuneration of existing staff, this allows the government the necessary time for the economy to start to recover and for

more detailed efficiency reviews and work to be carried out.

Madam Speaker, it is understood and appreciated that civil servants, like all residents, will face certain hardships as a result. The rollback being applied to salaries and wages will essentially resurrect and move civil servants back to salary scales which were in place in 2007, while our staff will contend with the cost of living which is applicable in 2010.

Let me just use the opportunity to thank and commend the Civil Service Association for their advocacy and their constructive suggestions. They rub people a little bit sometimes, but we appreciate that they have a role and I think, personally, that they were quite professional in how they carried it out.

In addition, Madam Speaker, it is also realised that the role of civil servants going forward in this decade that we are now entering will certainly become increasingly complex. We have to continue to contend with the challenges of less and less resources. But this only means that we have to remain steadfast to our goals of doing more with less, revising our business processes, and making better use of the technology to deliver the objectives that we have set.

So, Madam Speaker, I think we all have to be cognisant that we must accept that it is necessary to prioritise what services are essential to the public. We certainly have to come to grips with the fact that we cannot simply continue to add to the list of services that government delivers year after year and expect to see no growth in the cost or size of the public service.

The personnel cost reductions that this Bill will facilitate in 2010/11 are valued in excess of \$9 million. These are savings that are intended to give immediate but only temporary relief to the financial challenges that the government faces. In the meantime the public service will continue to systematically pursue and implement changes aimed at reducing public expenditures and increasing productivity.

Madam Speaker, this Bill, when it is approved, hopefully, by this House, will be supplemented with amendments to the Personnel Regulations which are the purview of Cabinet which will give effect to much of what I have spoken about here in terms of the actual change in the salary scale, change in allowances and whatnot. The timetable that we are working on is very tight. And I would hope to achieve the Assembly's support for the Bill today and hopefully have it assented to and gazetted by tomorrow, and the Regulations in place, hopefully no later than 30 June to come into effect on 1 July.

Again, I thank you and Members for accommodating the Bill at this time and for allowing the opportunity for it to go through its various stages hopefully this afternoon.

I commend the Bill to all Members. Thank you.

**The Speaker:** Thank you, Honourable First Official Member.

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

If not, would the mover of the Bill like to exercise his right of reply, please?

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Thank you, Madam Speaker. I just wish to thank all Members for the implied support.

**The Speaker:** The question is that a Bill entitled the Public Service Management (Amendment) Bill, 2010, be read a second time.

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

**Ayes.**

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

**Agreed: The Public Service Management (Amendment) Bill, 2010 given a second reading.**

#### **Public Service Pensions (Amendment) Bill, 2010**

**The Deputy Clerk:** The Public Service Pensions (Amendment) Bill, 2010.

Second Reading.

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Madam Speaker, I beg to move that a Bill entitled, The Public Service Pensions (Amendment) Bill, 2010, be given a second reading.

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

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Yes, Madam Speaker, only very briefly to say that it has been an important consideration as far as this overall process of trying to achieve savings to seek to ensure that the proposed temporary reductions in salaries and wages do not negatively impact the pension entitlements and the legitimate expectations of both current and new retirees.

Both the Constitution and Cabinet's own views have instructed the development of these amendments and as a result neither the contributions payable to the public service pension funds on behalf of civil servants, nor the benefits payable to current retirees and persons who may retire in the near future . . . neither will be impacted by the temporary changes made to the terms and conditions.

The provisions in respect of contributions to the pension fund are not contained in the Pensions Law or its Regulations. They are, in fact, contained in the Personnel Regulations. And one of the amendments being done to the Personnel Regulations is to cater to that to ensure that, or to provide for the con-

tributions into the fund to remain the same as if the salary had not been reduced.

In order to achieve the overall aim of ensuring that the benefits paid out by the Pension Board are unaltered, this amendment to the Public Service Pension Law requires that pension matters as they relate to civil servants should not in any way be impacted by the temporary changes to salaries made by Cabinet and that the Public Service Pension Board would, where appropriate, consider the individual salaries or wages as they would have been had they not been temporarily reduced.

So, to summarise: The contributions being paid into the pension funds will be unaffected by the temporary reduction in salaries and, in turn, the Pension Board is expected by virtue of this amendment here to continue to pay out as if salaries and wages had not been temporarily reduced.

Madam Speaker, with those few short words I commend the Public Service Pensions (Amendment) Bill, 2010, to this honourable House.

**The Speaker:** Thank you, Honourable First Official Member. [Deputy Governor]

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

If not, would the mover of the Bill like to exercise his right of reply, please?

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Thank you, Madam Speaker.

Once again, only to thank Members for their implied support. I am most grateful. Thank you.

**The Speaker:** The question is that a Bill entitled the Public Service Pensions (Amendment) Bill, 2010, be read a second time.

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

**Ayes.**

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

**Agreed: The Public Service Pensions (Amendment) Bill, 2010 given a second reading.**

**The Speaker:** The House will now go into Committee to consider these two Bills.

**House in Committee at 3.41 pm**

## **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable

Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses?

### **Public Service Management (Amendment) Bill, 2010**

**The Deputy Clerk:** The Public Service Management (Amendment) Bill, 2010.

Clause 1 Short title

Clause 2 Amendment of section 1 of the Public Service Management Law, 2007 Revision—short title and commencement.

Clause 3 Amendment of section 11—remuneration of Official Members

Clause 4 Amendment of section 28—remuneration of chief officers of ministries and portfolios

Clause 5 Amendment of section 43—remuneration of other terms and conditions of employment.

**The Chairman:** The question is that clauses 1 through 5 be part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 5 passed.**

**The Deputy Clerk:** A Bill for a Law to amend the Public Service Management Law (2007 Revision) to confer on the Governor in Cabinet power to name the date on which performance-based remuneration will be introduced; to enable unilateral variations in the agreed remuneration and terms and conditions of service of persons employed in civil service entities, in cases where the public interest so requires; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

### **Public Service Pensions (Amendment) Bill, 2010**

**The Deputy Clerk:** The Public Service Pensions (Amendment) Bill, 2010.

Clause 1 Short title and commencement

Clause 2 Insertion of section 67 into the Public Service Pensions Law (2004 Revision)— calculation of pension in cases of temporary reduction of salaries or wages.

**The Chairman:** The question is that clauses 1 and 2 be part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 and 2 passed.**

**The Deputy Clerk:** A Bill for a Law to amend the Public Service Pensions Law (2004 Revision) to make provision in respect of the calculation of the pension payable to a person whose salary or wages were unilaterally reduced in the public interest; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**The Chairman:** The question is that the Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed that the Bills be reported to the House.**

**House resumed at 3.46 pm**

## **REPORT ON BILLS**

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

### **Public Service Management (Amendment) Bill, 2010**

**Deputy Clerk:** The Public Service Management (Amendment) Bill, 2010.

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Madam Speaker, I beg to report that a Bill entitled, Public Service Management (Amendment) Bill, 2010, was considered by a committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Public Service Pensions (Amendment) Bill, 2010**

**Deputy Clerk:** The Public Service Pensions (Amendment) Bill, 2010.

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Madam Speaker, I beg to report that a Bill entitled, Public Service Pensions (Amendment) Bill, 2010, was considered by a committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

## **THIRD READINGS**

### **Public Service Management (Amendment) Bill, 2010**

**Deputy Clerk:** The Public Service Management (Amendment) Bill, 2010. Third Reading.

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Madam Speaker, I beg that a Bill entitled, Public Service Management (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled The Public Service Management (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Public Service Pensions (Amendment) Bill, 2010, given a third reading and passed.**

### **Public Service Pensions (Amendment) Bill, 2010**

**Deputy Clerk:** The Public Service Pensions (Amendment) Bill, 2010. Third Reading.

**The Speaker:** Honourable First Official Member.

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Madam Speaker, I beg that a Bill entitled, Public Service Pensions (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled The Public Service Pensions (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Public Service Pensions (Amendment) Bill, 2010, given a third reading and passed.**

## SECOND READINGS

### National Honours and Awards Bill, 2010

**Deputy Clerk:** The National Honours and Awards Bill, 2010, Second Reading.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the Second Reading of a Bill entitled The National Honours and Awards Bill, 2010.

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

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, it is my distinct privilege to bring to this honourable House the National Honours and Awards Bill, 2010, which is intended to fill a void that has long existed.

Madam Speaker, we have for too long made do with the current way that national honours and awards are structured. I also consider that this Bill is a companion to the other motions and legislation piloted in this honourable House by myself in motions. I had seconders like the Member for North Side and Mr. Roy Bodden, and others. In our onward and upward march in nation building and what I have always terms the best nationalism, that is, sensible nationalism.

Madam Speaker, those companion Bills I consider the National Heroes Bill, which I piloted, the National Symbols legislation, a comprehensive history, but some of what I consider companions to this onward and upward march in nation building.

Every community should have such means at its disposal, empowered as the need arises to act to honour their own on the basis of criteria that have been enshrined. By its very nature, this act of enshrinement should be one which encapsulates the

general will of the community. Bearing this in mind, this Bill was made available for public comment from either February or March, being tabled in this House, and no formal submissions were received as a result of that process.

But honourable Members of this House will be aware of the need to make up for this lack in our honour system and undoubtedly be able to bring out this sentiment as it exists within the community we serve to represent.

There will be other instances in our community where thanks and recognition are given, such as for a run of excellent performance in a professional field, or outstanding effort in a voluntary campaign. The usual response will either be specific on-the-job rewards, or heartfelt acknowledgement and gratitude from those involved will be forthcoming. These responses may be spontaneous or may result from established award programmes.

Between such community-based honours and the current National Honours Scheme, there exists a large gap; large enough that year after year as the national honours are announced, we all find ourselves being asked or wondering to ourselves, *Well, Mr. Joe and Ms. Jean got an award. That's okay; but what about Mr. Jack and Ms. Joan?*

Having observed this, Madam Speaker, we must all surely agree that to create a means by which to enlarge the possible scope of national honours would be a good thing. It is not just good, it is a good and necessary thing to have this legislation, a good and necessary thing for us as elected representatives to act to enlarge the scope of the National Honours Scheme of the Cayman Islands at this time and to give this act the sanction of legislative authority.

What this Bill seeks to accomplish will therefore fill a need, but importantly, will establish a sound structure that will serve a purpose for some time to come. And I will speak briefly to specific provisions of the Bill in order to bear this out.

This Bill is short and straightforward. It seeks to establish a society of honour to be known as the Order of the Cayman Islands. As is only fitting, a number of categories of awards would be created within this order in rank of precedence. These categories would include the Medal of Honour, Medal of Merit and the Long Service Award.

The Medal of Honour, being the most distinguished, would be awarded in one of three classes: Awardees could be made either a Commander; an Officer; or a Member. Such awards may be granted, as it says in clause 3(1)(a), and I quote: “. . . **to any person who has rendered eminent service of national importance to the Islands or who has performed an outstanding, brave or humane act . . .**”

Next in the rank of precedence would be the Medal of Merit, which may be granted (and I quote again from clause 3(1)(b): “. . . **in classes of gold or silver to any person who has performed long and meritorious service in the arts, sciences, [religion]**

**literature or other fields to the Cayman Islands . . .**  
.”

The Long Service Award is exactly that. And it says in clause 3(1)(c): “. . . **may be granted to any person who has served diligently and has been of exemplary conduct for a period of twenty years in the public service . . .**”

Whilst the Premier, whoever that might be, will be the Chancellor of the Order of the Cayman Islands, this Bill also seeks to create an advisory committee to be known as the National Honours and Awards Committee with a chair and four other members who shall be persons of integrity and high national standing appointed by the Premier after consultation with the Leader of the Opposition (clause 4(1)).

As noted in clause 6, any person may submit to the committee for its consideration, a nomination of a resident for an award.

Clause 7 goes on to note that the Premier shall, on receipt of the committee's recommendations . . . and having due regard to same, grant such awards as deemed appropriate.

What has, therefore, been built into the structure is appropriate scope for the balancing input of the Opposition Bench and also sufficient openness to allow for the voice of the populace to be amply heard. This allows for more robust participation than currently applies in our honour system, and it is hoped that the community will embrace this in the manner intended, that it will function as a truly organic system, one whose life's blood gains its oxygen from the breath of the community, if it can put it that way.

The Bill also sets out the manner of representation of these proposed honours as well as the entitlements of awardees and safeguards against abuse of the system. It further allows that the Governor in Cabinet may make regulations as necessary to give effect to the purpose of the Bill. This would be over and above the prescriptions set out in the Bill itself as to the conduct of the affairs of the National Honours and Awards Committee.

Madam Speaker, I trust that the public will recognise and that honourable Members will find it possible to acknowledge that what this Bill would accomplish goes far beyond the creation of just another exercise of ceremony. This proposed honours programme is, to the contrary, a celebration of Caymanian excellence. We have a history of persons standing up to give service to the nation, a history of producing persons whose attainments are world class in a variety of fields.

This Bill calls for appropriate celebration of such social capital. It calls for a more sufficient display of appreciation for such outstanding acts, lives and careers. It would be a good and right thing that we do if we were to establish these additional means by which to uplift and honour those most deserving persons amongst us today and into the foreseeable future. They may even think of examples of persons already deceased who ought to have been so hon-

oured and there is allowance within this proposed programme for posthumous awards as well.

Madam Speaker, I look forward to the consent of the House in this effort for it promised to place a spotlight on those who have given to us all at the high standards of what would be considered eminent service to the nation.

Before closing these brief remarks, Madam Speaker, I wish to emphasise, though it says so explicitly in clause 9 of the Bill that the new honours as proposed will neither negate nor supersede any awards granted by Her Majesty the Queen or the Governor in Cabinet. These existing honours will continue in their own longstanding and entrenched tradition.

Finally, it is my sincere hope that these new awards will prove to be a natural outgrowth from and further catalyst towards a new level of civic awareness and a heightened appreciation by all of our common humanity and the best of our heritage in these beloved isles of Cayman.

Madam Speaker, one writer put it good when he said, “Breathes there the man, with soul so dead, Who never to himself hath said, ‘This is my own, my native land!’”

Madam Speaker, nationalism comes in many forms, but I like sensible nationalism. I like nationalism that does not hurt, but that can build. When we move towards nationalism where things are disruptive and cause pain and grief to families, that is not good nationalism, while some deem it do be. I have never espoused that kind of nationalism. My nationalism is in things tangent—people who have done well for this country, institutions built and long lasting. This is the kind of national policy that I espouse, and this is the kind of nationalism that exists in my heart.

Madam Speaker, before I sit down, I would like to thank the legislative drafting people. I would like to thank especially Mr. Bili [Bilika Simimba] for his work, and the honourable Attorney General. But I think Mr. Bili did the drafting in getting this kind of bill before the House in this first year of our Government. There are many calls on that Legislative Council, those few people in that section of Government, and they do a tremendous amount of work, sometimes sitting here for hours listening to see whether any legislation has to be tweaked or anything removed in any shape or form. I do believe that our country owes those persons a serious debt of gratitude, Madam Speaker, because they have the responsibility and they carry it out to see that we are protected, to see that this kind of legislation is composed [correctly]. I don't think enough thanks can be given to them. Certainly I want to thank them on behalf of the Government.

Madam Speaker, I thank you and hope that all honourable Members will receive this Bill in the spirit in which it is intended and give it their full support.

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

Does any other Member wish to speak?  
Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Before I offer my comments on the Bill before the House, I just want to thank you for permitting me to sit in the House, let alone speak, in less than, shall I say, appropriate attire. I also wish to express my regret for not being in the House and the proceedings in Finance Committee last week as I had to have surgery on my arm.

The situation was actually worse than I had expected or thought. I thought initially I had simply torn my bicep, but I had, in fact, ripped the distal tendon out of the bone. So, in what was quite a complicated surgery lasting some two and a half hours, it has been put back. While up until yesterday I wondered if I would be able to come, because of the pain, I have to say that this morning when I awoke it seemed as though I was definitely on the rebound. All day today it has hardly bothered me at all. So I think in very short order I will be back in fighting form.

**The Speaker:** Honourable Member, are you more comfortable sitting?

**Mr. Alden M. McLaughlin, Jr.:** No, Madam Speaker. As long as I have my arm resting somewhere I am fine.

Madam Speaker, the National Honours and Awards Bill 2010 before the House, proposes a concept with which I entirely agree. Indeed, Madam Speaker, the records will show that while I was Minister some considerable preliminary work was done by the Ministry in the development of such a scheme. I do not speak to my record as Minister of Culture in promoting nation building and honouring and recognising the contributions of our people, for which I have had some praise and, indeed, Madam Speaker, a significant amount of condemnation. But that is how the game is played, depending on which side of the House you are on.

I am not going to spend a great deal of time talking about National Hero's Day and my view about those celebrations. I want to address this particular Bill. As I said, I entirely support the concept of national honours and awards, or I should say, expanding the concept of national honours and awards, which has been around in Cayman for some time. We have the Certificate and Badge of Honour. And we have a range of other national awards that are given for various things including achievements in sport.

While I was in the Ministry we developed something called the Spirit of Excellence Award, which was awarded to persons deemed to have made significant contributions in a particular area. And this particular area was chosen every year and those persons received what was called Spirit of Excellence Awards. So I am all in favour of us developing further

that concept, giving it the necessary recognition in legislation and hopefully allowing these particular honours and awards to attain and aspire to the sort of national and international recognition that is the case in other jurisdictions with which I think most of us are familiar. The two that I think I am most familiar with are Barbados and Jamaica. I certainly have looked at what they have done when I was Minister.

So, Madam Speaker, on that particular point, at that level the Premier and I are *ad idem*. But I have to express real reservations over the way this structure is proposed in the Bill.

We have to be so very careful. The Premier spoke about nation building. We have to appreciate and understand that what we are doing must be something that can withstand the test of time, will be something that will actually add honour to the Cayman Islands and to the people of the Cayman Islands, that it is going to be something that any recipient of these honours and awards will be able to wear proudly.

The great concern—and I will go into the reasons shortly—that the legislation as drafted gives me, is its potential for politicisation of the granting of honours and the appearance of, even if it does not become politicised, but the appearance because of the way the structure is set up.

We need to understand that if these awards begin with concerns about the politicisation that they are granted based on favour of the ruling party, that we will diminish the value and estimation in the minds of not only our people but anyone else. If this is perceived as simply a means by which the Party in power can curry power, can grant some form of standing or honour to persons who it believes have served well, we will diminish the standing before we even confer the first honour on the first worthy recipient.

I believe, as the Premier says, it is whoever holds that office. So we need to understand and appreciate, and most of us in here have been here long enough to know that today you are in Government, tomorrow you are either outside or in the Opposition. So, none of us hold these roles forever; we hold them at the will of the people, if we live long enough to see another election—because that's not guaranteed either.

We must devise a system that appears to be one of integrity, one that cannot be truly challenged on the basis of, *That's just politics. She got that because she supported McKeever*. And I don't mean that disrespectfully, because that's the way our people talk. We must build into this system sufficient checks, balances and filters to reduce as far as possible the political considerations in the grants being made.

If we build a system that is flawed from the start, I promise you, Madam Speaker—and I do not want that to be part of our legacy—that somehow the Queen's Honours have great value because they are objective, but the ones that are conferred by the Premier . . . well, they are just a political handout, concession or whatever you want to call them, and as



long as you support hard enough the particular party in power you can be assured of one award or the other. We must not do that, Madam Speaker. We must not make them so common, to appear so at-the-whim of whoever is actually the Government, that they lose value.

I am going to refer to specific sections in this Bill, Madam Speaker, to explain to you why I believe this legislation as presently drafted is fraught with the possibility of politicisation of the entire awards scheme which it proposes to establish.

Madam Speaker, in clause 4(1): **“There is established an advisory committee to be known as the National Honours and Awards Committee comprising a Chairman and four other members who shall be persons of integrity and high national standing appointed by the Premier after consultation with the Leader of the Opposition.”**

So we start from the premise that the advisory committee is appointed by the Premier. Consultation with the Opposition means that [the Premier] says to the Leader of the Opposition, *I am considering Mrs. Jean Jones. I think she is a good person to be on this committee.* The Leader of the Opposition says, *I hear what you say, but I don't think so.* Then the Premier says, *Well, I consulted with you, I'll appoint her anyway.*

So there isn't even the balance . . . although I have a problem with it just being the Leader of the Opposition and the Premier making the appointments anyhow. But this is not the Leader of the Opposition and the Premier; this is the Premier alone, having *consulted* with the Leader of the Opposition. So it is purely the leader of the Government at the time who appoints the advisory committee to him.

The Premier is also the Chancellor of the Society of Honour, to be known as the Order of the Cayman Islands and is responsible for the administration of the Order. So, the Premier is the Chancellor of the Society. The Premier by himself, having only consulted with the Leader of the Opposition, appoints the committee. And then, in clause 7(1) **“On receipt of the Committee's recommendations, the Premier shall, having regard to the recommendations of the Committee, grant such awards as the Premier considers appropriate . . .”** So the Premier does it all!

This, Madam Speaker, could actually be renamed “The Premier's National Honours and Awards Bill” because he is king—it is his royal honours award scheme. That, Madam Speaker, for the reasons I earlier articulated, is a fundamental flaw in the structure of this scheme. It is bound . . . it leads to the inevitable results that these rewards will be considered nothing but political plums.

Madam Speaker, that would be a travesty because we do need, the Premier is right . . . there is a void in our awards scheme. We do need a more organised way where there is actual criteria against which the achievements of possible recipients can be

judged. We do need an objective jury to decide who ought to get the awards. And there is nothing at all wrong with the Premier being the person to confer them in an appropriate ceremony.

I am not one to diminish the role and importance of the office of Premier—myself, of all people, maligned as I have been for pushing even for the title of Premier. So, I am not in any way trying to somehow diminish the importance of the role of the Premier in this exercise. And he is to be commended for bringing a Bill to establish a national awards scheme. But I have fundamental problems with its structure.

I am struggling within myself from the moment I read the Bill, as to whether or not, if it remains unchanged, I could support the Bill, as much as I want to, as much as I want a scheme, as much as I want a national awards system in place. Because I believe that if we go with the structure as presently proposed, we will do a grave disservice to what we are trying to achieve in terms of nation building.

We are going to run a real risk that not only will the awards system be politicised, but the perception from the outset will be that this is just more politics. And that, Madam Speaker, would be terribly sad. So, Madam Speaker, I am asking the Honourable Premier if we can take a break, sit down look again at this structure and see whether together we can't find a way to reconfigure it to meet the concerns I have expressed. They are concerns that I know every Member on the Opposition Bench shares.

I do not know yet, whether any of my other colleagues are going to speak to these issues, but I can say safely, because we have discussed it, that these are the concerns that all of us share, because all of us want a scheme in place, and all of us want to be able to vote in this House and say that we were part of the legislature that created a new national honours and awards system for these Islands.

Madam Speaker, as I said, I am asking the Premier if we can at an appropriate point, maybe after others have spoken, but before the vote is taken, think again. Before he responds, actually, take some time to look again at these three key sections which actually set up the structure which is giving us the concern.

Thank you, Madam Speaker.

**The Speaker:** Thank you Third Elected Member for George Town.

We are coming up to the hour of 4.30. If the House is minded to continue, we need a motion to do so.

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**Hour of interruption—4.30 pm**

**Suspension of Standing Order 10(2)**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, as we had intimated, we are going to sit until after the hour of adjournment. So I move the suspension of Standing Order 10(2) to allow the proceedings of the House to continue beyond the hour of 4.30 pm.

**The Speaker:** The question is that Standing Order 10(2) suspended to allow the proceedings of the House to continue beyond the hour of 4.30 pm.

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

**Ayes.**

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

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

**The Speaker:** Does any other Member wish to speak on the legislation before the House?

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I rise to support a Bill for a Law to provide for the granting of awards by the Premier; and to provide for incidental and connected purposes.

I have always advocated and supported the introduction of national awards in the Cayman Islands. I have never been one who really believed or have actually liked the awards that we get from Her Majesty the Queen, because basically I have never been able to understand on what basis the awards are given.

I do not know what the criteria are. I have made recommendations for outstanding—outstanding—citizens in my community for many, many years, and they have never been able to get recognition. But, as a politician, I was basically offered the awards twice and turned them down.

I am certainly glad to see this Bill before us today. I only have a few concerns about the Bill and one is clause 4(5). Some of this has been mentioned by the Third Elected Member for George Town, but I would also suggest to the mover of the Bill that clause 4(5) could be deleted at committee stage and have no real significance in the administration of the Bill.

The other part I have a much greater concern about, Madam Speaker, is clause 5(a), which says, **“consider nominations of persons who are residents of the Cayman Islands together with recommendations and supporting material received by the Committee for the awards.”**

Personally, I would like to see these awards only for Caymanians and not be available for non-Caymanians. I don't think it adds anything to the award, in fact, I would suggest that it often detracts from it, to give these kind of awards that we are putting in place for our own to non-Caymanians. So, I would really like to see it for Caymanians only.

Madam Speaker, clause 10: “The Governor in Cabinet may make regulations prescribing all matters

...” to this Bill. I would hope that in the drafting of those regulations the criteria for each of these awards could be spelled out in some detail so that the whole process is transparent and when people are making recommendations for the various awards they will know what criteria to apply and what award people would qualify for. I also believe that it is very important that the criteria is specific and deliberate, and that people get the awards based on the service they have provided for this country.

With those few comments, Madam Speaker, I support the Bill. I think it has been a long time coming. I was the one who took a lot of rhetoric on the creation of Heroes' Square in town. There were many people who wanted to continue to hug up the tree that was so stink of urine and all the other stuff that gathered around it. Madam Speaker, I believe that transformation of George Town will stand the test of time.

I look forward to the day when we will be honouring people—Caymanians—with these kinds of awards, and also some additional Caymanian national heroes. We need to promote Caymanians so that young people can emulate those kinds of people and have heroes to look up to.

Madam Speaker, I support the Bill.

**The Speaker:** Thank you Member for North Side.

Does any other Member wish to speak?

[pause] Does any other Member wish to speak?

[pause]

Elected Member for East End.

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

Like the two previous Members who spoke, I am not going to speak for very long.

I too have supported the national awards scheme in this country. Like the Member for North Side, while I have no disrespect for the honours that are bestowed upon people on behalf of Her Majesty the Queen, I struggle to find out what the criteria is because the Premier has also said that many of us at the time of the announcement of awards in this country, we wonder why so-and-so didn't get it. And we all compare one person against the other. But, of course, in those circumstances everybody can't get it, and then we see for many years others do not get it either.

Madam Speaker, like the Third Elected Member for George Town said, the PPM during its four years in office also started work on this. We can spin that any way we want, but we did. As a matter of fact, I was one who moved that we do an awards scheme in this country.

Madam Speaker, that being the case I support the concept. I have some concerns like the two speakers before me about the manner in which this Bill is being proposed. It is certainly no reflection on the position of Premier or anyone therein, but we have to make provisions for the future. We have to ensure that this is so robust that we will not continue to hear why this one did not get it and why that one got it and

continue these comparisons. But we also need to ensure that we do not have a proliferation of these awards and that they become so common that we diminish their value.

Some of the areas that I have concerns with the method in which we are proposing the scheme are similar to those of my colleagues, and the Member for North Side. In particular, clause 4(5) which says, **“The Premier may at any time revoke the appointment of any member of the Committee.”** I believe that there should be some reason why a Premier would revoke a member’s appointment. There should be some criteria set down if they are going to be appointed on the basis of consultation with the Leader of the Opposition.

Madam Speaker, we know what consultation is. Consultation is not on advice. (Madam Speaker, please excuse me. I have a sinus problem.) Consultation is telling someone what you are going to do. Be that as it may, obviously I would think if the Leader of the Opposition has some concerns with some of the people named by the Premier, I am sure the Leader of the Opposition would make that known. And I trust that the Premier would, as a result, take those concerns into consideration and re-think the appointments. But then, if we give the Premier the right to remove those people without any reasons, we could have the Premier removing everybody or removing people for personal reasons, God forbid.

Madam Speaker, I also have a concern about these awards being made available to residents in the sense of “residents.” I believe that we must distinguish ourselves as a people. We must separate ourselves. England does not give out their awards to people who are just “residents” in England or the United Kingdom for that matter. They may give them an honorary award where they respect what those people have contributed being resident in the country. And the United States gives honours as well to people who are merely residents.

A few years ago, England gave an honorary knighthood to one of the presidents of the United States, but he cannot be addressed as “Sir.” And then America gave the highest honour ever to some of the musicians from England. But they cannot be addressed in that manner as an American would.

Now, Madam Speaker, I do not try to define Caymanian like most people, whether you are paper or buck-toe indigenous or whatever. Once you are Caymanian, you are Caymanian. It matters not to me where you came from. As long as you are a Caymanian, that’s it. And that is who I believe this distinction must be for.

If we give it to anyone, then we are going to further diminish its value. We will really make it as common as the common cold. And we don’t need that. There must be some good reason for you to be named and be given an honour for services rendered to this country. As far as I am concerned, I have always said that if my contribution to this country needs

to be measured or will be measured by a piece of tin on my lapel, then that is not what I want. There is no reason to give it to someone because they have been in this legislature for a very long time, as one example.

Madam Speaker, there are many worthy people in this country. There are many unsung heroes in this country that our young people can emulate that need to be put up on a high pedestal so that young people, the next generation, can see what they did. Maybe I am more like Warren Connolly from East End, bless his soul, who served here some 32 years, who decided he wanted nothing named after him in this country while he was alive.

Madam Speaker, my other concern about this Bill is the duties of the committee under [5](d), **“The Committee shall— advise the Premier in respect of any matter concerning the Order that is referred to the Committee by the Premier for consideration.”** I have some concerns with the Premier making recommendations to the committee. I have some concerns because, certainly, the Premier making recommendation will certainly have some affect on any member there, rightly or wrongly. The Premier should not be allowed to make recommendations.

The other one I have is at 7(1), **“On receipt of the Committee’s recommendations, the Premier shall, having regard to the recommendations of the Committee, grant such awards as the Premier considers appropriate to persons who have rendered distinguished and meritorious service to the Islands or who are otherwise deemed worthy of such awards.”** What is the purpose of having a committee if the Premier is then going to decide who gets the awards? It just does not make sense.

Now, this may have been an oversight on the part . . . because I noticed the Premier did not say anything about that particular side other than the Premier will give the awards. Maybe that is a committee stage amendment he is going to be bringing. Certainly I do not believe that once . . . if we appointing a committee of such high standard under [clause] 4(1), **“There is established an advisory committee to be known as the National Honours and Awards Committee comprising a Chairman and four other members who shall be persons of integrity and high national standing appointed by the Premier after consultation with the Leader of the Opposition.”**

Now, if those two bodies are going to appoint people of such high integrity, why, then, would the Premier have the authority to decide that they do not . . . what is recommended to him, the recipients recommended to him are not worthy and they can be changed to whomever the Premier thinks fit or worthy of those rewards?

And we are not talking about today or tomorrow; we are talking about this country and its existence. And its existing state must be considered in perpetuity. At some stage all of us are going to be

gone. This is not home; some of us before others. Not too many of us are going to be that lucky to serve 26 years in here. Not too many of us would want to serve 26 years in here, or 32 for that matter, or the gentleman in West Bay who served 50 years. Age does not allow us to do that. So we won't be here.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** [Addressing the interjection] I am going to bury you. Understand that?

Madam Speaker, I am not trying to diminish the principles of this Bill and what it stands for. I really believe that it is commendable that the Premier brought it, particularly at this time when many in the country are walking with their heads down, not realising what their worth is in their own country. And this may be a chance for us to lift morale in our country by some members of society seeing others being awarded. I hope it would encourage them to get out and do more.

Madam Speaker, you know that the era of volunteerism is dying in this country; at least among the indigenous, if you want to call them that. The people who come to our shores seem to be doing a little more than we are doing because we are no longer a participating people. Many of us love to sit on the sidelines and complain. But there are many who also work very hard for the betterment of their fellow human beings.

Madam Speaker, here is a time when we can lift our spirits by recognising many people in this community who have laboured on and made their contribution to the development of this country and were never recognised. But, Madam Speaker, the concern that I have is that all will be for naught if one person can decide who those awards should go to.

Madam Speaker, the other thing that I hope the regulations lay out when they are made is that recipients should be asked if they will accept an award, not because it is a national honour do people want to accept some things. So we should not have a Hero's Day unless all recipients are eager participants.

I trust that on the conclusion of this Bill, at the winding-up, the Premier will see fit to answer some of the questions that this side has. I believe the Member for North Side had some valid concerns also. If I should repeat what the Member for North Side and the Third Elected Member for George Town said, we all want to support this Bill. But there are certain, fundamental problems with its operation as laid out in the Bill. We have some concerns, and I do not think our concerns are asking for too much. I believe it can be corrected with minor amendments.

I look forward to hearing the Premier's response.

Thank you, Madam Speaker.

**The Speaker:** Thank you Elected Member for East End. Does any other Member wish to speak? [pause]

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

I rise to make a contribution to this Bill. I must start by saying that initially when the Premier did his presentation I was expecting that I would jump immediately to my feet and applaud this particular Bill. Naturally, I believe that there are tremendous benefits in it. Unsurprisingly . . . and I guess before I say that, I do want to thank the Member for North Side for his support.

But, unsurprisingly, Madam Speaker, without fail, as soon as the Third Elected Member for George Town rose to his feet, it became evident that for one reason or another the country we call the Cayman Islands faces some serious challenges and many of those challenges exist right here in this honourable House. Even as I heard the Member for East End talking, like the [Third Elected] Member for George Town, that conceptually he supports this, but certain technicalities, certain methodologies are, perhaps, wrong. I know that's his tactic because I even heard him say several times on the talk show that you never attack what is being done, you simply attack the approach. So, classic Debate-101, Madam Speaker: That is what the Member for East End is trying to do here today.

Madam Speaker, if it was simply a matter of us sitting here, having a debate to see if we can engage ourselves in a win/lose situation it would not be so bad. But the reality of the situation is that something as important as this goes beyond a win/lose scenario for the Members in this House. Unfortunately, Madam Speaker, it is a win/lose for the members of the general public.

I would have thought this an opportunity for every Member to give support for this Bill that has the opportunity to have such a positive impact on the people and their lives in this country. But instead, for one reason for another (and, again, it never ceases to amaze me), someone from the Opposition, particularly, is going to find a way to pour some cold water on it.

The [Third Elected] Member for George Town and the Member for East End spoke about the fact of one person having the ability to make these sorts of decisions. The Third Elected Member for George Town, having been the Minister responsible for, amongst other things, Culture for the past four years, there were appointments by His Excellency the Governor, and when I say His Excellency the Governor, just like with the Premier, I speak about the position. I speak about the office. That even if one gets so bad that they choose to have no respect for the individual, have respect for the office.

I never heard one the Opposition in those four years get up in this Honourable House, get on the talk shows or anywhere and state that the power to be

able to appoint an award, an honour to anyone in this country should not rest solely in the hands of one man. Never heard it! Yet they are making those sorts of remarks today.

Madam Speaker, the fact of the matter is if you want to talk about politicisation, let us talk about politicisation!. Again, I speak not to any one individual, but to the office of His Excellency the Governor. Whoever holds that office is appointed; chances are, by the party in power in the United Kingdom. So, if you want to take it there, then whoever is His Excellency the Governor, is a political appointee.

Madam Speaker, if we take that train of thought, if we took that frayed logic that the Opposition chooses to use today then, at a minimum, they should have those same arguments and should have had those same arguments for the last four years. But I wish to inform this honourable House and the members of the general public who are listening that as the Member for East End has said many times on the talk show, he is merely engaging in Debate Tactic-101—don't attack what they are trying to achieve, attack the way they are trying to achieve it.

Madam Speaker, as I said, where it is hurtful, and I believe that is the absolute correct word "where it is hurtful," is because there are so many individuals right now in this country that I believe can benefit tremendously from this. And rather than them seeing perhaps for once whether . . . we have had debates on numerous issues, but for once, on an issue like this, have the general public see us come together and be able to say at least insofar as us being able to honour our people, that there can be some unity in this honourable House. But not even that, Madam Speaker.

Once again, the Opposition has found a way to deny the people of that. That is what they have done here today, Madam Speaker. And it continues on and on and on.

Madam Speaker, I mentioned to you before why I support a motion like this. I believe it has tremendous opportunities. And when we talk about leadership, just as we talk about His Excellency the Governor, I would talk about the Premier in terms of his office. As I mentioned in this honourable House before, whether it is the Honourable McKeever Bush, whether it is the Leader of the Opposition or any other Member of this House at one point in time in their life . . . who judges us, Madam Speaker? Other than God, we judge ourselves. And the people will be able to look at all times, especially if you pass through this House and you have made your statements and they are recorded in the *Hansards*, the people are going to judge us.

So, irrespective of who holds the office of premier, if he or she chooses to issue honours in a way, as some will suggest on the other side, willy-nilly, political appointees, then who judges? The people are going to judge them. That individual's administration, be it 4 years, 8 or 12 years will be remembered based

on what he or she does and how he or she conducts himself or herself in this House, and how they conduct themselves while they hold that office.

If we are going to stand here as Members and say that we support democracy, we can't say one thing out one side of the mouth and something out the other. Bottom line is that the people of this country go to the polls at election time—in this particular case in May of 2009. And the majority voted for this Government. And this Government in the same way turned around and said, "Here is the Premier."

Therefore, perhaps to the displeasure of the Opposition, the Premier is appointed by the people, the majority of the people in this country. Therefore, in the same way that they put their confidence and they say in terms of the Cabinet, in terms of the caucus, in terms of the Premier, *We are putting our fate in your hands. We are asking you to get into office and do what is in the best interests of this country*, in the same way, Madam Speaker, I believe they have enough of what it takes and definitely confidence to be able to say, *I believe that the Cabinet, I believe that this committee, I believe that the Premier can make a prudent and wise decision.*

I believe that, Madam Speaker. That is what democracy is about. We often times hear in this country that part of the reason we suffer because at the end of the day nobody wants anyone to truly be captain of the ship. So you can never get anyone to decide who is going to be captain of the ship.

And when the captain of the ship exists, it doesn't mean that you are going to like all of his or her calls. But that individual is the captain of the ship. And at some point in time, whether it is in this honourable House, whether it is in the country in terms of the Premier, whether it is in a family, somebody has to lead, Madam Speaker. Somebody has to make those appointments. And as I have said before, word of reiteration, it would have been honourable . . . the honourable thing to do today, it would have been the right thing for this House today for every Member, be it Government and Opposition, to be able to show our people that we are unified in being able to have the opportunity to recognise outstanding citizens in our country.

And as sad as it is, Madam Speaker, they have denied the people of this country of that.

Madam Speaker, in our discussions . . . and I want to encourage the Premier, and that is the individual holder of the office today and those in the future, that I believe that a country reaches truly a great sense of maturity, a new height, when it gets to the position where it can take anyone in their country and lift them up. If we are going to truly be great as a country, as a nation, we have to be able to find a way to be able to lift our people up. Therefore, I want to encourage the Premier today and the premiers of the future, to be able to exercise that responsibility the way the people would have them do it.

I believe, Madam Speaker (and you and I have had this discussion before), that we need to find a way to make sure that the story of the background of so many people in our country is told. I say that because, yes, I want to make sure they get an honour. But I think we need to find a way to get that into some written text. Whether it is hanging up on the wall in the library, whether it is written out there in Heroes' Square, or whether it is going to be books in our schools. Our children need an opportunity to read them.

When we can actually read and understand someone's story, and see particularly the sacrifices they made in life and what they went through, not just the good times, the difficult times individuals went through, it is those stories that allow us to put our roots down. Just like that tree, Madam Speaker, put its roots down so that when the tough winds blow we are well rooted and nothing can easily take us up.

Madam Speaker, I expound on the fact that just a little bit that I knew about your story, and the fact that you were tenacious enough in terms of your own district in terms of running and never giving up, was enough, for example, to encourage me to run in 2005 and give it another knock in 2009. That is the impact that we have, Madam Speaker, when someone has an opportunity to hear your story and share it with our children and our grandchildren.

You can attend funerals in the Cayman Islands, but as unfortunate as it is, you see a situation where many people have lost their loved ones. They are laying there in front of them, and many, unfortunately, do not really know their full story. We lose many of our people today, not just the elderly, but we lose a lot of our people on a daily basis and they are taking everything with them, whether it is the herbs and recipes and remedies they had or, most importantly in this particular case, definitely equally, they are taking all of those stories with them. All of the stories that stand to make sure that the little children who line this gallery can be encouraged.

Here we are, Madam Speaker, right now in 2010 facing one of the toughest times that this country has ever faced. And do you know what our people need, amongst other things? They need those stories. They need to be able to say, *Here is what happened back in 1992. And here is how we dealt with it at the end of the day.*

And let us look in the future. Here we are in 2010. I would like to know, whether I am standing here or somewhere else that we can say: *In 2010 we had individuals who were courageous. We had civil servants who stepped up to the plate and recognised the difficult times that we went through and as hard as it was on themselves, as hard as it was on their spouses, as difficult as it was for their families, they were willing to make a pecuniary, a financial sacrifice. Why? For the benefit of this country, Madam Speaker.*

And then we can say those were our heroes in 2010. And we can stand and talk about all of the

other sacrifices that he or she has made, and when in the future our children hear about that, Madam Speaker, that is what is going to stay with them even when you and I are gone.

When the Speaker who sits in this honourable Chair is gone, it is her story that will live on. It is that story that will make you immortal. It is the same story of all of these individuals in here who make a contribution that is going to live on. And it is only for us to decide how we want to be judged.

So, I encourage the Premier and the future holders of that office to hand those rewards out judiciously because it has my full support. The country doesn't *want* it, Madam Speaker; this country *needs* it. We need to be able to reach the point where we can look among ourselves and find heroes, find individuals worthy of lifting up.

When I can read and say that particular individual they may be having them in school on a trait of honesty. This one may have a trait where they are emphasising stick-to-itiveness, tenacity. Those are the things that are going to inspire our children. That I believe in large part is the backbone of what is going to make the Cayman Islands great.

I support it. And I encourage the Premier today and all those in the future to exercise that authority that I, with my vote, give to them, judiciously and remember that it is those young children, those impressionable lives that, at the end of the day, we are trying to make a difference for. Do it judiciously. And have it recorded and have it put in our schools so at the end of the day not only do they know that this particular individual was given this particular honour, but they understand why and they can read the background.

Madam Speaker, we want to hear all the good times, but to me what matters most is that we understand the difficulties, the challenges that those individual faced and how honorably they faced them.

I am not going to spend any time in terms of the Opposition. As I said before, it is truly saddening to see that everything will get cold water thrown on it and definitely something like this that should not.

I want to end simply by saying that I think that as we look at all of the awards that are being handed out, and I do not want to diminish in any way at all the many awards and honours that have been given out over the many years by the United Kingdom. I believe that this country today steps into something new; something a lot better. And that is when we come together as citizens on our own to be able to look for, and recognise individuals who are making a wonderful contribution or, as the Premier said, maybe have made a positive contribution to this country.

Madam Speaker, to all of us here in this honourable House to which it blends well with the air, and to members of the listening public . . . I want to encourage them that at the end of the day this honour, win or lose, failure or success will depend on what we do with it. And I would ask them to embrace it and let

us as a nation come together unified to be able to find, recognise and lift those individuals up who have made a wonderful contribution. And when we are able to do that, Madam Speaker, that we can accept the leader in the country, we can accept those individuals, give them the proper recognition, I truly believe that that is a major first step in these three little islands being a great nation and being able to exemplify and show the wonderful and great people that we have within our borders.

With that, Madam Speaker, I thank you very much for the opportunity to make this small and short contribution.

**The Speaker:** Thank you, Fourth Elected Member for George Town.

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

If not, would the mover of the Bill exercise his right of reply?

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I don't get discouraged easily. And I am not discouraged now. But I have to wonder at what we call "our people."

Opposition is good, proper, constitutional. But, Madam Speaker, it comes to a place and time . . . and I note that the chief objector has gone out of the Chamber again, having spoken—his usual thing. Speak, criticise, and then run out.

I have to think, Madam Speaker: Why does the Opposition (put it squarely where it is) have to be the way they are? I know my time on the Opposition bench I would never try to throw cold water on an attempt as laudable as what we are trying to do here. I said I am not discouraged, but I am disappointed, if I should say that much, in the Opposition. No matter how they try to make something sound like they are genuine, something always comes across, Madam Speaker, that you know they are not; that they are just objecting because they can, and they deem it their duty to.

Madam Speaker, first let me say that I have no intention of stopping at this time for them to destroy this Bill. I have listened to them. They have nothing to offer but skepticism and dissent. I am not going to stop the Bill at this time. This Bill has been tabled here from either late February or sometime early March. This was tabled as a discussion Bill.

From then to now we have not gotten any negative feedback. In fact, the feedback that I have gotten is saying full speed ahead; this should have been done a long time ago, as the Member for North Side said. So, they can say anything, say it anyhow, and can put any meaning to it. This Bill goes ahead because it deserves to go ahead.

One person decides nothing in this Bill. So they can conjure up any duppy they want. But we are not children. We are old enough, ugly enough, knowledgeable enough to know what we are doing and that we are doing it with the best intentions for the people of this country.

Now, I heard the [Third Elected] Member [for George Town] say that something was started by him. I do not know of any such vague something. Where is this something that he claimed he started, when he was in the Ministry of Culture? I didn't see anything. But even if he had done anything, I would not have to wait on that Member to give me the go ahead. As I have outlined, Madam Speaker, I have been a person who pushes and plugged for sensible nationalism long time before that Member got into this House. Long time, Madam Speaker, when I was taking criticism for creating the Order of National Heroes. Perhaps he was one of them!

There were those saying, *Whoever heard about live national heroes?* No, they did not want that. They also criticised when I put forward for a new history of the Cayman Islands, a written complete history of the Cayman Islands. They didn't want that either. And he comes from that same mode. Same mode. They want us to continue learning about Nelson, with somebody taking out his eye someplace about, and somebody else, and Cook, who some animal ate down in the islands. That is what they wanted us to continue to do. And I said it was time for our children to know our real history. And it is time for us to honour people.

I certainly felt at that time, Madam Speaker, and still do, that choosing the person that we did, the Honourable Sybil McLaughlin, National Hero, that we had somebody who had done something for the country, someone that people could see and feel, and children could hear. That is why I did it.

And when we chose . . . we put it out, Madam Speaker, for people to give back their criticism. All the time we did that. When we chose the national symbols . . . Humph! The overwhelming majority said the bird must be the Cayman Parrot. Indigenous. What did they say? *Oh, all that they do is to eat up our mangoes. Don't want that either.*

When I said that our sportsmen and women in this country ought to be awarded on a national level, and I created a national sports medal, when they were going to give one little old cup and I complained and said, "Can't you find something else?" They said, "You want a wristwatch with a diamond?" I said, "No, I just want something more appropriate. And let's do it out here when the Queen gives out her awards because young people are doing this and we need to encourage them."

So, Madam Speaker, what I say is good nationalism, sensible nationalism—not running business away, not talking about immigration, not telling people that this one wants their job and they are Caymanians and they should have it. That is not good nationalism!

Good nationalism is the kind of things we are doing today. That is good nationalism.

And so, when the Third Elected Member for George Town comes up . . . he should be ashamed of himself, talking about that this is going to be politicised by the party in power, because the Premier is the party in power and they can grant. Must be something to wear proudly . . . I trust, Madam Speaker, that those persons who are awarded will, in accepting it, wear it proudly. But I am not concerned about politicisation, Madam Speaker, because they know what they will do. The Bible tells you, "As a man thinks, so is he."

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** No! I want to save the country from you, because you have done too much harm already! And you are not going to destroy this effort.

Madam Speaker, they can say anything, anyhow, anywhere. But they are not going to stop this Government from some of our initiatives. And this is one of them.

Madam Speaker, I listened to the Member for North Side, who did not say he was supporting it, he said he would like to see certain things done. But he did not say he was not supporting it. I hear the Member for East End—

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** That's what he said. That is what I am saying. I did not hear him say he was not going to support it. I heard the East End Member including him amongst them. But I know what the Member said.

The Member had concerns about who other than Caymanians were going to be appointed. And the Member is holding true to his beliefs. But that is his belief. He has ever been that way for as long as I have known him. But I can't help that. I believe that there are people in this country who make significant great contributions to the development of this country and I keep saying where would we have been without some of them? And as much as we like to think that we are the be-all and end-all, we are not. We have had people come here who were lawyers, teachers . . . where would we have been without the teachers that came from Jamaica and England and Barbados in the very early days. Where would we have been?

No, I cannot accept that. I never have. That is why I lost the elections in 2005 because of status grants. If they were all that came from the *Norru* [Caymanian dialect meaning "North"] and they were all the same pigmentation of them from the *Norru* you would not have heard a *quehey* about it. But they were Caribbean, a lot of them.

So I am eternally grateful that that old, old man who made it across the Atlantic and who stopped

in Jamaica, albeit in slave method, but became free and came here somehow and took up one of the white women—that's where I get my colour from today, this brown that I have. I am grateful. I have nothing to curse any nationality about. I do. And you hear that in the statement either later today or Wednesday about how I feel about people who make pronouncements about what's happening here. That's a different thing. But when people come here, Madam Speaker, and I like to say this: We made it across that Atlantic. Yes we did.

When people come here and they do well for this country, I think they ought to be recognised. And if we can give them one of the honours because they did significant bravery or a humane act to a national of the Islands or other country they should be so rewarded or recognised.

Suppose there was a man sitting on the dock out there and he sees, in a nor'wester, a child (who sometimes goes down there to watch the big seas come in) get swept off. This man sees it (or this woman sees it) and jumps in and saves that child. Should that not be . . . is that not a great humane act? An act of bravery? Should that not be recognised?

Years ago, my brother . . . someone came into our yard (I don't know anything about it, my mother tells me this.) and [said] the seas were coming across the road in West Bay. And they said by Lower End Bay. And that's just before you get to the Turtle Farm Road. Ten minutes later she missed my brother. He had gone to sea. Seven years old. A wave took him out. A man on a horse said he managed to hear a faint scream. He took that horse and he went out, way out, and saved my brother. Should not those kinds of people be honoured? I think so. I really do.

Madam Speaker, the Member for North Side spoke about, I think he mentioned the criteria. But the law has the general and broad framework for the criteria. It says, ". . . **may be granted to any person who has rendered eminent service of national importance to the Islands or who has performed an outstanding, brave or humane act to a national of the Islands or other country.** . . ." in the three classes.

And then ". . . **the Medal of Merit which may be granted in classes of gold or silver to any person who has performed long and meritorious service in the arts, sciences, literature or other fields to the Cayman Islands; and the Long Service Award which may be granted to any person who has served diligently and has been of exemplary conduct for a period of twenty years in the public service except a police officer, a special constable, a prison officer or an officer of the Fire Brigade.**"

Why didn't they ask why that was so? Why did none of those debating pick up on that? They know, or they don't know.

So, this has general and broad framework. But if need be, [clause] 10 provides for the Governor in Cabinet to make regulations. Clause 10 says, "**The**



**Governor in Cabinet may make regulations prescribing all matters that are required or permitted under this Law to be prescribed, or are necessary or convenient to be prescribed for giving effect to the purposes of this Law.”**

This would not be just harem-scarem, Madam Speaker, there is a process. There is a criteria, broad as it stands. But if needs, be, as I said, in the making of regulations much wider and more specific criteria could be given.

Now, what they are saying here and what the [Third Elected] Member for George Town said, he gave the impression (if he didn't say it outright—I think he did) that the Premier will by himself appoint. And that is not so. The Third [Elected] Member for George Town is completely wrong and on a wing. We know that. We know how bad you are.

Madam Speaker, the Premier will not do any such thing.

I looked at the [clause] they are complaining about and I wondered if anyone, especially the Opposition, would take it out of context. And, sure enough, they did. I said, this is plain for everyone to see. They ought to know that the premier cannot do anything by himself. He knows that. He says he got cursed for creating the premier. He never got cursed; he got an MBE too.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** You want one of mine?

You don't want one?

I thought you would. I thought the other ones were so bad that you would prefer these.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, after the committee makes a nomination, somebody has to take the nominations to Cabinet. How else is it going to be done except through the Premier by an order in Cabinet? That is what this means.

It has to go to the Cabinet for the Premier to be able to give it out on National Hero's Day. Read the regulations when it comes, okay?

How else could it be done, without the Premier taking it to Cabinet. How else?

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** Do you mean that I was going to do what they did with the schools? Plan [and] build without having the money? No, no! There has to be, Madam Speaker, a plan.

And just suppose, Madam Speaker, [someone recommended by the Committee slipped in who the Premier or the Cabinet knew something about—something more than the Committee knew]. Some-

body has to be able to take those recommendations and say, *Oh, but that man*. . . they didn't know this. It has to be done.

You can appoint any committee . . . I have a number of boards out there, Madam Speaker, that are not really carrying through Government policy. The Chancellor, the Premier, will have to take it to Cabinet so that it can be so awarded. And the law shows that the National Honours and Awards Committee will be the recommending body in the selection process.

So, Madam Speaker, all the things . . . and when that Member sat up there like he was pouring out his heart, Madam Speaker, you would have [sworn] that there was such a great travesty of justice being committed, that he had to stand there before the bar . . . if there was ever a good actor . . . I don't know, if they put him in a court of law if he would save anybody; but [*he*] can act.

Madam Speaker, if this thing is so bad . . . let's look at the Constitution, this particular item that they are talking about. Look at what happens with the Governor. On the Judicial and Legal Services Commission “[105.—(1)] **There shall be . . . (a) a Chairman and one other member, neither of whom shall be a lawyer, appointed by the Governor, acting after consultation with the Premier and the Leader of the Opposition; . . .**”

Now, here the Premier talks to the Leader of the Opposition and so it is discussed with him. That is the same thing the Governor is doing, but Judicial and Legal Services Commission, appointing, disciplining. This is a much more serious thing. You're satisfied with that, though.

Shake your head.

On another matter, Madam Speaker, to review an alteration of electoral district boundaries. What does the Premier have powers to do? “[**89(3) (1),] the Premier shall lay before the Legislative Assembly for its approval the draft of an order by the Governor for giving effect, whether with or without modifications, to the recommendations contained in the report, . . .**”

Do you think the Premier can make that by himself? Of course not! The Premier will take the matter to the Cabinet and deal with it accordingly. But here is such an important thing as choosing your representative, setting the boundary for your district, and it is the Premier.

“**88. (1) An Electoral Boundary Commission shall be appointed from time to time at such time as the Governor, acting after consultation with the Premier and the Leader of the Opposition . . .**” It doesn't say he has to listen to us. It says, after consultation.

So, what is this Bill saying? The Bill is saying that the members will be appointed after the Premier has discussed the matter with the Leader of the Opposition.

Madam Speaker, on the National Security Council, something as important as that, what hap-

pens in that? “[58 (e)] two persons representative of civil society appointed in writing by the Governor, acting after consultation with . . .” —it does not say *shall be*—and that is the same thing that this Bill contains. The Premier, Chancellor, will talk to the Leader of the Opposition.

So, Madam Speaker, the Constitution holds various serious positions, commissions, and responsibilities that are given to the Premier also given to the Governor to act alone because the Governor can or may or may not listen to what his advice. So, perhaps the Chancellor, the Premier, when a member is being appointed to the committee may say to the Leader of the Opposition, *No, I am sorry but I won't appoint the Member for East End. Or, I won't appoint the Third Member for George Town.* It may well be that.

But, you see, Madam Speaker, when the Member says how he made the Premier's post, the problem with him is that I was not supposed to be the Premier. That's his problem and he cannot get over it.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** Gave the Premier all the power then, and I can never forget sitting in the Foreign and Commonwealth Office telling him, *You know what you are making this for?*

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** No you don't!

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** No, but then the Constitution is, and neither the law is. The law is not doing that, Madam Speaker. The law is not being made for any particular person. It says the Premier, whoever the Premier may be. It could be him one of these days! It could be the Member for East End one of these days.

But no, they can't be satisfied with that. They have to get up and tell the world that this thing is so bad that they can't vote for it. They can't vote for it because the Premier has so much power, one; and they can't vote for it because I am giving, according to the Member for East End, making people outside who are not Caymanians to get one of these honours.

Hear him now, Madam Speaker. What sense is this? He says that volunteerism is dying in this country. Our people are not doing what they are supposed to be doing. Other people coming here are doing more. Well, Madam Speaker, if that is true, if there are all these people that are coming here that are working in the service clubs, that are doing all these things serving on the various committees, the Pines, and the various committees, if all these people are doing all this volunteerism, why then you say they can't get one of these? Why not?

I am going to lay it on the Table, Madam Speaker. They are calling for the exhibit. I will lay it on the Table before I am done.

It does not make sense, Madam Speaker, what the Member for East End says. And he only talks to hear himself talk.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** The truth hurts.

Madam Speaker, this has nothing to do with politics other than I am a politician, I am an elected Member. And, Madam Speaker, I am the Premier of the day. So, Madam Speaker, I will be the Chancellor. The committee will do as the law says, but there has to be oversight. So the Premier and the Cabinet of the country will have that oversight.

Madam Speaker, as I said, I agree with those who said let's lift our spirits. It was the Member for East End who said that. We do need something to lift our spirits, just as we needed national heroes. And for those persons that mentioned that, you can tell the world this, that this Government will have at least one more before we leave office. I don't know who that will be, but I know that there are many people out there who could be chosen. We have several women who have made tremendous contribution to this country. We have men who have passed on and people who are still alive. And I am one who believes, "give me my credit now": If you have any good [thing to say about me, say it now]; not when I am face up lying in a casket. My children will know how good I was at that time.

Madam Speaker, lift our spirits, the Member for East End said, by doing what? They want to do so by skepticism and dissent. And the truth is, Madam Speaker, he was much more genuine than his colleague. But the only thing they have done here today is to try to throw cold water on this great effort.

Madam Speaker, I do want to thank Karen Dalton-Stephen because I understand she did the greater part of the work on this Bill. The truth is, I only know Mr. Bili and Ms. Myrtle in the Legislative Council. I would not know this young lady if I saw her. But I do want to thank her very much for her hard work in this.

I want to say again to this honourable House, do not listen to the Third [Elected] Member for George Town; he cannot do good for, like the proverbial cow, *kicking over her pail of milk.*

Madam Speaker, I want to table this exhibit of these honours. The medals of honour for the Commander, the Officer, the Member; the medal of merit, gold, silver, the long service award which goes to civil servants. We have ordered . . . I think the Cabinet office has already ordered 10 of each and they will be ready for awarding next year, God willing, at the National Heroes' Day service.

Madam Speaker, I want to thank the Cabinet secretary, Mr. Connor, for his great interests in mov-

ing this forward because he was the one that got all the work done, made sure that all this was done. The person who created those medals, who drew them and put the colour scheme together, did the ordering, was Mr. Charles Gilman from Government Information Services. I want to thank that young man for his effort. I want to thank him on behalf of the Cabinet for his efforts in this.

Madam Speaker, several people did the background work to make sure that we got to this point. The medals are ordered and they will be presented, God willing. The committee will be appointed later on this year.

Madam Speaker, I consider that with all that has been said, that this is a good day for the Cayman Islands. We revere, we respect Her Majesty's honours. There are many loyalists, if not all of us in this House, Madam Speaker. We respect Her Majesty the Queen and we are a part of this great Commonwealth which she rules and presides over.

So, Madam Speaker, we cannot get out of that. We cannot live in isolation. We have to be a part. It is our job our duty as elected Members to make sure that whatever we are a part of that that uplifts our people. So, including others who make great contributions in this country from outside, I really believe that we are doing . . . we cannot create a nation with 20,000 Caymanians. And we can all go forward and procreate. But we won't be that fast to build a nation.

*Breathes there the man with soul so dead  
Who never to himself hath said, This is my own, my  
native land!* I am proud as the Premier, the Leader of the United Democratic Party and the person heading this Government, and I want to thank all my colleagues, every one of them. The Fourth [Elected] Member for George Town, who spoke so eloquently and with clarity, Madam Speaker. I want to thank him for his support. And to all others, I know I have their support.

Thank you, Madam Speaker.

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

The question is that a Bill shortly entitled, The National Honours and Awards Bill, 2010, be given a second reading.

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

**Ayes and one audible No.**

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, can I have a division please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 5/2010-11**

**Ayes: 10**

Hon. W McKeever Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour  
Mr. Anthony S. Eden  
Mr. D. Ezzard Miller

**Noes: 0**

**Abstentions: 2**

Mr. Alden M. McLaughlin  
Mr. V. Arden McLean

**The Speaker:** The result of the division is 10 Ayes and 2 Abstentions. The National Honours and Awards Bill, 2010, has been given a second reading.

**Agreed by majority: The National Honours and Awards Bill, 2010, given a second reading.**

**The Speaker:** At this time I would like to suspend proceedings for 15 minutes.

**Proceedings suspended at 5.55 pm**

**Proceedings resumed at 6.47 pm**

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

## **SECOND READINGS**

### **Statistics (Amendment) Bill, 2010**

**The Clerk:** The Statistics (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move the second reading of a Bill that is shortly entitled The Statistics (Amendment) Bill, 2010.

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

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I rise to present this honourable House with the Statistics (Amendment) Bill, 2010. This Bill seeks to amend the Statistics Law (1996 Revision) in order to provide for an updated institutional structure and statistical good practices. It also seeks to effect other consequential changes to the Law for incidental and connected purposes.

By way of background, the Statistics Law (1996 Revision) is the governing legislation for the collection, compilation, analysis and publication of statistics on the socioeconomic profile and performance of the Cayman Islands. In its current form the Statistics Law (1996 Revision) is outdated with respect to the organisational structure and statistical good practices.

The Commission 2005 Caribbean Technical Assistance Center (CARTAC) Report of Statistical Needs, identifies the Law as deficient in position having certain omissions and weaknesses in meeting the recommendations of the United Nations fundamental principles of official statistics and international data dissemination standards. Other proposed amendments to the Law draw from best practices among national statistical offices.

This legislation is also necessary to pave the way for the preparation of Census Order and Regulations. As you may already be aware, October 10, 2010 (that is 10/10/10) is Census Day for the country. And our theme is "Everyone Counts."

I turn now to the detailed provisions in the Bill before this honourable House.

Clause 2 of the Bill seeks to repeal and substitution of section 2 of the principal Law to clarify the appropriate bodies with responsibilities under the Law. Within this clause the main changes are that the Economics and Statistics Office is defined as the Unit of the Ministry of Finance responsible for the gathering and compilation of statistics.

Clause 3 relates to improving the country's macro-economic surveys by including data required for the calculation of Gross Domestic Product (GDP) and similar national account indicators and balance of payments.

The 2005 CARTAC Report also recommends this provision in law. These stats are among the most important to international creditors and investors. More importantly, these statistics are among those presented in the strategic policy statement submitted to this honourable House annually as they provide a summary of the economic performance of the country.

Clause 4 seeks to comply with best international statistical practice by including a publication and dissemination calendar. Such a calendar recognises the citizens' entitlement to public information and ensures the practical and timely utility of information to the users. This aspect of the legislation places the country nearer to compliance with the International Monetary Funds general data dissemination system, which recommends the dissemination of advance release calendars and simultaneous release to all interested parties.

The outright statement of confidentiality in clause 4(b) is also a vitally important amendment to section 8 of the Statistics Law. Among respondents, the confidentiality of their information is of greatest concern. When respondents do not trust the confidentiality of their information, the quality of the information

may be compromised. This, in turn, affects the utility of the same statistics to potential users.

Presently the Statistics Law treats all surveys and census information as confidential by prohibiting disclosure and levying penalties for breach of confidence. However, in accordance with principle 6 of the United National Fundamental Principle of Official Statistics there must be explicit assurance and protection of confidentiality in legislation.

Respondent cooperation is imperative to successfully undertaking surveys. It is now opportune, particularly in the 2010 census year, to reassure all residents participating that their information is safe, confidential and protected.

Clauses 5, 6 and 7 substitute new provisions for sections 18, 19 and 20 of the Statistics Law which concern offences and penalties. In the Statistics Law, the offence of unlawful disclosure currently has two tiers of penalty. Conviction on indictment carries a fine of \$1,000 and to imprisonment for three years, while summary conviction carries a fine of \$400 and imprisonment for one year. There is also a penalty attached for non-compliance, refusal and obstruction, namely, a fine of \$200 and in default imprisonment for six months; and in the case of continuing offences to a further fine of \$6 for each day the offence continues after conviction.

Madam Speaker, the Cayman Islands has to have the lowest fines in the world. Statistics Laws of other countries and recent amendments, such as Anguilla 2000 and Bermuda 2002, have imposed stiffer penalties for nondisclosure and noncompliance. Comparatively, the Cayman Islands lag behind in the application of stringent regulations for statistical compliance. The 2005 CARTAC Report also endorses increasing fines to keep abreast of inflation.

The newly amended penalty for each type of offence is now a fine of \$5,000 or to imprisonment for a term of one year, or to both. The substantial increase in penalty sends a strong message of ESO's commitment to protect confidentiality and compliance. This penalty is also in line with those in other jurisdiction, such as Bermuda, that have more modern statistical legislation.

Clause 8 relates to the collection of revenue from the sale of statistic reports and publications. In accordance with current accounting procedures, this revenue is remitted to the general revenue of the Cayman Islands.

Clause 9 seeks to reflect present institutional structures and organisational arrangements. It amends the principal Law generally so that references are made to the Director of the Economics and Statistics Office rather than to the Statistician.

Clause 10 is the savings and transitional provisions which ensure that any person or persons accused and convicted that have not received judgment or sentence at the commencement of this Law is now subject to the newer penalties. Additionally, persons with such cases pending at the commencement of the

law and those accused persons convicted at or after the date of commencement are to be treated under the new law.

Madam Speaker, I do not think Members will have a problem with this Bill, and I ask them to support the necessary amendments to the Statistics Law (1996 Revision).

Finally, I remind all that in 2010, 10/10/10, Everyone Counts.

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

If not, I will ask the mover of the Bill to make his reply.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I just want to thank Members for their support. This is the only one that went through so far that does not have a caveat, or someone saying, *I don't support it because of this.*

Thanks, very much.

**The Speaker:** The question is that The Statistics (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Statistics (Amendment) Bill, 2010, given a second reading.**

### **Customs (Amendment) Bill, 2010**

**The Clerk:** The Customs (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move the second reading of a Bill entitled, The Customs (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, this Bill for a law to amend the Customs Law (2007 Revision) to make changes to the provisions relating to the approval of bonded warehouses, changes to the calculation of value and changes which will allow for the levy of fees for the processing of applications for bonded warehouses.

Clause 2 of the Bill seeks to empower the Financial Secretary to grant approval for variation of terms of any Governor in Cabinet approved bonded warehouses. The Financial Secretary's authority will be restricted to the request for changes relating to the name, location or size of the bonded warehouse, the name of the warehouse keeper or any conditions attached to the approval.

At present, all requests for these types of changes require the approval of the Governor in Cabinet. By empowering the Financial Secretary to make these types of decisions the process will operate much faster and more efficiently. The Governor in Cabinet will still retain the responsibility for the approval of new bonded warehouses.

Clause 3 seeks to delete the word "carriage" and it with "cost" in the definition of the calculation of customs import duty. The majority of import duty is collected on the Cost Insurance and Freight value (CIF value) of the items imported. When the Customs Law first came into effect in 1990, section 43(6) stated, "For the purpose of determining the price of goods under subsection (2) which are uninsured there shall be substituted for the cost of insurance a notional insurance cost equal to 1 per cent of the C and F costs of such goods."

Upon review of the Customs Law in 1998, the abbreviation of "C and F" in section 43(6) was translated to mean "carriage and freight". This translation of C and F to mean "carriage and freight" is incorrect when referring to a term of sale. In commercial trading terms the term C and F means "cost and freight". This is similar to the term CIF, meaning Cost Insurance Freight. The word "carriage" in sales terms is the same as "freight", therefore it is proposed that the word "carriage" be repealed from the Customs Law and substituted with the word "cost".

This change will clarify the calculation of import duty and remove any doubt as to how the import duty is calculated for imported items.

Clause 4 seeks to allow the Governor in Cabinet to create regulations which can provide for fees and charges to be levied in respect of the processing of an application for the approval of a place of security as a bonded warehouse or an application for the variation of any such approval.

At present, whenever an application is made for a new bonded warehouse or for a variation to an existing bonded warehouse, the government incurs expense in reviewing the application and inspecting the location without the ability to charge fees to offset these expenses. At this stage the Ministry of Finance is working with the Customs Department to determine an appropriate fee structure. Once the fees have been agreed, and the relevant regulations approved by the Governor in Cabinet, they will be gazetted and communicated to the public.

Madam Speaker, this Bill represents yet another improvement that my Government is making to reduce costs and improve efficiency in the public ser-

vice. And I urge all Members of this honourable House to lend support to the Customs (Amendment) Bill, 2010.

Thank you, Madam Speaker.

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

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

Elected Member for North Side.

**Mr. D. Ezzard Miller:** Yes, thank you, Madam Speaker, just to ask the Government that in reviewing the fee, because I believe a lot of the bonded warehouses are involved in re-exporting of stuff, and it may be an opportunity to charge them some kind of a package tax on each package that they are sending out because I think they consume a lot of government resources in requiring customs officers and other government officials to be on the dock, like on cruise ship days, and stuff like that, to clear these boxes of liquor and cigars and stuff that will be going out. And just to make the point that this might be an opportunity to get some more revenue if some kind of a package tax, similar to package tax that applies on importing goods, are in your exporting goods.

Thank you.

**The Speaker:** Thank you, Member for North Side.

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

If not, I will call on the Honourable Premier to exercise his right of reply.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I would like to thank the Member for North Side for his observation. This has been a question raised quite often.

Madam Speaker, as I said several times in the House, we are reviewing the whole customs procedure and the whole tariff law. I know that there will be changes, because we intend to make it as simple as possible in determining import duty and export duty.

One thing we do have to be careful with is that we do not put on costs that will prove to be cumbersome or a disincentive for businesses. But the point that he is making is certainly something that I will take on board.

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

The question is that a Bill shortly entitled The Customs (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Customs (Amendment) Bill, 2010 given a second reading.**

**National Weather Service, Bill, 2010 and The Traffic (Amendment) Bill, 2010**  
*(Deferred)*

**The Clerk:** The National Weather Service, Bill, 2010

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, the Minister, the Deputy Premier, had to be in her constituency for a graduation. And the two Bills, The National Weather Service, Bill, 2010 and The Traffic (Amendment) Bill, 2010, both standing in her name will have to be put on the Order Paper for Wednesday, God willing. So I will move a motion to that extent, that the two Bills be put on Wednesday's Order Paper.

**The Speaker:** The question is that The National Weather Service, Bill, 2010 and The Traffic (Amendment) Bill, 2010, be moved to the Wednesday's Order Paper.

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

**Ayes.**

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

**Agreed: The National Weather Service Bill, 2010, and the Traffic (Amendment) Bill, 2010 deferred until Wednesday, 30 June 2010.**

**Proliferation Financing (Prohibition) Bill, 2010**

**The Clerk:** The Proliferation Financing (Prohibition) Bill, 2010.

**The Speaker:** Honourable Second Official Member.

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

I beg to move for the second reading of a Bill entitled The Proliferation Financing (Prohibition) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**Hon. Samuel W. Bulgin:** Yes, Madam Speaker, thank you.

This legislation seeks to build on our current legislative framework dealing with money laundering and combating financing of terrorism, such as the Proceeds of Crime Law, 2008, the Money Laundering Regulations (2009 Revision), the current Terrorism Law, and the Terrorism United Nation Measures

Overseas Territories Order, 2001, as well as other relevant legislation.

In effect, the Bill seeks to make additional provision for the taking of further or additional actions where necessary against persons and activities that may be related to terrorist financing, money laundering or the development of weapons of mass destruction and for other incidental and connected purposes.

Madam Speaker, the Bill addresses situations where the Monetary Authority has reasons to believe that the development or production, et cetera, of nuclear, radiological, biological or chemical weapons in a certain country poses significant risk to the interest of the Cayman Islands and/or the United Kingdom.

Madam Speaker, the powers being sought under this new piece of legislation include enabling the Monetary Authority to issue directions to persons (which would include the individual as well as corporate and incorporated bodies) who operate within the Islands' financial services sector as measures to protect the Islands and the UK against the risk I mentioned earlier. So, clauses 3 through 5 of the Bill deals with those directions that may be given under the legislation.

Part III of the Bill, which encompasses clauses 6 through 10, deals with certain other matters as follows. Clause 6 speaks to where the Monetary Authority gives a direction pursuant to clause 3 and in so doing it may impose certain requirements as specified in clauses 7, 8, 9 and 10 of the Bill.

Clause 7 allows the Monetary Authority to give direction that may require a relevant person, meaning a person a person to whom the direction is given, to undertake certain enhanced customer due diligence measures.

Clause 9, direction given by the Monetary Authority may require relevant person to provide information and documents relating to transactions and business relationships with designated persons as the Monetary Authority may specify in those directions. Madam Speaker, the directions may, for example, include a request to restrict or seize a business relationship with a relevant country.

Clause 11 of the Bill deals with how different directions may be given. And to make some sense, I may look at clause 11. It says, **“(1) A direction that is given to: (a) a description or class of persons operating in the financial sector; or (b) all persons operating in the financial sector shall be contained in an order made by the Monetary Authority and shall, subject to subsection (3) have effect from the date that the order is made.**

**“(2) If the order made under subsection (1) contains certain requirements of a kind mentioned in section 10, the Monetary Authority shall forthwith transmit a copy of the order to the Attorney General who shall, as soon as practicable, lay the order before the Legislative Assembly for approval.”**

Madam Speaker, clause 12 also deals with notification and duration of the directions of the Monetary Authority. And, for what it's worth, clause 12 provides that “This section applies in relation to a direction that is given to a particular person.”

It says, **“12 (2) Where the Monetary Authority gives a direction it shall give notice of the direction to that particular person.”**

**“12 (3) The direction, if not previously revoked and whether or not varied, ceases to have effect at the end of a period of one year beginning with the day on which the direction is given.”**

Madam Speaker, clause 13 provides that a person may, by licence of the Monetary Authority, be exempted from the requirements under clause 10 and that where such exemption is granted it can be subject to conditions and can be revocable or varied.

Part V, and in particular clauses 14 through 18, deals with enforcement and information powers in that an enforcement may by notice require a relevant person to provide information in the form of a document or otherwise. And in making such a request they must set out the reasons why the information is required.

Clause 15 is also instructive in that it gives certain powers to the enforcement officer including the power to enter and inspect premises as well as documents located therein. However, this power is only exercisable where the information is reasonably required in connection with the exercise of the Monetary Authority's power under this particular law.

Clause 16 deals with entry into the premises by the enforcement officer.

Clause 17 imposes restrictions on the powers given to the enforcement officer including providing for a carve-out for documents or information that attracts legal professional privilege.

Clause 18 deals with the failure of the person to comply with a request by an enforcement officer under the legislation and the powers of the Grand Court to issue the necessary enforcement orders to ensure compliance in those circumstances.

Madam Speaker, clause 19 very helpfully sets out that the Monetary Authority may, subject to certain conditions, impose an administrative penalty of such an amount as it considers appropriate on a person who fails to comply with a requirement as imposed by a direction under this legislation. However, The Monetary Authority shall not impose a penalty if it is satisfied that a person took all reasonable steps and exercised all due diligence to ensure compliance with the requirements set out.

Clause 20 deals with the important issue of due process, which provides that the Monetary Authority shall before imposing a penalty give notice to the person affected and allow them to make representation within a 28-day window.

Madam Speaker, clause 22 provides for offences. A person does not commit an offence under this clause if he took all reasonable steps and exer-

cised all due diligence to ensure compliance. So it provides for an offence and also a defence or justification as the case may be.

Madam Speaker, the other provisions are clause 24, which deals with extra-territoriality, and provides that an offence under this legislation may be committed by a person acting in the course of a business in the financial sector although the conduct that gave rise to the offence takes place wholly or partly outside of the Cayman Islands.

Clause 26 deals with liability of officers of bodies incorporate. And clause 27 is of similar effect as it relates to unincorporated bodies.

Madam Speaker, clause 28 provides that the Monetary Authority shall within a period of six months after the end of each financial year prepare a report about exercise during that year of their functions under this legislation and 29 provides that the Monetary Authority shall take appropriate measures to monitor persons operating in the financial sector for the purpose of securing compliance by those persons with the requirements of any directions given under this legislation.

And there is an obligation under clause 30 of the Monetary Authority to provide such assistance that may be reasonably required by any professional body whose members operate in the financial sector in drawing up guidance.

Clause 32 provides that where in relation to money laundering of terrorist financing activity a power referred to in this law may be exercised under this law and the Proceeds of Crime Law, 2008, as well as the Terrorism Law, 2009. The power shall be exercised under this law, the Proceeds of Crime Law, the Money Laundering Regulations, or the Terrorism Law, as the case may be, but not under all of those laws. In other words, it can only be exercised under one of the legislations.

So, Madam Speaker, clause 35 provides that the Governor in Cabinet may under advice of the Monetary Authority by order amend clause 2 to extend the scope of persons operating in the financial sector, and that the Governor in Cabinet, pursuant to clause 37, may make regulations for the effect of carrying out of provisions of this legislation.

Madam Speaker, this is, as I said, an enhancement of the powers of the Monetary Authority and other relevant agencies where necessary working together under the various pieces of legislation to take additional countermeasures to deal with the proliferation of certain questionable financing as detailed in this legislation.

The Monetary Authority, understandably, has been consulted in the crafting of this legislation. So, subject to any questions, I would commend this Bill to honourable Members of this House.

Thank you.

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

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

If not, I call on the Honourable Second Official Member to exercise his right of reply.

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

It is only left for me to thank honourable Members for their support. Thank you.

**The Speaker:** The question is that a Bill shortly entitled The Proliferation Financing (Prohibition) Bill, 2010 given a second reading.

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

**Ayes.**

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

**Agreed: The Proliferation Financing (Prohibition) Bill, 2010 given a second reading.**

#### **Labour (Amendment) Bill, 2010**

**The Clerk:** The Labour (Amendment) Bill, 2010.

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

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move the second reading of a Bill shortly entitled The Labour (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

This Bill is one that I believe should elicit support from all Members of this honourable House. Its passage in this House would give effect to the International Labour Organisation (ILO) No. 182 Worst Forms of Child Labour Convention, 1999 and the Recommendation 190.

The Bill is quite clear and it gives the requisite definitions of "child" and it amends the principal Law to make it an offence for a person to subject a child to the worst forms of child labour including slavery, prostitution, pornography, debt bondage, servitude, recruitment for use in armed conflict, production and trafficking of drugs and other illicit activities, and any other work prescribed which is likely to harm the health, safety or morals of the child.

The Bill also makes provision for the Governor in Cabinet to make [Regulations] to authorise the employment of, or work by, a child of age sixteen years or over where the health and morals of the child are fully protected and the child has received relevant and adequate specific instruction or vocational training.



Madam Speaker, if you move through the short Bill that is before us, the new section 80A spells out those prohibitive activities that I just mentioned. And also deals with the whole issue of the capacity to make regulations to allow for there to be certain work to be authorised by a child. "Child" is defined as a person under the age of 18.

Also 80A(4) reads: "**A person who contravenes subsection (1)** [which are all the offences I read out a little earlier] **commits an offence and is liable on summary conviction to a fine of twenty thousand dollars or to imprisonment for a term of five years, or to both.**"

It also defines "firearms" it defines "servitude", which means a state of being a slave or completely subject to a person more powerful. It also defines for the first time "debt bondage" which "means an arrangement whereby a person is forced to pay off a loan with direct labor in place of currency over an agreed or indefinite period."

Madam Speaker, as I understand it, this amendment has been one that the UK Government has agitated for passage into law for quite some time. In looking at the specifics of the Bill and the banned activities, with good reason why; this is a Bill that whilst we would not envisage here in these Islands having any major issues with, nonetheless requires passage so that we can ensure that as a Territory we are compliant.

Madam Speaker, this is also one of those Bills that is important for us to pass as we lead up to our date with destiny when our Bill of Rights will come into full force.

I also sought leave of the Chair . . . and it has been circulated to Members. With your permission I would like to also say that another minor amendment to the Labour Law is being proposed by the Government where the principal Law in section 71(4), which outlines a specific function of the Director of Labour, (namely to register persons who are unemployed), actively pursues finding them active employment. And training opportunities are being temporarily transferred to the Chief Officer in the Ministry with responsibility for labour or his designate.

Madam Speaker, in an earlier statement in this House today, and in a statement that will further clarify and bring Members completely up to date on where the Government is heading as it relates to human capital development, the Government thought it prudent that before setting up the new agency and transferring the job placement unit personnel from the ER to that agency, that out of an abundance of caution we should make this minor amendment which will change that responsibility that I alluded to a bit earlier in 71(4).

The expectation is that we will have legislation that will remove this section from the Labour Law in its entirety in the September meeting of this honourable House. And this responsibility would then fall to the manager of the human capital development agency.

So, Madam Speaker, I am hoping that Members with that brief explanation will find it possible to be able to support that minor amendment that is being proposed by the Government. As I said (just to reiterate), it is a temporary holding position until the September meeting of the House when this whole matter will get completely regularised. But out of an abundance of caution we thought it would be prudent to make the change at this time so that there would be no question as it relates to the impending administrative order that would underpin the move of staff to fully take up their responsibilities in the new human capital development agency.

Madam Speaker, let me just say quickly that the new agency will be focused not only on registering and finding employment for those unemployed, and providing guidance on careers and training, but it would also house the scholarships unit and also the statistics and reporting unit of the Department of Employment Relations. So what we would have is a purely training and guidance and job placement unit focused on those specific areas of the labour market.

I can also say, as will be more fully fleshed out in the statement on Wednesday, that training and retraining of staff has already started in the ER. That training is going to be completed in the near future. In fact, thus far what has happened has been the interviews, assessment and documentation of the current organisation management structure and skill sets of all persons in that unit. What is to follow will be the recommended reorganisation and management structure and underpinned with the requisite training.

I can say, Madam Speaker, that in these challenging economic times it has been a refreshing welcome to the Government to have a senior member of the private sector who stepped up and provided this work free of charge. And the remainder of the project will also be provided free of charge. The person is a CEO of one of the major employment agencies here on the Islands. But again, that will be fleshed out in more detail in my statement on Wednesday.

Madam Speaker, I hope Members will support these two amendments, ones that should not be controversial in any real form or fashion.

Thank you.

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

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

**Hon. Samuel W. Bulgin:** Madam Speaker.

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Madam Speaker, I just rise to lend my support to the amendment proposed by the Honourable Minister in this Bill, as it relates to the amendment to give effect to the ILO Convention, as it relates to the Worst Form of Child Labour.

As he mentioned, this is an amendment that is really not territory specific in the sense that it is one that is being promoted by HMG in order to allow it to be able to report properly that not only the UK, but its territories are also in compliance with the tenets of the Convention. So, it is quite refreshing for us to be able to report at the appropriate occasion that the necessary legislative framework is now in place to be able to give effect to the convention and have it extended to us accordingly.

So it does enjoy my support.

Thank you.

**The Speaker:** Thank you, Honourable Second Official Member.

Does any other Member wish to speak?

[pause] Does any other Member wish to speak?

[pause] Does any other Member wish to speak?

[pause]

Third Elected Member for George Town

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, just to indicate the support of the Opposition to this important amendment.

**The Speaker:** Thank you.

Does any other Member wish to speak?

[pause] Does any other Member wish to speak?

[pause] Does any other Member wish to speak?

[pause]

If not I will call on the Honourable Minister of Labour to exercise his right of reply.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Just to thank honourable Members who have spoken in support of the Bill and all other Members who I know will support this very important Bill.

**The Speaker:** The question is that The Labour (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Labour (Amendment) Bill, 2010, given a second reading.**

#### **Merchant Shipping Amendment) Bill, 2010**

*(Deferred)*

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I was going to say that the Merchant Ship-

ping (Amendment) Bill, 2010, is going to be taken on Wednesday.

I guess I can still suspend Standing Orders and the Charities Bill, 2010, is going to be . . . I am going to lay that over for a further meeting of this honourable House to give Members more time with it, and to give any member of the public who might want to have an input into that Bill to be able to do so.

So, instead of doing the suspension of standing Orders, what I will do is move a motion that the Merchant Shipping Amendment) Bill, 2010, stand over until Wednesday morning at 10 o'clock.

**The Speaker:** The question is that Merchant Shipping Amendment) Bill, 2010, stand over until Wednesday, and that The Charities Bill, 2010, be referred to an Order Paper later on to give the public a chance . . .

*[Inaudible interjections]*

**The Speaker:** Do them one at a time?

All right.

The question is that Merchant Shipping Amendment) Bill, 2010, stand over until Wednesday.

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

**Ayes.**

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

**Agreed: The Merchant Shipping (Amendment) Bill, 2010 deferred until Wednesday 30<sup>th</sup> June, 2010.**

#### **Charities Bill, 2010**

*(Deferred)*

**The Speaker:** Now, let's do the Charities Bill, 2010.

The question is that it be deferred until a later sitting.

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

**Ayes.**

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

**Agreed: The Charities Bill, 2010 deferred until a later sitting.**

**The Speaker:** The House will now go into Committee to consider the Bills on the Order Paper.

**House in Committee at 7:44**

### **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses?

### **Customs Tariff (Amendment) Bill, 2010**

**The Clerk:** The Customs Tariff (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment of first Schedule of the Customs Tariff Law (2002 Revision)—duties and customs on imports.

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

### **Clauses 1 and 2 passed**

**The Clerk:** A Bill for a Law to amend the Customs Tariff Law (2002 Revision) to increase the duties of customs on motor gasoline and diesel oil; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

### **Titled passed.**

### **National Honours and Awards Bill, 2010**

**The Clerk:** The National Honours and Awards Bill, 2010.

Clause 1	Short title and commencement
Clause 2	Interpretation
Clause 3	Order of the Cayman Islands
Clause 4	National Honours and Awards Committee

**The Chairman:** The question is that clauses 1 through 4 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

### **Clauses 1 through 4 passed.**

**The Clerk:**

Clause 5	Duties of Committee
Clause 6	Nomination
Clause 7	Grant of award
Clause 8	Use of certificates and wearing of medals and insignia
Clause 9	Preservation of rights to honour and award

**The Chairman:** The question is that clauses 5 through 9 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

### **Clauses 5 through 9 passed.**

**The Clerk:** Clause 10 Regulations

**The Chairman:** The question is that clause 10 stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

### **Clause 10 passed.**

**The Clerk:** A Bill for a Law to provide for the granting of awards by the Premier; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

### **Title passed.**

### **Statistics (Amendment) Bill, 2010**

**The Clerk:** The Statistics (Amendment) Bill, 2010. Clause 1 Short title.

**The Chairman:** The question is that clause 1 stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 1 passed.**

**The Clerk:**

Clause 2	Amendment of section 2 of the Statistics Law (1996 Revision)—definitions
Clause 3	Amendment of section 7—other statistics
Clause 4	Amendment of section 8—compilation, etc., of statistics
Clause 5	Amendment of section 18—major offences

**The Chairman:** The question is that clauses 2 through 5 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 2 through 5 passed.**

**The Clerk:**

Clause 6	Amendment of section 19—miscellaneous offences
Clause 7	Amendment of section 20—penalties
Clause 8	Amendment of section 21—regulations

**The Chairman:** The question is that clauses 6 through 8 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 6 through 8 passed.**

**The Clerk:**

Clause 9	Amendment of the principal Law to substitute the office of Director of Economics and Statistics for the office of Statistician
Clause 10	Savings and transitional

**The Chairman:** The question is that clauses 9 and 10 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 9 and 10 passed.**

**The Clerk:** A Bill for a Law to amend the Statistics Law (1996 Revision) in order to provide for an updated institutional structure and statistical good practices; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

### **Customs (Amendment) Bill, 2010**

**The Clerk:** The Customs (Amendment) Bill, 2010

Clause 1	Short title
Clause 2	Amendment of section 22 of the Customs Law (2007 Revision)—approval of bonded warehouses
Clause 3	Amendment of section 43—calculation of value
Clause 4	Amendment of section 75—regulations

**The Chairman:** The question is that clauses 1 through 4 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 4 passed.**

**The Clerk:** A Bill for a Law to amend the Customs Law (2007 Revision) to make changes to the provisions relating to the approval of bonded warehouses and calculation of value; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**Proliferation Financing (Prohibition) Bill, 2010**

**The Clerk:** The Proliferation Financing (Prohibition) Bill, 2010.

Clause 1 Short title  
Clause 2 Interpretation

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 and 2 passed.**

**The Clerk:**

Clause 3 Power to give a direction  
Clause 4 Persons to whom a direction may be given  
Clause 5 Conditions for giving a direction

**The Chairman:** The question is that clauses 3 through 5 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 3 through 5 passed.**

**The Clerk:**

Clause 6 Requirements imposed by the Monetary Authority  
Clause 7 Customer due diligence  
Clause 8 Ongoing monitoring  
Clause 9 Systematic reporting  
Clause 10 Restricting or ceasing business

**The Chairman:** The question is that clauses 6 through 10 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 6 through 10 passed.**

**The Clerk:**

Clause 11 General directions: how given  
Clause 12 Specific directions: notification and duration of direction  
Clause 13 Directions restricting or ceasing business: exemption by licence

**The Chairman:** The question is that clauses 11 through 13 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 11 through 13 passed.**

**The Clerk:**

Clause 14 Power to require information or documents  
Clause 15 Powers of entry and inspection without a warrant, etc.  
Clause 16 Entry to premises under warrant  
Clause 17 Restrictions on powers  
Clause 18 Failure to comply with information requirement

**The Chairman:** The question is that clauses 14 through 18 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 14 through 18 passed.**

**The Clerk:**

Clause 19 Power to impose civil penalties  
Clause 20 Duty to issue penalty notice  
Clause 21 Right of appeal

**The Chairman:** The question is that clauses 19 through 21 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 19 through 21 passed**

**The Clerk:**

Clause 22 Failure to comply with requirement imposed by a direction  
Clause 23 Offences in connection with licences  
Clause 24 Extra-territorial application of offences  
Clause 25 Time limit for summary proceedings  
Clause 26 Liability of officers of bodies corporate, etc.

**The Chairman:** The question is that clauses 22 through 26 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 22 through 26 passed.**

**The Clerk:** Clause 27 Proceedings against unincorporated bodies.

**The Chairman:** The question is that clause 27 stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 27 passed.**

**The Clerk:**

Clause 28	Report to Legislative Assembly
Clause 29	Monitoring persons operating in the financial sector
Clause 30	Assistance in preparing guidance
Clause 31	Notices
Clause 32	Exercise of powers under this Law, the Proceeds of Crime Law (2008), the Money Laundering Regulations (2009 Revision), and the Terrorism Law (2009 Revision), the Terrorism (United Measures) (Overseas Territories) Order, 2001.

**The Chairman:** The question is that clauses 28 through 32 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 28 through 32 passed.**

**The Clerk:**

Clause 33	Agreement or arrangement to circumvent direction
Clause 34	Immunity from liability
Clause 35	Power to amend section 2(2)
Clause 36	Application to the Crown
Clause 37	Regulations

**The Chairman:** The question is that clauses 33 through 37 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 33 to 37 passed.**

**The Clerk:** A Bill for a Law to confer powers on the Monetary Authority to take action against persons and activities that may be related to terrorist financing, money laundering or the development of weapons of mass destruction; and for other incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

### **Labour (Amendment) Bill, 2010**

**The Clerk:** The Labour (Amendment) Bill, 2010.

Clause 1 Short title.

**The Chairman:** The question is that clause 1 stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 1 passed.**

**The Clerk:** Clause 2 Insertion of section 80A in the Labour Law (2007 Revision)—Worst Forms of Child Labour.

**Hon. Rolston M. Anglin:** Madam Chair, out of an abundance of caution I beg and seek your and the Clerk's guidance as to when to move the Committee stage amendment.

**The Clerk:** In relation to Clause 2, you move it now.

**Hon. Rolston M. Anglin:** Madam Chair, I beg to move the following Committee stage amendment in Clause 2, the marginal note thereof, by deleting the words "Labour Law (2007 Revision)" and substituting the words "principal Law."

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

No Member wishes to speak?

The question is that the amendment stand part of the clause. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Amendment passed.**

**The Chairman:** The question is that clause 2 as amended stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 2, as amended, passed.**

#### **New Clause 1A**

**The Clerk:** New Clause 1A, Amendment to section 2 of the Labour Law (2007)—interpretation.

**Hon. Rolston M. Anglin:** Madam Chair, I beg to move the following Committee stage amendment, by inserting the following clauses after clause 1.

“Amendment to section 2 of the Labour Law (2007 Revision)

“1A. The Labour Law, in this Law referred to as the ‘principal Law’ is amended in section 2 by inserting the following definition in the appropriate alphabetical sequence ‘Chief Officer’ means the Chief Officer in the Ministry responsible for labour or his designate;”.

**The Chairman:** The amendment has been duly moved. Does any other Member wish to speak? [pause]

The question now is that this clause be read a second time. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

The question now is that the clause as amended stand part of the Bill.

**Hon. Rolston M. Anglin:** Madam Chair, just out of an abundance of caution, this would be the new [clause] 1A that I just moved, and I am waiting on that to be added to the Bill and then I will move 1B.

**The Chairman:** The question now is that clause 1 A as amended stand part of the Bill.

**Hon. Rolston M. Anglin:** No. It’s a new clause, Madam Chair.

**The Chairman:** The question now is that this clause be read a second time.

[pause]

**The Chairman:** I would like to do that again.

The question now is that the clause be read a second time.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**New Clause 1A read a second time.**

**The Chairman:** The question now is that this clause be added to the Bill as Clause 1A and the subsequent clauses be renumbered accordingly.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**New Clause 1A passed.**

#### **New Clause 1B**

**The Clerk:** New Clause 1B, Amendment of section 71 (4) of the principal Law – appointment of Director, Deputy Director and inspectors.

**Hon. Rolston M. Anglin:** Madam Chair, I beg to move the following Committee stage amendment, standing in my name. New Clause 1B:

“Amendment of section 71 (4) of the principal Law – appointment of Director, Deputy Director and inspectors

“1B. The principal Law is amended in section 71(4) as follows -

- (a) by deleting the words ‘Director of Labour’ and substituting the words ‘Chief Officer;’ and
- (b) by deleting the word “Director” and substituting the words “Chief Officer.””

**The Chairman:** The question is that this clause be read a second time.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**New Clause 1B read a second time.**

**The Chairman:** The question now is that this clause be added to the Bill as Clause 1B and the subsequent clauses be renumbered accordingly.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**New Clause 1B passed.**

**The Clerk:** A Bill for a Law to amend the Labour Law (2007 Revision) to make provision for the prohibition and elimination of the Worst Forms of Child Labour; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**The Chairman:** The question now is that the Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**House resumed at 8.08 pm**

**The Speaker:** Please be seated.

## **REPORT ON BILLS**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

### **Customs Tariff (Amendment) Bill, 2010**

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I have to report that The Customs Tariff (Amendment) Bill, 2010, was considered by a Committee of the whole House [and passed] without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **National Honours and Awards Bill, 2010**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I have to report that The National Honours and Awards Bill, 2010, was considered by a Committee of the whole House [and passed] without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Statistics (Amendment) Bill, 2010**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I have to report that The Statistics (Amendment) Bill, 2010, was considered by a Committee of the whole House [and passed] without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Customs (Amendment) Bill, 2010**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I have to report that The Customs (Amendment) Bill, 2010, was considered by a Committee of the whole House [and passed] without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **Proliferation Financing (Prohibition) Bill, 2010**

**The Speaker:** Honourable Second Official Member.

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

I have to report that The Proliferation Financing (Prohibition) Bill, 2010, was considered by a Committee of the whole House and approved without amendment.



**The Speaker:** The Bill has been duly reported and is set down for a third reading.

#### **Labour (Amendment) Bill, 2010**

**The Speaker:** Minister for Labour.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

A Committee comprising the whole House considered The Labour (Amendment) Bill, 2010, and approved the Bill with amendments.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **THIRD READINGS**

#### **Customs Tariff (Amendment) Bill, 2010**

**The Clerk:** Third Reading: The Customs Tariff (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move that a Bill entitled The Customs Tariff (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled The Customs Tariff (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Customs Tariff (Amendment) Bill, 2010, given a third reading and passed.**

#### **National Honours and Awards Bill, 2010**

**The Clerk:** Third Reading: The National Honours and Awards Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move that a Bill entitled The National Honours and Awards Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled The National Honours and Awards Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The National Honours and Awards Bill, 2010, given a third reading and passed.**

#### **Statistics (Amendment) Bill, 2010**

**The Clerk:** Third Reading: The Statistics (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move that a Bill entitled The Statistics (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled The Statistics (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Statistic (Amendment) Bill, 2010, given a third reading and passed.**

#### **Customs (Amendment) Bill, 2010**

**The Clerk:** Third Reading: The Customs (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move that a Bill entitled The Customs (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled The Customs (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Customs (Amendment) Bill, 2010, given a third reading and passed.**

**Proliferation Financing (Prohibition) Bill, 2010**

**The Clerk:** Third Reading: The Proliferation Financing (Prohibition) Bill, 2010.

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Madam Speaker, I beg to move that a Bill entitled The Proliferation Financing (Prohibition) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled The Proliferation Financing (Prohibition) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Proliferation Financing (Prohibition) Bill, 2010, given a third reading and passed.**

**Labour (Amendment) Bill, 2010**

**The Clerk:** Third Reading: The Labour (Amendment) Bill, 2010.

**The Speaker:** Honourable Minister for Labour.

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move that a Bill entitled The Labour (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled The Labour (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Labour (Amendment) Bill, 2010, given a third reading and passed.**

**GOVERNMENT BUSINESS**

**MOTIONS**

**GOVERNMENT MOTIONS**

**The Speaker:** Honourable Minister.

**Government Motion No. 1/2010-11—The National Pensions (General) (Amendment) Regulations, 2010**

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to move Government Motion No. 1/2010-11, standing in my name. And it reads:

**WHEREAS section 95(6) of the National Pension Law (2000 Revision) provides that regulations made under this Law are subject to affirmative resolution;**

**AND WHEREAS the National Pensions (General) (Amendment) Regulations 2010 were laid on the Table of the Legislative Assembly;**

**BE IT NOW THEREFORE RESOLVED that the attached National Pensions (General) (Amendment) Regulations 2010 be affirmed by the Legislative Assembly pursuant to section 95(6) of the National Pensions Law (2000 Revision).**

[long pause]

**The Speaker:** The Motion is open for debate. Does the Honourable Minister wish to speak thereto?

**Hon. Rolston M. Anglin:** Madam Speaker, being cognisant of the late hour—

**Some Hon. Members:** Oooh.

**Hon. Rolston M. Anglin:** —twenty minutes past 8.00 pm, I will be most brief.

Madam Speaker, in keeping with my new-found brevity—

*[laughter and inaudible interjections]*

**Hon. Rolston M. Anglin:** —I would just like to point out to Members that these regulations are in line with the principle of ensuring that users of government services, as best we can, participate in the funding of those services from which they benefit.

Madam Speaker, there are two basic amendments to the fee arrangements for private sector pension plans. First, there is an increase in the processing of an amendment to a pension plan in Regulation 8 to \$1,500.

Madam Speaker, there is an increase in the per member fee for registration and filing of annual information in Regulations 6 and 9, respectively, of \$20 per member; and removing the maximum filing fee as contained in Regulation 9.

Madam Speaker, in essence, what this does is that it causes persons who participate in pension plans under the National Pensions Law to pay less

than \$2 per month in terms of the funding of the regulation of these pension plans.

Madam Speaker, I note that I will also be making a short statement to this honourable House to clearly outline the way forward with pension regulations. But I will say this much, following on from my statement earlier, that one of the key issues that has plagued the National Pensions Office as it relates to providing effective regulation and follow up of complaints from workers has been the great difficulty and cumbersome approach that the National Pensions Law demands for cases to be filed with the honourable Attorney General's Chambers and taken to court.

The way forward is going to be along the lines of a fixed penalty ticket system that is going to allow for the new Department of Labour and Pensions to be able to administer and levy fines in their offices on the spot once an employer refuses to acquiesce to initial payment plan requests.

In other words, whilst we recognise that any infractions need to be dealt with swiftly, it is appreciated that employers need to be and ought to be given every initial opportunity to remedy any wrong, that is, withholding payments from employees and not paying them on to the relevant plans.

Madam Speaker, I will provide more details on how this will work moving forward, but I can assure all honourable Members that the new way forward is going to be one that is much streamlined taking the cumbersome and practically impossible to administer in an efficient manner elements out of the Law, ensuring that it is replaced with a much streamlined and efficient system so that there is a built-in incentive for employers to do the right thing in the first instance. But, certainly for those who fail to do so, to do the right thing once any infractions are brought to the attention of the new single inspectorate that will oversee all labour and labour related complaints from the general public.

Madam Speaker, use of technology will also come into play as pension plan providers currently provide information to the NPO electronically. But under the new regime there will be the capacity to allow for careful monitoring and scrutinising of those reports on a timely manner.

Also, Madam Speaker, we have recently hired an additional inspector. Certainly, the way forward will be to assess our resources once the legislative framework has been completed and brought back to this House, debated and passed, and having opportunity for further public consultation. It is certainly not anticipated that this will happen until the November meeting of the Legislative Assembly.

So, Madam Speaker, these regulations are being brought at this time to ensure that the costs of providing effective regulation to the pensions industry not only by way of employee complaints, but also more streamlined and effective regulation of pension administrators and plans, which also has lagged behind, Madam Speaker, will be adequate and covered.

Madam Speaker, with those few remarks, I look forward to other Members' contributions and, hopefully, support for this initiative of the Government.

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

If not, does the Honourable Minister wish to exercise his right of reply?

**Hon. Rolston M. Anglin:** Madam Speaker, just to thank honourable Members for their silent support.

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED that the attached National Pensions (General) (Amendment) Regulations 2010 be affirmed by the Legislative Assembly pursuant to section 95(6) of the National Pensions Law (2000 Revision).

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

**Ayes.**

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

**Agreed: Government Motion No. 1/2010-11—The National Pensions (General) (Amendment) Regulations, 2010, passed.**

**The Speaker:** I think that is the end of the business on the Order Paper for today. I will call on the Honourable Premier to bring a motion for the adjournment.

## ADJOURNMENT

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

On Wednesday morning, we propose to take the Government guarantee in respect of a bond held by various bond holders for the Cayman Islands Development Bank, and the Government guarantee in respect of a Credit Facility for the Cayman Islands Development Bank. Those two motions were on the Order Paper and we didn't get to deal with them.

Also, Madam Speaker, will be a Bill for a Law to amend the Development and Planning Law Revision; a Bill for Infrastructure Fees; the Development and Planning Law (2008 Revision) the Development and Planning (Amendment) Regulations 2010. Those Bills should be down to the House by this evening or tomorrow morning.

Madam Speaker, we propose to adjourn the House until 10.00 am on Wednesday next.

**The Speaker:** The question is that the House do adjourn until 10.00 Wednesday morning.

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

**Ayes.**

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

**The House stood adjourned until 10.00 am  
Wednesday, 30 June 2010.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**30 JUNE 2010**  
**11.05 AM**  
*Seventh Sitting*

**The Speaker:** I call on the Second Elected Member for Bodden Town to say Prayers.

Works, Lands and Agriculture, and the Honourable First Official Member.

**PRAYERS**

**Mr. Anthony S. Eden:** Let us pray.

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

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

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

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

**The Speaker:** Good morning everyone.  
Proceedings are resumed. Please be seated.

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

**Apologies**

**The Speaker:** I have apologies for absence from the Third Elected Member for Bodden Town and the First Elected Member for Cayman Brac and Little Cayman.

I also have apologies for late arrivals from the Deputy Premier, Minister for District Administration,

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**Civil Aviation Authority of the Cayman Islands  
Annual Report for the period July 2005 to June  
2006, July 2006 to June 2007, July 2007 to June  
2008, July 2008 to June 2009**

**The Speaker:** Honourable Premier, [Minister responsible for Finance, Tourism, and Development]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, in the absence of the Honourable Deputy Governor responsible for Internal and External Affairs and the Civil Service, who is unavoidably absent, I will lay these reports on the Table of this Honourable House: The Annual Report for July 2005 to June 2006, Annual Report for July 2006 to June 2007, Annual Report for July 2007 to June 2008, Annual Report for July 2008 to June 2009.

**The Speaker:** So ordered.

**Information Commissioner's 2009 Annual Report –  
Cayman Islands**

**The Speaker:** Honourable Premier [Minister responsible for Finance, Tourism and Development]

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this Honourable House the Annual Report 2009 of the Information Commissioner of the Cayman Islands.

**The Speaker:** So ordered.  
Does the Member wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Briefly, thank you, Madam Speaker.

Madam Speaker, I present to this honourable House the Annual Report 2009, of the Information Commissioner of the Cayman Islands.

Section 40 of the Freedom of Information Law requires that the Information Commissioner table before the Legislative Assembly a yearly report on the operation of the Law along with audited accounts. The Law sets out that the report should contain a number of statistics relating to the activities and compliance of the Information Commissioner's Office. Copies of the

Information Commissioner's Annual Report for the 2009 calendar year have been distributed to Members of the House for their review.

I would like to note that the financial overview published in the Report contains estimated and audited figures. I understand that the Commissioner wanted to ensure that the Report was completed and presented to the House in a timely and relevant manner, and, as the Public Management and Finance Law have only been amended recently to give her office financial independence, a formal audit of the figures is not practicable at this time.

I also understand Madam Speaker, that the Commissioner will also be submitting a half-year report on the first six months of 2010. This will bring the reporting period in line with the fiscal year and enable complete and audited reports to be presented to this honourable House from that point forward.

Madam Speaker, as is on the Order Paper for today, I intend to move a motion which proposes that a committee of the whole House be established to whom the Information Commissioner shall be responsible and who will oversee the review of the Freedom of Information Law as required by that Law.

Madam Speaker, the House will note that this is the first annual report from that Office, and I think Members should take time to peruse this matter. As I said, later on I intend to move a motion that will give oversight and a review period.

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

**Government Minute on the Standing Public Accounts Committee on the Special Reports of the Auditor General on various matters**  
(Withdrawn)

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I want at this time to move a motion to withdraw the tabling until a later sitting of this honourable House. So under the relevant Standing Order I withdraw the Government Minute at this time.

**The Speaker:** There's a motion that the Government Minute, as included in the Order Paper today, be withdrawn and reserved for a future sitting of the Legislative Assembly.

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

**Ayes.**

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

**Agreed: Government Minute on the Standing Public Accounts Committee on the Special Reports of**

**the Auditor General on various matters withdrawn and reserved for a future sitting.**

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

**The Speaker:** We have a number of statements today.

Honourable Minister for Health [Environment, Youth, Sports and Culture], would you begin please?

**Update on Activities of Ministry of Health, Environment, Youth, Sports and Culture since May 2009**

**Hon. J. Mark P. Scotland (Minister for Health, Environment, Youth, Sports and Culture):** Thank you, Madam Speaker.

I crave the indulgence of the House today to provide a statement on the Ministry of Health, Environment, Youth, Sports and Culture.

Madam Speaker, in the statement I will summarise activities of the Ministry for the past year, and I have outlined some of the plans, activities and initiatives for the upcoming fiscal year, 2010/11.

**Health**

The challenge we continue to face has been to continue to deliver critical services in the face of the severe financial constraints which we inherited. One of the areas where this continues to be the case is in the area of health.

I am sure we all agree that without a healthy population a country has little chance of success. However, despite the critical importance of health care, countries around the world continue to grapple with how to provide it in a manner that is sustainable and affordable, while ensuring access for all members of society, including the most vulnerable.

It could be argued that our future economic success begins and ends with health. With that in mind, Madam Speaker, my Ministry's focus has been, and will continue to be, on improving the health and well being of all citizens of these Islands.

The 2009/10 financial year brought significant milestones in our neighbour, the United States, when President Obama saw his healthcare reform initiatives finally receive the necessary approvals. There is much debate on how these reforms will affect us here in the Cayman Islands, and we should continue to monitor the situation closely and carefully as it evolves. You may wonder why I would suggest that this is the case. Why should the Cayman Islands be concerned with the health care reform in the United States? There are several reasons, not the least of which is that currently the majority of our tertiary care is sought at medical facilities in the United States.

Earlier this year, as is well known now, this Government successfully negotiated an agreement with world-renowned cardiac surgeon Dr. Devi Shetty to develop a large-scale, tertiary care, medical tourism facility in the Cayman Islands. Once operational, this multi-phase project will attract medical tourists from overseas, and also allow residents to access tertiary health care services locally.

A significant benefit will be that local patients can stay close to their homes and families while receiving world-class services. It will also include a medical school, which will provide tremendous opportunities for young Caymanians to pursue careers in healthcare at home.

This project is also an important first step towards the establishment of medical tourism as another major contributor to the Cayman economy, and presents a much-needed opportunity to diversify our economic base.

There have been some concerns expressed regarding the magnitude of concessions which were offered to the project, and some who have said that agreeing to forego some of the revenue that would have been collected if the concessions were not in place is far too high a price to pay to have the development here.

I have already touched on some of the potential benefits of this project in terms of improved local access to tertiary health care, but I would like to take this opportunity to emphasise the potential savings that this project represents. At present, Government spends, on average, one million dollars or more per month on overseas health care for the seafarers, veterans and members of our community that can't afford healthcare.

By gaining access to high quality tertiary care locally at rates considerably lower than we currently pay for patients transferred overseas there is potential for considerable savings to the Government. If we are able to direct even a fraction of the care we currently source overseas to the new hospital, it will translate to better access to tertiary care at significant savings to the country.

All told, on health insurance and healthcare, Government expenditure is approximately \$90 million annually. That is nearly 20 per cent of our budget, and while I believe that no price can be placed on good health and well-being, I am sure that we all agree that this level of expenditure is not affordable, or sustainable, at the best of times, let alone in the midst of a financial crisis. The health and well-being of the residents of the Cayman Islands are of paramount importance, but expenditure on healthcare needs to be more reasonable and savings must be made.

Madam Speaker, in the past budget year we were not only faced with a global economic crises, but also a global health pandemic. As a result of this threat, in the first part of the year the Ministry and the Health Services Authority prepared for, and responded to, the H1N1 pandemic. As this pandemic

swept the globe the Cayman Islands were relatively late in seeing its arrival on our shores, however, once it arrived we saw the numbers climb.

I am pleased to be able to report that the local preparation and inter-sectoral coordination helped to minimise the impact of the virus on the local population. In fact, we received commendations from organisations such as the Pan American Health Organisation (PAHO) for our public information campaign, flu clinic, and H1N1 vaccination programme.

Madam Speaker, in all areas of Government, it is important to foster partnerships in order to maximise opportunities to deliver services more effectively. One partner that helped with two important and potentially life-saving programmes in the past year was the Cayman Islands Cancer Society.

The first programme which the Ministry, the Health Services Authority, and the Cancer Society partnered on was the launch of an HPV (human papilloma virus) vaccine programme. Through this partnership, this important and potentially life-saving vaccine was made available, free of charge, to the young women of the Cayman Islands.

Also in partnership with the Cayman Islands Cancer Society, the Health Services Authority has appointed a Cancer Registrar to lead the creation of the country's first national cancer registry. This will be an important tool in tracking the incidence of cancer in our population, and the data will provide valuable information which will help to formulate capital development requirements and design the much needed interventional programmes as we strive to reduce the incidence of this dreadful disease in our country.

Also, in the area of public health, I am particularly proud to have seen the implementation of the Tobacco Law on December 31, 2009. This legislation, which was years in the making, bans smoking in public places, greatly reducing the health risks of exposure to second hand smoke. It also makes it illegal to sell tobacco products to minors, requires tobacco dealers and wholesalers to be registered, and puts in place strict guidelines for the display and sale of tobacco products.

The benefits from this legislation over the short and long term will see fewer people smoking, leading to improved health and reduced long-term health care costs through a reduction in the occurrence of the debilitating diseases that are associated with tobacco use.

In the 2009/10 financial year the Health Services Authority (HSA) continued its efforts to improve its finances. I am happy to report that for the first time in the HSA's history it will report a profit for the 2009/10 financial year.

The significance of the financial turnaround of HSA is important to highlight because this is an organisation that reported over \$16 million in losses just a few years ago. The collective effort by the entire HSA management and staff, the Board and the Minis-

try is a testament to the effectiveness of hard work, strong values, great leadership and true partnership.

The team focused on maximizing revenue, improving collections and reducing bad debts, and cutting expenses in all areas of operation. I would like to publicly commend the management and staff of the has, led by Mrs. Lizzette Yearwood, and the Board members, headed by Mr. Canover Watson, for their efforts in this area. Their hard work and dedication to the task is much appreciated.

However, I would like to highlight that despite the significant cuts made by the HSA, improving the quality and access to patient care remains the focus. The HSA provided services for 310,000 patient encounters last year, including inpatient, outpatient, and pharmacy, and will continue to focus on increasing access and continuity of quality care.

The 2009/10 financial year also saw the Health Services Authority embark on an update to their Strategic Plan. Once completed, this will strengthen the HSA's aim of achieving significant improvements in health outcomes, quality of care, financial management, and operational efficiency. I look forward to seeing its completion in the coming budget year.

Another highlight for the HSA: in the past year was the official re-opening of the Faith Hospital in Cayman Brac, after a long capital renovation programme. These renovations to the Faith Hospital ensure the continued access to high-quality health care facilities for the residents of Cayman Brac and Little Cayman. The official re-opening ceremony included the dedication of the Captain Charles Kirkconnell wing, a fitting tribute to a statesman who was not only a visionary but also integral to the development of the Sister Islands.

Madam Speaker, another example highlighting the importance of partnerships is the recent grant of funding received from the Hedge Funds Care programme. It is unfortunate that we have children in our country who are the victims of abuse from emotional, physical, and sexual. Unfortunately, this is an area where we have seen an increasing need, and I am pleased that as a result of the grant funding from Hedge Funds Care the Health Services Authority has been able to recruit a part-time child psychologist to enhance the provision of these much-needed services to children who are victims of physical or sexual abuse.

The need to enhance our mental health services is not confined to the victims of child abuse. There is a need to take a holistic approach to the delivery and co-ordination of mental health services across all stratas of the population. In recognition of this, I formed a Mental Health Task Force under my Ministry and we have started work on our Mental Health Policy and will in due course produce legislative reforms. This multi-sectoral committee has only recently convened, and I look forward to being able to report on its progress in the coming year.

One of the areas which the Mental Health Task Force has flagged for consideration is the provision of mental health facilities. I am pleased to report that through collaborative inter-ministerial co-operation my Ministry is working with the Ministry and Minister of Community Affairs to ensure that a juvenile mental health facility is incorporated into their plans for the juvenile therapeutic community.

### **CINICO**

Turning to CINICO: In the past year the Cayman Islands National Insurance Company has continued to provide excellent insurance coverage to its clientele, which includes the Civil Service, the Seafarer's and Veterans, the low-income population, and those who are not able to obtain insurance from other commercial insurers due to pre-existing medical conditions.

CINICO has continued to be profitable in 2009/10 after successive losses from 2003 to 2008, and their equity position remains strong. Contributing to CINICO's positive financial position was their ability, recently, to successfully obtain, through public tender, reinsurance at a premium that was 25 per cent less than the premiums for the previous period.

CINICO recently issued a tender for Third Party Administrator (TPA) as the current arrangement has been on a month to month basis for some time now. Part of the new TPA services will be to help CINICO continue to further develop in-house claims adjudication and in-house case management services. CINICO will also continue to develop its own overseas referrals proprietary network. Over the next 1 to 2 years this will lead to significant savings to CINICO and will also create jobs locally within the organisation.

This year National Standards for Health Facilities were formulated, and following approval, they were gazetted. The Department of Health Regulatory Services then appointed the first Health Facilities Inspector, and Inspections were started recently and are being conducted in accordance with these National Standards.

The Department also continued to provide the administrative support and guidance to the Health Practice Commission and the professional councils responsible for the registration of health care practitioners and those professions allied with medicine.

### **National Drug Council (NDC)**

The National Drug Council (NDC) conducted The Cayman Islands Student Drug Use Survey (CIS-DUS) in April 2010. This survey is designed to provide information about drug use amongst middle and high school students in the Cayman Islands and was the 5<sup>th</sup> cycle of this survey for the Cayman Islands since 1998. The survey helps us to better understand the nature and extent of the drug problem amongst middle



and high school students, to be able to track changes in drug use patterns over time and to aid the development and strengthening of prevention programmes and policies.

My Ministry has had recent discussions with the Minister of Education as to how the results from this survey can be utilised by the Ministry of Education and how Substance Abuse Prevention Education can be strengthened in the National Curriculum, and I am confident that through this inter-ministerial collaboration we will arrive at an enhance substance abuse prevention education programme in our schools.

### **Environment**

I would like to turn now to the subject area concerned with protecting the health of our natural resources. A healthy natural environment is a critical component of the nation's overall wellbeing. In order to ensure our successful economic future, we need to strike a careful balance between environmental protection and physical development. In order to achieve this balance we will ensure that policy and legislative framework clearly outlines the factors to be considered and addressed when development projects are being planned and approved.

One component to the legislative framework is the proposed National Conservation Law.

Madam Speaker, the Department of Environment has commenced public consultation on this proposed law, which we plan to table in this Honourable House in the coming financial year. I would stress that the Bill will only be tabled following a thorough consultation process in which the public has had input in order to ensure that the law will be fair and equitable to all.

The Department of Environment has also continued its work on the National Climate Change Strategy, including a National Workshop, development of an issues paper on mitigation and adaptation to climate change, and a climate change modelling workshop.

With the recent prediction that we are in for a very active storm season, due in part to unusually high temperatures in the Atlantic, we have a clear reminder of the importance of a climate change adaptation and mitigation strategy.

The importance of partnerships in the past year is also recognised by the Department of Environment. It has actively sought, and successfully obtained grant funding to allow them to conduct a number of important research projects. Some of these projects include:

- Establishing a local Shark and Cetacean Study in collaboration with Marine Conservation International and the Save Our Seas Foundation.
- Begin important review and analysis as part of the marine protected areas in collaboration with the Nature Conservancy.

- Launching the control programme for the invasive Lionfish through support from the United Kingdom's Joint Nature Conservancy Council.
- Completing the annual Nassau Grouper monitoring as part of the Grouper Moon Project in collaboration with the Reef Environmental Education Foundation and the University of Oregon.

DoE's successful partnerships are not limited to those with external agencies. Working in collaboration with the Department of Tourism, the Department of Environment has facilitated the Green Globe certification of several tourism properties through the DoE/DoT (Department of Environment/Department of Tourism) Cayman Environment Project for the Tourism Sector (CEPTS).

### **Youth**

We continually refer to "future generations", and while it is perhaps an overused cliché, the fact remains that the youth are our future. They are the future leaders, business people, healthcare professionals, and stewards of our country. We have an obligation to provide them with the tools and opportunities they need to grow and develop into their future roles.

It is unfortunate that so many of the headlines this past year highlighted the negative and anti-social behaviour by our country's youth. We cannot be complacent and just pretend that a problem does not exist, or leave it to fester until it explodes.

We must ensure that we are providing sufficient opportunities for our youth to become positively engaged in order to grow and excel, whether it be through sports, community groups, cultural pursuits, or faith-based activities, so that each and every young person is given the tools, knowledge, and confidence they need to develop and reach their fullest potential. This is the goal of my Ministry, and to work in collaboration with other Ministries in this regard.

My Ministry has delivered a number of important programmes over the past year that were aimed to achieving the objective of providing opportunities for our young people to become positively engaged and work toward achieving their potential.

The National Youth Commission was reinstated this past year, and held a National Youth Stakeholders Conference in October 2009. This multi-sectoral stakeholder meeting brought together nearly one hundred stakeholders, and set the stage for the ongoing review of the National Youth Policy.

The National Youth Commission, with the assistance of the Youth Services Unit, has almost completed their update of the National Youth Policy, and the implementation phase for these revised and updated goals and objectives is scheduled for the 2010/11 financial year.

The Youth Services Unit published its second annual Youth Service Provider Directory in May of this year. This directory, which was published with the kind support of Cayman National Bank, provides information regarding the many youth programmes available in the Cayman Islands, including contact information to find out further details and learn how to get involved.

The Youth Services Unit also co-ordinates the National Youth Assembly, a committee of over 30 young people from across all middle and high schools on the island. This youth committee prepared and presented two position papers: "Crime and Violence in the Cayman Islands" and "School Related Issues and the Way Forward". These papers will be tabled in the Legislative Assembly later this year.

The Cadet Corps continues to provide Cadet training for youth in Grand Cayman and Cayman Brac. Offering a broad range of activities for the Cadets, the Cadet Corps goal is to offer educational and leadership opportunities to the Cadets in order to help them attain skills, knowledge, and values that will assist them as they develop into adults and valuable members of the community. I appointed a committee this year to carry out a review of the role of the Cadet Corps and to determine how effective it has been in achieving its mandate. The review has recently been completed and the findings will be implemented in 2010/11 year.

### **Culture (Gallery, Museum, CNCF)**

The past year as it relates to Culture has been one of milestones and innovations. The cultural agencies of the Cayman National Cultural Foundation, National Gallery of the Cayman Islands and Cayman Islands National Museum have all made great strides in showcasing our Culture.

The re-opening of the National Museum in September 2009 after extensive renovations was a significant achievement. The newly refurbished Museum now contains several state of the art exhibits.

The National Gallery continued its thriving outreach programmes throughout the districts, and reached out to HM Prison Northward, The Pines Retirement Home and Caribbean Haven. One of the more rewarding exhibits was the 21st Century Cayman Exhibit. This exhibit imparted many of the arts and crafts of yesteryear while incorporating the modern advances of today. In the midst of delivering the various outreach programmes and exhibits the Gallery was also able to progress its building project through to the final design stage, with the goal of starting construction in this fiscal year.

The Cayman National Cultural Foundation reached a significant milestone by celebrating their 25th anniversary in October 2009. This is significant when we all recall the many cultural developments that have been initiated by the Foundation over the past 25 years, including the Cayman Islands National

Festival of the Arts, Cayfest, which was very successful and enjoyable this past year.

### **Looking Ahead to 2010/11**

Much has been accomplished during the past year, but as we all know, there is still much more to be done. I will briefly outline some of the plans for my Ministry for the 2010/11 year, supported by our Government. These are difficult times, particularly given the financial constraints and the challenge now, more than ever before, is going to be to deliver our programmes and services, and improving them where the opportunities arise, on a very limited budget.

There is also much to be done in terms of legislative reforms. Many of the laws and regulations which govern the areas under my Ministry are in need of updating to reflect our current situation and operational needs. I will now outline some of my Ministry's plans for the coming financial year.

First, I do want to take this opportunity to commend my Chief Officer, Ministry staff, Department Heads and their staff for their efforts in arriving at a budget that recognises the financial situation we are faced with, but still finds a way to deliver the much needed programmes and services.

### **Health 2010- 2011**

My Ministry has plans for the coming year which will contribute to the goal of achieving improved health and well-being for all, while also achieving much need cost savings. I am sure that everyone will agree that improving access to healthcare, preventing disease and controlling chronic illnesses contributes to better quality of life.

In addition to launching the CayHealth programme, which I spoke about recently, the Health Services Authority is in the final stages of developing a new five year strategic plan that outlines specific objectives and future directions for the sustained delivery of high quality health care, within the framework of five overarching goals:

- Accessibility to high quality, basic and essential health services provided in facilities that are well-equipped and staffed by competent health professionals.
- Collaboration with partners to actively engage the public in healthy lifestyle changes to mitigate the impact of chronic diseases and illnesses.
- Adoption of international evidence-based practice in areas of clinical care.
- Improved financial management.
- Improved customer service and patient satisfaction.
- Increased partnerships to ensure the technology, facilities and services required are available to improve our delivery of sustainable high quality healthcare.

The plan, when completed, will strengthen the HSA's aim of achieving significant improvements in population health outcomes, quality of care, financial management and operational efficiency.

In conjunction with the Strategic Planning process, there are several other initiatives to further improve the financial management and sustainability of the HSA, some of which have already been implemented, and the turnaround of the HSA is already evident from its current financial report which reflects significant improvement, moving from losses as high as \$16 million within the past four years to a projected breakeven position at the end of the current financial year and \$1 million profit in the 2010/2011 financial year.

This has been the result of coordinated action by the Ministry, Board, management and staff to address prior internal and external deficiencies including increased efficiency through a comprehensive review of all areas of the HSA's operations to ensure optimum levels of efficiency and that all expenditure is within budget.

We are all well aware that as a country we spend a significant amount of money on overseas health care. In the upcoming year my Ministry will work with stakeholders, including CINICO and the HSA, to implement measures to ensure that we are getting value for money from our overseas healthcare providers, and also identify a suite of alternative measures to help better manage our expenditure on overseas care.

A first step in this regard is the appointment at the HSA of a fulltime cardiologist and oncologist in the 2010/2011 budget year. Recruitment has commenced for these two posts. The appointment of a fulltime resident cardiologist and oncologist, not only will improve access, patient safety, and patient satisfaction, but will also decrease costs being incurred to transfer these patients overseas.

Other developments at the HSA include a comprehensive succession plan to Caymanianise the HSA as much as possible. I have personally been working very closely with the HSA myself to reach out to Caymanians that are either training abroad for careers in medicine, and those already practicing, to encourage them to return home to the HSA. I am pleased to say that one such Caymanian doctor will be commencing employment with HSA within the next month.

It is interesting and concerning to note that the World Health Organization estimated in 2005 that the major chronic non-communicable diseases accounted for 60 per cent of all deaths and 47 per cent of the global burden of disease, and unfortunately these figures are expected to continue to rise. In the Caribbean, non-communicable diseases contribute to the greatest burden of disease, and the top five causes of death are heart disease, cancer, diabetes, stroke, and hypertension. In fact, premature deaths from chronic

diseases far exceed deaths from HIV/ AIDS and injuries.

In order to plan appropriately for the prevention and control of chronic non-communicable diseases and to allocate resources adequately, there is a need to conduct a population based survey on risk factors for these diseases. This information will also facilitate the monitoring and evaluation of any of the interventions which are initiated to combat these preventable diseases.

There is an established standardised methodology for conducting such surveys, and in partnership with PAHO (Pan American Health Organisation), CAREC (Caribbean Epidemiology Centre), and the WHO (World Health Organization), we will conduct the first steps in a risk factor survey in the coming year. The results of this survey will be an extremely valuable tool in our planning of the required interventions to help stop the increasing numbers of our residents who suffer with these potentially debilitating and life-threatening diseases.

I mentioned earlier that there is a need to update some of our legislative framework in order to make it more responsive to our current reality. In this vein, I will be tabling amendments to the Pharmacy Law in the coming year.

My Ministry has been working with the Pharmacy Council, who has been in consultation with their membership, to review this legislation and make recommendations for changes to it. A similar consultation process will be launched shortly with regards to amendments to the Health Practice Law and Regulations, which will not only serve to update this law but will also include a review of the composition and role of the Health Practice Commission and the various health practitioner registration councils. This will ensure that the right framework and systems are in place to allow for a transparent, fair, and open process that is responsive to the needs of the practitioners while continuing to ensure that we maintain the high standards of professional care that the public have come to expect.

I am also pleased to report that work is on-track for the September tabling of the amendments to the Health Insurance Law, including the enhanced Standard Health Insurance Contract, or "SHIC", Plan as known. As has already been debated and agreed in this Honourable House, these are much needed and long overdue amendments to this important piece of legislation, and I look forward to the support of this House when I table these amendments in a few months time.

Another important initiative in the area of health for the coming year is the initiation of work on a National Strategic Plan for Health. In my first year as Minister of Health I have come to realise that one thing that is lacking is a clear, guiding vision for our nation's health. Not only do we not have a road map showing us the way, I do not believe that we have agreed on the vision of where we want to go. Accord-

ingly, in the coming year my Ministry will commence the preparation of a National Strategic Plan for Health. As part of this plan, we will also be reviewing our existing organisational structures to identify ways to enhance our capacity with regards to health policy and related policy advice.

### **Environment 2010-2011**

I have already outlined the important initiatives that have been commenced in the past year in the area of Environment, such as the consultation process on the National Conservation Law and the National Climate Change Strategy.

As a country, we need to recognise that our economic, social, personal, and environmental health, are all tied together. As I said earlier, the National Conservation Law will provide the legal framework we need to achieve the balance between the need for development and the need for protecting our natural environmental capital to achieve this. The public consultation process, as I said, for the draft bill has already commenced, and following this the legislation will be tabled in the coming year.

There has been a great deal of debate in the global press about climate change, and it is in our best interests to plan for it. In 2010/11, the Department of Environment will continue their work on the National Climate Change policy, including the identification and prioritisation of various adaptation and mitigation measures.

In addition, the Climate Change Vulnerability and Capacity Assessment for the Tourism sector will also be completed as part of the DFID-funded project – Enhancing the Capacity for Adaptation to Climate Change (ECACC).

### **Youth 2010-2011**

Moving on now to my Ministry's plans with regard to youth, the coming year will be a very productive one. With the pending completion of the review and update of the National Youth Policy, the Youth Services Unit and the National Youth Commission will be drafting and implementing the action plans to move the policy from paper to reality.

I am confident that by the end of the coming financial year we will have implemented a comprehensive framework [to operationalise] the goals and objectives of the youth policy.

One area of concern highlighted by the National Youth Commission is the content of some of today's popular music. Lyrics which promote violence, gang culture and promiscuity are becoming an increasing concern. The prevalence of sexually explicit lyrics, the increasingly sexual nature of dancing in nightclubs, and the glorification of a violent gang culture are all causes for concern as our youth have quick and ready access and exposure to media promoting these things.

Accordingly, the National Youth Commission has presented my Ministry with a position paper proposing a framework for regulation of media of this nature, and the need for a public education component to help youth and parents recognise the potential negative impacts of this media, which my Ministry and the Ministry of Gender Affairs will be partnering on to progress forward. I look forward to seeing the fruits of this collaborative effort in the coming financial year.

Staying with the subject of youth, the Cayman Islands Cadet Corps will continue to provide their programmes to youth here in Grand Cayman and in Cayman Brac. They will continue to offer their Business, Technology, and Education Council, or "BTEC" programme, which provides Cadets with the opportunity to work toward their First Diploma in Public Service of Music, which is equivalent to four "O" levels.

### **Sports 2010-2011**

Turning now to my Ministry's plans in the area of Sports for the coming financial year:

As His Excellency the Governor mentioned in his Throne Speech, there is a need to review how we provide sports programmes in the Cayman Islands. Accordingly, I plan to appoint a stakeholder committee to review sports development, including how we fund and deliver sports programmes. We need to maximise the impact and the benefit from sports programming.

The Department of Sports will continue to provide community programmes in the various districts throughout Grand Cayman. A major goal is to get as many residents as possible moving and embracing an active lifestyle, hoping to reverse the trend towards increased obesity and decreased daily activity. The Department will also partner with the various national sports associations to assist in their talent identification and talent development programmes, and provide support to the national teams.

### **Culture 2010-2011**

Moving now to Culture, my Ministry will continue to focus on a range of strategies to promote culture and, in particular, to preserve and celebrate the cultural heritage of the Cayman Islands. Through the work of the Cayman National Cultural Foundation, Cayman Islands National Museum, and the National Gallery of the Cayman Islands, our cultural heritage both tangible and intangible will be safeguarded for future generations. Our intangible heritage is made up of oral traditions, social practices and traditional craftsmanship, and forms an integral part of what makes us Caymanian.

My Ministry is aware that in order to ensure our cultural heritage is protected, and promoted, we need to have a coordinated effort. To this end, my Ministry will be appointing a Cultural Council. The Cultural Council will be tasked with drafting a national Cultural Policy, increasing the coordination and com-

munication amongst all public and private cultural agencies, and existing as the driving force behind all national initiatives that seek to showcase our unique Culture in all its forms.

The Council will consistently be the advocate and champion for promoting and preserving our strong, distinctive Caymanian Culture.

In closing, Madam Speaker, I have given a short synopsis of the current status of the various topics which fall under my Ministry, as well as a brief look ahead to the plans for the upcoming year.

Thank You, Madam Speaker.

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

I have a statement now from the Honourable Minister for Education [Training and Employment] on scholarships update.

The Honourable Premier would like to make his statement first? Permission is granted.

#### Statement on the Media

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

The Minister for Education is still making some notes.

Madam Speaker, I keep abreast of the efforts of my detractors' moves to attack and belittle what I, the Government, or the Civil Service does. I pay particular attention to what the media does because if left alone the media would continue to mislead and befuddle the people who look, read and listen. I have asked the media from the first week of my administration to form an association to offer themselves a code of ethics and give discipline to its membership.

What strikes me most is the manner in which reports are made. Most times, in their attack they challenge the ability, the honesty and sincerity of either elected officials or civil servants. This is done in expressions on faces, in writing, and in the sarcasm of their voices and responses, and it makes clear the sharp disapproval.

Everyone has a right to express publicly their disagreement.

Madam Speaker, as Elected Officials we too have a right to do our work for the people who directly elected us, and those people have a right to make up their own minds and form their own opinions about that work or what is said by their representatives without having the representatives' words, actions, or ideas characterised through the prejudices of hostile critics of the media—who should be impartial, but are not.

Madam Speaker, when Churchill rallied public opinion to stay the course against Hitler's Germany, he did not have to contend with a gaggle of commentators raising doubts about whether he was reading the public right. The media should not be the other political party. And so, when I look at who is in *CNS*

(*Cayman News Service*), *CITN* (*Cayman Islands Television Network*), and some *Caymanian Compass* editorials, and some of their reports, and listen to Rooster, I must defend myself against their biases.

It is apparent that reporters with a small group of PPM rabble rousers not only enjoy, it seems, a right of instant rebuttal to everything said by me, or done by me, but wield a free hand in selecting, presenting and interpreting the great issues of our country. What they are doing in their reports, it seems, is rewarding some politicians with national exposure, and deliberately ignoring others while twisting, leaving out important parts of their speeches—and deliberately so, sometimes—when it comes to reports from this House.

That was proven the other day. And I can go back to a report on Thursday, "FOI Law called scandal sheet," where they said that I said we were paying the Freedom of Information Commissioner to run this scandal sheet. I think I could read the particular matter, Madam Speaker, just to point it out. It says we are paying a lot of money to Mrs. Dilbert to pound me up. I didn't say that, Madam Speaker. Check the records!

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** You were not even here, how are you going to know? You see how quick the Opposition's Third Elected Member for George Town is to jump on this, Madam Speaker? He wasn't even here.

*[laughter]*

**The Premier, Hon. W. McKeeva Bush:** Anyway, Madam Speaker, that only helps to put in context what I am saying. He will probably get reported that he was here.

Madam Speaker, inflection of the voice asking questions, as is done on *CITN* and Rooster, a caustic remark in a story, as is very often done on *CNS*, and the way it is presented, will raise doubts in the minds of our people about the veracity of a public official's statement or the wisdom of a Government's policy. And the press is free! But where is the attendant free of bias, fairness and responsibility?

So, I raise my own thoughts about who I have to deal with and which reporters criticise me, and why. What do Caymanians know of those people who wield this kind of power? What do Caymanians know about the owner of *CNS* and its reporter? How many of you actually know who the owners are? What was their politics before they came here? Does anyone know whether they really are of conservative or democratic politics, or are they liberal, hardcore, where "everything goes," who would destroy what we know here in these Islands, where they object to children in schools being disciplined by wearing a uniform as was objected to in Cayman Brac?

What does anyone know about these reporters who come here? To some, these questions may

seem irrelevant, and it probably would be if the reporting was being done responsibly, but when you have a reporter's personal view leaking into their reports and tainting the entire story, these types of questions are of the utmost importance and ultimately question the integrity of their articles.

They don't have to pass any kind of test in this day and age to see what their credentials are. Madam Speaker, this is not the 1960s! These Islands are watched internationally every minute, and when issues, cases or any happenings here are headlined, blown up or taken out of context, it damages these Islands. Too often politicians like myself and others in the Government, have had to, and continue to respond to international queries against the distortions in Cayman's media reports. Too much of that is happening by those, who are called reporters.

Take for instance, showing a picture on the internet of Mugabe's House in Zimbabwe and posing the question, *Who does this house belong to? A Saudi Prince? A millionaire or billionaire man on the French Riviera? Or an American millionaire?* No! Answering their own question they say, *This is the Cayman Islands and it belongs to the Premier.* Madam Speaker, I have lived in my house for 34 years and it took nine revisions to get where I'm at. I still owe \$800,000 on my mortgage and I wouldn't want to live in anything like what I saw on that internet that was sent around these Islands.

This type of reporting does nothing to benefit our country and only sets out to spread scandalous rumours. These reporters—if that's what they are—are not genuine. They don't care about the Cayman Islands! They pick a side, choose which politician they like today and which they do not, and at what time they like or dislike them, whether they are in Government then or in Opposition then . . . and then say they have freedom of the press to do as they please. And when they can't tie you down to give them money they say, *I have ink!* And when we have to reply with passion or not, they mislead the country by calling it a tirade against them, as was done in the *[Caymanian] Compass* the other day.

Madam Speaker, for all these reasons I have paid particular attention to Standing Orders and Erskine May. And I would say that the reporters ought to get a copy of Erskine May and our Standing Orders which govern how this House operates and protects Members from undue and unnecessary pressure from outside—as well as a Speaker's rulings. Each Member in this House has a right to speak to any matter if he or she chooses to do so passionately, as long as they are abiding by the rules and what they are saying is relevant to the matter at hand. Speaking passionately and truthfully does not constitute a tirade, even though that is what the *[Caymanian] Compass* reporter termed it. It is not a breach of the rules of this House.

It is most despicable to see how some radio hosts cut people off when they have an opposite opin-

ion to theirs, and shut people out when they figure that the caller would rebut. This big push by some of the media is creating a distorted picture of Cayman. One small piece of a bad story is distorted and becomes the whole picture. People who don't know the difference conclude that the majority of Caymanians are embittered against foreign nationals, that the majority of Caymanians feel no regard for their country, that the majority of Caymanians think that violence and lawlessness are the rule rather than the exception, when none of these conclusions are true!

The majority of Caymanians and a majority of the Government and Members here in this House who follow their principles and philosophies quietly in a spirit of understanding are unknown internationally, while the loudest and most extreme dissent on every issue. The blogs on *CNS* and *Rooster* are tearing down the place!

I hear from the public all of the time, "Where is the responsibility of those people?"

So while the Government and the Civil Service are attacked, there is nothing, no law, no convention, that says that the Government can't defend itself. And as long as the Standing Orders, Erskine May, and the conventions and practices of Parliament allow me, I will continue to speak passionately against the wrongs that are being done by some in the media.

I have raised the questions. The answers should come from the media and the journalists in these Islands. They are challenged to turn their critical powers on themselves. They are challenged to direct their energy, talent and conviction towards improving the quality and objectivity of news presentations in these Islands. They are challenged to structure their own ethics to reflect their great freedom with their great responsibility.

They don't want power, Madam Speaker, they say, over public opinion in the hands of the elected Government. It is time we questioned that opinion being in the hands of a small and unelected "elite" who are not trained, do nothing to educate the public, and are certainly not elite.

Madam Speaker, I lay on the Table the Bermuda suggestions for a [Media] Council, which was not put into law as the media agreed to form their own council. This should be a guide for them which incorporates a code of ethics for journalists and the media, Madam Speaker, which, by the way, is based on the British Press Complaints Commission (PCC).

Later, Madam Speaker, I intend to organise an annual media awards ceremony. The ceremony will serve as a means of acknowledging and showing appreciation to members of the press who deserve it.

I lay these papers on the Table, Madam Speaker.

**The Speaker:** So ordered.

Honourable Minister for Education [Training, and Employment].

### **National Employment Passport Programme (NEPP)**

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, I rise to offer a statement of update on our first initiative under the Government's National Employment Passport Training Programme (which was Passport for Success) targeting young people.

Madam Speaker, on 19 April 2010, my Ministry launched the Passport2Success, the first programme under the Government's Training Programme, the National Employment Passport Programme (NEPP). This initiative was the first of its kind for the Cayman Islands Government. Its primary objective is to assist our young people to develop their personal and employment skills in order to succeed in obtaining and retaining employment.

The programme is eleven weeks and the Ministry is hoping to run at least one additional programme before the end of this year starting in September. There are currently over 40 participant applications pending for the next programme.

Through collaboration with the Wellness Centre, the programme was designed which incorporated four major components: Participant assessment, six weeks work skills curriculum, community service project and a two week work experience placement. The participant assessment provided an opportunity to evaluate the basic literacy and numeracy skills as well as to gain insight into their interpersonal relationship skills and personal life factors which may contribute to unemployment.

Madam Speaker, the topics presented during the six week curriculum included: Understanding and exploring the Labour Law, understanding employment contracts, team building activities, old and written communication skills, resume writing, interview skills, personal attitudes, managing stress and conflict resolution skills, technology in the job search and work place, time management, and career interests.

Along with learning and exploring those topics the participants attended several site visits to many local businesses in the community, as well as having an opportunity to hear from numerous guest speakers who visited them on site at ICCI (International College of the Cayman Islands).

This exposure has proven critical to expanding young people's understanding of the work world and many paths to career success. Through these opportunities participants learn about the diversity of participating companies, the range of positions held in any company, and training, education and experience required to obtaining jobs within various departments. Emphasis was given to highlighting the requirements for intro-level positions, and most participants found this quite eye opening in terms of their skill level and exactly what type of job they are currently qualified to hold.

Madam Speaker, participants were given access to numerous opportunities throughout the programme, including opening their own bank accounts at Butterfield [Bank], one of the programme sponsors. All participants were issued debit cards and their weekly stipends were deposited directly into these accounts. For 21 of the 24 original participants, this was their first ever bank account and provided a valuable opportunity to learn about banking policies, monitoring personal finances and the importance of building a relationship with the local bank.

After completing the six-week work skill curriculum, participants spent time involved in a variety of community service projects. The objective of the community service project was to encourage thought of others and community while experiencing teamwork, completing tasks together within set time limits and understanding what it means to give back and be a part of the community. The participants were divided into groups based on interest and skills. A committee was formed to work with the Ministry staff to plan and make arrangements for their commencement this Friday.

Another group worked with the staff at Woodworks in Bodden Town to build two benches, one which will be left at ICCI (International College of the Cayman Islands) for students and staff to enjoy and another delivered to the Pines for use of residents and staff.

The final project developed a brochure and presentation about the programme and what they learned. The group will present it to Year 6 students at George Town Primary and it will focus on how to make positive choices as they prepare to enter high school.

After the community service projects 20 participants completed a two-week work experience placement. In preparation, most participants interviewed and submitted resumes which were evaluated by HR staff members at various participating companies. Each participant was evaluated on the core skills learned during the curriculum phase of the programme, with most of the feedback being positive. Overall, the work experience was a great success.

I am also delighted to announce that out of the 20, eight participants were offered ongoing employment, ranging from casual part-time summer and fulltime positions at the following companies: Water Authority, Lime, Phoenix Construction, Butterfield [Bank], Fabrizione Cleaning systems and Kirk Freeport.

For this first session of the Passport2Success programme, 24 participants were originally selected, out of which 22, or 92 per cent, are completing the programme this Friday, 2 July 2010.

Many struggles and difficulties which participants faced in their personal lives were discovered and, unfortunately, for some of the participants, their personal issues could not be overcome at this time

and they had to be removed from the programme. (Again, Madam Speaker, that was two).

Despite the loss of just two participants, I am delighted to announce that one participant was offered fulltime employment midway through the programme at First Caribbean International Bank and has remained in contact with the programme and will be attending the commencement luncheon this Friday.

Madam Speaker, the programme has been a tremendous success and I would like to take this opportunity to thank the sponsors: Butterfield Bank, CML Recruiting and Lime, as well as the many individuals who volunteered their time to mentor, inspire and motivate these young people. The response of the private sector has been exceptional, and it is only through partnership between Government and private sector that we are going to effectively address the issue of unemployment.

Many thanks also to the Wellness Centre that played an integral role in developing the curriculum and running the programme.

Madam Speaker, I thank you.

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

Are you going to continue with your second statement at this time?

### Scholarships Update

**Hon. Rolston M. Anglin:** Yes, Madam Speaker.

Madam Speaker, my second statement is "Scholarships Update."

Madam Speaker, as Minister I have previously addressed the importance of investing in our young people's potential, and the priority placed this year by the UDP Government, on providing scholarship funding for all qualified students.

The budget allocation for scholarships for the 2010/11 fiscal year is CI\$10 million. This, Madam Speaker, is a record amount and is demonstrative of the extent of this Government's commitment to the development of the human capital of the Cayman Islands.

I have also previously mentioned how my initial intentions to engage in strategic thinking about pertinent issues regarding the provision of scholarship services were thwarted by a number of unanticipated deficiencies relating to the administration of the scholarship process. These were long standing issues that had gone unaddressed by my predecessor.

Some of these issues included incomplete and outdated scholarship award criteria that was poorly communicated and inconsistently followed; administrative procedures that resulted in long delays between approvals and communications with applicants; and inadequate staffing in the scholarship secretariat given the importance of this area and the significant dollar value of public funds under administration.

The award and management of local scholarships and grants was also another area of concern. New applicants were awarded scholarships based on acceptance into a programme of study by the local institution and not necessarily by criteria determined and verified by the Education Council or the Ministry. This sometimes resulted in students receiving scholarships when in fact they had not met the scholarship criteria.

Furthermore, it was noted that a significant number of continuing students on local scholarships had been consistently performing at a level significantly below the standards required of scholarship recipients. Yet, they continued to be funded because they had not received any follow-up or warning letters by the Ministry. This set our young people up for failure.

A similar problem existed to a lesser extent with continuing students on overseas scholarships. Again, a number of overseas students performing at a level significantly below the standards required of scholarship recipients continued to be funded because they had not been adequately monitored and had not received any follow up or warning letters from the Ministry.

Madam Speaker, I know I'm starting to sound like a broken record. But, once again, I have inherited a disaster. How could the previous Minister and the PPM Administration allow one person to be responsible for the administration of a scholarship system that has over 700 participants? This was unfair to her, unfair to our students and unfair to our taxpayers. The PPM was on a spending and hiring bench for four years, yet they did not see it important enough to adequately staff this scholarship secretariat.

Madam Speaker, the Opposition has lost all moral authority to speak on the issue of developing our people. Their actions make it clear that they simply did not care and were incapable of leading and managing this crucial aspect of our Government.

Madam Speaker, my Ministry's Mission is to raise standards so as to ensure that Caymanian students graduate with a standard of tertiary education that is competitive with the global workforce and attractive to employers. Students are graduating with degrees that barely make the grade. The Government must act decisively and swiftly in order to raise standards! Our students are being done a disservice and finding it extremely difficult to access employment due to poor performance whilst in University.

In order to address some of these issues, my Ministry established a Scholarship Services Review Committee to provide input into areas for improvement and opportunities for additional services to support scholarship recipients. The consultation process included a questionnaire to current scholarship recipients. The Committee, which was chaired by Mrs. Joy Basdeo, a former Permanent Secretary in the Ministry of Education, was to report to the Education Council by mid-December, 2009. However, due to a number



of factors, the Committee presented its final report to the Education Council in April 2010. This was later than originally intended making it difficult to implement many of the recommendations during this current round of scholarship awards.

While a number of the recommendations can be implemented immediately without much difficulty, others will have to be implemented in January 2011 for applicants intending to commence their course of study in the fall of 2011. One recommendation that has been implemented is the strengthening of the Scholarship Secretariat which has been critically under-resourced. Two additional staff members will be joining the unit to supplement the one full-time member of staff currently employed. This is considered to be of extreme importance because this lack of sufficient human resources has resulted in the failure in previous years to adequately monitor the academic performance of our young people and the significant financial investment being made in them.

Madam Speaker, in considering the management of scholarships it became increasingly clear that there had been a lack of consistency in the criteria for eligibility across programmes, both local and overseas. For example, the entrance requirement into an associate degree programme at UCCI is a minimum of 3 GCSE/IGCSE/CXC passes including English and Mathematics. However, the entrance requirement for the 'A' Level Programme at St. Ignatius is 5 IGCSE or CXC passes. The 'A' Level programme, which is a matriculation programme, has a higher entrance requirement than the associate degree programme. To address these sorts of anomalies, my Ministry, in conjunction with the Education Council, is implementing eligibility criteria that is consistent across the range of scholarships awarded.

Madam Speaker, to ensure that scholarships are awarded by criteria determined and verified by the Education Council or the Ministry, and not just by the educational institutions, all local scholarship applications must now be sent to the Secretary of the Education Council at the Ministry of Education. This will make the processing of local scholarship applications consistent with that in place for overseas scholarships.

And, Madam Speaker, just to make that point abundantly clear, what was happening was applications were being received by UCCI, received by St. Ignatius and Prep and they were then determining who would get a scholarship and simply sending a list of names to the Ministry.

Madam Speaker, the current financial difficulties of Government are well known and have focused my Ministry's attention on ensuring that we maximise value for money invested in educating our young people without limiting access. In this regard, we focused on an area highlighted by the Scholarship Services Review Committee, namely, the disproportionate cost of funding 'A' Levels without much follow-up to establish whether this money was well spent in terms of

final examination results and admission to tertiary education programmes.

The cost of funding scholarships for 122 'A' Level students for the 2009/10 academic year was \$895,076 representing 80 per cent of the fees charged by the two private schools, Cayman Prep and St. Ignatius [Catholic]. The average cost of funding the two years of an 'A' Level programme for one student is, therefore, approximately \$15,000. However, Madam Speaker, government schools will start delivering the new Advanced Placement and International Baccalaureate Programme at a fraction of the cost of the comparable 'A' Level Programme.

The Ministry, in conjunction with the Education Council, has therefore put in place new protocols for 'A' Level Scholarships funding and standards. These protocols take cognisance of the improved range of tertiary education options available to high school leavers while seeking to reduce the financial burden on government of funding options outside of the government school system. In addition, these protocols also seek to encourage the raising of academic standards by linking the funding to academic achievement.

Madam Speaker, let me explain further: A student on a local scholarship for UCCI is supposed to maintain a GPA of 3.0 and this can be monitored. For 'A' Levels no monitoring was happening at the mid-point when students sat their 'A' Level exams. This will happen now. If UCCI students are to be monitored, so will 'A' Level students.

The Education Council is currently deliberating on the other recommendations contained within the report. Once the Education Council has completed its deliberations, its response to the recommendations will be issued in the form of Draft Guidelines. As part of a process of public consultation, the report and the draft guidelines will be made available to the public. In addition, focus groups will be formed to discuss the draft guidelines further, before implementing these as a policy document.

Madam Speaker, these deliberations are critical as they will result in policies that will guide and further enhance the development of our country's most precious resource, "our people".

Thank you, Madam Speaker.

**Hon. Cline A. Glidden, Jr. (Third Elected Member for West Bay):** Madam Speaker.

**The Speaker:** [Third Elected] Member for West Bay. Sorry.

**Hon. Cline A. Glidden, Jr.:** Just begging your indulgence if I could ask a short clarification on a section, [under] Standing Order 30 (2), to the Minister on his statement.

**The Speaker:** So granted.

### Short Question—Standing Order 30(2)

**Hon. Cline A. Glidden, Jr.:** Madam Speaker, I note the Minister of Education has stated how grossly understaffed the scholarship secretariat was when he found it. I also note, Madam Speaker, that the former Minister (the present Third Elected Member for George Town), stated publicly on the local radio show, that as a Minister he really had nothing to do with the hiring of the previous Director of the Department of Employment Relations. And it seems to me, Madam Speaker, that it is back and forth as to who actually has responsibility.

I'm wondering if the Minister, based on what he has just said in his statement, could explain to this honourable House exactly how a Minister can actually make a difference in the sourcing of the resources that are necessary for such an important area, specifically in this Ministry, and how he plans to improve on that.

**The Speaker:** Honourable Minister for Education [Training, and Employment].

**Hon. Rolston M. Anglin:** Madam Speaker, I have heard and observed the Third [Elected] Member for George Town as he has quite slickly navigated these waters, always throwing his hands in the air claiming that ministers have no authority for hiring civil servants, and ministers have nothing to do with civil servants and their hiring.

Madam Speaker, whilst the appointment of civil servants is delegated from the Governor to the Deputy Governor and to Chief Officers in various ministries and, in some instances, on-delegated to heads of departments and other units of government, it is not accurate to say that ministers are so neutered that they sit handcuffed in their ministries without having any possibility to have impact.

Madam Speaker, as a Minister of Cabinet with constitutional responsibility for a subject, you are the one who is legally held accountable to Cabinet for the outputs you purchased. The outputs you purchased have got to be delivered, and delivered to a standard that you are satisfied, as Minister, are of the quality that the Cabinet and the public should accept, because you are there to represent the public via your election to this House and your further election on to Cabinet.

And so, Madam Speaker, whilst the individuals who eventually are hired do not fall to the remit of responsibility of a Minister, if you, as Minister, are not happy with the arrangements that exist within your Ministry, you are duty bound as the Member of cabinet who has to sign and authorise the payments for those outputs—that's what Ministers have to do. You have to sign and authorise payments of outputs that your Cabinet is purchasing from your Ministry. If you are not happy, you are duty bound to ensure your chief officer understands why you are not happy and

to make the necessary requests for what and how you desire your outputs to be delivered.

Use the Scholarship Secretariat: When I observed what was happening, I wrote to the Chief Officer and I ensured that she understood that as Minister responsible and Chairman of the Education Council, I could not—could not—sit idly by and watch how this system wasn't working so badly, Madam Speaker, that the Elected Member for North Side has publicly called for this young lady to be dismissed. And, Madam Speaker, quite frankly—

**The Speaker:** Honourable Minister, you are making another speech.

**Hon. Rolston M. Anglin:** Okay.

**The Speaker:** You are supposed to be answering the question.

**Hon. Rolston M. Anglin:** I'll get back to it, Madam Speaker.

**The Speaker:** Yes, thank you.

**Hon. Rolston M. Anglin:** But honestly, Madam Speaker, when a person is put into that position and fail, as Minister you should not sit idly by and continue to allow it to happen.

Also, Madam Speaker, if you as Minister become knowledgeable of things that are happening in your Ministry, what are you to do? [Are you to] do as is intimated by the Third [Elected] Member for George Town? Are [you] so neutered that you sit there idly and can't do anything? No! You are duty bound to go to your Chief Officer and ensure that he or she follows up anything that you (as Minister) feel is out of order for resolution. That's their job. As to how they do that, how the process works, you should stay out of that particular piece of the process. But to give this impression that Ministers sit in Ministries and you simply go in and out and you are there and the Chief Officer simply runs up and down and does everything that he wants to do and you as Minister don't have authority . . . you have constitutional authority. You are the Member of Cabinet responsible for the subjects that the Governor has given you.

And, Madam Speaker, you are sent to this House and on to Cabinet by the people of this country. The people expect you to act.

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

We'll call for a . . .

Sorry.

Third Elected Member for George Town has a question.

**Mr. Alden M. McLaughlin, Jr. (Third Elected Member for George Town):** Madam Speaker.

**The Speaker:** Yes sir.

**Mr. Alden M. McLaughlin, Jr.:** I wish to raise this objection to you Ma'am.

The Minister for Education and other subjects did not seek to deal with any of these issues in the course of the time and the opportunity presented by the debate on the Budget and Throne Speech. He is now, in the most cowardly of manner, making not just statements, but, as you said, starting a debate assisted by his colleague; the context of which I am unable to effectively respond.

He is in abuse of the privileges of this House. I should not be forced to go on the Rooster show to deal with issues like this. It is undemocratic, it is inequitable, and it is a further indication of the road down which the process in this House is starting to go if steps are not taken to ensure that proper procedure is followed.

Thank you, Madam Speaker.

**The Speaker:** Thank you honourable Third Elected Member for George Town.

I am going to call for a suspension of the House at this time for the lunch break.

**Proceedings suspended at 1.33 pm**

**Proceedings resumed at 2.50 pm**

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

## GOVERNMENT BUSINESS

### BILLS

#### Suspension of Standing Order 46(4)

**The Speaker:** Honourable Premier, [Minister responsible for Finance, Tourism and Development].

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move [the suspension of] Standing Order 46(4) in order for the Merchant Shipping (Amendment) Bill, 2010, to be read a second time.

**The Speaker:** The question is that Standing Order 46(4) be suspended to allow the Merchant Shipping (Amendment) Bill, 2010, to be read a second time.

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

**Ayes.**

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

**Agreed: Standing Order 46(4) suspended.**

## SECOND READINGS

### Merchant Shipping (Amendment) Bill, 2010

**The Clerk:** The Merchant Shipping (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier [Minister responsible for Finance, Tourism and Development].

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move the Second Reading of a Bill that is shortly entitled The Merchant Shipping (Amendment) Bill, 2010.

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, thank you.

This Bill brings amendments to the Merchant Shipping Law (2008 Revision) (MSL 2008) in two main areas, namely, amendments with respect to the registration of ships, and amendments to give effect to the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (the Bunkers Convention). Initially, two Bills were considered by Cabinet dealing separately with each of the above areas. However, due to the converging timeframe of the two Bills, it was decided to amalgamate them into one Bill, as is now tabled.

Registration of ships: With respect to registration matters, the amendments being brought fall under part two of the MSL 2008 Registration of Ships. And in summary:

- a) Definitions have been added for Maritime Authority and proper officer for clarity and avoidance of doubt.
- b) The provisions of a body corporate or foreign company to have a place of business in the country of incorporation have been removed since this is no longer considered relevant in the modern context.
- c) Provision has been made for the Registrar to withhold a closed transcript of a vessel, whether the registration has been terminated for an undesirable ship in cases where fees are outstanding in order to give some added leverage for obtaining the outstanding fees.
- d) Provisions have been made for:
  - i. The division of the register in terms of ports of the registry;
  - ii. The removal in existing subsections one and two of section 11 of the MSL of some duplication with respect to the different parts of the register; and
  - iii. A separate register of priority notices with respect to anticipated mortgages to be established.

Such provisions being necessary, Madam Speaker, to improve the mechanisms for managing the register against the fact that we provide for a range of different types of registration and of differing types of vessels to be registered, in addition to which we also introduced additional ports of registry under previous amendments to the MSL to increase the attractiveness of registration in the Cayman Islands, particularly in the yacht sector in which Cayman is particularly active.

- e) Provisions have also been made to allow pleasure vessels under 24 metres in length to dispense with a certificate of survey and provide vessels' details direct to the Registrar with the retention of the option for the Registrar to still require a certificate of survey in any case of doubt. These provisions are again designed to increase the attractiveness of registering in the Cayman Islands by reducing red tape, while at the same time, retaining an appropriate level of control; and
- f) Transfer of a ship between different ports of registry has been provided for.

Madam Speaker, all of these provisions are designed to streamline the registration process and keep the Cayman Islands to the forefront in the ship registration sector.

Further details are contained in the Memorandum of Objects and Reasons prefacing the Bill.

With respect to the Bunkers Convention, Madam Speaker, in general terms Cabinet agreed sometime ago that this Convention should be extended to the Cayman Islands at the appropriate juncture. The extension is in Cayman's interest since it provides protection against bunker oil pollution incidents in Cayman. The Cayman Islands ships are already obliged to comply with the Convention since failure to do so would severely restrict their ability to trade.

There already exist well established regimes and procedures regarding liability and compensation with respect to cargo oil, and the Bunkers Convention creates a similar regime with respect to pollution by bunker oil which is also based on the "polluter pays principle."

The main difference, Madam Speaker, is that the Cargo Oil Compensation Regime provides a second tier of compensation through the International Oil Pollution Fund (IOPC), whereas, the limits of liability for bunker oil pollution are as set out in the International Convention on the Limitation of Liability for Maritime Claims, 1976 (LLMC 1976), as replaced by the 1996 protocol, the LLMC Protocol 1996, as amended.

In other words, Madam Speaker, a ship owner may limit his liability for bunker oil pollution compensation to the limits as set out in the 1996 Protocol (now referred to as the LLMC 1996), and there is no addi-

tional tier of compensation such as the International Oil Pollution Compensation Fund.

The underlying rationale for this would seem to lie mainly in the fact that, in general, cargo oil quantities greatly exceed bunker oil volumes being carried and, hence, the scale of pollution from cargo oil is seen as potentially much larger than for bunker oil.

Since the Bunkers Convention has entered into force internationally, there have been few incidents exceeding these limits. However, if there are incidents that exceed the 1996 LLMC limit, it is possible that the limits would be revised upwards in the next few years by the tacit amendment procedure.

Just a minute, Madam Speaker.

*[pause]*

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

In essence, Madam Speaker, the Bunkers Convention establishes a strict liability regime on the ship owner for pollution damage arising from all types of oil used in the operation or propulsion of ships (that is, the ship owner is liable regardless of fault). [It] requires all registered owners of vessels over 1,000 GT entering or leaving the Cayman Islands Port or Terminal to maintain insurance certified by the state to meet their liability, and it introduces a provision that entitles claimants to sue ship insurers via the right of direct action, and allows claims to be pursued in the state in which the damage occurred, thus making it much easier for victims to pursue a claim for cost recovery.

It is to be noted that tankers in possession of an insurance certificate under the 1992 Protocol to the International Convention on Civil Liability for Oil Pollution Damage additionally need a certificate under the Bunkers Convention 2001.

The Bunkers Convention entered into force internationally on 21 November 2008, and also entered into force for the United Kingdom on this date. Until the Bunkers Convention is extended to the Cayman Islands we are unable to issue the required Bunkers Convention Certificates and interim arrangements are therefore in place for the United Kingdom to issue these on our behalf.

In order to preserve the standing of the Cayman Islands as a leading Category 1 register, it is essential, Madam Speaker, that the Maritime Authority [of the Cayman Islands] (MACI) begin to issue Bunker Convention Certificates directly to Cayman Islands ships as soon as possible, hence the Convention needs to be extended to Cayman as soon as practicable. But in order for this to be done, the Cayman Islands need to satisfy the United Kingdom that we have appropriate national legislation to give effect to the Convention; hence, the need for the relevant amendments to the MSL 2008.

In formulating the amendments for the Bunker Convention, due regard has been given to the fact that the Cayman Islands Shipping Law, in the area of

oil pollution and compensation, is closely modeled on parallel legislation in the United Kingdom. Hence, the UK Statutory Instrument (that is, SI No. 1244 of 2006 entitled "The Merchant Shipping (Oil Pollution) (Bunkers Convention) Regulations 2006) bringing the necessary amendments to the UK Law was utilised in developing the amendments to the Cayman Islands Law. So, our amendments will hold no surprises in this regard.

Let me deal now with some specific amendments: The tranche of amendments needed to give effect to the Bunker Convention has somewhat convoluted since, inter alia, there is a link to the levels of liability in the LLMC Convention, as mentioned earlier. Whilst further details of the amendments can be found in the Memorandum of Objects and Reasons prefacing the Bill, the amendments are summarised as follows:

Clause 8 amends section 337 of the Law and introduces the necessary definitions for the implementation of the Bunkers Convention. Linkages between the CLC (Civil Liability Convention) 1992 Fund and Bunkers Convention are established or clarified.

Clause 9 amends section 338 of the Law by substituting "registered owner" for "owner". This is necessary to ensure that under both CLC and Bunkers Convention it is the registered owner (that is the registered owner at the time of an incident that is liable for pollution damage compensation, and that the registered owner is responsible for ensuring appropriate insurance cover is in place).

Clause 10 inserts section 338A which provides that where bunker oil is discharged or escapes from a ship, the owner of a ship shall be liable for any damage caused outside the ship in the Islands. The owner is also liable for the cost of any measures reasonably taken to prevent or minimise the damage, and for any damage caused by the measures so taken. And where there is a grave and eminent threat of contamination the owner is liable for the cost of measures taken to prevent or minimise damage and for damage caused by those measures.

Clause 11 amends section 339 of the principal Law to provide for the owner of a non-seagoing ship to be held liable for bunker oil pollution in a similar way as for a seagoing ship.

Clause 12 repeals and replaces section 340 of the principal Law to create the usual exceptions from liability under the new section 338A.

Clause 13 amends section 341 of the principal Law in order to create certain restrictions on the liability of the owner, salvors and on others in the case of bunker oil spills.

Clause 14 inserts a new section 341A which makes supplementary provision in respect of liability under sections 338, 338A and 339.

Clause 15 to 18, inclusive capture consequential amendments in section 342, 343, 345 and 347 respectively of the principal Law.

Clause 19 amends section 348 of the principal Law and provides for a ship in Cayman waters to be detained where it is in contravention of this section.

Clause 20 inserts a new section 348A which makes provisions for compulsory insurance in respect of bunker oil contamination for ships having a gross tonnage greater than 1,000 tons. The new section also makes penal provision with respect to contraventions and again the power to detain is made exercisable in the event that a ship is in contravention of this section before the ship attempts to proceed to sea.

Clause 21 amends section 349 of the principal Law to make provision for the issue of certificates attesting to insurance against liability under the Article 7 of the Bunkers Convention to be issued by the Maritime Authority and for such certificates to be withheld where there is doubt as to the ability of the insurer to meet his obligations, or that the insurance cover is sufficient for the purpose.

Clause 22 repeals and substitutes section 350 of the principal Law in order to make provisions in respect of the rights of third parties against insurers where it is alleged that the owner of a ship has incurred a liability under section 338A.

Clause 23 amends section 351 of the principal Law to make provision in respect of the jurisdiction of the Cayman Islands court and the registration of foreign documents.

Clause 24 amends section 352 of the principal Law to make provisions in respect of Government ships.

Clause 25 amends section 353 of the principal Law so that for the purposes of Chapter II of Part XVI, any liability incurred under section 338A shall be deemed to be a liability, the damages in respect of such damage to property as is mentioned in paragraph 1(a) of Article 2 of the LLMC (1976) Protocol, as amended.

Clause 26 repeals and substitutes section 355 of the principal Law in order to take account of some restructuring, to repeal some redundant provisions and to retain some existing provisions.

Clause 27 repeals and substitutes section 365 of the principal Law again to take account of some restructuring and retention elsewhere of the existing provisions and to provide for Regulation making powers for this Part.

Madam Speaker, finally in terms of the limits of liability, it is necessary for a request to be made to the United Kingdom to extend the denunciation of the 1976 LLMC Convention to the Cayman Islands in parallel with extending to us the LLMC 1996. Sufficient provision already exists in the MSL 2008 to give effect to these changes. It is, in fact essential that this is done before or at a time of extending the Bunkers Convention since failure to do so would lead to legal challenges as to the amount of compensation an owner is liable for.

Madam Speaker, someone did ask whether we were, in this Bill, talking about or trying to deal with

the situation which is occurring in the Gulf of Mexico now. But the Shipping Registry staff who are here, have said that the Merchant Shipping Law is not the appropriate law to address such a situation in the Gulf with BP. Such a matter should be addressed in separate different legislation to the Merchant Shipping Law and this will have to be drafted if it does not exist now. But there should be something covering it. I think [there] is.

Madam Speaker, I do want to thank the staff for their work on this particular set of amendments and being here all morning.

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

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

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I thank Members for their tacit support.

**The Speaker:** The question is that the Bill shortly entitled The Merchant Shipping (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Merchant Shipping (Amendment) Bill, 2010, given a second reading.**

### **National Weather Service Bill, 2010**

**The Clerk:** The National Weather Service Bill, 2010.

**The Speaker:** Honourable Deputy Premier [Minister for District Administration, Works, Lands and Agriculture].

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Thank you, Madam Speaker.

Madam Speaker, I beg to move the Second Reading of a Bill shortly entitled The National Weather Service Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Yes, Madam Speaker.

Madam Speaker, I have the pleasure in bringing before this honourable Legislative Assembly a Bill for the National Weather Service Law, 2010.

The purpose of this [Bill] is to create a National Weather Service which will stand on its own two feet as a government department under the direction of the Ministry of District Administration, Works, Lands and Agriculture. This will be achieved by the migration of the existing meteorological staff and their respective services from the current Cayman Islands Airports Authority (CIAA).

The original Cayman Islands National Meteorological Services (CINMS) started as a Cuban weather observation station back in the 1940s, and in the 1950s the United States established an upper air observation station on Grand Cayman. And, as international air transportation increased through the 1970s and '80s, the emphasis focused on providing an essential high quality service of current weather observation and forecasting for aviation and airline safety.

Madam Speaker, one will see in perusing the Bill that [clause] 2, as is customary, sets out a number of definitions including, but not limited to, "Constitution", "Minister", the "meteorological officer", the "public officer" and "Service".

In clause 3, it establishes the department of the Government which will be called the Cayman Islands National Weather Service (CINWS), which will be recognised as the authority for all weather, climate, size, make, and all other meteorological matters in the Islands.

Clause 3(2) gives the Minister mandatory exercise for general direction and control over the said Service. It also establishes the Service and the raising of revenue and the reciprocal expenses which will be arising there from stipulating that it should be paid out of the General Revenue of the Cayman Islands.

There are a number of functions under this proposed Bill, Madam Speaker:

- It is for the establishment and maintaining of a national network of the meteorological and seismic stations as necessary;
- the forecast weather conditions and the state of the atmosphere;
- provide information and advice on the meteorological and climate matters;
- provide information and advice to the Governor in Cabinet of severe weather conditions likely to affect the safety of human life or property in the Islands;
- to issue tsunami warnings;
- to provide meteorological services in order to ensure the safety and efficiency of aviation and marine services;
- to provide meteorological data and advice for weather sensitive national development projects and other important weather sensitive economic activities;
- to collect, collate, compile, record, archive and make available meteorological reports and information;

- to arrange means of communication for the transmission and reception of meteorological reports and information in and outside these Islands;
- to operate at the international standards required for observations used for general, aviation, maritime and other forecasts;
- to participate in the work of the appropriate regional and international organisations;
- to conduct or make arrangements for the training of persons in meteorology; and
- to advise the Governor in Cabinet on all matters relating to meteorology climate, hydrology and seismic activity.

Madam Speaker, the Bill also proposes that the Service shall perform its functions under this said Law in the public interest generally, and, in particular, for the purpose of navigation, shipping and civil aviation; and for assisting persons and authorities engaged in policy development, industry, trade and commerce.

The staff of the Service, Madam Speaker, will be comprised of a Director General, who shall be a public officer, and other public officers as may deem necessary for the proper functioning of this new Service. In addition, Madam Speaker, to any duties conferred on the Director General, it is proposed that the Director General be responsible for the management, supervision and control of the Service, the administration and implementation of this Law. The Director General, Madam Speaker, also has such powers as are deemed necessary to enable him to perform his duties under this subsection.

In addition, the meteorological officer shall carry out the duties assigned to him by the Director General in addition to any duties imposed on the meteorological officer by this said Law or any other relevant Law.

Fees payable under this Law, Madam Speaker, shall be paid as indicated in my introduction to the general revenue of the Islands.

No person shall interfere with or obstruct the Director General or a meteorological officer in the exercise of any function under this said Law.

Madam Speaker, a person who contravenes subsection (1) under this general penalty section would commit an offence and would attract liability on summary conviction to a fine of CI\$5,000 or to imprisonment for a term of one year, or both.

And, as in most laws, traditionally we have made provision for the making of regulations in clause 10 which states that "The Governor in Cabinet may make regulations for the provisions of fees to be charged under section 8; and generally for the purpose of carrying into effect the provisions of this Law".

Madam Speaker, we would also wish to put on record that in the very near future the Doppler Weather Radar Project, which has been funded through partnership by grant money from the Euro-

pean Union and the Cayman Islands Government, will be ready to break ground anon on the Island of Grand Cayman.

We wish to acknowledge with gratitude and sincere thanks the National Weather Services, which as we have seen over the past years of becoming more and more important. It is envisioned that it will be staffed by some seven staff members who are highly experienced and qualified Caymanians who are already hired under the Civil Aviation. This will include a dedicated staff member for the Brac, as we encountered with the recent twister in Little Cayman. There was no specific meteorologist person within the Sister Islands to feedback information which was valuable for dissemination and advice of through warnings on Grand Cayman. So, the Ministry and this new department will be moving towards that direction.

Madam Speaker, I wish with these brief words to commend this Bill to Members of this honourable Parliament.

**The Speaker:** Thank you, Honourable Deputy Premier.

Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, I call on the Honourable Deputy Premier to exercise her right of reply.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Thank you, Madam Speaker.

I wish at this juncture to thank all honourable Members for their implicit support, and to say that indeed this is a historic day for meteorology in the Cayman Islands as weather forecasting is becoming more and more important, becoming more complex, more advanced from a technological perspective.

It is, therefore, a higher and a more onerous duty to ensure that it is accurate and, as was mentioned in finance committee, that we get it right as there are many, many people who rely on the information that is coming out.

And we, once again, give the commitment that the Department under the direction of the Ministry will ensure now that it is completely under the auspices of the Ministry and we'll have more direct control [and] that every effort will be made to give updated and accurate forecasts.

I thank you, Ma'am.

**The Speaker:** Thank you.

The question is that a Bill shortly entitled The National Weather Service Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The National Weather Service Bill, 2010 has been given a second reading.**

### **Traffic (Amendment) Bill, 2010**

**The Clerk:** The Traffic (Amendment) Bill, 2010.

**The Speaker:** Honourable Deputy Premier [Minister responsible for District Administration, Works, Lands and Agriculture].

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly:** Thank you, Madam Speaker.

Madam Speaker, I beg to move the Second Reading of a Bill shortly entitled The Traffic (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly:** Yes, thank you, Madam Speaker.

Madam Speaker, the Government is of the view that the current Traffic Law is deemed restrictive and antiquated and, as a result, we have begun a comprehensive revision of the laws and relevant regulations.

The most pressing issues are now before the House for the provision of the licensing of oversized vehicles and the changing of the definition thereof, which we hope to address here today. And we anticipate bringing later on this year the complete revisions of the Law and related regulations.

Madam Speaker, we will see that clause 2 seeks to repeal and substitute the definition of the term "oversize truck" by changing it to "oversize vehicle" thus defining any such vehicle that meets this criteria and broadening the definition from the restricted definition as is contained in the current law. This criteria set out the definition through width, height and length, Madam Speaker, and it is changing some of these figures while retaining the number and the sequence of the paragraphs within the principal and current Law.

Subclause (a) deletes "eight feet" and replaces it with "eight feet and six inches".

Subclause (b) remains unchanged at "fourteen feet".

Subclause (c) deletes "sixty [thousand] pounds" and replaces it with "sixty-six [thousand] pounds".

Subclause (d) deletes "forty feet" and inserts "forty-five feet".

Madam Speaker, while these changes may seem minor it will now allow the Department of Licensing to more effectively register and regulate vehicles in this category.

Vehicles, which include government owned units, are imported predominantly from North America and the typical size and/or weight was incorrect as

compared to the current statute, therefore Government found it necessary to make this small change to ensure compliance by the said vehicles.

In addition, Madam Speaker, the Director of Licensing has intimated to me that the larger vehicles required, as in the current Law, the police to escort them and it was deemed unnecessary for the current size and weight as it was putting a strain on the limited resources that the police have at their disposal.

So, once again, I am imploring all honourable Members to lend their full support to this minor, yet, important Bill.

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

Does the Honourable Deputy Premier wish to exercise her right of reply?

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connelly:** Once again, Madam Speaker, to thank my honourable colleagues in the House for their full support.

**The Speaker:** The question is that The Traffic (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Traffic (Amendment) Bill, 2010, has been given a second reading.**

**The Speaker:** The House will now go into Committee to consider the Bills.

*[inaudible interjection]*

**The Speaker:** Honourable Member for East End, we appreciate the music, but it is not appropriate. Thank you.

*[laughter]*

**House in Committee at 3.28 pm**

## **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

We will suspend all singing. Thank you.

*[laughter]*

**Mr. V. Arden McLean:** Including that from the Premier?



**The Chairman:** All singing.

With the leave of the House may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses.

**Merchant Shipping (Amendment) Bill, 2010**

**The Clerk:** The Merchant Shipping (Amendment) Bill, 2010.

- Clause 1 Short Title
- Clause 2 Amendment to section 2 – definitions
- Clause 3 Amendment of section 4 – qualifications for owning a Cayman Islands ship
- Clause 4 Amendment of section 8 – termination of registration
- Clause 5 Repeal and substitution of section 11 – register

**The Chairman:** The question is that clauses 1, 2, 3, 4, [and] 5 stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 5 passed.**

**The Clerk:**

- Clause 6 Amendment of section 13 – survey and measurement of ships
- Clause 7 Repeal and substitution of section 20 – port of registry
- Clause 8 Amendment of section 337 – definitions and interpretation in this Chapter
- Clause 9 Amendment of section 338 – liability for oil pollution in case of tankers
- Clause 10 Insertion of new section 338A – liability for pollution by bunker oil

**The Chairman:** The question is that clauses 6, 7, 8, 9 and 10 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 6 through 10 passed.**

**The Clerk:**

- Clause 11 Amendment of section 339 – liability for oil pollution in other cases

- Clause 12 Repeal and substitution of section 340 – exceptions from liability under sections 338 and 339

**The Chairman:** The question is that clauses 11 and 12 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 11 and 12 passed.**

**The Clerk:**

- Clause 13 Amendment of section 341 – restriction of liability for oil pollution
- Clause 14 Insertion of new section 341A – liability under sections 338, 338A and 339
- Clause 15 Amendment of section 342 – limitation of liability under section 338

**The Chairman:** The question is that clauses 13, 14, and 15 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 13 through 15 passed.**

**The Clerk:**

- Clause 16 Amendment of section 343 – limitation actions
- Clause 17 Amendment of section 345 – concurrent liabilities of owners and others
- Clause 18 Amendment of section 347 – extinguishment of claims
- Clause 19 Amendment of section 348 – compulsory insurance against liability for pollution
- Clause 20 Insertion of new section 348A – compulsory insurance against liability for pollution from bunker oil

**The Chairman:** The question is that clause 16, 17, 18, 19 and 20 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 16 through 20 passed.**

**The Clerk:**

- Clause 21 Amendment of section 349 – issue of certificate by Director

Clause 22 Repeal and substitution of section 350 – rights of third parties against insurers

Clause 23 Amendment of section 351 – jurisdiction of Cayman Islands court and registration of foreign judgments

Clause 24 Amendment of section 352 - Government ships

**The Chairman:** The question is that clauses 21, 22, 23, and 24 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 21 through 24 passed.**

**The Clerk:**

Clause 25 Amendment of section 353 – limitation of liability under section 339

Clause 26 Repeal and substitution of section 355 – meaning of the “Liability Convention” and related expressions

Clause 27 Repeal and substitution of section 365 – meaning of the “Liability Convention”, the “Fund Convention” and related expressions

**The Chairman:** The question is that clauses 25, 26, and 27 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 25 through 27 passed.**

**The Clerk:** A Bill for a Law to amend The Merchant Shipping Law (2008 Revision) to give effect to the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001; to make further provision in relation to certain definitions, to ownership of a Cayman Islands Ship, to the registry and to the transfer of registration among ports of registry in the Islands; to provide for certain pleasure vessels to dispense with the requirement for the issue of a Certificate of Survey under given conditions; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### **National Weather Service Bill, 2010**

**The Clerk:** National Weather Service Bill, 2010.

Clause 1 Short title and commencement

Clause 2 Interpretation

Clause 3 Cayman Islands National Weather Service

**The Chairman:** The question is that clauses 1, 2, and 3 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 3 passed.**

**The Clerk:**

Clause 4 Functions of the Service

Clause 5 Director General and staff

Clause 6 Duties and powers of the Director General

**The Chairman:** The question is that clauses 4, 5, and 6 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 4 through 6 passed.**

**The Clerk:**

Clause 7 Duties of meteorological officer

Clause 8 Charge for services

Clause 9 Offences

Clause 10 Regulations

**The Chairman:** The question is that clauses 7, 8, 9 and 10 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 7 through 10 passed.**

**The Clerk:** A Bill for a Law to provide for the establishment of the Cayman Islands National Weather Service; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **Traffic (Amendment) Bill, 2010**

**The Clerk:** Traffic (Amendment) Bill, 2010.

Clause 1 Short Title

Clause 2 Amendment of section 2 of the Traffic Law (2003 Revision) - definitions

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Traffic Law (2003 Revision) for the purpose of making provision for the licensing of oversize vehicles; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question is that the Bills be reported to the House. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it. The Bills will accordingly be reported to the House.

**Agreed: Bills to be reported to the House.**

**The Chairman:** The House will now resume.

**The Speaker:** The House will now resume.  
Please be seated.

## **REPORTS ON BILLS**

### **Merchant Shipping (Amendment) Bill, 2010**

**The Clerk:** The Merchant Shipping (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism and Development].

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I have to report that The Merchant Shipping (Amendment) Bill, 2010, was examined by a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

### **National Weather Service Bill, 2010**

**The Clerk:** The National Weather Service Bill, 2010.

**The Speaker:** Honourable Deputy Premier [Minister responsible for District Administration, Works, Lands and Agriculture].

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Madam Speaker, I have to report that a Bill shortly entitled The National Weather Service Bill, 2010, was considered by a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for third reading.

### **Traffic (Amendment) Bill, 2010**

**The Clerk:** The Traffic (Amendment) Bill, 2010.

**The Speaker:** Honourable Deputy Premier [Minister responsible for District Administration, Works, Lands and Agriculture].

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Thank you, Madam Speaker.

I have to report that a Bill shortly entitled The Traffic (Amendment) Bill, 2010, was considered by a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for third reading.

## **THIRD READINGS**

### **Merchant Shipping (Amendment) Bill, 2010**

**The Clerk:** The Merchant Shipping (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism, and Development].

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I beg to move that The Merchant Shipping (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that The Merchant Shipping (Amendment) Bill, 2010, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

**Agreed: The Merchant Shipping (Amendment) Bill, 2010, given a third reading and passed.**

### **National Weather Service Bill, 2010**

**The Clerk:** The National Weather Service Bill, 2010.

**The Speaker:** Honourable Deputy Premier [Minister responsible for District Administration, Lands and Agriculture.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Thank you, Madam Speaker.

Madam Speaker, I respectfully move that a Bill entitled The National Weather Service Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that The National Weather Service Bill, 2010, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

**Agreed: The National Weather Service Bill, 2010, given a third reading and passed.**

### **Traffic (Amendment) Bill, 2010**

**The Clerk:** The Traffic (Amendment) Bill, 2010.

**The Speaker:** Honourable Deputy Premier [Minister responsible for District Administration, Lands and Agriculture].

**The Deputy Premier, Hon. Juliana Y. O'Connor-Conolly:** Thank you, Madam Speaker.

Madam Speaker, I beg to move that a Bill shortly entitled The Traffic (Amendment) Bill, 2010, be given a third reading and passed accordingly.

**The Speaker:** The question is that the Bill shortly entitled The Traffic (Amendment) Bill, 2010, be given a third reading and passed. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

**Agreed: The Traffic (Amendment) Bill, 2010, given a third reading and passed.**

## **GOVERNMENT MOTIONS**

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

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism, and Development]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the suspension of Standing Order 24(5) to enable a Government Motion to be dealt with during the current meeting)

**The Speaker:** The question is that Standing Order 24(5) be suspended to enable a Government Motion to be dealt with during the current meeting.

*[inaudible interjection]*

**The Speaker:** I know what I have to say, but I must say that it has been totally disrespectful this afternoon the way that conversations go on while this House is going on.

Either we are conducting the business of the House in order or we are not. People who come into this Parliament must be instructed that they cannot interrupt these proceedings.

The question is that Standing Order 24(5) be suspended to enable a Government Motion to be dealt with during the current meeting.

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

**Ayes.**

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

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

### **Government Motion No. 2/2010-11—Government Guarantee in Respect of a Bond held by Various Bondholders for the Cayman Islands Development Bank**

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism and Development].

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to move Government Motion No. 2/2010-11, which is captioned, Government guarantee in respect of a bond held by various

bondholders for the Cayman Islands Development Bank, and reads as follows:

**WHEREAS on 24<sup>th</sup> June 2010, the Governor in Cabinet authorised that the Legislative Assembly's approval be sought for the issuance of a guarantee in the principal amount of US\$5,800,000 to the various holders of a Bond issued by the Cayman Islands Development Bank.**

**The Cayman Islands Development Bank (CIDB) currently has a US\$6,000,000 bond which expires on June 30, 2010. Over 95 per cent of the bondholders have agreed to extend the final bond maturity date of the 5 year bonds from June 30, 2010, to June 30, 2015, and to increase the interest rate from US Dollar 6 month LIBOR plus 0.75 per cent to US Dollar 6 month LIBOR plus 2.75 per cent.**

**AND WHEREAS section 17 of the Development Bank Law provides that the Governor in Cabinet shall not guarantee the borrowings of the CIDB unless a statement of the proposed guarantee has been laid before the Legislative Assembly and a resolution approving that statement has been passed by the Legislative Assembly, and Section 8 of the Public Management and Finance Law (2005 Revision) provides that, as a general rule, no guarantee may be given by or on behalf of the Government unless it has been authorised by a resolution of the Legislative Assembly;**

**BE IT NOW THEREFORE RESOLVED that, in accordance with section 17 of the Development Bank Law (2004 Revision) and section 8 of the Public Management and Finance Law (2005 Revision), the Legislative Assembly hereby approves the statement laid before the Legislative Assembly in respect of the proposed guarantee and hereby authorises the Governor in Cabinet to issue a Government Guarantee to the various holders of the Bond in such manner and on such conditions as he thinks fit for the repayment of the principal amount of US\$5,800,000.00, the payment of interest on and the discharge of any other financial obligations in connection with such principal sum in accordance with the provisions of section 17 of the Development Bank Law (2004 Revision) for the purpose of extending the terms of the Bond for another 5 years to June 30, 2010 [sic].**

**The Speaker:** It is for another 5 years to June 30, 2015 on my paper.

**The Premier, Hon. W. McKeever Bush:** Another 5 years. I thought I said 2015.

**The Speaker:** It is 2015. Okay.

**The Premier, Hon. W. McKeever Bush:** Okay.

Madam Speaker, I thought I said ". . . for the purpose of extending the terms of the Bond for an-

other 5 years to June 30, 2015". I might have said "2010" but it's "2015".

**The Speaker:** Thank you.

The Motion is opened for debate. Does the Honourable Premier wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, the capital raised by the issuance of the Bond . . . I will be brief, Madam Speaker.

Let me first say that in June of 2005, two Bonds each valued at \$6 million were issued by the Cayman Islands Development Bank. While one of the Bonds was set to expire in 5 years, or on 30 June 2010 (that is today), the other Bond had a 10-year life and matures on 30 June 2015. A single Bond guaranteed in the amount of \$12 million which covered both Bonds was issued. The Capital raised by the issuance of these Bonds in 2005 has been an integral source of funding for the banks on-lending programme.

The Motion laid before this Honourable House awhile ago, Madam Speaker, relates to the US\$6 billion Bond which matures on 30 June (today). Over 95 per cent of the bondholders have agreed to extend the final bond maturity date from 30 June 2010 to 30 June 2015. These bondholders also agreed to increase the interest rate from US\$6 months LIBOR (London Interbank Offered Rate) plus 0.75 per cent, to US\$6 months LIBOR plus 2.75 per cent. The agreement by the majority of the bondholders to extend the Bond maturity date for another 5 years is an indication of the bondholders' or investors' confidence in the continued existence and management of CIDB. These bondholders or investors clearly appreciate the importance of the bank to the development of these Islands.

Madam Speaker, as a result of the changes to the terms of the original bond agreement, the issuance of a new government guarantee is required.

Section 17 of the Development Bank Law (2004 Revision) provides that the Governor in Cabinet shall not guarantee the borrowings of CIDB unless a statement of the proposed guarantee has been laid before the Legislative Assembly and a resolution approving that statement has been passed by the Legislative Assembly. Furthermore, section 8 of the Public Management and Finance Law (2005 Revision) provides that as a general rule no guarantee may be given by or on behalf of the Government unless it has been authorised by resolution of the Legislative Assembly.

The Government Motion before this honourable House seeks the issuance of a guarantee in the amount not exceeding US\$5.8 million to various bondholders. The difference of \$200,000 between the original bond of \$6 million and the US\$5.8 million, for which approval is sought for the issuance of a guarantee, will be paid out to the redeeming bondholders by the Development Bank.

Madam Speaker, this Motion is of critical importance. The extension of the bond maturity for another 5 years will allow CIDB to build up its liquid reserves with a view to meeting future debt repayment.

Madam Speaker, the Development Bank continues to play a crucial role in the Cayman Islands economy as it provides opportunities for those who need access to funding for their small business operations, mortgages or even debt consolidation, at local commercial banks. Accordingly, I recommend Government Motion No. 2 of 2010/2011 to Members of this honourable House, and ask that they support the Motion.

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

Does any other Member wish to speak? Does any other Member wish to speak?

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, the Opposition's contribution will be very short. We certainly do not have a problem with the principal that has been expounded by the Honourable Premier regarding the Motion, but we just would like to have a clear understanding. I noticed he likes when I ask for a clear understanding, so I'm going to ask for a clear understanding of this one.

The previous Bond issue was 75 basis points above the six month LIBOR position with regard to the interest rate, and the new one is 275 basis points above, and we are just wondering if it was a simple situation of "can do no better" because one would have thought that when the previous Bond issue was done the economic climate was different than what it is now. So it is fair to think that you might have thought that you would have gotten at least the same rate if not better—not 200 basis points more. I'm sure there's an explanation but we would just like to have that.

Thank you.

**The Speaker:** Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, I'll call on the Honourable Premier to exercise his right of reply.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Member is right that . . . and that's very clear what I said. So that point is not in contention.

What he has asked is why it has increased. Well, the simple reason is that while he is saying that the climate has changed, the climate has changed to the extent that the rates . . . he is certainly right with that but it doesn't. . . He sings better.

As far as the commercial banks, which this comes from, the rate is now the market rate and they are simply passing on their cost and we are lucky that we don't have to increase that for ourselves. So that is

the problem; we can't get a better rate than what they have asked for.

The problem we have, which this House needs to consider, is whether we allow the Development Bank to do their own sourcing of funds rather than through this route that we are doing. That's what we need to take on! And if he can tell me that he would support that, I will move a resolution in five minutes.

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED that, in accordance with Section 17 of the Development Bank Law (2004 Revision) and section 8 of the Public Management and Finance Law (2005 Revision), the Legislative Assembly hereby approves the statement laid before the Legislative Assembly in respect of the proposed guarantee and hereby authorises the Governor in Cabinet to issue a Government Guarantee to the various holders of the Bond in such manner and on such conditions as he thinks fit for the repayment of the principal amount of US\$5,800,000.00, the payment of interest on and the discharge of any other financial obligations in connection with such principal sum in accordance with the provisions of section 17 of the Development Bank Law (2004 Revision) for the purpose of extending the terms of the Bond for another 5 years to June 30, 2015.

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

**Ayes.**

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

**Agreed: Government Motion No. 2/2010-11 passed.**

**Government Motion No. 3/2010-11—Government Guarantee in respect of a Credit Facility for the Cayman Islands Development Bank**

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism and Development]

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to move Government Motion No. 3/2010-11, Government Guarantee in respect of a Credit Facility for the Cayman Islands Development Bank standing in my name.

**The Speaker:** The question is . . .  
Sorry.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker . . .

**The Speaker:** I have to read the . . .

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I think I should read the full Motion before the House.

**The Speaker:** Yes. Thank you.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

**WHEREAS** on 24<sup>th</sup> June 2010, the Governor in Cabinet authorised that the Legislative Assembly's approval be sought for the issuance of a guarantee in the principal amount of US\$5,000,000 to First Caribbean International Bank (Cayman) Limited (FCIB) for the purpose of approved loans awaiting funding and to support the CIDB's ongoing lending programme;

CIDB currently has approximately CI\$2,000,000 loans in the pipeline awaiting funding. The loans in the pipeline include mortgages totaling CI\$735,000, business loans totaling CI\$1,100,000 and student loans totaling CI\$100,000.

The CIDB has invited proposals from local banks and FCIB has offered a 5 year credit facility to the CIDB for US\$5,000,000 at a floating rate of 180-day USD LIBOR plus a margin of 275 basis points. The current effective floating rate is 3.50 per cent and the CIDB will have the option of fixing the rate for the term of the facility as provided for therein.

**AND WHEREAS** section 17 of the Development Bank Law provides that the Governor in Cabinet shall not guarantee the borrowings of the CIDB unless a statement of the proposed guarantee has been laid before the Legislative Assembly and a resolution approving that statement has been passed by the Legislative Assembly, and section 8 of the Public Management and Finance Law (2005 Revision) provides that, as a general rule, no guarantee may be given by or on behalf of the Government unless it has been authorised by a resolution of the Legislative Assembly;

**BE IT NOW THEREFORE RESOLVED** that, in accordance with section 17 of the Development Bank Law (2004 Revision) and section 8 of the Public Management and Finance Law (2005 Revision), the Legislative Assembly hereby approves the statement laid before the Legislative Assembly in respect of the proposed guarantee and hereby authorises the Governor in Cabinet to issue a Government Guarantee to First Caribbean International Bank (Cayman) Limited in such manner and on such conditions as he thinks fit for the repayment of the principal sum of US\$5,000,000.00, the payment of interest on and the discharge of any other financial obligations in connection with such principal sum in accordance with the provisions of section 17 of the Development Bank Law (2004 Revision) for the purpose of funding the CIDB's

**approved loans and to support its ongoing lending programme.**

**The Speaker:** The Motion is opened for debate. Does the Honourable Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, Members may recall that earlier this year the Assembly approved the issuance of a guarantee in the amount of [US]\$5 million to First Caribbean International Bank. And during those negotiations to finalise the Government Guarantee in connection with the \$5 million Credit Facility, the attorneys recognised that there were some previously undetected errors with the form of guarantee which must now be addressed. The necessary corrections have been made and, as such, the Motion is once again being laid before the honourable Legislative Assembly.

Madam Speaker, and honourable Members of the Assembly, this Motion seeks the issuance of a guarantee for US\$5 million to First Caribbean International Bank. The Development Bank previously invited proposals from various local banks in connection with sourcing a \$5 million Credit Facility. During the tender process First Caribbean International Bank was selected. First Caribbean International Bank has offered a \$5 million Credit Facility for a term of five years at a floating rate of 180-days US\$ LIBOR plus a margin of 275 basis points.

The affected interest at the time the credit facility was offered was 3.20 per cent. First Caribbean has also provided an option of fixing the interest rate for the term of the Facility. Under that option, if interest rates should increase, the Development Bank will have an option to fix the interest rate and ultimately protect itself against rising lending rates. Madam Speaker, CIDB will utilise the \$5 million to support its on-lending programme.

At the time the credit facility was sought, the Development Bank had approximately CI\$2 million loans awaiting funding. These included mortgages totaling approximately \$735,000; business loans totaling CI\$1.1 million, and student loans totaling approximately CI\$100,000. These numbers have since grown to a total of \$3, 906,878, which includes mortgages, business loans, student loans and other loans.

So, Madam Speaker, and honourable Members, it is clear that the credit facility obtained from First Caribbean will play a vital role for the Development Bank.

Section 17 of the Development Bank [Law (2004 Revision)], Madam Speaker, provides that the Governor in Cabinet shall not guarantee the borrowings of the Development Bank unless a statement of the proposed Guarantee has been laid before the Assembly and a resolution approving that statement has been passed by the Legislative Assembly.

The Public Management and Finance Law also impacts upon the Motion.

So, Madam Speaker, CIDB, (the Development Bank), continues to play a crucial role in the Cayman Islands' economy as it provides opportunities for those who may not readily qualify for small business loans, mortgages or even debt consolidation at local commercial banks.

Members are asked to support the Motion, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, does the Honourable mover wish to exercise his right of reply?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, just to answer one query that was on the radio, and one statement by the Opposition party on the radio, which talked about that this Government was not doing anything to help the middle-income and the small businesses in the country.

The Development Bank, Madam Speaker, has provided a record total of \$10.5 million in new loans to Caymanians from their existing resources. In the previous financial year, if there is a test to find out whether the last government (the Opposition now), or this Government is doing anything to help the small businesses—I'm glad that the Member for East End has walked in because he was the one who made the statement that in the previous financial year 2008/09 the CIDB dispersed loans totaling \$4.6 million.

The Development Bank currently has \$3.9 million in loan approvals or loan approvals under consideration, but these cannot be funded until the \$5 million facility with First Caribbean International Bank has been received. These funds will be exhausted as soon as they are received and the other \$5 million approved shortly thereafter will come on stream to continue our loan lending policy.

Madam Speaker, just to give Members a breakdown of the loans funded since May 2009, since that Member, on behalf of his party, said that we were not doing anything for the small businesses and middle income Caymanians, I think he said. That breakdown is as follows: On business \$2.7 million; mortgages, \$1.4 million; student loans, \$458,000; other loans, \$725,435; our debt consolidation, \$1.5 [million]; financial stimulus, [\$]3.6, for a total of \$10.5 million.

Now, if they want to say that is nothing, well he can go ahead. But until they can provide an answer and a solution, he should say that we have done that much even though he might say that he does not think that was enough! Well he can say that but when you compare what we have done to what they did in their last two years . . . well, there's a whole lot more—more than double what they did.

The financial stimulus programme launched in the summer of 2009 assisted many Caymanians and, somehow, Madam Speaker, these people would like the world to forget that. These loans assisted them in avoiding foreclosures on their homes and also provided working capital to the small business struggling with loss of revenue from lower sales during this harsh economic time.

The [\$]3.9 million currently waiting to be funded comprises the following, Madam Speaker: Businesses, \$1.8 million (restaurants, agriculture, retail, construction and tourism); mortgages, \$1.8 million (home purchases, home construction and refinancing); students, \$118,562; other expenditure (shutters, land and insurance), \$142,919, for a total of \$3.9 million.

Madam Speaker, these numbers are a testimony to the importance that the Development Bank is playing in Cayman's economic recovery, by providing opportunities for Caymanians to support their small businesses, to purchase a home, and in some cases, to prevent foreclosure, and finally, to pursue education. It is also a testimony that despite the current economic slowdown the entrepreneurial spirit is flourishing as Caymanians are embracing the opportunities afforded by the Development Bank. There is a renewed spirit of confidence in the Government of the day, and it is foreseen that they will lead the economy in the right direction and the Development Bank will continue to be of great assistance.

As I said earlier, when I challenged the Leader of the Opposition . . . the problem with the Development Bank is that it does not have enough money to lend and assist those areas that we have talked about. The problem that we have with the Development Bank is that they cannot source their own deposits, where they would be able to get money. That could be done . . . it would, of course, give competition to local banks, which we might want to do. And also, Madam Speaker, of course, it would be a guarantee by the Government; some sort of guarantee by the Government. So we have to recognise that. But that is the problem.

If we go to Caribbean International Bank the funds are more expensive. We've been trying to source funds here, and we could get 50 million if we wanted to go in the direction I've been talking about. And that probably would offer the kind of stimulus that we need today in this country for these kinds of people that the Opposition says they are concerned about. But I would say, Madam Speaker, that the new management, Mrs. Ebanks and the new Board, has done well to get this kind of rate at this time because the rates are moving in the upward direction. So they have done well to get those rates that we talked about earlier.

And so, Madam Speaker, I would like to thank them for their work that has been done thus far. I wish that this Government could offer more in the terms of funding to Caribbean Development Bank ourselves,



but everybody can see the financial position as left to us by the last government. So, Madam Speaker, we can't get the funds from there. But I wish that we could come to some agreement so we could source the funds that we need to source to assist the Development Bank in the amounts that we know that people need. The simple fact is the Development Bank cannot assist everybody who is now calling on the Development Bank because we do not have the funds available.

And if the Opposition who is grumbling over there wants to do something, Madam Speaker, they can make their thoughts known in regard to whether the bank should go in that direction. That's what they need to do! Be a man and stand up and say, *This is what we are for*, instead of hedging around, playing politics with every issue.

**The Speaker:** BE IT NOW THEREFORE RESOLVED that, in accordance with section 17 of the Development Bank Law (2004 Revision) and section 8 of the Public Management and Finance Law (2005 Revision), the Legislative Assembly hereby approves the statement laid before the Legislative Assembly in respect of the proposed guarantee and hereby authorises the Governor in Cabinet to issue a Government Guarantee to First Caribbean International Bank (Cayman) Limited in such manner and on such conditions as he thinks fit for the repayment of the principal sum of US\$5,000,000.00, the payment of interest on and the discharge of any other financial obligations in connection with such principal sum in accordance with the provisions of section 17 of the Development Bank Law (2004 Revision) for the purpose of funding the CIDB's approved loans and to support its ongoing lending programme.

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

**Ayes.**

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

**Agreed: Government Motion No. 3/2010-11 passed.**

**The Speaker:** I'm going to suspend the House for 10 minutes to allow the staff to prepare the paperwork necessary for introducing this Motion.

**Proceedings suspended at 4.20 pm**

**Proceedings resumed at 4.24 pm**

**Government Motion No. 4/2010-11—Creation of Committees for the Information Commissioner**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, I beg to move Government Motion No. 4/2010-11—Creation of Committees for the Information Commissioner, which reads as follows:

**WHEREAS section 36 (2) of the Freedom of Information Law, 2007 states that the Information Commissioner shall be responsible to the Legislative Assembly in the exercise of [her] powers;**

**AND WHEREAS section 8 of The Public Management and Finance (Amendment) Law, 2010 provides that a Committee of the Legislative Assembly be responsible for overseeing the performance of the Office of the Information Commissioner, or if no such Committee exists, the Speaker shall be responsible for same;**

**BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the creation of a Committee of the whole House, in accordance with the provisions of section 8 of the Public Management and Finance (Amendment) Law, 2004, and that such Committee be chaired by Madam Speaker;**

**WHEREAS section 58 (1) of the Freedom of Information Law, 2007 states that "This Law shall be reviewed from time to time by a Committee of the Legislative Assembly appointed for that purpose";**

**AND WHEREAS section 58 (2) of the Freedom of Information Law, 2007 states that "The first such review shall be conducted not later than eighteen months after the appointed day";**

**BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the creation of a Committee of the whole House, to be chaired by Madam Speaker, to review the Freedom of Information Law, 2007.**

**The Speaker:** The Motion is opened for debate. Does the Honourable Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, this Motion recommends the approval by this Assembly of the Creation of two committees of the House. The first to whom the Information Commissioner shall be responsible, as required, by the Freedom of Information Law (FOI), and the second, to review the Freedom of Information Law, a review that is also required under that Law.

This honourable House, Madam Speaker, will be aware that a separate budget for the Information Commissioner's Office has recently been approved by Finance Committee.

One of the roles of this new Committee will be to receive reports from the Information Commissioner and to approve release of funds under this Budget for the operation of the Information Commissioner's Office.

With respect to the review of the Freedom of Information Law, this review is called for in the Law itself, which also requires that the review be conducted no later than 18 months after the commencement of the law which will be in July of this year. My proposal for the Law Review Committee to be a committee of the whole House and for the Speaker to chair this Committee, is to ensure that this review is not seen as any party or any political agenda, but rather to objectively assess what types of amendments and changes need to be made to the law to ensure that it is achieving what the legislature intended.

As the Information Commissioner has been closely involved with the practical application of the law, and is therefore best able to assist the Committee, I have asked the Information Commissioner, Mrs. Dilbert, to assist in leading this review.

The Committee will have the power to summon witnesses for its intended purpose. The Law review will include careful consideration of the current fee structure associated with the FOI (Freedom of Information) requests, as well as further research into the provision in the Law that allows for request to be made anonymously. There needs to be both clarity and balance in the Law, Madam Speaker.

Madam Speaker, I would ask honourable Members—

**The Speaker:** Honourable Premier, we need a motion to continue after 4.30. Suspension of Standing Order 10(2)

#### Moment of Interruption—4.30 pm

#### Suspension of Standing Order 10(2)

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the suspension of Standing Order 10(2) in order for us to complete business on the Order Paper before us.

**The Speaker:** Thank you.

The question is that Standing Order 10(2) be suspended to allow the completion of the business on the Order Paper today. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

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

**The Speaker:** Honourable Premier, please proceed.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I was just completing the moving of the Motion, and I would ask honourable Members to support the resolution before us.

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

Honourable Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, the Motion before the House for the creation of a committee of the whole House to review the Freedom of Information Law would appear at first blush to be innocuous. However, given some of the public utterances of the Premier recently and given some of the ominous concerns he raised in his short explanation of the Motion just now, I just wish to record our concern that this process is not an attempt to in any way diminish, reduce [or to] make less effective the provisions of this critically important piece of legislation to openness which is having a positive effect on transparency and openness in Government.

Now, Madam Speaker, legislation such as this is bound to cause any sitting government some concern and aggravation, but it is designed to do just that! And we have to develop in this country, those of us particularly who hold leadership positions, a level of tolerance and a willingness to accept that these sorts of provisions which require the Government to provide information are critically important to open and honest government. It goes with the territory. And I am particularly concerned, Madam Speaker, that the Premier raised two issues which are very, very important to the proper operation of this legislation, and that is the ability for requests to be submitted anonymously. That is the chief one and I will speak to that briefly.

Madam Speaker, the reason why that provision is in the Law is to hopefully allay fears of recrimination by people who make these requests. And given the force of some of the statements made recently by the Premier about people—Mickey Mouse included—who might possibly make requests, there is I believe, very good cause why this particular provision ought to remain as part of the legislation.

I'm struggling now, Madam Speaker, to recall what the other point was that the Premier indicated . . . Oh, the question of fees. That, again, is not just a service in the usual way that government provides; this is an important element of the overall checks and balances that we, the administration of which I was a part, sought to put into place to make sure that Government is open, honest, and transparent.

One of the big weaknesses of the Westminster system of Government identified a long time ago, and talked about often, is the lack of checks and balances and the fact that it is simply the majority which makes the decisions and rules. So, we have to build in as many checks and balances on the authority, on the power, on the activity and conduct of governmental affairs as we possibly can. And the Freedom of Information legislation is one of the key tools developed in recent times to achieve just that.

And so, Madam Speaker, if we are going to think seriously about increasing the cost of fees to get information, it is going to have a chilling effect on the operations of the Law. That may well be the hope and intent of some; but I believe, Madam Speaker, that if that does occur it is going to neuter, really, the legislation. That I would discourage, if I could seek to dissuade Members of this House from thinking along that vein.

I am quite disturbed, Madam Speaker, that the Premier did not simply present this Motion as being something that was referred to by His Excellency in the Throne Speech as part of the Government's agenda for this year, and something that is required by the Law. But that he chose to raise these two specific issues which he previously addressed—and addressed with some vehemence, if I may say so, at a press briefing earlier this year. And, Madam Speaker, it sends—I hope I'm wrong—the message to me that this is not simply the Government doing what it *should* do to comply with the Law, but that this Committee is going to have a particular mandate.

We can set up as many committees of the House as we want, but the reality is that the Government is the Government. The reason that the Government is, is because they have the majority of seats, so the Government's will, will be done. And I'm not arguing with that; that's the way our system works. But the problem I have with that is that what it seems to me to be intended here, is to give some vestige of creditability to this process so that it can be said, *Well, the changes that are being proposed are changes which have been recommended by a committee of the whole House, chaired by none more august than the Honourable Speaker.*

And so, Madam Speaker, I would not have raised those points except that the Premier caused me so to do because of having identified these two crucial points with which I know when we get to committee there is going to be robust debate about.

So, Madam Speaker, I just wish to say that the Opposition is not going to oppose the Motion; I just wanted to lay down those markers and raise those concerns which have occurred to us as the Premier spoke.

*[inaudible interjection]*

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

**Hon. Rolston M. Anglin:** Madam Speaker.

**The Speaker:** Honourable Minister for Education. [Training and Employment].

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker.

Madam Speaker, I read this Motion again because after listening to the contribution of the Third

[Elected] Member for George Town, I really thought that something had happened and I had read the wrong motion in Cabinet, because I was surely convinced that something different had appeared before this Legislative Assembly.

Madam Speaker, this Motion, as has said by the mover and the Third [Elected] Member for George Town, has been brought about because of the requirements of certain pieces of legislation, namely, the Public Management and Finance Law and the Freedom of Information Law. This whole matter of the review of this Law, as required under section 58(2), is something that will cause the Committee—and mind you, a committee of the whole House—to have to do its work.

Now, Madam Speaker, I know that the Third [Elected] Member for George Town struggled greatly with the fact that the Government is proposing that you, Madam Speaker, will be the Chair, because they cannot say that we are appointing any Member of our party as the Chair. You are an independently appointed Speaker from the outside so I know that if that were not the case . . . Oh boy! If we thought that we picked up one load of theory just now, that theory would have gotten extended a lot further.

But, Madam, Speaker, the Committee will carry out the mandate of 58(2) of the Freedom of Information Law. Surely, Madam Speaker, the work of that Committee will come to the light of day. Surely, Madam Speaker, anything that the Committee recommends would require another bill to come down to this Legislative Assembly. Surely, Madam Speaker, all and sundry will have an opportunity to debate it, to see it, and to know what is happening. And so the Government certainly will not be able to do anything to the principles of the Freedom of Information Law without there being robust public debate and discourse. That will have to happen.

A number of points have been raised in different fora, not only by the Premier, in the statement that he made, but also by the Freedom of Information Commissioner herself.

So, Madam Speaker, I find it ironic that we would debate and pay particular attention to what the Premier has said, but not talk about what the Commissioner herself has said and the observations that she has made about the Law. Certainly, as the Commissioner, we ought to pay particular attention to whatever observations she has made. We don't have to accept what she says *carte blanche*; but, certainly, I think it will be foolhardy of us to not pay particular attention to her.

I would think, Madam Speaker, that under [section] 58(2) one of the key witnesses before this Committee will be her [with] us questioning her and ensuring that we understand from a day to day perspective, as she lives the execution of this Law and carries out the duties and obligations under this Law, precisely what is happening.

Now, Madam Speaker, the Government is not coming to this House to say that it is going to do anything about repealing the Freedom of Information Law or anything of the sort. It's here. It's here to stay. I think the Third [Elected] Member for George Town would also recall that when they were elected work had already started in terms of working toward a Freedom of Information Law. This has been something that has been a work process, or debated and certainly talked about for over a decade. But certainly, work had started in regard to ensuring that legislation would be coming forward in this vein.

But, Madam Speaker, you know, really the MO (modus operandi) of the Opposition is quite simple. Everything is about trying to cast aspersions, doubt about the Premier. That has ever been their MO. It was their MO when they were the Government in 2005 to 2009; it was their MO when they were the Opposition from 2001 to 2005 and now it has been their MO since they have been the Opposition again in 2009 to date. So that's not new.

However, Madam Speaker, the one thing that I can assure the Third [Elected] Member for George Town and everyone on the Opposition Bench, is that this Government is not going to sit idly by and have them mislead the public and throw these aspersions without ensuring that the Government defends itself and puts out to the public, to the House, clearly what the position is, what the intention is. There is no intention here for anything undesirable to happen, and besides as I've pointed out earlier, Madam Speaker, it couldn't anyway with the way the system is going to operate.

This is the fairest way to have set this Committee up. No Member is left out. Every Member has a voice in what we in the Government believe to be a crucially important piece of our system of governance. That's why we didn't use any interpretation to try and come up with any number of members. We said, *You know what, let's open it that every single Member of the House has a seat in this Committee and that you, Madam Speaker, would Chair.* And you are a Speaker from the outside—not a member of the ruling party—and you would be the most objective person to Chair this very important Committee. I think this is good! This is a good thing. This is a good way to approach this whole matter.

Madam Speaker, the one thing that has been brought out, and this exists in every country and in every legislative landscape that includes Freedom of Information legislation, is the whole matter of cost. And, Madam Speaker, I understand that the Information Commissioner has also brought up this point as well. And I can say that, certainly in my 12 months, my Ministry has worked diligently to provide the information for every request that has come in.

But, Madam Speaker, we have had certain requests that when you look at what you need to try to find in terms of records, emailed records and the like, the access to certain information is something that is

difficult to find. And once it is difficult that equals expense because of someone's time that has to be spent trying to find it. So let us not fool the public into believing, somehow, that magically at the fingertips of government are answers to every question that the public pose and it is a click of a button and all the information magically appears, you print it off and give it over so that it can be transmitted on to the requestor.

Sometimes, Madam Speaker, in government, as people move along and work, there are certain emails, et cetera, that are of no substantial value or relevance to what they have to do tomorrow. And as they continue to cleanup their inbox they delete items. There are times when someone is going to come behind and ask something a year, two years, a month [or] two days from now. No one can anticipate everything that is going to be asked.

Certainly, Computer Services would have a place to play. I don't know all of the technical details about exactly how their system of redundancy on deleted items works. I don't know the answer to that. But what I can say is that they certainly limit the size of inboxes because of their necessity to preserve memory space within the government network, and that does cause people to simply do what they have to do to keep their machines running efficiently and to work.

So when you get requests and all of a sudden included in there are requests for every email that is related to this, that and the other, it can become a very difficult exercise. What I can say is that the principle of trying your very best to get the most relevant information to the public on the topic that they have requested, has to be the order of the day. But I don't know of any country whose freedom of information legislation does not pay cognisance to the fact that if an answer is seen to be too expensive to produce in terms of gathering and collating the information, that sometimes you may not be able to. That is a reality of life and we need to ensure that the public clearly understand that. Right?

Somehow the impression that is often left with FOI, is that, *Oh there is someone somewhere sitting, and all the tentacles of government that is sitting there are ready to give all the information that anyone could ever dream of asking for*—and trust me, from what I can understand, some of the requests are just that. They are quite frivolous, vexatious, and sometimes, quite frankly, people are somewhat dreaming. But that's a part of it as well. That's how it goes. I mean I think all of us accept that that is par for the course. But for legitimate requests that come in the clear expectation that I know exists now in government is to provide as much information as possible so that the requestor can get the information that they are seeking.

But, Madam Speaker, this Committee, the Motion that is before us, ought to be something that the Opposition themselves should be applauding. The Opposition themselves should be saying, *You know what Government? You didn't just try to pick a couple*

*of us and a few of you; you have opened this up to all of us.* And they should be seeing that as mature democracy because it is. We have a small House, this is mature democracy. So instead of trying to paint the Premier as black as they can, what the Third [Elected] Member for George Town and his Opposition colleagues should have said was that the Government and the person, the Premier, moving this Motion today, is showing maturity, showing the type of commitment that we ought to have in the Westminster style of Government that will allow it to work as best as possible.

Madam Speaker, I can't see how any Member cannot support the Government Motion No.4/2010-11 that is before us.

**The Speaker:** Thank you.

Does any other Member wish to speak? Does any other Member wish to speak? Does any other Member wish to speak? If not, I will call on the Honourable Premier to exercise his right of reply.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, as I said on the debate yesterday for the Caymanian medals, I am never surprised by the Member who spoke on the Opposition Bench. Never surprised, Madam Speaker, because that Member will go to any length, any depth, say anything to anyone that he can get to listen to him so he can smear the United Democratic Party and, in particular, me.

He has simply been unable to handle me from the day we formed a coalition with them and he could not be the Minister. He decided that he had to break the coalition up. That's why Kurt and I parted. Madam Speaker, it does not surprise me what he said here today but just let me outline.

When the matter was brought to the Cabinet's attention by the Commissioner [of] her needs and requirements, the committee that was put to me was a smaller committee of this House and I said to her, *Look, let us form a committee of the whole House and let the Speaker be the Chair for both things*, because I did not want anyone to say that the Government was having the preeminence and the predominant position in the Committee. Yes, the Government will be the group with the most Members, but I don't know if I would even get to attend the committee meetings, Madam Speaker.

That is why I know how difficult it is to form a quorum in this House for meetings, such as getting us in the chamber here. That is part of the reason why I chose a committee of the whole House, because the work has to go ahead on these kinds of important things. They will then have more Members to make up the quorum. And the Chairman, who will be the Speaker, can set the quorum for that Committee.

Madam Speaker, I'm not surprised, but I'm ever disappointed in anyone who claims to have legislative knowledge, who claims to be an educated Caymanian and who rises to positions that they can get

elected to this House, that they have to constantly do what the Third [Elected] Member for George Town does. If he believes that that is going to help him, I'm sorry for that young man. But he had better take the hate out of his heart and he had better stop trying to rile up the press the way he does, because I can tell him today is for me, but tomorrow is for him.

And when I am gone from this House and those people continue to do what they do to this country, he can offer them defense now, but I'm sure if he was standing where I am standing he would not be offering them any defense. Of course, he can get them to write a story and carry probably all of what he said just now and that will catch some readers and other readers will not have heard what the Second [Elected] Member for West Bay said or what I am saying. So, he does what the communists usually do—repeat it over and over and over—and therefore, misleads the public that way.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I did not choose a small committee. The Government agreed that we would have the bigger committee of the whole House with the Speaker as Chairman. Madam Speaker, the Motion appoints that Committee of the whole House. And I'm sure that Members will want to go through this Law to make sure that the Law is doing what the Law is supposed to do.

Now, Madam Speaker, he is no more a democrat than me. He has not passed as much legislation as I have passed in this House. He hasn't! He hasn't done the work that I have done in this country. Neither has he taken the licks that I have taken, and the misrepresentations that have been made against me.

He has no—

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** No, you are not catching up fast; you still have a lot of flogging to take.

Madam Speaker, he is nothing but a contrarian in this honourable House and in this country who has done no good that we can count on as yet.

Madam Speaker, let's look at that Member and his Government, when he talks about checks and balances and the need for checks and balances. They went through four years, found this thing on the way—they made a big brouhaha about they brought it in.

But remember this: It was McKeeva Bush who piloted the legislation for the Complaint's Commissioner—which was a forerunner to all of this, and which said that what came next would be the Freedom of Information Law. I did that between 2001 and 2005. So he does not need to think . . . He might be able to tell that to people who don't know the differ-

ence; but there are people who do know the difference.

But just look at them, they had four years and what did they do? At the end, at the stroke of midnight they let . . . No, two minutes to twelve, they passed the bill which would not, Madam Speaker, open up them for questioning; would not check on them for questioning. Madam Speaker, they didn't want it while they were in office. That's why it came into force when it did. As I said, two minutes to twelve before the bell rang on them and the people flogged them out and said, *Go home for all the no good you have done!*

And so, Madam Speaker, he has the audacity and the temerity to come here to talk about checks and balances. Checks and balances? Check the high school! Check them if you want something to check! That's balance for ya!

Madam Speaker, what I said this morning and what I said at the press conference [was] because people that he aligned himself with were trying to blackmail me into paying them money; members of the press were trying to blackmail me to pay them money to do work for money. And when I said, *Look, you can go about your business, I ain't doing it*, they said, *I got ink, I got paper!*

Madam Speaker, it is nothing but skullduggery that goes on with some of those people. Yes, he is the same Member who ran to the press with the former (who was then, I guess at that time from the evidence given to the commission of enquiry, Cliffordgate) . . . he was the Member running to the press with that Member who was dragging out information and giving wrong information. He was the Member! That's in the records of the commission of enquiry held, and he is now talking about he wants to cloak himself into some robe that he is this man who wants all of this openness and transparency?

Yes, he wants it now; but he didn't want it when he was there.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** My public utterances stand, Madam Speaker. They stand. And if he is concerned about this, then he should take up with the Freedom of Information Commissioner who herself talks about the cost and all of these other areas.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** There is nothing here to reduce or diminish.

You can't tell me when to sit down!

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** In fact, I've had enough with you. If you have something to say,

stand up again. If I am not telling the truth stand up and contradict me.

Madam Speaker, there are rules in this House.

**The Speaker:** And the rule is that you speak through the Chair too. Thank you.

**The Premier, Hon. W. McKeever Bush:** Y-e-s.

I would like to speak, though, without all of that grumbling over there.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the giving of information does not upset our Government, or it shouldn't upset any government. All we said, and I keep saying, [is that] with information comes responsibility! And I do believe that the rights afforded to the people under the Freedom of Information [Law] should be tempered by the need to know! Freedom of information was not meant to be, nor should it become, a financial burden to our country. And when you see some of the names of the people [who] are asking information, it is not they who are asking for the information, Madam Speaker. They wouldn't know what to do with it!

It is the Opposition who is putting them up to do this and they are not man enough to go to the Freedom of Information and say they want it, because they want other people to get it to make it look like other people are so interested. It is them [trying] to get information to play the mad game that is going on in this country.

Frivolous and unnecessary requests, Madam Speaker, should be kept to an absolute minimum! A lot of information about Government, Madam Speaker, is already in the public domain. And I believe that Government should focus on continuing to proactively publish information.

My God, I went through four years without getting any kind of information. I could not even debate statements in here, Madam Speaker. Their Speaker would not even allow me to debate when things were even said about me. They talk about democracy? Not when they had it. That's in the record and I have it in front of me. They wouldn't even allow me to ask a question.

Now? Uh-huh—the information is out before we even finish Cabinet. I don't know where they get it but they get it. They can get information and I couldn't get information on some of the things that were happening [about] police [or the] next thing. Helicopter this, money being spent, and we didn't know anything until we went there. We didn't know anything until we went into Cabinet and found out how much money he had thrown down the drain and we had none. We couldn't get any information!

Reports that should have been made, Madam Speaker, were not made! And no matter how much

we asked the questions we could not get them answered. Financial reports that are due by the financial management laws were not brought here! Before the general elections, Madam Speaker, there was a requirement that said that they should publish the full accounts, and they were not. And when I went to publish them they then blamed it on the Financial Secretary. But I could not get the information. We walked into Government blind, and he now has the audacity to talk about openness and transparency? That Member should go and hide his face.

It's a good thing too that they had that new mechanism for voting or he would have been left in the dust in George Town. People found them out.

Madam Speaker, we believe this will help to ensure that our already strained Civil Service resources are not further burdened with simple and sometimes menial tasks, and the public will have easy and direct access to the information they seek.

Freedom of information has been recognised worldwide as integral to freedom of speech, and therefore a fundamental human right that we uphold. We recognise that freedom of information is certainly not a luxury; it is vital to good governance and has the power to make government more efficient, effective and responsible.

Madam Speaker, despite any reservation that I have about me being blackmailed and those using ink against me and those things which I pointed out in the statement this morning, I have always supported the principle of freedom of information, that you need information and the Opposition needs information and I will continue to have that belief. But in these tough economic times our Government needs to look at ways to improve efficiency and effectiveness without increasing expenditure.

Freedom of information allows this to happen in some ways. It ensures this happens in some ways. Freedom of information requires Government to answer the questions asked by the people, and this will prompt us as the service provider to take a critical look at how we do business, which in turn will allow us to adjust, to adapt, and enhance our service delivery. But it has to be done right. Not for the purposes that we . . . and the way that it is being done sometimes. No!

Some recent media stories about freedom of information have been negative and incorrect! The Government has always been and will continue to be committed to openness and transparency. And a committee of the whole House will reassert that position, as well as to ensure that all honourable Members have the opportunity to contribute to the process. What is wrong with that? Would he want just two and three of them out there to be on that Committee and he is the chairman? And they never have a meeting like some of them that he was chairman of in the past four years? Yes, he was chairman of some. I am not making myself chairman of nothing.

The change to a culture of openness in our Government is certainly, Madam Speaker, not an easy task, and is one that will continue to require a multi-pronged change strategy as well as a commitment to transparency at the most senior level. The FOI Law seeks to strike a balance between the public's legitimate right to know and the need for government to keep some information confidential. There are things that cannot be made public. Government is working to achieve the objectives of the Law and inevitably during this process there will be some stumbling blocks. However, I am confident that a balance can be found and that FOI will be embraced and become embedded in our system of governance as it has in some many other democratic and forward thinking societies worldwide.

Some though, who are crying about the cost . . . check them out; read what they are saying about it.

Madam Speaker, every Member has a right to raise a debate and to debate on any matter, but it is a pity that some Members can't be more honest than they are when they come to debating matters of great national importance, such as the [National Honours and Awards] Bill and this particular matter today.

This is an important matter. We need to get that Committee set up where both matters . . . the review will take place and then the ongoing oversight of the work of the Freedom of Information Office will be taking place. There is nothing to diminish or reduce the import of the legislation that we have. What we are doing is something to enhance it; that's what needs to be done.

For those who don't like what we are doing, those in the press . . . well, I invite them to go away for the next four years. Don't stay; wait until another government is elected and then come back, if they want. But, what I am not going to allow them to do is to bamboozle McKeeva Bush. Uh-uh. No! I know nothing about them; nothing about their capacity, their capability, where they came from, who they belong to, what they used to do when they were there, wherever "there" was. So when they come to report on me they do it good.

Don't show my house as McGarby's house. Don't do those kinds of things because that brings trouble. That makes my ire rise in this country.

Understand that.

Joke! You were a part of it or what?

**An hon. Member:** Yes.

**The Premier, Hon. W. McKeeva Bush:** Yes? I guess you were. He admits that he was a part of that. Madam Speaker, now I know where it came from.

Madam Speaker, he should be ashamed of himself, the Member for East End, talking about he was part of it.

Madam Speaker, I thank you and the honourable House. And, I believe that we are doing the right thing today.

**The Speaker:** BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the creation of a Committee of the whole House, in accordance with the provisions of section 8 of the Public Management and Finance (Amendment) Law, 2004, and that such Committee be chaired by Madam Speaker.

The second resolution: BE IT NOW THEREFORE RESOLVED that the Legislative Assembly approves the creation of a Committee of the whole House, to be chaired by Madam Speaker, to review the Freedom of Information Law, 2007.

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

**Ayes.**

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

**Agreed: Government Motion No. 4/2010-11 passed.**

**The Speaker:** There remains but one item that was not finished this morning. The Honourable Minister for Education had a third statement to make. He was unavoidably detained out of the Chamber this afternoon when we began, and he has asked my permission to present that statement now. And, in the interest of completing the Order Paper I have decided to allow him to do so.

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

### **Human Capital Development Agency**

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker. And, Madam Speaker, I apologise for my late arrival back after the luncheon break. I was unavoidably absent at a meeting and just couldn't get back. But, Madam Speaker, it is important to have the statement done today because it rounds out the other statements made on Monday, and it also links directly to the statement earlier on, on scholarships. Madam Speaker, I think it is important for Members of the House to be able to see how this very important restructuring within the Ministry is happening and what the end result is going to look like.

Madam Speaker, in my statements to this Honourable House on June 28<sup>th</sup> I noted that I inherited a highly dysfunctional Department of Employment Relations and a floundering University College. In the run-up to the May 2009 General Elections it was obvious to me that the previous minister and his PPM administration were hopefully lost as it related to the big picture on how to holistically develop our people. How they went about managing our most precious resource, our people, had become a colossal national disaster.

Madam Speaker, my Ministry is charged with overseeing Education, Training and Employment within the Cayman Islands. However, during my first year as Minister I have had reason to be concerned, and have expressed these concerns to my colleagues in Cabinet, regarding certain institutional failures, contradictions and inefficiencies with respect to labour and the regulation of pensions.

Madam Speaker, it is my view, based on a review of the entire situation and various meetings with members of the public, that in order to address these concerns, create better efficiencies and better serve this community, that it will be necessary to restructure and reorganise the National Pensions Office and the Department of Employment Relations to create two new agencies. And, Madam Speaker, a picture is worth a thousand words, so I've included with this statement two exhibits at the back that hopefully will allow Members to clearly see where we are at now and where we are heading.

The two new agencies will be a new Department of Labour and Pensions, and a Human Capital Development Agency.

The establishment of these two agencies will require amendments to the existing governing legislation. To this end, my Ministry contracted a very experienced attorney, Mrs. Theresa Pitcairn, to prepare an interim report as to the feasibility of the realignment of the regulation and enforcement of pensions in light of the historical challenges surrounding pension regulation and enforcement in the Cayman Islands and to assist in its implementation. This report was presented to my Ministry on 19 April 2010. Subsequently, Mrs Pitcairn was retained to meet with various government agencies and to review and assess the Pensions and Labour Laws and any other legislation that would impact or interact with the proposed establishment of the two new agencies, a Department of Labour and Pensions and a Human Capital Development Agency.

Madam Speaker, the National Pensions Law currently divides its functions between the National Pensions Office and the National Pensions Board. It is intended to place the regulation of pension plan administrators under CIMA (Cayman Islands Monetary Authority) in the same way that it regulates other financial services under the relevant laws.

The responsibility for ensuring compliance with the National Pensions Law and the resolution of pension disputes between employer and employees will lie with the new Department of Labour and Pensions. This division of responsibilities should solve the governance challenges where the roles of the Ministry, the National Pensions Office and the National Pensions Board have become increasingly confused and in some circumstances contradictory. It will also create a 'one-stop shop' to resolve individual disputes of rights for all labour issues including pensions. This restructure will result in the carrying out of single workplace inspections to ensure compliance with both Labour and Pensions legislation. This will lead to



more efficient utilisation of government's human resources and for businesses it will create less disruption to their operations.

Madam Speaker, under the Labour Law the functions of the Department of Employment Relations includes providing job placement services and encouraging the training of Caymanians in the workforce. The Job Placement Unit, which carries out these functions, has found itself increasingly in the spotlight in recent times. This has been due to the downturn in economic conditions which have resulted in higher unemployment and fewer opportunities for young Caymanians entering the labour market for the first time. Consequently, the effectiveness of the Job Placement Unit has been drawn into question as Caymanian job-seekers become increasingly disenfranchised with their inability to gain decent work.

Good employment policy must be grounded on good employment data. The shortcomings in the systems and processes relating to the placement of job-seekers has resulted in frustration by both job-seekers and employers and inadequate provision of relevant, timely employment statistics to support informed decision making. There are no credible assessment tools being utilised to ensure we understand each client's true skill level and competencies. This has led to massive complaints from employers and potential employees as there are often a mismatch between what employers actually require and the skill sets of the potential worker. This is crazy and cannot be allowed to continue.

Various attempts in the past to revitalise the existing labour functions have not been successful and the general public, the private sector and other stakeholders, including some governmental agencies, continue to see the Department of Employment Relations as operating below par. Madam Speaker, this is not to cast aspersions on the character of those working within the Department, it is just to recognise that there is a general level of dissatisfaction with the Department's service delivery.

As a first step in tackling the gap between the supply and demand for Caymanian labour it is intended that these job placement functions and the research and statistics functions be separated from the functions of dispute resolution and workplace inspections normally associated with traditional labour departments and moved to form part of the new Human Capital Development Agency.

In addition, Mr. Steve McIntosh, CEO of CML Offshore Recruitment, volunteered—let me reiterate that, *volunteered*—his services to the Ministry to review and assess the current job placement structure and processes and to present a report with recommendations for improving operational efficiency. The review of the Job Placement Unit commenced in late March 2010, and has been presented to the Ministry. It awaits my review.

Madam Speaker, I now wish to address the rationale for creating a Human Capital Development Agency.

Human capital can be defined as “the knowledge, skills, competence and other attributes embodied in individuals that are relevant to economic activity.” These knowledge skills and competencies can be developed and enhanced through various policies, strategies and interventions. The formulation and development of these skills and competencies takes place over our lifetime. This process usually commences from the time we enter pre-school, it continues through our years of compulsory schooling and further education as well as throughout our adult working lives.

However, the human capital of our community is in crisis and facing many challenges. Madam Speaker, employers have made it known that they are less than impressed with the products of our education system—our human capital. We are producing young Caymanians who lack the required employability traits and citizen traits that would allow them to enter the labour market and become productive citizens. Our young Caymanians often lack realistic goals, and a plan for achieving those goals.

Madam Speaker, many of our young people are completing high school and graduating from University with mediocre grades and GPAs with the mistaken belief, a misguided expectation, that they are entitled to get a well paying job no matter how poor their academic performance.

Our past national policies are returning to haunt us. In our pursuit of ensuring that we educate as many Caymanians as possible, we have let standards fall. We have emphasised quantity, and in the process have forgotten quality. Many of our young people, and in some cases, their parents as well, believe that all that matters is that they passed. The reality is that all passes are not equal. Some passes are excellent while some passes are poor. They may all be passes, but they do not carry the same value.

We have led our young people to believe that achieving excellence is not important, and in doing that we have set them up to fail in an increasingly competitive world.

Madam Speaker, I do not believe in excuses. We should not give employers inferior products and expect them to happily accept them. If, for example, any one of us goes to the shop to buy a flat screen TV, we expect it to function. If we take it home and it is not working, are we going to sit there watching a blank screen? No, Madam Speaker, we will be returning the faulty TV to the shop and demanding a replacement. In fact, some of us may even be demanding a refund, taking our money to another store, in search of a more reliable service. Why? We would do this because our confidence in the ability of the first store to meet our needs may be damaged beyond repair. This point is critical. If we fail to understand this

scenario Madam Speaker, we will be unable to respond appropriately to what employers are telling us.

Employers are telling us that they want people committed to excellence. Employers want excellence. They want people with the right attitude. The most common way for employers to know they are hiring employees with the right attitude is by looking at the school results of those seeking employment.

However, establishing excellence, or otherwise, by looking at school results is not an easy task here in the Cayman Islands. It is not an easy task because of the different educational systems and the range of qualifications by different awarding bodies. Students, parents and employers have all found themselves challenged at some point when trying to establish what a grade issued by one awarding body means and how it compares to another grade issued by a different awarding body. These are some of the challenges we face.

I would like to touch briefly on the subject of careers guidance. Available data indicates that some of our young university students are choosing to major in courses that will lead to careers for which there is limited demand in these Islands. They are returning with skill sets that are becoming less relevant to the economy. In many instances they have made these choices because we have failed to give them adequate career guidance.

The UDP Government believes that Labour policy and Immigration policy should be achieving two things: Preparing and protecting Caymanians and attracting and creating economic opportunity for the country. Creating economic opportunities will result in new jobs and more employment opportunities that Caymanians may not possess the skills to take up. Employers would be justified in seeking more work permits to import foreign labour with the requisite skills if those skills are not available on-island. Caymanians would be equally justified, in fact more than justified, in feeling frustrated at being unable to participate in the economic opportunities in their country.

This, Madam Speaker, would exacerbate existing social tensions and be a recipe for disaster. We as a Government—and I as Minister with direct responsibility for Education, Training and Employment—will have failed the people of the Cayman Islands. We will have failed the Caymanian people because we did not protect them. We will have failed the Caymanian people because we did not sufficiently prepare them.

Madam Speaker, the only sustainable way we can protect the Caymanian people is by ensuring that Caymanians, our Human Capital, are sufficiently prepared to take advantage of the new economic opportunities, the new employment opportunities. This requires a well-thought out national human capital development strategy. It is this, Madam Speaker, which has created the impetus for the establishment of a Human Capital Development Agency.

The focus of this Agency is to advance the potential of Caymanians by enhancing their skills, ca-

pacities and learning in order to take advantage of the current and future economic opportunities in these islands.

The functions of this Agency will be to manage workforce readiness. It will do this by understanding the capabilities of the local workforce; by identifying gaps between capabilities and evolving demand; and developing strategies to close these gaps through counselling, training, data collection and data verification.

The Human Capital Development Agency will provide a broad range of Employment Services. Madam Speaker, it is intended that it will administer the *National Qualifications Framework*. This is a mechanism that has been developed, in line with international best practice, by our Department of Education for recognising, recording and verifying individual educational achievements.

Closely linked to this will be the administration of a *National Learning Transcript Facility* for all participating Caymanians. This will address the confusion created by the various education systems and qualifications at the secondary school level. The transcript will set out in a very clear format what an individual student has achieved in given subjects, irrespective of the awarding body. It will enable employers, parents and students to establish what the grades actually mean in terms of levels of skills and ability.

The Agency will deliver *Career Planning and Counselling Services* to ensure that our young Caymanians receive the required guidance to enable them develop to their full potential and thus be better placed to take advantage of the available economic opportunities.

It will manage the *Scholarships Secretariat* ensuring that our substantial investment in educating our young Caymanians is maximised by establishing and maintaining standards that promote excellence in subject areas that are considered a priority for our economic development.

The Agency will also manage *Job Placement* activities to enable Caymanians to find suitable employment and employers to find suitable local candidates for employment.

In addition, it will oversee the development and delivery of *National Employment Passport Programmes*. These training programmes are designed to improve employability such as the highly successful Passport2Success Program that was launched this quarter.

If I may briefly mention, I attended the Annual Conference of the Cayman Islands Society for Human Resource Professionals earlier this month. While I was there, I met an employer who had recently interviewed one of the participants of Passport2Success. The feedback he gave me was valid evidence of the success of this programme. He told me that he was so impressed by this young person, by his attitude and drive, that he felt compelled to find a position for him in his company even though he had no permanent job

openings at the time. It is programmes that have this sort of positive impact on our workforce, both young and old, that the Agency will seek promote.

The Agency will also coordinate and report labour *Research and Statistics*. In the medium term we will begin the development of a National Manpower Database in order to more comprehensively report employment statistics and data. The size of our workforce makes it feasible for us to put in place a tracking system, so that we are better informed about the skills gaps and better placed to devise and implement strategies to narrow those gaps.

Madam Speaker, those are some of the components required to implement a well thought out national human capital development strategy. However, it is not my Ministry's intention to roll out all of these deliverables in one fell swoop. The Agency will initially start with moving the Job Placement and the Research and Statistics Units from out of the Department of Employment Relations, both physically and legislatively. These two units will form the nucleus of the nascent Agency and will be administered initially as a Ministry Unit. The other functions will be rolled out over the course of the coming year.

The Human Capital Development Agency will be dedicated to the idea that investment in our people's knowledge and skills over a lifetime must be a priority. Madam Speaker, if we are to be truly successful as a country, with a workforce that is able to compete with any in the world, we must ensure that our Human Capital Development strategies are aligned with our national goals and the economic needs of country. This requires that my Ministry, the Ministry of Education, Training and Employment, plays a pivotal role in creating the enabling conditions for new entrants and existing participants in the workforce to develop the skills and capabilities required for success.

But this is not an enterprise that can or should be undertaken in isolation. We need to recognise the importance of the organisational context in which skills are acquired and applied. Employer sponsorship of training, whether in the form of on-the job training or off-site training, is central to the development of workforce skills in all economies, particularly to skills developed after leaving full-time education. It is therefore imperative that the Agency engage in real dialogue and enters into collaborative relationships with employers and relevant stakeholders in the private and public sector such as the Cayman Islands Society for Human Resource Professionals and the Chamber of Commerce if we are to succeed in our task of developing our people. It is through such partnerships that we will formulate standards for workplace excellence and ensure that we all play our part in developing our most important resource, our people, the Human Capital of the Cayman Islands.

Madam Speaker, much work has been done within an extremely tight timeline by both my Ministry staff and Straight Ahead Consultants (which is the

entity owned by Mrs. Pitcairn) to move this process forward, for which they must be commended. As I speak, we are in the process of issuing drafting instructions to Legislative Council for the creation of the Human Capital Development Agency. Much remains to be done but the process of reorganising Labour and Pensions is well underway.

Madam Speaker, in closing I want to reiterate that my focus, as Minister, is to improve the life chances of our people. That is the focus of the entire UDP Government. This initial focus on our young people is the UDP's commitment to them (that is the Passport2Success).

Hopefully, these three statements today and the two delivered by me on June 28<sup>th</sup> will make it clear to the Third Elected Member for George Town and his PPM colleagues some of what this Government has been doing for the past year; quite bluntly, getting more done for our people that they were able to accomplish in four full years. They cannot point to one single employment initiative after four years in office. I say shame on them! They have no moral authority to speak on labour and employment issues. They did absolutely nothing for four years!

Madam Speaker, the former minister claims that I am firing missiles at him. Well I hope he has not forgotten how many he shot at his predecessor! The biggest difference is that I have worked hard and already have results to show. Also, there is for the first time, a holistic vision for this Ministry. I admit it is coming in separate pieces in the form of these statements, but the House and wider public will have a hope for success.

Madam Speaker, I made a conscious decision to report in this fashion as it gives the former minister and every Member on the other side the opportunity to ask short questions of me, as allowed, under Standing Order 30(2). I will sit here all day and answer questions. In the regular debate format, that would not have been possible.

Madam Speaker, I thank you, and I draw Members' attention to Exhibit 1 which shows the current Department of Employment Relations, the current functions within the Ministry as it relates to Human Capital and the National Pensions Office. It clearly shows where we are heading in the future.

Madam Speaker, I believe that this Government, through the Ministry of Education, Training and Employment, is producing results that make sense—not all of the fanfare and all of the good stuff that happened over the last four years where it was all PR, PR, PR. Substance is what matters.

Madam Speaker, in Exhibit II it shows a framework of what the Human Capital Development Agency would look like and the various areas as outlined in my statement.

Hopefully, Madam Speaker, this will help you, Members of the House and members of the public to have a better feel for where the Ministry is heading as it relates to Human Capital Development.

Thank you, Madam Speaker.

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

That brings us to the end of our Order Paper for the day.

I call on the Premier for a motion for adjournment.

## ADJOURNMENT

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, we expect the House to sit next week Friday the 9<sup>th</sup> of July, Monday the 12<sup>th</sup>, and Wednesday the 14<sup>th</sup> if necessary, when we plan to deal with the amendments to the Planning Law and Regulations, and the Immigration Law. Members should have the amendments by Friday of this week, if not tomorrow. That is so that they will have time to go through the Planning Law Regulations and Immigration Law.

Madam Speaker, those regulations have been completed but are still undergoing some scrutiny and just could not get here.

Madam Speaker, I will be attending CARICOM (Caribbean Community and Common Market) Meeting from Sunday morning this week Sunday.

I therefore move the adjournment of this honourable House until Friday, 9<sup>th</sup> July, God willing.

**The Speaker:** The question is that this honourable House do adjourn until Friday, 9<sup>th</sup> July at 10 am. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

This honourable House is accordingly adjourned until Friday, 9<sup>th</sup> July.

**At 5.45 pm the House stood adjourned until 10 am Friday, 9 July 2010.**

**OFFICIAL HANSARD REPORT**  
**FRIDAY**  
**9 JULY 2010**  
**11.05 AM**  
*Eighth Sitting*

**The Speaker:** I will ask the Third Elected Member for West Bay to say Prayers.

Majesty Queen Elizabeth II, her heirs and successors according to law so help me God.

**PRAYERS**

**Hon. Cline A. Glidden, Jr.:** Let us pray.

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

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

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

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

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

**ADMINISTRATION OF OATHS  
 OR AFFIRMATIONS**

**Oath of Allegiance by Mr. Franz Manderson**  
*(Administered by the Clerk)*

**The Speaker:** I Call on Mr. Manderson to come forward and take the Oath of Allegiance.

**Mr. Franz Manderson:** I, Franz Manderson, do swear that I will be faithful and bear true allegiance to Her

**The Speaker:** On behalf of this honourable House I welcome the Honourable Temporary First Official Member to take his seat.  
 Please be seated.

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

**Apologies**

**The Speaker:** I have a message from the First Elected Member for Cayman Brac and Little Cayman, apologising for his absence, from the Second Elected Member for Bodden Town apologising for his absence, and from the Third Elected Member for Bodden Town, apologies for being late.

**PRESENTATION OF PAPERS  
 AND OF REPORTS**

**Development and Planning (Amendment) (No.2)  
 Regulations, 2010**

**The Speaker:** Honourable Premier [Minister for Finance, Tourism and Development].

**The Premier, Hon. W. McKeever Bush:** Thank you.

Madam Speaker, before I lay these Regulations on the Table of the House, I think it is appropriate that I offer on behalf of the House to my colleague, the Third Elected Member for West Bay, congratulations on passing his Cayman Islands Law degree.

As a Member of the Government, he is a valid Member of the Government, and, in fact, this is a proud day for me, Madam Speaker, as he is my close friend. And one of the things that I wanted to be in life was a lawyer, but did not get that, Madam Speaker. But I am more than elated to know that my close friend, my elected colleague, and a valid Member of the United Democratic Party, a West Bay Representative, passed that exam.

*[Applause]*

**The Premier, Hon. W. McKeever Bush:** Thank you for allowing that, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House the Development and Planning (Amendment) (No. 2) Regulations, 2010.

**The Speaker:** So ordered.

Does the Honourable Premier wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** No, Madam Speaker. Thank you very much. I will be addressing the matter before the House later on.

### **Cayman Islands' Annual Economic Report 2009**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to lay on the Table of this honourable House the Cayman Islands' Annual Economic Report 2009.

**The Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker. I do.

Madam Speaker, the Annual Economic Report [2009] is a comprehensive report on the state of our domestic economy based on data and other economic information in respect of the 2009 calendar year. The information in the Report in respect of the year represents data in existence as of May 2010 about the 2009 calendar year. It also includes an overview of the global economic environment based mainly on published reports from the International Monetary Fund and the World Tourism Organization as of May 2010.

The Report, Madam Speaker, starts with an executive summary along with a summary indicator sheet. These are intended to be read as an easy reference to the economic highlights in 2009 in comparison with 2008.

#### International and Regional Economic Environment

Madam Speaker, the Cayman Islands economic performance during 2009 was significantly influenced by the most significant global economic downturn since the Second World War. In 2009 global output contracted by 0.6 per cent, a significant downswing compared to the growth of a 3.0 per cent in 2008. In 2009 the advanced economies collectively contracted by 3.2 per cent while the emerging and developing countries expanded at a slower rate of 2.4 per cent. Economic activity in the United States (that is, Cayman's major trading partner) fell by 2.4 per cent during the 2009 year compared to 2008, despite the United States Government's massive fiscal stimulus plan. Private demand was subdued and remained well

below the pre-crisis level as employment weakened.

The Euro area also suffered severe reductions in economic output during the period. Similarly, the Canadian economic output fell by 2.6 per cent.

In 2009 the Caribbean region grew by 0.4 per cent, which is significantly lower than in the previous two years. The Bahamas and Jamaica recorded their second year of economic contraction with steeper declines in 2009. Performance across other countries was varied with most of the major English-speaking Caribbean recording contractions of their economies. On the whole, the region's economic performance was strongly correlated with the decline in tourism.

Just coming out of the Caribbean Heads of Government meeting in Montego Bay, Madam Speaker, every prime minister and head of government was complaining and had their own problems with economic woes in their territory.

Inflation in advanced economies was almost nonexistent as it averaged 0.1 per cent. Most of these countries recorded low inflation due to repressed private consumption on the one hand, and depressed credit market on the other hand.

Average price movements, Madam Speaker, in the United States reached a negative 0.3 per cent in 2009 compared to a positive 3.8 per cent in 2008. Inflationary pressures in the Caribbean also moderated as average inflation rate reached 3.6 per cent in 2009 from the 12.0 per cent posted the previous year.

The fiscal balances of advanced economies deteriorated due to their massive stimulus plans and low fiscal revenues resulting on the global economic downturn. The United States Government's fiscal deficit, or net borrowing, rose sharply from 6.6 per cent of GDP (Gross Domestic Product) in 2008 to 12.5 per cent of GDP in 2009. Similarly, the overall fiscal deficit of the Euro area deteriorated from 2.0 per cent of GDP in 2008 to 6.3 per cent of GDP in 2009.

International tourism declined by 4 per cent in 2009 to reach a total of 880 million visitors. Tourist arrivals declined by 10 per cent in the first quarter; 7 per cent in the second quarter, and 2 per cent in the third quarter. However, Madam Speaker, a 2 per cent growth in the last quarter was recorded. That was led by Asia, the Pacific and the Middle East.

A similar trend was noted for regional tourism activity, as arrivals to the wider Caribbean rebounded in the last quarter of the year following successive declines in earlier quarters. Total tourist arrivals in the region declined by 3.6 per cent at year end.

#### Our domestic economy

Madam Speaker, the global economic downturn in 2009 had a material and significant impact on our domestic economy. Real Gross Domestic Product was estimated to have contracted by 6.6 per cent to reach \$2.43 billion. This aggregate performance is slightly better than the 2005 record, but is nonetheless lower than those of more recent years. Per capita in-

come fell by 4.8 per cent to [\$]44,197 as compared to [\$]46,409 in 2008.

The Financial Services sector, Madam Speaker, which accounts for approximately 54 per cent of GDP, was estimated to have declined by 4.1 per cent.

Real estate renting and business activities were estimated to have contracted by 4.8 per cent induced by reductions in new company registration, lower property transfers and a smaller population. As we know, there were some four or five thousand people who left these shores, probably causing a \$60 million to \$80 million reduction in the local economy.

Madam Speaker, in construction building permits decreased by 29.3 per cent to settle at \$355 million, and project approvals also fell by 14.6 per cent to \$434.2 million. Transportation, storage and communication fell by 6.7 per cent as the tonnage of imported cargo fell by 36.3 per cent.

Wholesale and retail trade declined by 4.8 per cent as indicated by the reduction in imports of consumer and intermediate goods.

Stay over visitors declined by 10.2 per cent. Similarly, the performance of hotels and restaurants mirrored the rate of decline in stay over visitors.

In 2009, consumer prices fell on average by 1.3 per cent, as compared to an increase of 4.1 per cent in the previous year.

The year's decline can be traced mainly to the contraction of the domestic economy which influenced firms to employ cost reduction strategies which caused reductions in the labour force which, in turn, impacted domestic demand, particularly housing.

The number of work permits declined by 11.3 per cent when 2009 is compared to 2008. But, as I said, our immigration policy also had a direct influence on the contraction of the economy.

Madam Speaker, I would like to point out the significance of housing in the Consumer Price Index (CPI) basket. This single component accounts for 39.4 per cent of the new CPI basket and this component also includes utilities.

Another factor that had a dampening effect on the general price level in Cayman was the downtrend in the US prices, the US being the source of the majority of manufactured consumer items in our domestic market. The average annual price movement in the United States was a negative 0.3 per cent in 2009.

Madam Speaker, the supply of labour in the Cayman Islands, according to the fall labour force survey, contracted by 7.4 per cent in 2009 to reach 36,100 compared to the 38,998 recorded in 2008. This is traced to the withdrawal of non-Caymanian workers whose numbers decreased by 16 per cent. In contrast the Caymanian labour force grew by 2.7 per cent, or 479 persons, bringing the total to 18,165. This is the first time in four years, Madam Speaker, that Caymanians accounted for at least half of the labour force.

The number of unemployed persons stood at 2,180 pushing the unemployment rate upwards from 4 per cent in 2008 to 6 per cent in 2009. According to these figures, increases in the unemployed occurred among both Caymanian and non-Caymanian persons where the number of unemployed Caymanians increased by 621 persons to 1,790.

Madam Speaker, despite the weak economic conditions in our production sectors the domestic banking system remained healthy and resilient. Total money supply increased to \$5.9 billion in 2009 or by 6.9 per cent compared to 2008. The expansion emanated from a 9.6 per cent growth in foreign currency deposit along with a 1.5 per cent increase in demand deposits, and an expansion of the currency in circulation by 4.7 per cent.

Finally, Madam Speaker, the 2009 Report includes five featured articles. The first article is found in box 1 on page 15 which presents key background notes on improvements in measuring the country's GDP through the implementation of the United Nation system of national accounts.

The second article in box 2 on page 26 introduces similar improvements in measuring our balance of payments for trade against the rest of the world.

The Third article found in box 3 on page 36 represents a summary of the mutual funds industry's local performance in 2009 and the global according to Moody's in 2010.

The fourth article in box 4 on page 37 looks at the legislative changes in the financial services sector.

The fifth in box 5 on pages 53 to 54 presents an overview of fiscal performance over the period of 1995 to 2009.

Madam Speaker, it shouldn't need repeating, but these stats this morning tell me—and should tell every Member of this House—that there should not be any efforts by anyone (that is, Government, civil servants or Opposition) to deter good and effective means of turning around our local economy and get businesses up and running. Government's efforts in this regard should be supported by all and sundry, for if the stumbling blocks continue, Madam Speaker, all around the situation will not change, it will get worse.

Economically, Madam Speaker, we need firstly to put our people to work. That can only be done by the startup of construction projects in that sector and in the financial sector to have those willing and able Caymanians employed.

Madam Speaker, as I said, it shouldn't need repeating, but I say it hoping that it will catch the ears of those who, it seems, have nothing better to do than to deter. Whether in writing, whether physically or whatever stumbling blocks that they employ, they are doing it. The country is not in a happy condition no matter how much we have tried in the past several months. We do look and hope and pray, Madam Speaker, that our efforts will bear fruit in the not too distant future. The outlook in some instances is moving upward. Countries are improving somewhat.

For the first time at CARICOM, the United Nation Secretary General was in historic attendance, and also the Managing Director of the International Monetary Fund. Although Cayman does not borrow from the International Monetary Fund we do pass their regulatory standards set by them and, Madam Speaker, audited by them.

Madam Speaker, the Annual Economic Report just tabled and which encompasses the 2009 calendar year results will be available to the general public via the website of the Economics and Statistics Office, [www.eso.ky](http://www.eso.ky).

Thank you, Madam Speaker.

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

### **Maritime Authority of the Cayman Islands Year in Review 1 July, 2007 to 30 June, 2008**

**The Speaker:** Honourable Premier, [Minister responsible for Financial Services, Tourism and Development].

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I beg to lay on the Table of this honourable House the Annual Report of the Maritime Authority of the Cayman Islands for the year ended 30 June 2008.

**The Speaker:** So ordered.

Does the Honourable Premier wish to speak on this Report?

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, the Report covers the period of July 2007 to June 2008. It is being presented in accordance with the Maritime Authority of the Cayman Islands Law, 2005, and the Public Management and Finance Law. The Report contains the audited financial statements of the Authority for the year ended 30 June 2008.

Madam Speaker, the Maritime Authority was established on 1 July 2005. This Report covers the Authority's third year of operation. For the 2008 fiscal year the Authority reported an operating surplus of \$546,089. The Report reveals that in respect of the year ended 30 June 2008, the Authority had approximate total assets of \$4.3 million; total liabilities of \$930,000; total net worth of \$3.4 million; total revenue of \$7.5 million; total expenditure of \$7 million, and a net surplus of approximately \$.5 million.

Comparing this to the previous fiscal year covering the same report dates, it can be seen that there was a 30 per cent increase in total assets, a 6 per cent decrease in total liabilities, and a 3 per cent increase in total revenue with an increase in the Authority's net worth of 46 per cent.

During this time the Authority demonstrated a track record of moving forward and going from strength to strength in its maturity as an Authority fur-

thering the Maritime interest of the Cayman Islands on a global basis and thereby continuing the Islands' long and illustrious maritime heritage.

The Cayman Islands Shipping Registry, Madam Speaker, established in 1903 . . . just a minute.

[pause]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I had to check that because I wanted to make certain that that was the date. But it is. It has been around for that many years.

Established in 1903, it is today a division of the Maritime Authority. It enjoyed a busy 2007/2008 fiscal year as well with 269 new vessels joining the registry. This brought the total number of vessels on the registry to 1,706 at 30 June 2008, nearly a 7 per cent increase from 2006 and 2007.

In addition to the new permanent registration, the Registry also registered 37 vessels under construction representing an increase of 89 per cent when compared with the year 2000, when it recorded the first ever registration under construction.

In addition to its growth, the Registry continues to attract reputable owners. This success, Madam Speaker, represents an increase in revenue and an enhanced reputation for our Islands.

During the period of this Report, Madam Speaker, the Authority invested in a wide variety of IT based projects for a broad range of client focused needs. Such projects included the introduction of voice over internet protocol telephone system in its head office here in George Town—which I may add, Madam Speaker, was the first for a government entity. Additionally, the Authority acquired information to implement an enterprise content management system, which, going forward will mean better information management and the ability to manage the Authority's extensive records electronically.

Madam Speaker, for the survey section of the Authority the year was particularly busy with the expansion of the new build yacht portfolio increasing to nearly 300 units globally. The section saw further expansion with the appointment of two new full time surveyors: one in Hong Kong and the other in the south of France, enabling the Authority to service both its new and existing clients to the high standards to which they have become accustomed.

The Authority's underlying philosophy of investing in people has enabled it to attract high caliber employees and maintain their commitment which has played a key role in the organisation's recognition by the industry as a world leader in the super yacht industry and a Flag of quality.

And speaking of investing in people, Madam Speaker, during the time of this Report two Maritime scholarships were made available by the Ministry of Education through the Education Council for the subsequent academic year. The overall purpose of the



scholarship is to increase the competencies of Caymanians in the maritime industry.

Specific achievements during the year 2007/2008 included the conclusion of an in-depth review of all the agreements on delegation with the seven authorised classification societies, the formation and functioning of a legislative subcommittee of the Maritime Sector Consultative Committee, policy development and the implementation of the International Maritime Organisation's mandatory long range identification and tracking system for ships, development and standardisation of crew agreements, particularly for the yachting industry, and the updating of the Flag State self-assessment reports to the IMO (International Maritime Organisation).

One thing I can say about the shipping industry, it has some of the longest names for any of their programmes!

Further amendments to the Merchant Shipping Law were also passed. The rationalisation of British Consulate Services for Cayman Islands ships was also addressed in liaison with the UK. Work commenced on the development of a yacht code for private yachts carrying up to 36 passengers.

Madam Speaker, the Authority in that year continued to exhibit a high global profile through attendance of at a broad variety of international fora by the Authority's representatives, from the prestigious Monaco Yacht Show to the huge Ft. Lauderdale Boat show, the hub of boating activity in the US, as well as other far flung boating, shipping industry events such as those in Athens (in Greece).

Madam Speaker, I am pleased to lay this detailed account of the Authority's activities for the year ended 30 June 2008.

Madam Speaker—

**The Speaker:** Have you concluded, Honourable Premier?

**The Premier, Hon. W. McKeever Bush:** Completed, Madam Speaker.

**The Speaker:** Thank you.

#### **Public Service Pensions Board Annual Report 2006/2007**

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism and Development].

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to lay on the Table of this honourable House the Public Service Pensions Board Annual Report 2006/2007.

**The Speaker:** So ordered.

Does the Honourable Premier wish to speak thereon?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Annual Report just tabled consists of two main parts: The first part is essentially the narrative section at the beginning of the Report. That contains the Chairman, the Managing Director's report along with a financial overview.

The second part of the Report consists of the financial statements.

The legal entity, Madam Speaker, that holds the assets detailed in the financial statements component of the Report is the Public Service Pensions Fund. The Public Service Pensions Board is responsible for investing the Fund's assets and administering benefits in accordance with the relevant pension laws.

The financial overview begins on page 10 of the Report and it indicates that the net assets of the Public Service Pensions Fund increased by [C\$]52.5 million or 28.5 per cent during its financial year that ended in 2007. The net assets of this Fund stood at \$236.5 million at the 30 June 2007.

In terms of the operating activity of the Fund during the year to 30 June 2007 the following summary is pertinent:

- The Fund received total contributions during the year of \$44.8 million.
- Pension benefits paid out to the Fund during the year was \$17.9 million.
- Investment income was \$29.3 million.
- Other operating income was \$1 million
- Operating expenses and investment expenses totaled \$4.7 million.

These items net off to \$52.5 million, equal to the increase in net assets, as I stated.

Madam Speaker the financial statements component of the Report has been examined by the Auditor General and he has issued an unqualified, or a clean, opinion that the financial statements present fairly in all material respects the financial position of the Fund, at 30 June 2007, the results of its operations and its cash flows for the year that ended then.

The financial statements in respect of accounting periods after 30 June 2007, including those up to the year ended 30 June 2009, are now with the Auditor General's Office for examination.

Thank you, Madam Speaker.

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

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

**The Speaker:** There are no statements submitted by Honourable Members and Ministers of the Cabinet.

### **GOVERNMENT BUSINESS**

## BILLS

### Suspension of Standing Order 46(1) and (2)

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism and Development].

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the suspension of Standing Order 46(1) and (2) to allow the Bills on the Order Paper to be read a first time.

**The Speaker: The Speaker:** The question is that Standing Order 46(1) and (2) be suspended to enable the Bills on the Order Paper to be read a first time.

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

**Ayes and one audible No.**

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

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Can we have a division please, Madam Speaker?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 6/2010-11**

**Ayes: 8**

Hon. W. McKeeva Bush  
Hon. Rolston M. Anglin  
Hon. Juliana Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon

**Noes: 3**

Hon. D. Kurt Tibbetts  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller

**The Speaker:** The result of the Division is: 8 Ayes and 3 Noes.

The Ayes have it.

**Agreed by the majority: Standing Order 46(1) and (2) suspended.**

## FIRST READINGS

### Dormant Accounts Bill, 2010

**The Clerk:** The Dormant Accounts Bill, 2010.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I beg to move the First Reading of a Bill entitled the Dormant Accounts Bill, 2010.

*[inaudible interjections]*

**The Speaker:** Yes.

Read the Bill again, please.

**The Clerk:** First Readings.

The Dormant Accounts Bill, 2010.

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

My apologies.

### Animals (Amendment) Bill, 2010

**The Clerk:** The Animals (Amendment) Bill, 2010.

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

### Development and Planning (Amendment) Bill, 2010

**The Clerk:** The Development and Planning (Amendment) Bill, 2010.

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

### Suspension of Standing Order 46(4)

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, thank you very much.

I move the suspension of Standing Order 46(4) to enable the Bills on the Order Paper to be read a second time.

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the Bills on the Order Paper to be read a second time.

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

**Ayes and Noes**

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

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** A division please, Madam Speaker.

**The Clerk:**

**Division No. 7/2010-11**

**Ayes: 8**

Hon. W. McKeeva Bush  
Hon. Rolston M. Anglin  
Hon. Juliana Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon

**Noes: 3**

Hon. D. Kurt Tibbetts  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller

**The Speaker:** The result of the Division is: 8 Ayes and 3 Noes.

**Agreed by the majority: Standing Order 46(4) suspended.**

## SECOND READINGS

### Dormant Accounts Bill, 2010

**The Clerk:** The Dormant Accounts Bill, 2010.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, there is currently no single and—

**The Speaker:** Excuse me, Honourable Minister. You have to move the Second Reading of the Bill.

**The Premier, Hon. W. McKeever Bush:** [Inaudible]

**The Speaker:** Yes. And then I speak.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker . . .

**The Speaker:** I say the Bill has been duly moved. Does the Mover wish to speak thereto?

Now you may proceed, sir.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, there is currently no single and transparent mechanism in the Cayman Islands to deal with unclaimed funds in various banking accounts. The Dormant Accounts Bill, 2010, is intended to provide the legislative framework by which rightful owners can be more effectively reunited with their assets. No longer will financial institutions be uncertain about what to do in cases where they have been out of communication with account holders for an extended period of time.

The Bill also allows the Government access to unclaimed assets by way of transfers from financial institutions. These transfers will occur only after financial institutions have failed in their good faith attempts to contact these account holders.

Madam Speaker, Government is very mindful that any use of these funds for the public good should be judicious as account holders have the right to stake their legitimate claims to these funds.

### Point of Procedure

**Mr. D. Ezzard Miller:** Madam Speaker, on a point of order, if the [Minister] would give way for me.

Madam Speaker, I am not absolutely certain that I heard the [Minister] move the Second Reading and I know this is likely to be a Bill that certain people in the legal fraternity and everybody else would probably be looking for every possible excuse not to enforce it.

So, out of an abundance of caution, I would. . . and if other Members heard it and are comfortable that it was properly moved, that's fine; but I am just, as one old presiding officer used to tell us, "putting belts and braces around it."

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I thought I had. I thought I had done the Second Reading. At least that's what I'm doing; speaking to the Second Reading, but for the "belts and braces" as has been mentioned, I will say that I am moving the Second Reading of a Bill entitled the Dormant Accounts Bill, 2010.

**The Speaker:** And I will state again, the Bill has been duly moved. Does the Minister wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

**The Speaker:** Now you may proceed.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Bill defines a dormant account pursuant to clause 4(1) as an account where there has been no activity or transactions for a continuous period of six years by a dormant account holder who is the legal or beneficial owner of the monies in the dormant account.

The Bill provides a process to deal with monies held in dormant accounts, including fixed deposits, trusts, safety deposit boxes, and the various other monies that are held in financial institutions. The account holder must be notified in one of two ways before any monies can be transferred to Government.

Firstly, where a financial institution is holding a dormant account and has already notified the dormant account holder under section 5, the financial institution must then notify the dormant account holder on or before 31 July in each year. Alternatively, where (a) the dormant account holder has instructed the financial institution not to be in contact with the dormant account holder or (b) the financial institution has taken all reasonable steps in a good faith attempt to notify the dormant account holder in writing and has failed to get a response from the account holder, then the financial institution must publish a notice in accordance with clause 6. This notice must be published in the Gazette, in one or more daily newspapers, and in any other media the financial institution deems necessary on or before 31 July in each year.

Where the account holder has not responded to the notifications of dormancy then the financial institution shall transfer the funds held in dormant ac-

counts to the General Revenue of the Islands by 31 March of the following year, in accordance with clause 7. When the monies in the dormant accounts are transferred, the financial institution must also submit a report specifying the monies transferred and details of the dormant account holder to the Minister of Finance and the Cayman Islands Monetary Authority.

Financial institutions are also required to maintain a register of the dormant accounts in order to keep records of the dormant accounts transferred.

Now I move to the protection for dormant account holders and right to reclaim their money.

Madam Speaker, even though unclaimed funds, as previously stated, will be transferred out of dormant accounts into the General Revenue of the Cayman Islands Government, the Bill still provides a means for dormant account holders to rightfully reclaim these monies under clause 9. Furthermore, once the monies are transferred, claims against the financial institutions are extinguished and any claims for repayment of monies will be against the Government, subject to the Limitation Law (1996 Revision).

It should be highlighted, Madam Speaker, that funds transferred to Government shall not accrue interest on the account holders behalf.

Given the widespread use and relative success of dormant account regimes across many associated jurisdictions, including, but not limited to Ireland, United Kingdom, Barbados, Australia, United States, and Canada, and I believe the Bahamas as well, we consider this Bill, Madam Speaker, as some solution to establishing a regime for dealing with dormant accounts and unclaimed monies.

Madam Speaker, the Bill is before the House. I trust that honourable Members will give it its support.

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

[Elected] Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I rise to make my contribution on the Bill for dormant accounts. I support the Bill with a few minor concerns. And one of those has to do with the timetable of notice and transfer of the monies involved with the Government Treasury.

As I understand the Bill, in subsection 5(6) institutions, such as a bank, would have to publish a notification of these dormant accounts by 31 July and a person would have until 31 December that year to make a claim to the bank on the dormant account. If no such claim was made, then the institution would be required to transfer the funds in that dormant account to Government's General Revenue by 31 March the following year. The institution is also required by this proposed Bill to file a certificate of having complied with the Law by 31 March that same year.

I am wondering if the Government would not consider giving the institutions some time, after having transferred the money to Government, to maybe until

31 May to get that certification prepared and submitted to the Minister and the Monetary Authority.

The other concern I have, Madam Speaker, is in clause 9 where we use the Limitations Law. I am not sure what the time period is. It is probably in the six years but I would be happier if that period, instead of referring it to the Limitations Law, was specified in clause 9(2) to be six years from the date at which the money was transferred to [General] Revenue beyond which no one could make a claim to Government against those dormant monies.

Madam Speaker, with those few suggestions I support the Bill.

**The Speaker:** Thank you, Member for North Side.

Does any other Member wish to speak?

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, first of all, those of us on this side who voted against the First and Second Readings . . . that vote was not regarding the contents of this Bill, but simply because this one and more so the third Bill on the Order Paper are extensive far-reaching and contain a lot of information which most of us would like some time to not only consult constituents and industry, but also for ourselves to digest and compare the amending legislation with the existing law. Because while we check regularly with the LA, this Bill was not made available to us until yesterday and, hence, it really is giving us great difficulty with not only debating but making clear and rational decisions as regards to any support which we may render. So, Madam Speaker, this is actually a complaint about it.

I know the Government has to do its business but, Madam Speaker, really that was not sufficient time, and in actual fact . . . . And I will debate the Bill, Madam Speaker, but I just wanted to explain that. And in actual fact by the time we got the amending Bill and looked at it, it was too late for us to be able to get the original legislation down here until we got here this morning. So I will now debate the Bill.

**The Speaker:** For the clarity of the Chair, which Bill are you talking about now?

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** I was speaking about the Dormant Accounts Bill and the Development and Planning—

**The Speaker:** The Development and Planning Bill has not come yet.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** I understand that but just so that I did not have to speak twice about the no vote.

**The Speaker:** But the comments are on the Development and Planning, not the Dormant—

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Yes.

**The Speaker:** All right.

*[Inaudible interjection]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, the Dormant Accounts Bill which the Honourable Premier has presented to the House, is a Bill which in principle, the Opposition supports. It is a question that we had asked for quite some time regarding monies held in accounts or other assets.

Madam Speaker, there is the argument put forth by the Member for North Side which the Premier I am sure will address in his windup. There are just a couple of other questions also, Madam Speaker. And while the Bill itself details exactly what accounts and what other assets are eligible to be deemed dormant accounts, the first thing that caught my eye, which may seem not obvious to those who were drafting the legislation, but looking at section 4(6) on page 9 of the Bill, when we read, “**(6) In this section – ‘monies held in a financial institution’ includes - (a) any general deposit, demand deposit, savings deposit, deposit for a fixed period, made in the Islands with a financial institution, together with any interest or dividend, but excluding any lawful charges thereon; . . .**” And it goes on speaking about shares or monies payable on cheques or intangible assets, or cash from safety deposit boxes or monies held by insurance companies.

Madam Speaker, it is not impossible that a regular checking account can become a dormant account, and it may well have funds in it. And I don’t see any indication in this section that it would include what we know as a checking account, because all of the other names that are in here don’t include that.

Madam Speaker, I’m going by memory also, and there is a section I believe in the Companies Law. Just one second please, Madam Speaker . . .

*[pause]*

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Yes, Madam Speaker, forgive me.

Madam Speaker, the other question we had is we want to understand clearly the relationship, and, in fact, to ensure that the relationship between what I am going to mention now and the proposed Bill, is something that has been thought through. In Part VI of the Companies Law [(2009 Revision)] which speaks to the removal of the defunct companies, section 156(1) reads, and I quote, with your permission: “**(1) Where the Registrar has reasonable cause to believe that a company is not carrying on business or is not in operation, he may strike the company off the reg-**

**ister and the company shall thereupon be dissolved.**”

And if we move to section 159, section 159—Madam Speaker, again I crave your indulgence to read the section because, while it may be boring, I think it is important for us to ensure that that is covered one way or the other—where the marginal note speaks to the company, creditor or member may apply to the court for a company to be reinstated (this is after the company has been struck off of the register).

[Section] 159 reads: “**159. If a company or any member or creditor thereof feels aggrieved by the company having been struck off the register in accordance with this Law, the Court on the application of such company, member or creditor made within two years or such longer period not exceeding ten years as the Governor in Cabinet may allow of the date on which the company was so struck off, may, if satisfied that the company was, at the time of the striking off thereof, carrying on business or in operation, or otherwise, that it is just that the company be restored to the register, order the name of the company to be restored to the register, on payment by the company of a reinstatement fee equivalent to the original incorporation or registration fee and on such terms and conditions as to the Court may seem just [I think that’s a typo there, I think it should be “deem just.” I am told by my legal colleague that that is correct], and thereupon the company shall be deemed to have continued in existence as if its name had not been struck off; and the Court may, by the same or any subsequent order, give such directions and make such provisions as seem just for placing the company and all other persons in the same position as nearly as may be as if the name of the company had not been struck off.**

Madam Speaker, the final section which is a much shorter section of 162—Vesting of property: “**162. Any property vested in or belonging to any company struck off the register under this Law shall thereupon vest in the Financial Secretary and shall be subject to disposition by the Governor in Cabinet, or to retention for the benefit of the Islands.**”

So, Madam Speaker, in reading those three sections, the question is simply, is there any relationship between that portion of the Companies Law, the timing of what can be done and how it can be done, and the Bill that is before us today, which is the Dormant Accounts Bill. Because, Madam Speaker, the company itself, the account or the asset may be in the name of the company and it may be in the form of one of these accounts . . . so, we are not quite sure how that section will work.

Madam Speaker, convention has it that while the Law allows for the Financial Secretary and/or the Cabinet to deal with the matter, that I just read in the Companies Law, within a much shorter period of time, practice has been that the ten years is always waited

upon before any action is taken against the asset being transferred in to the Financial Secretary as the Companies Law calls for.

And that is the real question. So if convention is to continue with that, then such matters would wait for ten years. This new Bill being proposed speaks to a six-year period, and we just want to make sure that that has been thought of in this regard.

Madam Speaker, the other last point that I would query is the way the Bill is drafted. On the quick look that I have had the time to look at the Bill, the assets or funds derived (well the funds derived) go into General Revenue. Madam Speaker, I wonder whether there should not be some type of segregated account for these funds. Certainly, it is not going to be easy for anyone to project on an annual basis how much money may be derived from this source with regard to any dormant accounts.

And with regard to every budget allocation, I am just wondering whether there should not be . . . while I hear some tie-in that the Premier has spoken to with regard to the period of time when they should try to find the person or the owner of the accounts and then before the actual money is transferred to the Government, I am wondering whether there shouldn't be a segregated account and then whenever budget is being prepared and those funds are in that account, that it can be said, *Well, there is X amount of revenue to be derived and this is going to form part of whatever the allocations are for a budget.* If it is not done like that, Madam Speaker, and it simply keeps coming in to General Revenue, I am not so sure, from the point of view of the Parliament, whether that would allow for Finance Committee to actually deal with allocations of monies derived from that.

The Government may not consider that important but I think for purposes of transparency it may well look to be cleaner for that to be a segregated account with all of the records and then, however it is used, X amount transferred into General . . . ; however it is appropriated, or whatever is transferred to General Revenue is made known and recorded.

Perhaps in other circumstances a government (whichever government) may wish to think of this as being one way or boosting up General Reserves (I don't know). But it is just a thought. Those thoughts expressed regarding that are no bearing on the Bill whether we support or don't support the Bill, but we just thought that we would express that because the question comes to mind.

So, Madam Speaker, the Opposition certainly supports the Bill. It is something which has been worked on for a long time, but is finally here. And, Madam Speaker, it certainly will pave the way for a lot of these accounts which are dangling in mid air to be dealt with one way or the other.

Madam Speaker, certainly we would hope that in his windup the Premier would just simply address the points which we raised and then we can proceed on with its safe passage.

Thank you, Madam Speaker.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] If not, I call on the . . . Oh!

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Just very briefly, Madam Speaker, one area that my colleague, the Leader of the Opposition, didn't quite cover.

As he said, Madam Speaker, the Opposition is entirely in support of the intention of this Bill. In fact, this is something that we explored quite extensively while we were in office and the machinery to have a bill drafted was put in place during our term. So we don't have any difficulty with that.

I just want to express my concern and my reservations and have them on record in relation to this particular Bill and the form it takes and the way that the process has been developed.

I do not know, I did not hear the Premier actually say whether there had been any consultation with anyone, but particularly those who are going to have to make this work (that is, the financial institutions), and whether they had concerns or observations which have been taken on board in developing this particular Bill. I haven't had a chance—because of us having only just gotten the Bill—to be able to examine each and every provision and to check, Madam Speaker, as we like to do, with our contacts within the industry to have their views on how well the machinery of this particular piece of legislation is going to work.

And so, Madam Speaker, while I, like the rest of the Opposition, am going to vote in favour of the Bill, I want on the record my reservations and my concerns about that aspect. I do not know, because I haven't had a chance to be able to examine and consult properly how well this is actually going to work in practice, and I do not know whether or not there are concerns which the industry may have about its impact on credibility, whether or not customers may be concerned about placing significant sums in accounts in banks, in financial institutions here, for fear that they may perceive that the Government may grasp them without their knowledge and so forth.

Having spent some considerable time in the financial services sector I know how nervous a lot of people with money are about these things. So I just want to place on record those particular concerns and to join voice with the Leader of the Opposition in registering a strong complaint about the way this matter has been handled which has deprived the Opposition of an opportunity for careful consideration of such an important matter, and limited our ability to make the kind of contribution we would like to make to an important debate like this.

Thank you, Madam Speaker.

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

If not, I call on the Honourable Premier to windup the debate.

**The Premier, Hon. W. McKeewa Bush:** Thank you, Madam Speaker.

Madam Speaker, I guess that the Opposition is doing their usual in voting against me getting the matter before the House today. They are doing their usual in trying to stop the Government from moving ahead, because they say they support something. So I guess their usual thing is, when they know something is good—but they want to slow us down and want to stop us—they say two things (1) never had enough time and (2) that they were doing it.

Madam Speaker, if they were doing it then it must have been a duppy doing it, because nobody seemed to know anything about it until we got legislation recently. And if they were doing it, Madam Speaker—

*[Inaudible interjection]*

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I did ask.

And if they were doing it they had four years.

Do you mean to say you could not finish this little piece of legislation in four years?

I don't think so, Madam Speaker. They know that we are doing the right thing and they have to do their usual; that is, to throw dirty or cold water on what the Government is trying to do.

Madam Speaker, I don't consider that they raised any significant points. The one point that I will answer was the one raised by the Leader of the Opposition about checking accounts. And, Madam Speaker, checking accounts are covered in section 4 and the same area he is talking about when they talk about a general deposit and a demand deposit, because a demand deposit is something in the bank, as he should know, that you can demand your money at any time and that would cover those accounts. General deposits would be the same; a demand deposit would be the same. You can demand your money at any time.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeewa Bush:** Well, legally they don't seem to have a problem with it.

And in the matter about . . . If he was asking the difference between 10 years and why this one 6, if that is what he was asking—Why we're doing 6 when the other one was 10 [and] why we don't bring that one down. . . I was discussing that matter legally, Madam Speaker, so I didn't quite understand that. One thing I can say is that even the 6 years is a long

time because they have had this money for years and years and years, but the norm in other countries as we modeled our legislation from those various countries that I talked about earlier, Madam Speaker, is somewhere around that time. And so we thought that was a good time.

Madam Speaker, this should not have been anything contentious and, certainly, when it comes to timing of the Bill . . . Madam Speaker, the Opposition never came to this House yesterday morning or this morning, they were government too for four years and I know when they brought down important pieces of legislation, dumped it on the desk and we had to pass it. I know times when both Members on the Opposition front bench complained when they brought legislation here, when they made a statement and included me in their statement and said that I had tried to stop something and I tried to get up to defend my position and their Speaker refused to allow me to even make a remark.

Now, Madam Speaker, this particular Bill came from last week Friday, this Dormant Accounts Bill. This never got here yesterday and so count the days, Madam Speaker, you want to tell me that these guys—who have nothing but to sit and play dominoes all day long (because they say they don't hold any other job, this is their only job of representing the people)—from last week until today—

*[Inaudible interjection]*

**The Premier, Hon. W. McKeewa Bush:** Last week Friday this came to the House, as I understand it—

*[Inaudible interjection]*

**The Premier, Hon. W. McKeewa Bush:** Well that's what the Clerk said to me.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeewa Bush:** The Clerk informed me, Madam Speaker, that this Bill came and they alerted Members.

Now when the House staff makes Members know that they have papers here to pick up, they must pay attention to what it is and come and pick up their papers so that you can know what is coming before the House or what that matter is. That could be anything!

In fact the staff oftentimes, if you ask, and I think even when you don't even ask, the staff will tell you that you have this paper or you have this bill and this is what the bill is.

So, Madam Speaker . . . And besides that, if for four years they were dealing with this legislation, as he said—which is not so—then, Madam Speaker, you want to tell me they wouldn't know about it? And they would need all that time too! You can hear and as the old people will say, *You can see by the cut of*

*their jib* that all they are doing is that word “Opposition”.

Madam Speaker, as I said, I want to thank my staff because this is long due and I want to thank the AG’s Office (Attorney General’s), the Legislative Council, for getting the Bill to us, to Cabinet first of all and then to us. And so, Madam Speaker, I don’t think that there is anything to say except to say that I am glad they will vote for it, even though they voted against me trying to get it here, even though they said they had it for four years, even though they had it, certainly, from Friday last week.

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

The question is that a Bill shortly entitled Dormant Accounts Bill, 2010, be given a second reading.

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

**Ayes.**

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

**The Premier, Hon. W. McKeeva Bush:** Can I have a division, Madam Speaker?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 8/2010-11**

**Ayes: 10**

Hon. W. McKeeva Bush  
Hon. Juliana Y. O’Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. D. Ezzard Miller

**Noes: 0**

**The Speaker:** The result of the Division is: 10 Ayes and no Noes.

**The Speaker:** The Dormant Accounts Bill, 2010, has been given a second reading.

**Agreed: The Dormant Accounts, 2010, given a second reading.**

### **Animals (Amendment) Bill, 2010**

**The Clerk:** The Animals (Amendment) Bill, 2010.

**The Speaker:** Honourable Minister for Health [Environment, Youth, Sports and Culture].

**Hon. J. Mark P. Scotland:** Madam Speaker, I beg to move the Second Reading of a Bill shortly entitled The Animals (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved and is open for debate. Does the mover wish to speak thereto?

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker, very briefly.

I rise to present to this honourable House the Animals (Amendment) Bill, 2010. Madam Speaker, this Bill is seeking to remove the specific protections afforded to all species of iguana whilst specifically designating the Grand Cayman Blue Iguana—scientific name, *Cyclura lewisi*; and in Cayman Brac and Little Cayman, Rock Iguana—scientific name, *Cyclura nubila Caymanensis*, to be protected animals.

Madam Speaker, this amendment is simply the first step in removing protection which is currently afforded to non-indigenous species of iguanas and begins the efforts to address the expeditious population growth in these species of iguanas introduced to our Islands which we know have now become much of a nuisance throughout our Islands. However, bearing this in mind, the Government also plans to ensure that whatever measures are taken to control the numbers of non-indigenous iguanas, these measures do not contravene other sections of the Animals Law which deal with offences relating to cruelty to wildlife, namely section 70, and causing unnecessary suffering in killing an animal, namely section 74.

Madam Speaker, the Government through the Department of Environment and the Department of Agriculture will be collaborating to conduct a public education campaign that will make certain that there is clear and sufficient information provided to the general public to ensure that individuals are able to distinguish between all life stages of the Green Iguana and those of our endemic Blue Iguanas and, in the Sister Islands, Rock Iguanas, while also encouraging the humane culling of the non-indigenous iguana.

Madam Speaker, I would also like to take this opportunity to once again point out that while removing protected animals status from the species of invasive iguana is an important step. There are other actions and interventions not supported by the current Animals Law that will be necessary. For example, the non-indigenous iguana is being kept for their meat highlights the reality that there is no current legislation that provides the means to effectively control and regulate this activity.

In closing, Madam Speaker, I do believe that this amendment will benefit and protect our two indigenous species of iguanas so that future generations will enjoy these creatures that have come to symbolise the Cayman Islands terrestrial wildlife.

I thank all honourable Members in anticipation of their support today for this Bill.

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

Third Elected Member for George Town.



**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, although the Honourable Minister presenting the Bill, the Minister for Health, is apparently constrained by some policy for acknowledging the genesis of this amendment, I wish to thank him nonetheless for speedily bringing this amendment to The Animals Law, which will give effect to the Motion which I brought to this House some months ago—

**The Premier, Hon. W. McKeever Bush:** Oh we were thinking about it too.

**Mr. Alden M. McLaughlin, Jr.:** —so that we can now legally deal with disposing of the iguana, particularly this non-indigenous species of iguana which is proliferating and being a great nuisance and pest, not just to farmers, but to all of us householders. They swim in your pool; they do all sorts of things.

So, Madam Speaker, I just want to obviously indicate my support and the support of the Opposition for this Bill, but, also, Madam Speaker, to sincerely thank the Minister for moving so speedily to bring this amendment.

**The Speaker:** Thank you, Third Elected Member for George Town.

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

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you.

Madam Speaker, to be very truthful, I've asked the Serjeant to get a copy of The Animals Law because [in] looking at the Bill before us, which, as my colleague said, is back quickly after the Private Member's Motion was unanimously approved.

The Bill speaks to The Animals Law as amended, by repealing section 80 and substituting the following section . . . and section 80, Madam Speaker, if you will just bear with me one minute . . .

[pause]

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Section 80 has in it, Madam Speaker, "iguanas and all non domestic birds, other than game birds, are protected animals."

This is what obtains in the Law before this Bill (which will repeal that section 80). So where it says, "and all non domestic birds other than game birds are protected animals", Madam Speaker, I wonder, and hope that the Minister in his windup would explain very clearly what "game birds" are, whether they are clearly defined in the Animals Law or not, because I've not had a chance to look at it.

Simply because while that is in this section 80 that exists now, a list of game birds, Madam Speaker, to me, is going to be very important.

[Inaudible interjection]

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Just one second, Madam Speaker.

The Law itself, Madam Speaker, in section 81 says that the following are game birds: The White-winged Dove, the White-crowned Pigeon which we know as a Ball-pate and the Blue-winged Teal.

Madam Speaker, I want to point out to the Minister that if the Law only has these three birds as game birds, certainly, that needs to be looked at. We know about . . . and I'm not speaking about the West Indian Whistling Duck, which is a protected species. We know that that is a special section. But there are other birds that are migratory which, when the season is open, people actually also shoot them along with the Teals.

Nobody actually says anything about it, but if they are not included, there is a bird that we know—I don't know if that is the correct name as the Moorhen. For instance, nobody questions the ability to take those birds when they take Teals, but they are not in it so I'm simply bringing the point to ask the Minister to have his people look carefully at it.

You know, Madam Speaker, it is funny, when we were growing up a crab catcher was a game bird. And there's a good long scientific name for him too. All I'm saying is that you are not sure what you can and cannot take at present if you simply go by that because tradition has it that there are several other species which are taken. And while I have never heard of anyone being prosecuted for it, I would simply ask the Minister to have a look at it and perhaps speak with some of those who indulge in that activity when the season is on so that we can have the Law do just what it did for the iguanas.

Thank you.

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

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

**Hon. J. Mark P. Scotland:** Madam Speaker, very quickly to say thanks to all Members for their support.

I note that the Third Elected Member for George Town gave himself the pat on the back that I failed to do for bringing the Motion earlier. And I also made note of the points from the Leader of the Opposition regarding the species of game birds and we will look into it.

I thank all Members for their support.

**The Speaker:** The question is that a Bill shortly entitled The Animals (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

**The Speaker:** The Ayes have it. The Animals (Amendment) Bill, 2010, has been given a second reading.

**Agreed: The Animals (Amendment) Bill, 2010, given a second reading.**

### **Development and Planning (Amendment) Bill, 2010**

**The Clerk:** The Development and Planning (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, do you wish to break for lunch now so that we can carry the debate straight through on—

**The Premier, Hon. W. McKeever Bush:** Yes, Madam Speaker, we could take the lunch break.

Thanks.

**The Speaker:** I will suspend the House until the hour of 2.30 pm. Thank you.

**Proceedings suspended at 12.47**

**Proceedings resumed at 3.02 pm**

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

## **SECOND READINGS**

### **Development and Planning (Amendment) Bill, 2010**

**The Clerk:** The Development and Planning (Amendment) Bill, 2010. Second Reading.

**The Speaker:** Honourable Premier [Minister responsible for Financial Services, Tourism and Development].

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, thank you.

I beg to move the Second Reading of a Bill entitled the Development and Planning (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, the Development and Planning (Amendment) Bill, 2010, having been approved by Cabinet, was sent here on the 6<sup>th</sup> (I think that must have been Tuesday evening). I do want to thank the Members of the Backbench; I do want to thank the Cabinet and to thank the Legislative Drafting persons for assisting with this work and getting a Bill.

Madam Speaker, this Planning amendment has been talked about for many years; contemplated for many years. When I got elected I moved for a committee of the private sector, including some people from the Planning Department, the Acting Director, Mr. Pandohi and Mr. Sanderson, and capable individuals from the private sector, chaired by Mr. Burns Conolly. They are the people who are responsible for getting the work done for the various changes verbalising and putting on paper the thoughts of many Caymanians, and others, who deemed that a Development and Planning Law needed to be brought into modern day and I believe that is what we are doing.

Madam Speaker, briefly the proposed amendment seeks to do the following:

1. Provide indemnity for Central Planning Authority (CPA) and Development Control Board (DCB) Members as well as Planning Department staff.

2. To formally establish the Department of Planning, as until now the Department was not explicitly acknowledged in the present Law.

3. Allow for Planned Area Developments, or PADs, to encourage and promote more sustainable developments.

4. Revise the definition of development to provide works affecting the interior of a building requiring Planning permission if those works constitute a material change in the use of the building or affect the health, safety and welfare of the public.

5. Reduce the notification radius to polling for different uses in residential zones from 1,500 feet to 1,000 feet.

6. Extend the length of time Planning permission is valid from one to five years which, subject to the issuance of a building permit, would last into perpetuity.

7. Improve the Authority's power to require proper maintenance of land to ensure property (that is land and buildings) does not detract from the amenity of an area.

8. Allow Cabinet to enact regulations without the need for laying draft regulations in the legislature.

9. Against decisions of the Authority, to include a requirement that appeals be heard within six months of being lodged and that the Tribunal may award costs if appeals are found to be frivolous and vexatious.

Madam Speaker, I will get into greater detail on these proposed amendments. Many of these proposed amendments will bring the Law in line with cur-

rent practices within the local planning system today and correct unintended anomalies within the Law.

Madam Speaker, you will also note that my Government's amendments to the Law will enable and facilitate public/private fostering of worldwide trends in planning and urban design, and to allow the proper regulation of the larger developments.

Madam Speaker, section 3 of the principal Law is revised simply to bring the legislation in line with other similar laws to indemnify the Governor, the Minister, Authority and staff against liability for damages for anything done or omitted in the discharge of their duties under the Law, except in proving cases of bad faith. Particularly with the Central Planning Authority, Madam Speaker, Government asked these members to serve in good faith with minimum stipend. But as it currently stands they may become personally liable in an action against the Authority. Madam Speaker, this cannot be right and we intend to correct this situation with this amendment.

While it may seem peculiar, Madam Speaker, section 4 of the principal Law only refers to the Director of Planning and other such officers. The Law did not specifically refer to the Planning Department. The proposed amendments specifically refer to the Department of Planning as being the administrative arm of the Authority regarding preparation of agenda, Minutes making recommendations and communicating and implementing the decisions of the Authority. This amendment clarifies the role of the Planning Department and its officers.

Section 6 of the Law, Madam Speaker, is revised so the definition of "development" includes planned area developments. This section enables the regulations to specify criteria regarding planned area developments.

As Members will see in the regulations, Planned Area Developments (PADs) are larger master plan mixed-use developments with a minimum of 40 acres of land and at least three different land uses that, subject to regulations regarding application requirements, will help ensure that large developments employ sound principles of effective and efficient land use planning. These PADs will ensure that the larger developments become more transparent to the Central Planning Authority and the country and that they are developed in such a way to minimise their impacts on the surrounding infrastructure and neighbours. PADs legislation is now needed to deal with the larger mixed-use developments that we are now seeing coming to our Islands.

The amendments to the Law, Madam Speaker, would also see section 13 revised, in such that interior buildings fit-outs require permission from the Building Control Unit. This is the normal practice, but it is not clearly defined within the current Planning Law. Formalising this requirement will simply give the belts and braces to a system that is already working well, and which ensures code compliance for the interior of buildings.

Madam Speaker, if there is one complaint that has prevailed over the years, it is the onerous requirement under section 13 for developers to poll landowners within a 1,500 foot radius of their proposed development in residential zones for certain types of development. Government is cognisant that it should not become too easy to change the land use within residential zones, but has received representation that the large zone of polling required is many times almost the impossible to satisfy. Additionally, given the distance within the current Law, many people that would be required to be notified live nowhere near the development. The proposed amendment reduces that radius by 500 feet, to a total radius of 1,000 feet.

Bear in mind, Madam Speaker, that the requirements for notices in newspapers as well as registered letter notices to adjacent landowners will still be required.

Section 15 of the current Law allows for Planning permission to be valid for only one year within which time applicants must secure a building permit in order to ensure their permission does not expire. In many cases, Madam Speaker, one year is simply insufficient time for developers, even homeowners, to complete working drawings and meet all the requirements before the original Planning permission expires.

Small homeowners may find that they are faced with additional fees and non-compliance while they try to build their homes. The larger developers have always complained that the time between original Planning permission and satisfying the requirements for a building permit to be too short.

The proposed amendments, Madam Speaker, would allow Planning permission to remain valid for five years within which time a building permit must be secured. Madam Speaker, this will not only ease the burden to rush to get working drawings complete, it will help balance any impact of increased development fees that are being tabled under separate cover. And no one needs to think that anyone is getting away lightly. We believe the fees to be relevant to Cayman's development. Madam Speaker, this timeline within this section is in line with the five-year provisions within the existing Law for the review of the Development Plan.

The revisions of the notification of applications for Planning permission in section 15 of the Law, is to formalise the CPAs current guidelines within the legislation. Section 15 will be revised to allow for the regulations to be specific regarding notices of application for Planning permission. The principal Law specified adjacent properties and the CPA and the DCB adapted guidelines that have been utilised for the past several years. The proposed changes will clarify and make this subject more transparent and objective, as there are discreet distances for various development types.

One amendment, Madam Speaker, that I am particularly pleased to see in this package of amend-

ments is section 27. That deals with the very serious issue regarding the proper maintenance of land and buildings. Over the years it has been particularly challenging for the Authority and Planning Department to compel landowners to ensure that their properties are maintained to a certain standard. Given that we are a tourism destination, we can no longer continue to leave rubbish and abandoned buildings within our properties. And long gone are the days when everyone took pride in their surroundings, it seems like. I am happy to see the Law will be revised to enhance the Authority's power as well as penalties for non-compliance.

Madam Speaker, it is not just a matter of us being a tourism destination; that's one aspect of it. The other aspect of it is that we all have to live here and no one who spends hundreds of thousands of dollars and millions [of dollars] on their home wants derelict buildings in close proximity or anywhere—we shouldn't want them anywhere—but in close proximity so that they affect you. And not just affect the aesthetics of the area, but affect, Madam Speaker, people's health at times. So, it is time that we make the changes.

I have seen, in one area of West Bay, one dilapidated broken down building defying all the residents of the area. They have gone to great lengths to even say that it is historical, but it is no more historical than my grandmother's or any old house would be. It is holding drug people, rats and other rodents, and nothing seems to have been able to get done with it. And they laugh at the elected representatives with impunity because they know that the Law is weak. Well this one is not! The charge for leaving one's property in disrepair will be \$5,000 per day in all areas except hotel tourism zones, and that will be \$25,000 per day in those zones.

Now, whilst some people, as I already said, in the media will find this harsh, and I will probably get a lot of heat and told off why I'm doing this—I'm a dictator and I don't like this one and don't like the next thing—I have a duty to do! And where I can fulfill that duty, Madam Speaker, I am going to, no matter who screams and hollers. But if these Islands, especially our tourist areas, are to maintain our reputation for cleanliness and a high standard of development, then we must compel landowners to abide by the Law. At the very least, these high penalties should act as a preventative measure and a wakeup call for landowners to clean up their land and buildings.

Madam Speaker, I marvel when I go to communities that are well planned, like Bermuda—I laud them for it—and see how they deal with their country. And everyone stands up and says *I'm a Caymanian and I love my Island and I'm this and I'm that and it's mine*. But when it comes time to do the very necessary things that can keep us a notch above others they want to refuse. Being a Caymanian not just means that you are a Caymanian to get a job or to have other rights; there are responsibilities for every-

thing in life, Madam Speaker; responsibilities that people must adhere to.

This little Island, Cayman, should be like how we used to keep the cemeteries. For some reason or another they were always spick-and-span and people still take pride in remembering their deceased families and keeping it. Well, why must property be left in a dilapidated state? Bush overgrown all over that you can't even get a breath of breeze sometimes. Why? Why do people who own property . . . besides the trees that they necessarily need to keep? They should be cleaning it just like how the old people used to clean the grass piece so that the grass could grow.

Many people today complain about the common mango in Cayman, and they say it was some disease. But when you go you see the mango trees are choked by [vines] and other things growing next to it. So you have to wonder whether it was a disease or whether they just got choked because the elderly people who used to keep the place can't do it anymore and so everything has just grown up and grown up and grown up.

We cannot continue to live in a country like that. People have to take pride in where they live and move and have their being. They have to! And if they don't want to, and they feel like we can't do anything about it, well the laws must be changed to compel them to. Yes! This is our Island!

Madam Speaker, remedies will also include the provision to take matters to Summary and Grand Court should the notices from the Central Planning Authority be ignored.

In the past, Madam Speaker, I have spoken to the need to get some of our prime properties on the Seven Mile Beach corridor back in order. It is a disgrace! I have never heard more complaints. And they do it because they can do it! Don't tell me for six, seven years something can't be done. I don't believe that. I am a person who believes that, yes, stumbling blocks will be thrown in your way and you sometimes can't get off the ground, you can't move them. But there are times when you can move and do things. And for five, six, seven years? No! I don't believe that. I'm not going to allow it to continue. It is our hope that these new provisions will stimulate action on this process. But if not, I intend to carry out the Law to its full extent as Minister responsible.

Madam Speaker, The Development and Planning Infrastructure (Amendment) Law, 2010, was also approved. Briefly the proposed amendments seek to do the following:

- One will make the Minister of Finance responsible for administering the infrastructure fund that is collected. That will define Affordable Housing and Infrastructure, and it will provide for the partial funding of affordable housing as well as infrastructure.
- It will move Bodden Town from Area A to Area B, such that some developments there

will have lower more appropriate infrastructure fees.

- It will expand Area A to include coastal properties south of George Town and in South Sound.
- It will allow phased payment of Infrastructure Fees, 50 per cent upon receipt of building permit and 50 per cent upon application for final certificate of completion.
- Create a flat Affordable Housing Fee payment of \$3,000 per hotel room on applications for final certificate of completion in Areas A and B. (Area A would be West Bay road, as such, and B areas like the Queens Highway on the seaside).
- It will create a flat Affordable Housing Fee payment of \$10,000 per apartment up to 10 units, and \$20,000 per unit for applications with more than 11 units. These fees are payable on completion for final certificate of completion in Areas A and B. (Apartments mean condos and so on).
- It will also create a flat Affordable Housing Fee payment of \$25,000 per house exceeding 5,000 gross square feet on application for final certificate of completion in Areas A and B.
- It will define the certificate of completion and certificate of fitness for occupancy, as that is not done now.

Madam Speaker, I have named out quite a few large fees that are going to be intended to be put on development. So I would like to speak to the wider issue of fiscal responsibility.

As I stated some weeks ago, Madam Speaker, when bringing legislation to revise planning applications and building permit fees, my Government is of the view that during these trying economic times, increases in fees and levies may not be the best answer or the best manner in which to stimulate economic activity. I would have hoped that we would have been in a position at this time in our history to have been able to offer millions of dollars to the private sector as other countries were able to do, but we have not been in that position and we are not in that position to offer that kind of stimulus.

These levies may not be the best answer. But we also hold the view that Government has to continuously review its revenue base and not wait for a decade or two before making changes. This is a trap that past administrations—including some that I have been part of—have fallen into. However, Madam Speaker, going forward we have to exercise more prudent planning to avoid such pitfalls. These changes are a necessary part of such improvements in the management of public affairs.

It is my Government's position, Madam Speaker, that in order for us to be more competitive in the global arena we have to review all of our fees—

how much it is actually costing us to provide the services; how efficiently we are providing the services and how effective those services are. Madam Speaker, when we have those answers it may be possible that some fees will decrease as a result of doing more with less. My Government is working towards getting the balance right. In addition, we have to determine whether additional fees are more suitable for the Cayman economy than what others have suggested—income and property taxes.

When I see the headlines that people complain, naturally some developers are going to complain. But I believe the good developer, while nobody wants to pay any money if they could get everything for free—and for some, it has been that. And I guess I better be careful how I say this, but I am a realtor, Madam Speaker. Not just a *realist*, I am a *realtor*. The only business I own and I've ever owned in my life—no shares in anything else—a real estate company, which I don't involve myself in at this time.

And I know, Madam Speaker, that if we develop this country, take a different view from where we have been, that good development is going to continue to come here. There are some things that we have to chase away, and I speak passionately about some of them. But, Madam Speaker, we still have good possibility. We cannot allow that to be used and we get a pittance out of it. If there is no income tax, no property tax, no VAT (Value Added Tax)—none of those things—where will Government get the money from?

I believe in allowing the development. I believe in that. I believe that I have to give up some of the environment that I cherish and that I grew up with to allow us to live one of the best standards of living in the known world. I believe that. And I take licks for it. And they say, *Oh, you hate the environment; he's an anti-environmentalist or anti-environment*. It's not that, Madam Speaker, but you have to be realistic. This Island was more than 50 per cent swamp. More than 50 per cent swamp. So, what they want us to do? Continue to spray in the air and kill ourselves killing mosquitoes? Or eat White Mangra steak and Turtle Grass soup? Not turtle soup—turtle grass!

Madam Speaker, No! To give, you have to give up something. I see them running around with all sorts of bills. If you listen to them you won't be able to go open your door, less you kill a Peck-peck. Well I don't believe that, never did!

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Well, you would say anything.

Madam Speaker, the departments will do what they have to do. And as much as they are grumbling over there about the moving around of the Environment Bill, that's what we are not doing—we are not putting pressure on . . . Let them have their say. I will

have mine as Premier, as Minister of Finance, Minister of Planning and as a Representative of the people.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** As I said to you, my son, since you learned to talk you'll say anything.

Madam Speaker, the developers in this country have to expect—and I speak to front-page headlines which I saw about fees—that when you go and build a building that is built next to the Government Administration building, that is going to cause a huge impact on roads. And you pay \$100,000 fee or \$200,000 fee and that is all that you contribute to the impact. Now, Government has to go and spend \$2 million to extend the roads and get you out when all of you want to leave work at one time.

Madam Speaker, I don't believe in hitting business that they can't operate. I think people accuse me of protecting business. But they have to make up their minds. There have to be fees paid for certain things in the country. You cannot expect that you are going to come and you want the best lights, you want the best road infrastructure, you want a decent hospital. And I speak to us directly; Caymanians don't want to pay for education. They say they pay enough, because everything is imported. And we know the bills are high. Because everything is imported!

But you want all of these things. What are we preparing to give up? You want parks. You want the best sporting centres. You want a new public administration building. You want the best schools. How do we pay for these things? And what about the impact of everything that goes down? Who takes care of that?

Madam Speaker, when I, or any Minister of Finance, stand up here and bring the budget, they expect Government to provide it. Well Government has a responsibility to provide, but when they go to the United States and see all the nice paved streets and all the nice sidewalks and the nice parks, the nice community centres, how they think they come about? Well, some of it is donated. They treat business good, they make business come into their country and some businesses donate. And when you chase out good businesses that is what happens sometimes, your donations go down and you can't provide little things that you could provide for before; even to the very trips going abroad. How many of them go abroad taking our children, they come for donations. We have to do it. But money has to come from somewhere and Government cannot be the provider unless Government gets paid something.

Yes, there are efficiencies to be had in Government. And they will come back and tell me that. I know that! When I am gone there will still be efficiencies to be made and to be had, and perhaps they won't find them either. But, Madam Speaker, Government is expected to provide these things—police

force and police service to keep you safe in your home. Are our people thinking right?

And any newspaper article or writer or anybody on the street . . . they think that a man coming here to build a six, seven, eight, ten storey building, that if he had built that in Australia that he was not going to have to pay some fees? Oh, he would have. That is why he is coming here, the environment is supposed to be better. A better environment does not just mean, Madam Speaker, that they can just build everything and it does not cost them anything. We must provide the water. Yes, they will pay their water bill and that's all they have to pay? No! They have to pay more than that. It takes money to get the water to them, and we provide a good service. That's what we should be doing.

So, Madam Speaker, in all of these impacts there has to be some fees. And as I said in the past, I've had my share of being resistant to increases. But either we do some of this or they'll . . . They don't want port, they don't want a channel, they don't want income tax, they don't want this, they don't want that, [and] they don't want the next thing. Don't want, want, don't want, don't want! Yet, they want everything.

I speak personally. I'm not speaking for my Cabinet when I talk like this. This is me! The Bill is Cabinet. These things I'm coming up with are my thoughts. That's how I feel.

Madam Speaker, Government has to pay and so they can write the biggest headlines. When we charge people now we have to make sure that they get the service so that their businesses can grow; that the environment is right, and that is our duty as a Government and as a Cabinet. And that's what we will do. And when we do that, oh, it is going to be a different type of complaint. So maybe you're damned if you do and damned if you don't; but we will have to do.

Madam Speaker, let me move on to address the proposed amendments in greater detail. First, Madam Speaker, whereas the current version of the Law indicates that the infrastructural fund is to be administered by the Financial Secretary, the amended Law would have the fund administered by the Ministry of Finance. This will bring this new Law in line with our new Constitution.

The revised Law outlines a few definitions. These changes involve the following:

- “Affordable Housing” means any government assisted housing programme undertaken under the auspices of the National Housing Development Trust.
- “Infrastructure” means public services and utilities in common by the residents of the Islands.
- A certificate of completion is issued by the Central Planning Authority certifying that a building is complete in accordance with the conditions of Planning permission, but not ready to occupy.

- A certificate of fitness for occupancy or certificate of occupancy means a certificate issued by the Authority that the public building is complete in accordance with the Planning requirements and the Authority grants permission to occupy.

The Law will be slightly revised regarding the geographic areas on which fees are based. As Members will be aware, Area A attracts the highest fees and includes the Seven Mile Beach strip as well as the core business areas in central George Town. And, Madam Speaker, we have also added the high value coastal properties along the South Sound coastline which were not there before.

Areas A has, in the past, also included a few parcels in Bodden Town which are zoned neighbourhood/commercial and are generally in the vicinity of the Countryside Shopping Centre and the neighbouring properties in that area. Madam Speaker, the amendments would put this area of Bodden Town back into Area B in the Law where infrastructure fees are lower and more appropriate.

The next amendment involves the forms of Planning applications that would attract infrastructure fees. At the moment the current Law requires the infrastructure fees on houses over 4,000 square feet and this proposed amendment increases that threshold to 5,000 square feet. This change will ensure that only the extra-large homes have these fees applied to them. The revised Law will also add institutional development and changes of use as being subject to payment of infrastructure fees, both of which are not included under the current Law.

Madam Speaker, I am aware that many people find it difficult to pay all of their fees in one go at the Planning Department. Having heard these concerns, Madam Speaker, my Government has brought forward this amended Law which would see 50 per cent of building permit fees payable on submission of drawings and 50 per cent on receipt of Red Card.

The Bill also will make a change to allow only 50 per cent of the infrastructure fees payable when the building permit is issued and the remaining 50 per cent when an application is made for either a certificate of completion or a certificate of fitness for occupancy. Madam Speaker, I trust the development industry will welcome this phased payment of fees, especially now that some of the fees can be added to the construction cycle rather than up front at the time when a permit is given or permission is granted.

Madam Speaker, I would now like to outline the changes in infrastructure fees: As Members are aware, the current law provides for a single infrastructure fee for each of Areas A, B, and C. The current fees are \$2.50 in Area A; \$1.50 in Area B, and 50 cents in Area C. The proposed new fees differ from the current fees as follows:

1. Fees will be assessed according to the type of development and these fees are not the same

across the board as they are now. For example, there are different fees for industrial and commercial developments; hotels, apartments, institutions, houses, duplexes and for changes of use.

2. For each of these development types, fees will be allocated to roads and other infrastructure as well as to affordable housing. For example, a hotel development in Area A would pay an infrastructure fee of \$4.50 per square foot. Of that \$4.50, \$2.50 is allocated to roads and other infrastructure, and \$2.00 is allocated to affordable housing. Madam Speaker, the Government believes that this is a simple way of funding affordable housing specifically at a rate that will not significantly impact the overall cost of the larger developments in these Islands.

On the increase in fees, I would note that existing fees in Area A remain the same \$2.50 per square foot. For industrial buildings and house additions there is no change there. All other types of development in area A have fee increases as follows: Houses and duplexes over 5,000 square feet, fees increase from \$2.50 to \$3.00 per square foot; institutions from \$2.50 to \$3.50 per square foot; commercial buildings, hotels and apartments from \$2.50 to \$4.50 per square foot.

In Area B, Madam Speaker, the existing fees for industrial buildings remain the same as \$1.50 per square foot. All other types of development in Area B have fees increased and these are: Houses over 5,000 square feet, fees increase from \$1.50 to \$2.00 per square foot; institutions, commercial buildings, hotels, apartments and duplexes from \$1.50 to \$2.50 per square foot.

The final fee change for Areas A and B is a new fee which is a one-time, single charge, also for affordable housing, which will be payable on the issuance of a certificate of completion or certificate of occupancy. These fees will be assessed as follows: \$3.00 for a hotel room; \$25,000 for a house exceeding 5,000 square feet; \$10,000 for apartment for applications up to 10 units; and \$20,000 for applications of 11 units or more.

I know, Madam Speaker, that, these fee increases may seem to be heavy, and, at the risk of being criticised, as I said earlier, of stifling development. I would hasten to add that these additional fees for infrastructure are a far better alternative than introducing other fees such as property or income tax. My Government has taken these fees into account. We have discussed with members of the development industry and have taken their advice, and we have adjusted when these fees are to be paid so that they only become due at the end of construction (most of them). This, Madam Speaker, will allow a better cash flow situation for developers, allowing financing to become available prior to the total fees becoming due.

Madam Speaker, just for clarity, the per square foot fee of 50 cents in Area C remains unchanged. As Members will know, Area C includes all areas of Grand Cayman not covered in Areas A or B,

as well as of Little Cayman. And so, Madam Speaker, our Government was careful not to impact the local developers across the Islands at this time. I would note that it is not all about money. As I said, it is about enabling the Planning Department to function more efficiently and effectively in the public interest, as well as seeking the necessary funds to provide infrastructure, and, more importantly, funding for affordable housing for needy Caymanians.

Madam Speaker, these are the things I campaigned on. I told the people that I would put these things in place if I were elected to lead the Government. And so, this is what we are doing. People say, *Well you missed the boat*. I don't think so! Cayman will go through another phase of development. And this time we must be ready to get from it more than we have in the past. Funding is seriously needed for housing. We can't borrow because we are up to our limits, so this is one way of attracting funding for housing.

[If] condos are built they will pay \$25,000 or \$20,000, whatever that was. And that money will go to affordable housing. Hotel rooms are built and some more money will go towards providing decent, well planned affordable housing. It's not new, Madam Speaker; it was done sometime ago. It didn't go anywhere. This time it will.

And I don't think that we are killing the goose that laid the golden egg, as some people are saying. I've already said that I believe good developers will accept it if we provide them the service that they are looking for. I believe we are on the verge, with our Government, to move forward, Madam Speaker. New development that is, well, millions of dollars—probably billions of dollars (at least two)—that wants to move forward. Well I want them to move. I support them [and] I allow them to do so. I will move mountains to help them. But I want them to pay something for doing business in the Islands and the impact that they will create.

The Development and Planning Regulations are the only regulations in this country that I can think of which require the assent of the Legislative Assembly. This is a time consuming and cumbersome process and a hindrance to efficient customer service. Some of the very changes within the current proposed regulations have been sitting around for years waiting for the opportunity to be adjusted to suit current situations.

Section 42(3) would therefore be repealed in its entirety, thereby allowing the Governor in Cabinet to make or amend the Development and Planning Regulations. Of course, Madam Speaker, the Development and Planning Law, as well as any future modifications to the Development Plan, the overarching planning control mechanism, would still be required to be approved in this honourable House. What we are proposing here is to bring the Planning Law in line with other laws to allow more expeditious responses

to needs identified by the Central Planning Authority, or identified by future governments.

Madam Speaker, the final amendment I would like to highlight is the change to section 48(1) and (2) of the Law regarding appeals. The amendment allows for a few improvements. First, appeals to the Tribunal would not be a rehearing, but would revert to the earlier practice of being based on the original application. Madam Speaker, this is in keeping with other appellate tribunals in this country that are charged with reviewing the original decision and not rehearing, as they say, the matter as if it were the CPA. The current approach, Madam Speaker, sometimes can be detrimental to all involved.

Second, this amendment requires that an appeal be heard within six months of lodging the appeal. No doubt, Madam Speaker, this will be a relief for many persons, developers as well as objectors, who have given up on developments because of the backlog of unheard appeals or for objectors who believe they will never get their say. And, Madam Speaker, we are merely returning and clarifying this appeal section of the Law to what it was prior and to ensure that the rights of both the applicant and the objector is maintained as was intended.

Finally, Madam Speaker, the amendments regarding appeals allow for the Tribunal to award costs against parties who lodge appeals that are considered frivolous and vexatious. We have seen many times where appeals have simply been misused. My Government strongly believes that a person should have the right to object to a decision by the Authority, be that for or against it. That is why, Madam Speaker, we are not making it any more difficult to lodge such appeals.

But, Madam Speaker, we have seen many cases where the appellant has merely appealed in an attempt to stop the development with no just cause. In those cases the Tribunal will now have the ability to issue costs, should it fee that the appeal was frivolous in nature. And I want to quickly point out that this is also about costs of Civil Service resources, and our Government's critical look at cost. Each of these appeals takes critical time from the Planning Department, the Ministry, and the tribunals themselves. And so my Government wants to ensure that the tribunal system in Planning is used and it was intended and not abused. It costs all of us.

Madam Speaker, as I said in the introduction to these comments, many of these provisions are to clear up outstanding issues within the existing Law and Regulations. Many of these have been around for years, and my Government's goal is to modernise these Development and Planning Laws and Regulations to bring them in line with the current land use in good jurisdictions where planning practices, as we know, have changed. Much has changed, Madam Speaker, at least since they were first introduced to these Islands in the 1970s.



Madam Speaker, at this point in time, we propose to adjourn the House until Monday.

## ADJOURNMENT

**The Speaker:** Can I have a motion for adjournment, Honourable Premier?

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, I move the adjournment of this honourable House until Monday, 10 am, God willing.

**The Speaker:** The question is that the House do adjourn until Monday, 10 am.

I have a request from the Leader of the Opposition to make a short statement.

## STATEMENT ON ADJOURNMENT (Standing Order 11 (6))

### *Cayman News Service* release of Friday, 9 July, entitled “Mac May Lift Jamaican Visa”

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, I wish to record my thanks to you for allowing, under the relevant Standing Order, for me to make a short statement this afternoon which I considered to be necessary in this forum.

A *Cayman News Service* release of Friday, 9 July, entitled “Mac May Lift Jamaican Visa” . . . I want to make it very clear, Madam Speaker, that I am not here to debate whether or not this is a matter that should be considered, but he is quoted in this release as saying that any moves that he (that is, the Premier) made towards a visa waiver for Jamaicans would be met with opposition. And it quotes him as telling the *Jamaican Gleaner* that it would not be well received by the PPM.

It goes on to quote him as saying, “**Only God knows what they will do** [that is, referring to the PPM]. **They will jump on any political bandwagon, but we have to do what is right.**”

Madam Speaker, the Premier has not had any discussions with us to hear what our views are on the matter. The fact of the matter is that this is a matter that when we were the government we had considerations for. And, Madam Speaker, I remember going to two separate CARICOM (Caribbean Community and Common Market) heads of government meetings, discussing it with the Jamaican authorities at those meetings and other meetings were to follow up.

Madam Speaker, when this matter was considered we took advice from the law enforcement agencies and the other interdiction agencies, such as, immigration and customs. And, Madam Speaker, one of the most important aspects of this matter was the

desire of those agencies to have access to the Jamaican database in order to check whenever a Jamaican national arrived with a US visa, whether or not there was any criminal record. Meetings were supposed to take place.

The Jamaican authorities stalled from those meetings and our own authorities here can verify that. We asked for the matter to be pursued and they will verify that the meetings stalled and the matter was not pursued any further.

The point that I wish to make, Madam Speaker, is that it was wrong for the Premier on the international stage to make such sweeping statements regarding a local issue which he knows to be very emotive.

Now, Madam Speaker, I want to record our great displeasure this afternoon at the Premier's statements, assuming what was quoted was what he said, and he should learn to desist from such matters, Madam Speaker, because I am certain that a matter like this would require him to consult with the authorities—which, obviously, he hasn't done regarding the issue. And if it is something that can be worked out and made possible, I don't think that anyone would argue the case except for the fact that you need for all *i*'s to be dotted and all *t*'s to be crossed.

Madam Speaker, I am not going to belabour the point this afternoon, but, certainly, the Premier needs to desist from such mischief, because it cast the wrong impression, not only on us, but on the country, and it shows political manoeuvres which are unfair.

Madam Speaker, he would never tell the public anything like this, but he knows deep down that all of his accusations have no bearing of truth with regard to that matter.

And I want to thank you very much for allowing me this short opportunity.

**The Speaker:** Thank you, Leader of the Opposition.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I expect that the Leader of the Opposition would come here with inflamed language—the same thing he accused me of when he comes here talking about no bearing of truth.

What is he talking about no bearing of truth?

I challenge those words and I will sit and let him say so, Madam Speaker, because what he has done is to challenge the veracity of what I said, and I want to find out what he is talking about no bearing of truth.

*[inaudible interjection and laughter]*

**The Premier, Hon. W. McKeever Bush:** I have every right.

**The Speaker:** Under Standing Order 11(6), a Member of Government shall be called on to reply, which I did.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I've called upon the Leader [of the Opposition] because the veracity of what I said has been challenged.

When he talks about "no bearing of truth" I want to know what he is talking about!

So, Madam Speaker, I'm giving the Leader of the Opposition an opportunity to say what he is talking about.

**The Speaker:** You can reply Honourable Minister to what has been said.

[Inaudible interjection]

**The Speaker:** He has the right to reply.

[Inaudible interjection]

**The Premier, Hon. W. McKeever Bush:** No, no, I'm not replying, Madam Speaker.

Madam Speaker, the Leader of the Opposition—in his usual style—has gotten up and challenged the veracity of what I said. He said that *the Premier knows that he has no bearing of truth in what he said.*

I want to know what he is talking about.

[Inaudible interjection]

**The Premier, Hon. W. McKeever Bush:** so, Madam Speaker, I am calling on him to say what this bearing of truth is.

[Inaudible interjection]

**The Premier, Hon. W. McKeever Bush:** "No bearing of truth" means that I am telling a lie. That's what he is saying. And besides, being unparliamentary, I want to know what it is, so that if I have done something wrong I will stand right here now and say it was wrong. But I want to know what it is.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker.

**The Speaker:** Yes.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Should I respond or not?

**The Speaker:** Please refrain from using that phrase again.

You can respond. Go ahead. Let's finish it here now because this is going to go on and run over into the rest of this week.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, I understand.

Madam Speaker, I said what I said because . . . and I was careful to say "if what they have quoted is correct", because it said that Bush has *told the Jamaican Gleaner that it would not be well received by the PPM.*

How does he know that?

**The Premier, Hon. W. McKeever Bush:** Ha, ha. Okay, Madam Speaker—

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** That's what I'm talking about.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, if that is what he is talking about . . . how I know that, Madam Speaker, is because of their past performance. There has been nobody who has done worst with the immigration laws of this country [toward] those people than him and his Government. That's what I meant by it.

And naturally, Madam Speaker, I could not . . . When the *Jamaican Gleaner* reporter asked me the question about the visas, in my answer, Madam Speaker—

**The Speaker:** Order on this side. I want to hear both sides please. Thank you.

[Inaudible interjection]

**The Speaker:** And order there too.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I was asked . . . Let me get to this point.

I was asked a question by the reporter and what I knew of the situation I said.

Now, they would want to stand here as you hear them grumbling over there and talking about . . . trying to make you think that I don't know what I was talking about. I knew very well what I was talking about. I did not tell anyone, and this report does not say, that I told them that Government was planning to do so! I told them that I was checking into it . . . I would check into it because I didn't know all the parameters of it.

But they asked me the question—if the Opposition in the country would support it. I said I could not say anything about what the Opposition would do; I don't believe they would, given their record on immigration in the country and what they have done in the past. That's what I said.

And I said, *Only God knows what they will do, they will jump on any political bandwagon but we have to do what is right.*

Madam Speaker, that is the fact as far as I am concerned. Those are the facts.

The Opposition will jump on anything as he has just done! For what has he said, Madam Speaker? *I must desist from mischief casting the wrong impression the country.* What wrong impression on the country, Madam Speaker?

And he challenges me, Madam Speaker. He has the audacity to challenge me to say that I haven't talked to them. Madam Speaker, I was the Leader of the Opposition when they put it in place. Did he talk to me? Did he tell me anything? Did they send me any communication to say "I am doing this"? No, I recognised that it had to be done, and agreed with it at that point. I never agreed with the way it was done and I never agreed, Madam Speaker, that they could not do what I believe can be done—and which they know could be done!

Madam Speaker, now he says . . . What else does he say? He said, *The Premier has not had any discussion with him.* He had two separate occasions discussing it at CARICOM. Did he come back to this country and report that he had made such a discussion with CARICOM?

Did he?

No! He didn't!

That's just like the rest of the things that that Member, as Leader of the Opposition, did in this country, and the others on the Front Bench, when they went away and made all kinds of agreements and we did not know anything about it. Today this is the first time that I am hearing anything that he had any discussions with the Jamaican Government about it.

And I can say, Madam Speaker, that I didn't know anything about the CARICOM discussions that he had. But what I do know is that they had started a discussion, because I was told that once I entered Government.

And all I said to the reporter when the question came to me was, *Look, it is not a Government policy, it is not taken to Cabinet, has nothing gone forward, it's only my thought process. But I do know that the last Government had checked on this thing or was dealing with it, hadn't gotten anywhere and I will . . .*

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, please, can you ask those mouths over there to just stop their yapping for a while?

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Well if he can't contain his . . . Well . . .

Madam Speaker, I made a political statement which I stand by. I did not do any wrong to this country by going and saying that I was doing this or the Cabinet was doing this. And he admits that they had

started some process or another which they didn't complete like most things you hear now: *I started it, I had . . .* Oh yes everything will come out now once something has come out. You won't get away with that. This is not Truman.

Madam Speaker, I am glad that he says he is now in agreement. I don't think that I have done anything wrong on international stage or on the regional stage as it was. I was asked a question, and as much information that I had I could only give. I made it clear to say that the Government has not taken a position, it is something that I will start to look at because I do believe—and let me say this—I do believe that as the US visa is used—

**The Speaker:** Member for East End, please let the Premier finish what he is saying.

**Mr. V. Arden McLean:** Madam Speaker, with all due respect I am. I didn't say anything to the Premier nor to the House. That's his responsibility, Madam Speaker. He is on his feet. I didn't say anything to him or anyone else.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, he's interrupting through.

**The Speaker:** Honourable Premier, please finish so we can finish this afternoon.

**The Premier, Hon. W. McKeever Bush:** I am reminded of what Churchill said, Madam Speaker, that the Member should not really generate more indignation as he can conveniently contain.

Or, Churchill also said, I'm full aware of the deep concern felt by the Member in many matters about his comprehension.

*[Laughter]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I don't think that I can go any further with this. I have stated—

**The Speaker:** Honourable Premier, you've answered the question.

**The Premier, Hon. W. McKeever Bush:** —I have answered.

**Mr. V. Arden McLean:** And his comprehension too.

**The Premier, Hon. W. McKeever Bush:** I have answered.

You wouldn't know the difference my son. I am sorry, Madam Speaker—

**The Speaker:** Can we have the motion for adjournment and *[inaudible]*—

**The Premier, Hon. W. McKeeva Bush:** I am sorry, I had not quite finished.

I am sorry that the Leader of the Opposition feels that I should not have spoken internationally about it. Or that he feels that somehow I slighted him. Just to reiterate: He went to CARICOM twice by his own confession, discussed it, didn't come back to this country and say anything to me as the Leader of the Opposition when they started the programme, nor after he came back from CARICOM.

Madam Speaker, as I said, I move the adjournment of this honourable House until Monday at 10 am.

And I do want to thank you for clarifying that we are speaking according to the rules of the House.

Thank you, Madam Speaker.

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

The motion before the House is that the House do now adjourn until 10 am on Monday. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

**At 4.17 pm the House stood adjourned until 10 am Monday, 12 July, 2010.**

**OFFICIAL HANSARD REPORT**  
**MONDAY**  
**12 JULY 2010**  
**10.43 AM**  
*Ninth Sitting*

**The Speaker:** I will ask the Member for North Side to say Prayers.

I will allow both the Premier and the Leader of the Opposition to make comments on this.

### PRAYERS

**Mr. D. Ezzard Miller:** Let us pray.

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

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

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

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

**The Speaker:** Good morning everyone. Please be seated. Proceedings are resumed.

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

#### Apologies and condolences

**The Speaker:** I have only one announcement. I have an apology from the Second Elected Member for Bodden Town, Mr. Anthony Eden, whose sister passed away last night unexpectedly. And at this time

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, thank you very much.

I found out last night that Mrs. Hinds, the sister of Mr. Anthony Eden, the Second Elected Member for Bodden Town, had passed away suddenly. In fact, I had the opportunity to speak to Mr. Eden last night to pass on condolences. Through this medium here, I would like to record Government's expressed condolences to Mr. Eden and his family, and of course to the children of Mrs. Hinds.

**The Speaker:** Thank you, Honourable Premier. Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, thank you for the opportunity.

For those of us who knew the lady, she was a quiet and gentle soul. She was from the old school of Caymanians who held very highly and tight-to-chest those old time family values. The Opposition would certainly take this opportunity to extend condolences to her children. Most of us know her sons well. And certainly we wish to extend condolences to all of them and their families, and to our colleague, Mr. Anthony Eden, and all other members of the extended family. We ask God to be with them during their time of bereavement.

**The Speaker:** Thank you, Honourable Leader of the Opposition.

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

**The Speaker:** I have only one notice of a statement to be made by the Honourable Premier. He has asked for it to be deferred for later on in today's sitting.

### GOVERNMENT BUSINESS

#### MOTIONS

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

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I move the suspension of Standing Order 24(5) to enable a Government Motion to be dealt with during the current meeting.

**The Speaker:** The question is that Standing Order 24(5) be suspended to enable a Government Motion to be dealt with during the current meeting.

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

**Ayes and Noes.**

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

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, could we have a division please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 9 2010/11**

**Ayes: 8**

Hon. W. McKeever Bush  
Hon. J. Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne Seymour

**Noes: 3**

Hon. D. Kurt Tibbetts  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller

**The Speaker:** The result of the division is 8 Ayes and 3 Noes. Standing Order 24(5) is accordingly suspended.

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

**BILLS**

**SECOND READING**

**Development and Planning (Amendment) Bill, 2010**

*(Continuation of debate thereon)*

**The Clerk:** The Development and Planning (Amendment) Bill, 2010.

**The Speaker:** The debate continues. Does any other Member wish to speak? [pause]  
Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker. In listening to the Honourable Premier when he introduced the Bill, entitled The Development and Planning (Amendment) Bill, 2010, the Honourable Premier went into some expla-

nation on some of the clauses, and there are some that have not been explained. My colleagues on this side, and I am sure the Member for North Side, are going to deal with certain aspects of the Bill as they see it, and there are a few sections which I wish to have a look at and give the Opposition's view to the Government in that regard.

Madam Speaker, the first section I would like to deal with in the Bill is section 4 on page 6 of the Bill. I notice in the original Law, first of all in referring to section 4, there is a definition of "the Governor" and the definition in the original Law means the Governor in Cabinet.

In the amending Bill, the repeal of section 4 of the old Law, simply reads: "**The Governor shall appoint a Director of Planning and such other officers as appear necessary for the proper exercise of the functions of the Authority.**" I think that this is something that this amending Bill has just brought to light, because the amending Bill repeals that section 4 and just has a new section 4A(1) with that regard. And it really says the same thing except it expands itself by speaking to the responsibilities of the Director of Planning and such other officers as the Governor in Cabinet may appoint.

I believe that we have to check constitutionally whether this wording is correct with regard to appointments of civil servants.

I notice, as I said, it is in the original Law. That was several years ago. We have the 2008 Revision, but that was not a change during that 2008 Revision. The revision was only the amalgamation of all of the sections that were amended prior to that. So, Madam Speaker, I believe that we certainly have to check that even though the main Law itself is worded as such. We are not sure that that wording is correct.

Madam Speaker, I do not know how much consultation has taken place with industry. So, it is hard for me to proffer an opinion whether sufficient consultation or wide enough consultation has taken place. And I notice in [clause] 8 where the principal Law is amended in section 15, it generally moves the timeline of Planning permission from being valid for one year to moving it to five years.

I say that I do not know about the consultation because while I am in total agreement that the one year period has caused many developers problems, even single-family home builders . . . sometimes people can go as far as to get their plans and working on the presumption that financing will be available and many times it takes a longer time for financing to come about. So, it is not desirable to have them lose their Planning permission after 12 months and have to pay the fees all over again, and I agree with that.

But I am asking the question as to whether taking it to as long as five years is in the best interests of those who either uphold the law or the department itself, because there are so many things that can develop within that period of time. I certainly do not want to suggest that five years is wrong; what I would like

to hear is the logic used to arrive at the five year period. Perhaps that will satisfy us.

Madam Speaker, as we move on we see amending sections that deal with putting more teeth in the Law, which we agree with, with regard to compliance. In many instances individuals and entities simply disregard notices given out by the department with regard to them having to comply with certain sections of the Law. So, we agree with those additional sections which will give more teeth to the Law and the regulations.

When it comes now to the schedule of fees with regard to the infrastructure fund, I believe arguments will be put forth by others on this side so I will not go into those details. The only thing I want to point out and wish for it to be clarified is on page 17 of the amending Bill, Roman numeral (iii), right in the middle of the page. It says, “. . . in Area C, \$0.50 per square foot of the gross floor area of the development;” I am assuming that Area C, which really does not have a schedule of these fees, would include single-family homes. If it does not include single-family homes, then we just want to make sure that the way it is worded is absolutely clear. Because, if we look in the fee schedule for Area A and Area B, we will notice that it addresses single-family homes over 5,000 square feet. So it is obvious that the intention here is not to have any fees levied on single-family homes which are less than 5,000 square feet.

Obviously, the intention of these fees is for those types and size of structures which would indicate people's ability to afford the fees, or the fact that it is a commercial venture and the fees can be paid because what is being done is being done for profit. So, I just want it to be clear, and to ensure that if that is the intention then there is no ambiguity with regard to the wording and it cannot be made to apply to single-family homes under 5,000 square feet in section C.

Madam Speaker, the next section I wish to deal with is [clause] 12, which simply reads: “**The principal Law is amended in regulation 42 by repealing subsection (3).**” Section 42 reads: “**The Governor may make regulations for the better carrying out of this Law and for giving effect thereto and in particular-**“ And in subsection (3) it reads: “**No regulations shall be made pursuant to this Law unless a draft thereof has been laid before the Legislative Assembly and a resolution approving the draft has been passed by the Legislative Assembly.**”

Madam Speaker, as I understand it, the purpose of that subsection in the Law which speaks to the way in which regulations are approved by this Assembly is because while there is the executive branch, which is the Cabinet, the Legislative branch, which makes the laws, was intended to be involved in this whole process because, Madam Speaker, regulations not only apply to fees, but regulations can apply

to land use. So, we are not in agreement with this subsection being repealed.

Madam Speaker, following on the heels of that, we also see where section 53 of the substantive Law reads: “**This Law binds the Crown . . .**” But [clause] 15 of the amending legislation says, “**Section 53 of the principal Law is repealed . . .**” So, no longer shall this Law bind the Crown and it is replaced by the following section, which reads: “**This Law binds the Crown but, where in the opinion of the Governor [that is, the Governor in Cabinet] the public interest so requires, the Governor may waive any of the requirements of this Law.**”

Madam Speaker, I believe that both of these have some type of relationship. That is, the executive, the Cabinet, being able to make regulations and not by Law having to bring those regulations down to the Legislative Assembly for the legislative process to be completed, means that whatever the executive decides is well said, well done and that's it. And then this additional section means that the executive arm of government, that is the Governor in Cabinet, can make any decision in what it considers to be the public interest to waive any of the requirements of this Law. That is far reaching; it is as wide as is possible. And I do not believe that the democratic process is served well.

I do not know whether it is the thought of the Government that bureaucracy holds up too many things. I do not wish to proffer a guess because I do not know what the thought process is by having these two sections. But, Madam Speaker, I believe the Government ought to seriously consider whether this is the right direction. Even with the best of intentions, I believe that it can cause a lot of problems down the line. And it is very possible that citizens can be disenfranchised by not having any recourse once this Law is termed in this manner. So, I certainly would wish for the Government to fully explain the rationale behind those two sections as to going in that direction.

As I said, Madam Speaker, I am certain that my colleagues will argue different points in this amending Bill, and especially those last two matters that I brought to your attention or to the attention of this honourable House. Certainly, if it is the Government's intention for those two sections to remain as is, in just conscience we could not support this, Madam Speaker.

Thank you.

**The Speaker:** Thank you, Leader of the Opposition.

Does any other Member wish to speak?  
[pause] Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I would like to make a short contribution to the debate on a Bill for a Law to amend the Development and Planning Law (2008 Revision) and to formally establish the Department of Planning, et cetera.

Madam Speaker, there are some things in this Bill that I support. But I have two fundamental concerns or problems with the Bill as presented. If the Government is not minded to make some changes to those two areas, unfortunately, I would not be in a position to support the Bill. And, Madam Speaker, those two areas are clause 12 of the Bill which specifically relates to the removal . . . **“The principal Law is amended in regulation 42 by repealing subsection (3).”** And in the principal Law that [which] is related to the fact that regulations have to be brought to parliament for approval.

Madam Speaker, my personal experience and the experience of the people I am privileged to represent, when it comes to zoning land and change in land use, I would like to know that any of those regulations, particularly made to those areas, are subject to a formative resolution in this Parliament. Because, Madam Speaker, we could get into a situation some time in the future where we have a government . . .

And remember now, Madam Speaker, that under the present Constitution, the elected Members of Government control Cabinet. The Official Members are really not allowed a vote in Cabinet. Where they could, in fact, change the use of the property in my district and we would have no knowledge of it until such time as we try to do something with the said property—because the fact that it may be gazetted, I do not think there is anybody I represent, other than someone who is working in the management of banking or in the financial industry or in the legal department, that actually has any access to a gazette to start with. So the landowners that I represent would have no way of knowing that their land and property had been zoned in a way that would sterilise it or almost make it valueless.

We have been fighting for the last 20 years in this country these environmental zealots who have been trying to take away the land that the people who I represent have preserved for the last 300 years in one form or another. The latest attempt at that is with the new Conservation Law that is being promoted as the best thing since sliced bread to ever come to North Side—or, certainly better than electricity or water in terms of what it is going to do for the land. And why it is so absolutely necessary for the Government to confiscate in one form or another the land owned by the people of North Side, so they can protect it from us when we have successfully protected it from them and their greed for the last hundreds of years.

So, Madam Speaker, unless the Government is minded to remove that section of the Law or at least require that anything to do with land use and other matters, like that, have to remain under a formative resolution, I will not be in a position to support the Bill.

The other section of the Law that I have real concern with is [clause] 15. It says, **“53. This Law binds the Crown but, where in the opinion of the Governor** (meaning the Governor in Cabinet) **the**

**public interest so requires, the Governor may waive any of the requirements of this Law.”**

Now, Madam Speaker, that’s an oxymoron. Either the law binds the Crown or it does not. I think it is a crime if it doesn’t bind it! That’s what I’m thinking about, crime! That’s why I’m saying . . . But anyway, Madam Speaker, if the Law is intended to bind the Crown (meaning the Government), which I think it should, I don’t think any law in this country . . . and I will not support any law as long as I sit in this Chamber, which exempts the Crown or the Government from the provisions of the law. If it is not good enough for the Government, it should not be good enough for the common folks. So, Madam Speaker, I think it should bind them, and I they should have to comply with the law.

Now, Madam Speaker, I understand, and I support clauses 1 and 2 of the Bill, the addition and the clarification of certain definitions and the introduction of a planned area development. I think that’s a good thing. And I support it. The restructuring of the department, I have some concerns with the way it’s worded here and I think a clarification that says ‘Governor used here does not mean Governor in Cabinet.’ I wouldn’t have a problem with it.

Of course, Madam Speaker, I must be honest and tell you that the frustrations that my constituents have with the Planning Department, I would be much happier if the law just disbanded it altogether and we charged the agents under the law with the legal, moral and ethical requirement to ensure that the law was complied with and if they did not, we put a heavy fine on them and take their licence away. We could save a lot of money if we got rid of the Planning Department and just had three or four inspectors who actually went out and inspected these construction sites and if they found that things were not being done according to law, they stop it, intervene and remove the licence of the agents, et cetera.

I believe the day has long passed when the appointment of the Planning Authority Board of politics-who-intend-to-run and political-has-beens, et cetera, and a few people involved in the business community, is a proper way to evaluate planning applications before the Board. So, I do not have a problem with what’s here, I would just like to see that the changes were more drastic.

In [clause] 7 the changes to the Law I support. I assume when it says internal alterations to a house it does not constitute or contribute to a material change in the use of the house that we are talking about some of these people who divide up their regular dwelling house into tenement yards and rent them out unbeknown to the Planning Department, or they create office buildings and shops within their houses and stuff like that. I support that. I have a little bit of concern that as long as I can change the colour of the inside of my bedroom and expand my bathroom within my dwelling house without having to get planning permission, I do not have a problem with it. And I am assum-



ing and I think that the proposed law does allow that to happen.

I have some concerns with the wording of clause [7](e), ultimate paragraph, where it says, “. . . **where a development [and we're talking here about planned developments] involves any operation which by itself would not conform to the primary use of residential land, that operation shall be deemed to not change the primary use of that land if the development to which such operation relates conforms to such primary use.**”

I think that's a wonderful clause put in there by the lawyers to make some money, having legal departments. I believe that we need to clarify that a little bit and . . . because I, not being a lawyer, am not entirely sure what it means. And if you are saying that if the area is agricultural/residential and the development that's planned is commercial, but we will allow it because it includes a component of residential then I think I have some concerns with that. So I would like to see that clarified.

I do not have a problem with the extension of Planning Permission being for five years. I don't know why we would allow a planned area development to be in perpetuity and not a plan for a dwelling house. I would have the same concerns if planning for a dwelling house was long enough that the regulations and code had changed so much that it would be dangerous to construct it; I would have the same concerns about a planned area development.

Under clause 10, Land Adversely Affecting Amenity of Neighbourhood. In (2) it says, “**(2) The notice shall require such steps for remedying the condition of the land or building as may be specified in the notice to be taken within such period as may be so specified.**” I have a serious problem with the non-specificity of that clause in that I have always had trouble with laws that have too much discretion given to the people who are supposed to enforce the law. I would be much happier if it referred there to time periods for various contraventions of the law that would be specified in the regulations because going on under the new 29A, 29B, 29C . . . it seems to be a very complicated and overly convoluted process to try to get somebody convicted.

And I have just had to endure this since August last year with who I referred to as Sanford and Son in my community who is breaking many Planning Regulations, but the process of serving notice and what timeframe is put in that notice seems to be at the discretion of the person serving the notice. Some people may get 7 days; some people may get 30 days; some people may get whatever is in the notice according to this amendment to the law. I believe if somebody is affecting the amenity of a neighbourhood, 7 days is long enough to correct it, and I think the law should say that. But you may get one planning officer that feels that because he has to move a few derelict vehicles it might take him 14 days when

we all know that all he has to do is call the right wrecker and they can move them on the same day.

I would like to see a lot more specificity included in this new 29A and 29B because I think that this complicates the process even more than what's there now and leaves for a varied smorgasbord of appeals that will not allow us to get the things that we need to get done to clean up the community. I believe we have an obligation to the people we represent to make it clear what the timeframes, et cetera, in this law are and how we are going to go about correcting it.

Madam Speaker, I noticed that area A has been expanded to cover some new areas, and I support those new areas. Area B has also been expanded, and I also support the inclusion of those new areas. I am a little concerned about the increase in fees in this environment. Not so much so with the square footage increase and the introduction of the rates for affordable housing on the gross square footage. I believe it will have an adverse affect on small developments which is what I think we need to get going in order to stimulate the construction industry. But certainly, I believe that the additional affordable housing fees at the time you receive your certificate of completion or certificate for fitness of occupancy, is really going to be detrimental and onerous on small developments.

I took the time, Madam Speaker, to try and do some calculations. For instance, if somebody in my community wants to build a 10-unit apartment complex and each unit was going to be 1200 square feet, their infrastructure fee in zone B, which is up in my area, would be \$18,000. Their new affordable housing contribution would be \$12,000, which is a total of \$30,000.

In zone A, that same 10-unit would be \$30,000 on infrastructure fee, and \$24,000 for the new affordable housing fee, for a total of \$54,000. But then, Madam Speaker, they have to pay \$10,000 for each of the 10 units—which adds \$100,000 at the time they get a certificate of occupancy, whether the units have been sold or not.

What those fees are going to do is add the cost for one of these apartments in zone B to somewhere in the region of \$13,000 in additional costs. I believe that when you are building 10 units, that's \$130,000 . . . for a small developer in my constituency that's a lot of money. And I think that it would deter some small 10-unit developments. And if they want it, it goes up a lot more. It goes up to \$20,000 per apartment.

In my constituency, in particular, if somebody put up a 10-unit apartment, they are not really going to impose on the infrastructure and make any huge additional demands to government's infrastructure because most of the people who buy those units are already using the roads, et cetera, in the area. Now, some of those people down in zone A who are building huge condo complexes and huge hotels which we

have to build miles and miles of new roads, et cetera, I think that they should have to contribute accordingly. But even in the case of a hotel, this additional fee of \$3,000 per hotel room, I believe could represent a substantial increase in addition to the affordable housing fee of \$2.00 per square foot for the hotel and \$2.50 per square foot for infrastructure, I think a fee of \$3,000 per room is going to add substantial additional cost to getting hotels done. We are looking at somewhere in the region of additional fees of three quarters of a million dollars (\$750,000) on a 100-room hotel.

Madam Speaker, the fact that 50 per cent of this contribution is payable on the issue of the building permit and 50 per cent on the issue of a certificate of completion, a certificate of occupancy, or a certificate of fitness, again I believe this is going to create a substantial cash flow problem for small and medium size developers, particularly those in the constituency that I represent.

I have dealt with clause 12. Madam Speaker, I believe that that section needs to remain in the Bill and I have given the reasons why. I have also already spoken on [clause] 15 which deals with section 53 of the Law. Madam Speaker, if the Government is minded to make some changes to those two areas, I could support the Bill, but as I said, there are many things in this Bill that I support, but I feel strong enough, particularly about the removal of section 42(3); that if that remains in this Bill, Madam Speaker, I am going to vote against the Bill.

I have great concerns, particularly for the people I represent because I know what has been going on with the National Trust and the environmentalists in trying to massage their own consciences because they have let greed take the better part of them. And they have destroyed their inheritance and sold it out and put the money in the bank or done whatever they wanted with it. Now they want to come up to my area and massage their conscience on their way to heaven to say that they are going to take my land and give it to government for little or nothing and that will massage their egos and help them get into heaven because they are protecting two pieces of swamp in North Side and a couple of snails and soldiers and other things, and centipedes and hardback bugs and other stuff that really do not need to be protected.

If this Bill were being brought without the Conservation Law out there before the public I would still not support that section. But the fact that the National Conservation Law is out there being circulated and the chief officer of the Ministry responsible is endorsing the current Law in my community and upsetting all of the landowners in my community . . . because, basically, when they came to my community some weeks ago, they were not interested in listening to what the landowners wanted to hear. And, as one member of the audience said to them, they forgot their listening ears home. Basically, their position in a nutshell was that we have had wide consultation on this

law, we have made the necessary changes, this is the law that we want to bring in and this is the only thing that is going to save the snakes in North Side in its totality. Right?

I had to tell my good wife [because] she went out in the back and chopped a snake in two. I told her she can't do that any more because they will fine her \$100,000 and put her in jail for four years.

Madam Speaker, the public needs to be aware of any changes that are happening under this Development and Planning Law.

With those few words and those conditions, I will either support or not support the Bill. Thank you.

**The Speaker:** Thank you Member for North Side.

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

Member for East End.

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

Madam Speaker, I rise to make some contribution to this Development and Planning Amendment [Bill] that is before the House.

Madam Speaker, whilst I had my look at it, I again see this morning where we have a revised draft circulated also, which . . . Madam Speaker, let me get that straight. It is not a revised draft to the amendment, but there is a revised draft to the Law and Regulation that was circulated this morning.

*[Inaudible interjections]*

**The Speaker:** Member for East End, sorry to interrupt you.

I am not sure what you are talking about, because I don't have anything like that on my table.

*[Inaudible interjections]*

**The Speaker:** Please continue your debate. We'll get it sorted out.

**Mr. V. Arden McLean:** Thank you, Madam Speaker, if we can just get that sorted out because I have no knowledge of where it came from.

Madam Speaker—

**The Speaker:** Member for East End, the Clerk has advised me that this is an old matter that was circulating and somebody in the previous sitting, which has been taken care of, and someone asked for a copy of it.

*[Inaudible interjections]*

**The Speaker:** Not a revised draft.

I will have the Clerk explain to the Member who is speaking.

[pause]

**Mr. V. Arden McLean:** I get it now, Madam Speaker.

**The Speaker:** Okay, thank you, Member. You may proceed.

[Thank you] Madam Clerk.

**Mr. V. Arden McLean:** Madam Speaker, as I said, I rise to make a contribution to this Development and Planning amendment Bill before us.

Madam Speaker, whilst there are a number of things that I do support in this amendment, there are many amendments therein that I cannot in good conscience support.

Madam Speaker, I saw the *Caymanian Compass* of today, in its Editorial, which was entitled "Good Planning Suggestions Made" . . . and whilst I agree with some of their editorial, I would like to read the last paragraph: "**Debate on the proposed Planning Law regulations is supposed to begin today in Legislative Assembly. We pray that it is good, open and frank debate and not politicising and name-calling. Much hard work and research has gone into these proposals.**"

Whilst I support their view that there should be good debate, it is obvious that much of . . . whoever wrote that, I don't think that they went through these amendments or, if they did, they do not understand the consequences of some of these amendments. For instance, Madam Speaker, like the Member for North Side, in [clause 4] [new] section 4A, I do have certain concerns because I do not believe that the Cabinet should be appointing staff for the proper exercise of the functions of the Authority. Let me read it in its entirety:

**"4A. (1)The Governor shall appoint a Director of Planning and such other officers as appear necessary for the proper exercise of the functions of the Authority; and the Director and officers shall be employed in the Department of Planning and shall be responsible for the administration of the Authority and the Board, including preparing their agendas and minutes, and communicating and implementing their decisions."**

Madam Speaker, as I know, "Governor", unless otherwise specified, is Cabinet. I have my concerns about that because no government, as far as I know has the Authority to appoint staff. We have said that and said to the people of this country that we are not responsible for civil servants. We have said that we are not responsible, and that is true. Elected arms of government are not responsible for civil servants and their appointments, or for their dismissal.

Madam Speaker, if the intent is that Cabinet appoints the staff to the Authority then I submit that that is unconstitutional. The Constitution is very specific in that the Governor has responsibility; the Governor in his sole discretion has responsibility for the administration of the Civil Service. So, maybe there is

some other explanation. But in my view that is a dangerous proposal. And it needs to be reviewed; it needs to be revisited if that is the intent of this amendment.

Madam Speaker, whilst I appreciate many other areas within the Law, such as the planned area development which will have at least three (that is, [clause] 8) zones within that area, I have always supported multi-use, multi-zoning where we can have light commercial, residential and maybe tourism all within a specified area.

I recall when the Countryside Development and the gas station across from it were being planned and they were getting planning permission and they had to advertise, there were people in my neighbourhood, which is low density residential, who were totally against those two projects and had a petition circulating against the projects. I could not sign it in all conscience because when I was a member of the Authority in the 1980s, the civil servant staff member who was my chief officer, when I was a Minister, was then the director or assistant director, somewhere in that range. He is currently the Premier's Chief Officer. And he knows that I supported multi-use. Always that, suffice it to say, Madam Speaker, the Countryside Shopping Centre has really worked out very well. And so has the gas station.

Many a day, Madam Speaker, all I had to do, instead of coming into town to the hardware store was rush right over to get something out of the Countryside shops; I am sure others have experienced that same thing. And the supermarket, the pet store, the restaurants and the bank that are there: Madam Speaker, those are the types of things that I believe make up neighbourhoods. I believe that with the introduction of the PAD (Planned Area Developments) we can move ahead with small nicely developed developments that provide the convenience for people. Certainly, in my view, George Town was never planned properly. But more importantly, we all have had to fly into George Town if we needed a light bulb.

We have had other small commercial areas in the rest of the country, especially in the eastern end where I represent, East End. But they have been somewhat small. The amount of commercial zoning in East End is extremely limited. Certainly this will hopefully be an improvement to that, provided it is not used in the wrong way and provided it is not used as an escape or a means of bringing in undesirable development. And I will get to that a little later, Madam Speaker.

Madam Speaker, the other area that I believe should be welcomed is PART IIIA, entitled "Land Adversely Affecting Amenity of Neighbourhood." If the Premier had not gone on a press conference and said that he was going to put things in place against the developers or the owners of Hyatt, this would have even come down a little bit better. But, so be it.

When I was a Minister, I also wrote to some companies about derelict homes. They became dere-

lict after Hurricane Ivan in my constituency as well. And to date, nothing has been done about them—well, one in particular—because the neighbours who are quite aged approached me complaining about [it] becoming a place for drug users. They were concerned because it is somewhat deserted in that area. I wrote the people, as the Member responsible for East End, and to date nothing has been done. It is up for sale, but it nevertheless has remained in its dilapidated state.

Madam Speaker, whilst I cannot comment on the amount the Government is proposing to charge as a result of not responding to a notice of enforcement, I have not seen in here anything that is specified on a particular time that it had to be done in, or the response had to be done in, except to say within three days of the notice a respond as to the intent. I believe there should be in legislation that it has to be done within a specified time, whether that is six months, nine months, it matters not to me; but if we do not have a specified time, what happens is that the Authority will then decide what time they will give that person or those persons or that entity. That could be at the whim and fancy of the Authority. That is not . . . I think it needs to be more specific in its intent.

The \$5,000 in areas other than hotel tourism zone, and \$25,000 in hotel tourism zone . . . like I said, I will leave that up to the people of this country to decide if that is too onerous or too much for them to bear.

Madam Speaker, if I may now go to Part VI where we are increasing fees: A number of fees have been proposed here. I heard the Premier in his presentation of this Bill make comments (and I am probably paraphrasing here) about people coming here and doing developments and the Cayman Islands, in essence, gets very little out of it. To some extent, Madam Speaker, I agree with him. I agree with some of those comments the Premier has made. However, I am concerned that a lot of these fees are extremely high for this time.

The Premier also said that the country will come out of this economic rut that it's in (and I am paraphrasing, Madam Speaker, I trust the Premier will not hold that against me), and we will get back into good economic times and we must be prepared for it; something to that effect.

Madam Speaker, I hope it will come. I hope these fees will not be a detriment to its coming. That is where my concerns lie. I am afraid that whilst the Premier is asking people to come and develop, that this may not necessarily be very attractive to developers.

Madam Speaker, I also believe that it is going to be extremely difficult for the Caymanian who wants to build a few apartments. One of the things Caymanians are becoming more conscious of is the fact that 1) they are going to get old; and 2) they have to leave something in perpetuity for their children and those who come behind them. And one of the things they

have believed over the last 10, 15, 20 years is that part of that perpetuity is assets in the form of apartments. So when they get the chance they build a few apartments. They may sell off a few, but they keep a few to ensure they pass something on. And, more importantly, to have a little income when they get to the stage where they can't work any more and they are forced into mandatory retirement.

Madam Speaker, when they have to pay \$10,000 in addition to their planning fees per apartment, it is going to be a little difficult. I understand that we have tried to distinguish a lot in laws in this country and separate, and we have tried to make the decision on who can afford it from who cannot afford it. We have done that for a long time in this country.

And, yes, Madam Speaker, the laws should be legislated on the basis of equality. I subscribe to that. But, certainly, Madam Speaker, if the Caymanian cannot make provision for his old age, if he has a piece of land and he phases in some of these apartments to try to make some money . . . and, Madam Speaker, somebody is going to say they will be sold, you don't need all those apartments over 10 and we are making provision for 10. And then he phases that in, the Planning Authority is not going to take a proposal unless it shows the different phases on that piece of property, the future use for that piece of property. Therefore, it is going to fall within the \$20,000. Therein lies a problem

Most Caymanians will get sufficient money. The banks will lend them sufficient money to do the actual construction and the likes. Now, to sell with an additional \$20,000 on top of that will definitely make those apartments unattractive. It has to, to the buyer. But more importantly, that Caymanian needs to ensure if 20 apartments are being done, that \$400,000 is available as soon as they are completed before closing can be done. So, all of that has to be factored into budgets.

Madam Speaker, I see that as a deterrent to Caymanians utilising their opportunities to make preparation for the future. It is going to be a deterrent. The Government may want to reconsider this, particularly now during a recession. And we all agree that there is a recession. And we all agree that the Cayman Islands stock market has always been construction. That is what our stock market can be defined as. If we see construction we know the country is booming. And if we implement more onerous fees on this development, particularly at this time, it is going to contract even further.

Madam Speaker, I have an opinion. It is my position that the economy will contract. I am not saying that an increase in the fees is not needed. Maybe it has been needed a long time. We have used them as a means of getting revenue for a long time. But, Madam Speaker, we have to be extremely careful when applying these fees—someone called them exorbitant fees—on the people.

Madam Speaker, the people in East End and North Side, in particular, are very guarded with their properties. I am not saying that in the past some of our people in North Side and East End did not sell off their land. But we are coming of age and those people up there are very conscious of the fact that extinction is forever. Once you sell your property, that's it; it's gone. And they want to be able to preserve some of it for their own personal use when the time comes. And if they do not have to utilise it now, their children will get it a little later.

So, Madam Speaker, area B picks up quite a lot of the lands in Bodden Town, East End and North Side. We know that's the area that Caymanians are moving to. It says, "**(parcels zoned Neighbourhood Commercial) . . . and those parcels in 57A, 61A, 65A, 69A and 73A between the sea and the Queen's Highway;**".

**"All those parcels (including any parcel subsequently derived from another parcel) not fronting onto South Church Street, South Sound Road, Shamrock Road and East-West Arterial . . ."**

But, Madam Speaker, we like to think that only rich people live up on Queen's Highway where blocks 61, 65, 69 and 73 are. We like to think that only rich people live there. Well, I am here to say that that is not true. We have many Caymanians who have property there, who have built there. They are all along there. I submit that there are many Caymanians who own property there still, between Queen's Highway and the sea, and who are not only from East End and North Side, but from George Town and other places in this country that own property there.

I know there are a few places there that have been bought by foreigners over the years, obviously on speculation. I believe that the Barefoot Beach on Queen's Highway, which was owned by my family, was sold to a foreigner some 50 years ago. My great uncle, after coming back from Panama did that. And, yes, that was a mistake. What bargaining power I would have now, eh? Thirteen hundred feet of beach!

Close to Tortuga Club was sold. But then you also have Caymanians who own the Royal Reef. There are many Caymanians who own below that along the beach. And if they are going to build condos it gets worse. If they want to build a house exceeding 5,000 square feet, it becomes \$25,000 in addition.

A hotel is supposed to start soon with some 300 rooms; The Residences. Right on this same thing. So, 300 times \$3,000 . . . \$9 million? Nine hundred thousand, that is in addition to all of the other fees. But I believe that is where we have to be extremely careful.

Madam Speaker, like I said earlier, I agree with the Premier and his utterances that people come here and they do, and there is no place else in the world that they can get the kind of returns that they get here without paying for it. But I am also concerned about the Caymanian who wants to have that opportunity to build, to develop.

Madam Speaker, when looking at the old schedules, the second schedule where these fees are to take over, there were areas in here for houses not exceeding 1,200, apartment not exceeding 600 square feet. But in particular, homes. Now, it was nil for those. But then there is nothing here to say what a home is going to cost per square footage. I do not know if it was an omission or what. I will leave that with the Government.

Madam Speaker, the other area that I believe I would like to turn to is the "Certificate of Completion" definition and "Certificate of fitness for Occupancy". I don't understand why we would be giving two. Someone needs to explain that to me. Either it is completed or it is not. Either it is completed in accordance with Planning permission and the occupants are cleared to go in . . . maybe the Government can explain that because this seems to be another level of bureaucracy put in place here. If it is completed in accordance with the Planning permission why, then, do you need to get a Certificate of Fitness for Occupancy which says basically the same thing in relation to a building? "**Certificate of fitness for Occupancy**" . . . means a **certificate issued by the Authority that the building is complete in accordance with planning requirements . . .**" which is Certificate of Completion as well.

Now, Madam Speaker, as I move on these amendments proposed under [clause] 12, "**The principal Law is amended in regulation 42 by repealing subsection (3).**" Subsection (3) of 42 . . . Madam Speaker, I am wondering . . . the regulations do not say 42, so I suspect it's the Law. If that's the case, 42(3) of the Law says, "**No regulations shall be made pursuant to this Law unless a draft thereof has been laid before the Legislative Assembly and a resolution approving the draft has been passed by the Legislative Assembly.**"

Now, during the Premier's presentation of this Bill, he did say that for too long amendments have taken too long to come to the Legislative Assembly. Madam Speaker, I hope that is not what it is. He also went on to say that this is probably the only Law in this country that the regulations require a resolution of the House. And I believe the crafters, the architects of this Law, this initial Law in 1971, knew exactly what they were doing.

Madam Speaker, the people, once every four years exercise their democratic right to elect people to represent them in this honourable House. And through those people elected here [is where] their voices are heard. And, Madam Speaker, I believe that that provision in the Law was deliberate. There is nothing more important than the use of the land of this country. Therefore, it is necessary that the people's representatives and the people be made aware of it prior to it becoming Law.

Madam Speaker, we can look at things like the financial industry and what have you. Let's look at the financial industry for a minute. It does not affect everybody; it affects a sector of this country. There-

fore, your consultation . . . when you are going to change anything in the laws of the financial industry, mutual funds, companies law, whatever, it is a very small number of people who you can consult with.

But when it comes to the development of this country or any country, it affects every living soul in this country. Now, Madam Speaker, I heard on the talk show as well, people proffering the position that these things take too long. Madam Speaker, I am here to say that this provision in this Law only takes 21 days. It is not the fault of the Law. The Law, this provision has never held up any changes to the Development Plan. It has never held that up! This is about 21 days! Nowadays with no 21 days we suspend the Standing Orders, Madam Speaker. But in March of this year the Government brought a motion on the regulation and it was to increase fees. And it was approved. So there is no need to have this removed!

Madam Speaker, I wonder, and I am going to go out on a limb here . . . you know I never saw off the limb behind me eh; someone else has to do that. But I will venture far out into the leaves, and if it breaks, I'll just have to catch myself up or hit the ground hard.

We hear, and I have been reliably informed, that this Government is going to bring a law to change the Planning Law to allow for that dock in East End; the zoning. Change the zoning, and then designate particular lots for a dock development which will not require any Planning permission.

Now, Madam Speaker, if that information is as reliable as I believe it to be, is this the first step in trying to circumvent the legislation so that nobody can say anything about that type of development? That they won't know until it is gazetted through the gazette process, and here we go? Madam Speaker, that is a dangerous thing. Dangerous!

We cannot dictate to the people in a democracy, we cannot change their way of life without getting approval from them. That approval process is through their representatives who they elect once every four years who sit in this real estate in here. That's what democracy is about. You cannot have a party or individuals become Ministers and go into Cabinet and dictate everything for the people without allowing the minority in Cabinet to have a say. There is a section of this country that we represent. That's what democracy is about, and particularly about their livelihood, their existence, which happens to be their land.

And more so, Madam Speaker, when there is no public consultation because regulations do not require public consultation. It is the operation of the law. But you can't put anything into regulation that is not first put in law, such as these new fees. There has been no public consultation on them.

I heard the Premier say that this amending Bill was brought here last week Tuesday. Madam Speaker, that was a mistake on his and the Clerk's part, I must say, because on Wednesday, the 7<sup>th</sup>, I called the office and asked them if they had any new

material. This was in the afternoon. And the ladies here told me that they had just gotten this material and they were then in the process of fixing it up for distribution. So I told them I was in town and would drop by to see what it was about. That was two days. I picked it up sometime immediately following lunch. And all others were there. I was the first to pick up.

There has been no public consultation on this. Yes, they have a committee formed, which they formed some time ago to review these things, but these are the recommendations of that committee. This is the land. No one in this country or in any country . . . the land is the most precious thing to them. It has been for generations. And it will be for many more. And we cannot now or in the future allow five . . . because the First and Second Official Members have no vote in Cabinet either. The same way they sit here mum, they must sit in Cabinet mum.

The Clerk has none. The Cabinet secretary has no vote. And the Governor has no vote. Five people run Cabinet now. They take advice from the Official arm—we hope! But, Madam Speaker, five people run Cabinet and it is the elected arm of Government that the people duly elected. But, certainly, when it comes to the lands that people must live off [and] pass on to generations, five people should not be the autonomy on deciding what happens on those properties. That is why we are here. We need to have a say in these things.

Do you think Opposition is just for the sake of opposing? Maybe they don't listen. Maybe this Government is no different from many other governments all over the world that they do not listen to the Opposition. But the country will know what to do with them a little later too. The same people that you are going to dictate what can happen to their land.

Madam Speaker, how many people in this country read a gazette? If someone can, tell me that. The ordinary Caymanian doesn't have the time for a gazette. So when he knows . . . there could be a dock going in his back yard. [There] could be a garbage dump right next to his house. Five people made the decision. Not a good thing, Madam Speaker. And it must be recognised that not the Opposition, but the people's representatives must be given the opportunity to go back to their people and say, *Listen, this is what is happening*. Let the people decide how they make representation to the reigning Government.

I was told of this two days before it came to the floor of the Legislative Assembly. These are some serious changes in this Law. And I would implore the press—

**The Speaker:** Address your remarks to me, please.

**Mr. V. Arden McLean:** Madam Speaker, I am.

I would implore the press—and I am referring to what I read earlier, Madam Speaker, where one of the media was saying that there are good Planning suggestions made. I would also implore them to en-

sure that the rest of this Law, the information in the rest of this Law is disseminated and tell the people of this country how their representatives will be circumvented with their land; even the development of land next to them. This is a serious matter. And I will not vote for it under those conditions. I cannot, Madam Speaker.

The people of East End did not send me here to assist in circumventing their rights to know, a disenfranchisement of them. I cannot do that. I will not do that. I would leave here before I do that.

This was deliberate, Madam Speaker. The architects of this Law knew what they were doing in 1971. This was deliberate. The provision in here to bring it back to the legislature was deliberate, Madam Speaker. There was no mistake made in that. None! And that governs any Government here when it comes to the use of the land in this country. People must know, be it through their Representative, in particular, and in general, through the process of consultation and proper notification such as the 21 day notice.

This is not good. I cannot in good conscience do that.

Madam Speaker, I want to talk briefly on clause 15 which repeals section 53 of the principal Law and replaces it with this Law, and I read: "**53. This Law binds the Crown but, where in the opinion of the Governor the public interest so requires, the Governor may waive any of the requirements of this Law.**" Now, Madam Speaker, it is not the Governor in his sole discretion, it is Governor in Cabinet. No way. No way, Madam Speaker!

We cannot legislate a law on behalf of the people through the legislative process, which is where it should go. And, Madam Speaker, I am not trying to do any 101 democracy or parliamentary procedure or anything today, but what I am saying is democracy is the only type of structure wherein the people go to the polls, exercise their democratic right to elect someone to represent them in these hallowed halls: 1) to tax them and give it back to them in services; 2) make laws to govern them, take the money from them to give the police to enforce those same laws we just made through the democratic process; 3) take money from them to pay the judges to be the arbitrator between them and Government. And that is what they know is happening with their life; that the people of East End said, *Arden McLean we want you to go into the Legislative Assembly, make the laws to govern me.*

By inference, Madam Speaker, they did not tell me to allow after I have made those laws and they have agreed with those laws, because they are not in the middle of the street asking for it to be repealed. They are depending on my best judgment on their behalf. Then, allow five people to say that we can't use the laws that we legislated to govern. That is what we are saying in essence: *Don't worry about the other one from Cayman Brac and North Side, and George*

*Town, West Bay, Bodden Town, whatever. The party puts five people in council and they can repeal, or they don't have to go by the law that you just made and amended over all these years to govern me.*

Where in the world . . .? It's only in Russia that could happen. Impossible, Madam Speaker! We can't do that! We cannot do that! We can't make those kinds of provisions in the law where . . . And I know, Madam Speaker, there are a number of lawyers in here. I see my good friend looking at me. We cannot in good conscience do that. We make the laws on behalf of the people and then allow five people in Cabinet to say, *Oh, we know what is best in the interest of the people. We are not going to . . . we are going to waive this whole law and we are going to say you can put whatever there and whatever there. And we are going to say you can put a dock up in East End.* Don't come up there with it!

I am not supporting this, Madam Speaker. Thank you.

**The Speaker:** Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

It appears that what has become customary over the last year is that the Government Bench, front and back, both sit mute until they believe the Opposition has exhausted all its fire power.

**The Speaker:** Third Elected Member for George Town, are you going to be speaking for a long time?

**Mr. Alden M. McLaughlin, Jr.:** I shall be some time, Madam Speaker.

**The Speaker:** In that case, I will order the lunch break at this time so your speech is not interrupted.

We will break until 2.30.

**Mr. Alden M. McLaughlin, Jr.:** Thank you.

**Proceedings suspended at 12.40 pm**

**Proceedings resumed at 4.00 pm**

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

You were in the process of beginning your debate when we suspended. Would you like to continue now?

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I wish to start by saying that the Bill before the House, a Bill for a Law to amend the Development and Planning Law to formally establish the Depart-

ment of Planning; to establish a stable and adequate source of funding for affordable housing; to make further provision in respect of appeals against decisions of the Central Planning Authority and the Development Control Board; and to make provision for incidental and connected matters, contains a wide range of amendments and in many cases improvements, I believe, to the present system of dealing with development and planning matters.

Madam Speaker, in that regard I wish to commence by commending the committee that has taken the time to consider these matters and to come up with proposals for improving the overall administration of development and planning in Cayman for their efforts and, by extension, to also commend the Government for putting these forward.

I regret, however, that I have to join the refrain of lament about the manner in which this has come to this honourable House and the apparent absence of any real consultation with the broader community.

Madam Speaker, the issue with the latter is compounded by the fact that Members on this side of the House certainly have had so little time to consider these issues. And many of these issues, including what I and my colleagues who have spoken before me, and some who have not, regard as being improvements, ought really to have been presented to the broader community for their consideration and comment before we proceed at this speed to give them legislative effect.

Madam Speaker, I don't know why, quite frankly, matters like this need to be rushed, especially given the fact that a lot of these situations have been around for a long time. Yes, Government wants to get on with its agenda, yes, we do need to fix many of these things. But, quite frankly, that plea that is proffered like a chorus is rather old. And it seems to be sort of a generic excuse that is given whenever it is that the Government is presenting some bill with which it has decided to dispense with any public consultation or the required notice.

Again, unfortunately, Madam Speaker, that is the case with virtually every bill that is brought to this House by the present administration. And, Madam Speaker, it does a disservice, not just to us, but it does a disservice to those we represent when inadequate notice—or no notice at all—is given. So, Madam Speaker, I just wish to join voice with my colleagues who have spoken before me in recording our objection and concern about the way that this has come before the House.

Madam Speaker, before I get into the matters I wish to deal with in some detail, I want to also endorse the concerns articulated by my colleagues who spoke before me, particularly in relation to the Government's proposal, or the Bill's proposal to dispense with the requirement that regulations relating to development and planning matters no longer require the approval of this House. I do not intend to rehearse the arguments ably put by those who spoke before me,

but it is a matter of grave concern. It does lead to considerable suspicion on our part about the motivation, the intention of the Government in relation to some major developments that have been talked about by the Government, developments which have met with some opposition and a great deal of concern.

It does worry me a lot that without the benefit of this House knowing what is actually being proposed by the Government that we could wind up in a situation where zonings are changed where decisions are effectively taken without public knowledge until they become gazetted.

And, Madam Speaker, the second limb to this, assuming our conspiracy theory is correct, is that if the Government has the ability to waive the application of the law to a certain development, when we add the two together the possibility of something great, something momentous being foisted upon the country without any knowledge at all until it is a done deal is very real and very worrying.

So, Madam Speaker, like my colleagues before me, I urge the Government to really re-think those two rather ominous clauses of the Bill which, if passed, will make fundamental changes to the way the whole system operates, and is going to certainly make the whole process of planning matters, development matters much less transparent. In fact, it could be argued that any element of transparency whatsoever could be removed because these decisions could well be taken in the Cabinet room without any previous knowledge of anyone outside the confines of the tight government team, and the next thing anyone in the country knows is when they see it gazetted.

Madam Speaker, the principal point that I want to address is the whole issue of these huge, in some cases, proposed increases in fees. We have had many representations from many across this community about the course that this Government has taken in relation to the whole question of the economy since they took office. It is difficult to reconcile the rhetoric about the need to stimulate the economy, the need to encourage economic activity, the need to remove hurdles to economic activity with the actions of the Government. Madam Speaker, I think this is the most recent case in point.

Madam Speaker, if I may, with your indulgence, refer to the speech given by the Honourable Premier, Minister of Finance, Tourism and Development, when he delivered the Budget Address, entitled "Partnership for Recovery" on 15 June 2010. At page 27 of that tabled document which was the subject of debate in this House, the Premier said in a section entitled "Minimising new revenue increases on businesses" said:

**"Given the observations of the current fiscal year, it is evident that the economy is at a point where additional taxation will compromise the competitiveness of businesses. Such an outcome would have implications for the economy's capacity to grow its way out of the recession.**



**There is an awful tendency here to say raise taxes and let business pay, but the harsh reality is that if that is the case, we will run away businesses, and lose more jobs. The only ones to really suffer are Caymanians, particularly those who can't help themselves.**

**"Therefore, one of the key tenets upon which government policy would revolve during the fiscal year 2010/11 is the minimisation of any new revenue measures on businesses, especially when it becomes a burden.**

**"By not compromising the ability of the private sector to grow, the Government is facilitating the creation of a more robust economy in its recovery plan."**

The Opposition entirely supports and endorses that policy. But the Government's actions have not matched its rhetoric. We have heard that rhetoric almost from the start. Certainly, from as early as when the previous budget was presented in October of last year.

Madam Speaker, one really has to wonder what it is that the Government is really trying to do, whether or not the Government does have a plan aimed at recovery, or whether the Government is merely blundering from one decision to the crisis to make another decision. While the Government speaks often and loudly about being pro-business, and particularly about helping small businesses, the number of increases that it has inflicted upon business and the legendary little man since they took office is simply unfathomable.

Madam Speaker, in relation to this particular issue of development and planning, there is a whole new set of increases proposed in the Bill before the House. Some brand new, some increases that amount high on to 1,000 per cent! But in the same breath as announcing these increases, the Government declares its intention to encourage development; the Government speaks about removing hurdles, about breaking down barriers to economic activity. It talks about removing red tape and doing away with bureaucracy.

Madam Speaker, quite frankly, sometimes I wonder if the Premier, in particular, but the Government as a whole, is living in the same Cayman as the rest of us. Surely they must read the paper. Surely they must hear the things we are hearing on the streets about the impact of increases on economic activity and how badly that is affecting Cayman's ability to just get through the present economic situation the world and our country is in, let alone trying to stimulate the economy and allow it to grow.

Madam Speaker, I did a quick search . . . well, that's not true. It took me a couple of hours before it was all done. But I came up with a dozen articles in the last month in which sectors of the economy have been crying about the impact that the further increases are having on their ability to survive, let alone thrive in the present economic conditions. But the

Government appears to have turned an entirely deaf ear to those concerns and those complaints and those cries.

Madam Speaker, this is the second set of increases directly on development and planning in the last three months. Madam Speaker, in the case of the previous increase in planning fees that were approved by this House on 25 March, but were not gazetted until 16 June, the builders and contractors generally appeared not to have been aware of them. And in an article appearing in the *Caymanian Compass* on 29 of last month, there are concerns, complaints set out by a range of reputable builders and developers about the impact that all of this is having or will have on the prospects of increased development in this country. They were concerned obviously, that they were not aware that this was in the works until the gazettal.

Madam Speaker, just to indicate some of the increases that occurred then: There were changes to the planning application fees, including change from 15 cents to 25 cents per square foot for the construction of or extension to a House; 40 cents for an apartment; a change from 20 cents per square foot to 50 cents per square foot for commercial or industrial development; and a change of 15 cents to 40 cents per square foot for a hotel.

But, Madam Speaker, the Premier seems to have forgotten that he made, or I should say the House approved those changes when he presented the present Bill to the House on Friday last. He said then that (and I am quoting him) **"Government was careful not to impact the local developers across the Islands at this time."** Well, I suppose he's right "at this time" because we had already impacted them when the changes I read just now were passed by the House in March and brought into effect on 1 July just gone.

Madam Speaker, at the time also, building permit fees were increased for a house of 2,500 square feet, but not exceeding 4,000 from 25 cents per square foot to \$1.50 per square foot; building permit fees for apartments over 800 square feet gone up from 75 cents per square foot to a flat \$2.50 per square foot for apartments of any size.

Madam Speaker, one of the individuals who was interviewed by the reporter who wrote this story for the *[Caymanian] Compass*, a gentleman called Mr. Stewart . . . (I am trying to see if I can find what his position is from the story). In any event, Madam Speaker, he was interviewed as someone who has intimate knowledge and involvement in development and planning matters, and he is described simply as a member of the development industry. He says, and I quote from the story: **"I am not sure what advice was sought prior to making this change in planning fees since it could be a disincentive encouraging new development. The net effect, obviously, remains to be seen. However, we are certain of one thing; it will not be a stimulus to new building."**

"The cost to a developer will vary from a few hundred dollars for a modest home to hundreds of thousands for a major development. For example, the fees on a hotel project such as the Mandarin, would increase by nearly \$100,000 for planning permission and \$275,000 for a building permit."

And then the story also quotes Mr. David Gibb of Hurlstone Ltd. in which he said, and I quote: "There are two main fees that need to be paid when you are looking to develop/build a house or condo, and it looks like both of these fees have increased from 100 per cent to 500 per cent with some almost 1,000 per cent," he said.

"If we were to recalculate the increase in fees for some of our larger projects the increase cost is over \$75,000 per development. If you intend on developing a 25,000 square-foot condominium project, your total costs will increase over \$50,000."

And then, Madam Speaker, Mr. Stewart concludes by saying, and I quote, "I think many people in our industry are understandably concerned as to whether this is a wise move at present when we are struggling."

"We appreciate government departments have a bottom line as well; however, professionals in our field have taken substantial time or pay cuts as a means of weathering the recession. We cannot simply increase fees to cover shortfalls in revenue. We are forced to become leaner in our financial management. We must wonder why the seemingly minor reductions in public sector expenditures cannot be more proportionate to the related sectors of the economy."

Madam Speaker, that is in relation to the changes that were brought to the House in March, which came into effect on 1 July.

So, Madam Speaker, faced with that, what does the Government do? It comes to the House now with a Bill, which, as I said, has a number of very positive provisions which would, I believe, assist, encourage the industry and the developer that Government was thinking about improving their lot; that the Government was truly serious about wanting more economic activity and development to occur. But to shackle those proposals with huge increases in fees, and in some cases, brand new categories of fees—

#### Hour of interruption—4.30 pm

**The Speaker:** Member for George Town, we are coming up to the hour of 4.30. I need a suspension . . .

**Mr. Alden M. McLaughlin, Jr.:** I'll need a seconder, but I can move it. I don't mind . . .

[pause]

**The Speaker:** I need you to move the suspension of Standing Order 10(2), I think it is.

**The Premier, Hon. W. McKeeva Bush:** Yes.

#### Suspension of Standing Order 10(2)

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, we move the suspension of Standing Order 10(2) in order for the House to complete the business on this Order Paper and on the Addendum Order Paper.

**The Speaker:** The question is that Standing Order 10(2) be suspended in order for the House to complete the business on this Order Paper and on the Addendum Order Paper.

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

**Ayes and one audible No**

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

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

**The Speaker:** Third Elected Member for George Town, please continue.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

The present [Bill] that is before the House proposes to increase additional areas where there are fees charged. As an example, there are three specific development areas referred to as A, B, and C in the present Law and Regulations. The [Bill] is proposing not to make any changes to the current \$2.50 per square foot infrastructure fee for newly built industrial buildings and single family homes in the areas, but for houses greater than 5,000 square feet, that fee goes to \$3.00.

For institutions it will go to \$3.50 and for commercial buildings such as hotels and condos it will go to \$4.50 per square foot.

In the B category areas, the current \$1.50 per square foot infrastructure fee would go to \$2.00 for a 5,000 square foot house and \$2.50 per square foot for an institution, hotel or other commercial development. Then the new development in the B areas would pay a one time charge to support the country's affordable housing projects.

Now, Madam Speaker, in his opening when he presented the Bill, the Premier made some valid points about the need for those who develop property here and those who make significant profit from developments in Cayman paying their fair share towards, particularly the infrastructure development of these Islands. He is right about that. He is also right to note that we should have been charging more for many of these opportunities, these services, these

arrangements for quite some time. I do not disagree with him about that.

But as is the case with just about everything in life, timing is everything. And now, Madam Speaker, is absolutely not the time to further increase the cost of doing business while at the same time saying you are trying to stimulate, to encourage, to increase economic activity through development.

Now, Madam Speaker, we all know that the Government is challenged as far as revenue is concerned. But we also know that the Government has done . . . let me not say that. That would be unfair. The Government has achieved little or nothing as far as reducing the overall operational expenditure of the Government. In fact, in this year, in this budget, operational expenditure is actually projected to increase by \$5 million over the last budget.

And, Madam Speaker, when we look at the revenue end—

### Point of Order

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, on a point of order.

Is the Member trying to debate the budget he did not get a chance to debate? Or is he debating Planning Development Bill with fees in it?

Madam Speaker, I contend that the Member has strayed from the Bill. He is not relevant. He is debating economics now, which he should have debated in the budget if he had had an opportunity. But he cannot very well continue, as far as I am concerned, down that way. He is not being relevant.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, if I may simply refer you to the Bill which is before the House.

There is an entire section starting on page 14 entitled “Part VI, Infrastructure Fund” in which is set out a whole range of increased fees. The Premier himself, when he opened in relation to this, opened his debate when he presented this Bill and spoke at considerable length about the increase in fees and about the necessity and the approach of the Government.

I contend that I am entirely within my rights to respond in relation to these proposed fee increases by speaking about Government’s overall approach to stimulating the economy as that relates to these fees, because these fees are part of Government’s effort to improve revenue.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, before you rule, the Member is right, and I would agree with him that he can speak at length. He has two hours to speak about the increase in fees. What he is not at liberty to do is to go all the way into the economic plan of Government to talk about stimulation, or to raise about the Civil Service or the cut-back in Government expenditure. Has nothing to do

with the fees before us. That might be in his mind, and he might say that we have not been able to get there, that his still his opinion. But he cannot go at length and debate it because it has no place in this Bill.

Fees, yes; but stimulation of the economy and the costs and reduction of costs in the Civil Service—which he has been speaking on—has no place in this debate.

*[pause]*

**The Speaker:** I notice that neither Member who spoke has referred me to the Standing Order under which they are making their statements.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, sorry, but I think it would be Standing Order 34, which deals with relevance.

*[pause]*

**The Speaker:** It is not Standing Order 34, it is Standing Order 36, “**(1) Except on a motion for the adjournment of the House the debate shall be relevant to the matter of question before the House or Committee;**” and Standing Order 35(2), “**(2) It is out of order to attempt to revive in any debate a matter or reconsider any specific question upon which the House has come to a conclusion during the current session, except upon a substantive motion of rescission.**”

Member for George Town, please continue, but limit your statements to the Bill before the House.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker. I always strive to do that.

Madam Speaker, we are in a situation where I believe the proverbial straw is being placed upon the camel’s back. This set of increases is the most recent in a long and painful catalogue of increases which business community and the average person is being required to bear. And, Madam Speaker, I entreat, I plead, I beg the Government to reconsider adding even greater burden to the cost of doing business, the cost for the average person to build a house at this particular time. That is the impact of this.

Every additional cost that is placed on business or any member of this community who lives here, there is that much less for them to have to be able to do anything at all, even to live. And we are fast getting into a situation where people are not only regarding the approach of Government as grossly unfair, but are becoming deeply resentful.

On the one hand (and I had this presented to me over the weekend by very ordinary people) . . . when you come to Cayman as a major developer, Government is prepared to welcome you with open arms and offer you all sorts of concessions to set up and develop here. The most recent instance, and this is the one cited to me over the weekend, is the case of Dr. Shetty’s hospital.

Madam Speaker, I do not want anyone to come away from my debate on this believing that I do not support, insofar as I have information, the concept of Dr. Shetty or anybody else coming to Cayman and bringing what I believe could actually be a third leg (arm, whatever you want to call it) to our economy. I believe there are immense prospects for healthcare being a possible other pillar of our economic base. I believe education could be too, but that is for another debate. I don't want anyone to think that what I am saying in relation to that is in some way a backdoor way of attempting to decry the Shetty hospital project. Not at all.

But, Madam Speaker, at the same time we are doing those things, which I completely agree with, trying to encourage businesses to set up here, new industry to come here and give them concessions, we are heaping coals on the heads of those who are already here—the small developer, the average person who is trying to build a house. And we talk about stimulating the economy?

Madam Speaker, quite frankly the approach of the Government from the start by increasing one set of fees after another from the financial services to fuel importation to a whole range—I have them all here—is having the absolute opposite effect intended. The law of unintended consequences has never been repealed and the Government ought to understand this given the abject failure of their revenue measures in October last year which they proposed and projected that some \$94 million in revenue would be raised.

Madam Speaker, we cannot go about trying to stimulate the economy, trying to get through these difficult times by simply increasing fees, taxes, on the very businesses that we are relying upon to stimulate the economy. I don't know, Madam Speaker, who is advising them or if they are being advised otherwise, why they are not taking the advice.

I know that as soon as I sit down the barrage will come about how, *The PPM caused all of this and that Member who got up and spoke in his usual fashion is the one responsible—look at the schools*. But if they don't recognise it, Madam Speaker, those who speak on the other side, that is so tired. The people are sick of hearing about what my administration did or did not do. It is there for all to see. What is the concern of every person who thinks in this community is what is this administration doing to stimulate the economy, to get us through these difficult times, to make life a little better for them. So far, Madam Speaker, the people wait in vain.

Every session that we have been here since this administration took office there has been some increase to the cost of living in this country. And so far, little evidence that it has done anything else but make the balances in the columns in the budget documents look better.

So, Madam Speaker, the Government really, truly needs to decide what it is seeking to do. Now is not the time to heap more costs, more fees, more

charges, on those who could develop, those who have interest in trying to re-start, to re-stimulate the construction industry in these Islands.

The Government needs to re-think this. It is far better that we keep the fees where they were. And in so doing and with the assistance of the new and more positive proposals in the Bill which will reduce (at least it appears) bureaucracy which will ease plans through the system to have more activity and, therefore, more applications coming before the Board, more applications being processed, more blocks and mortar in the ground, than increasing the fees and without a doubt chilling the prospects of more development actually occurring here.

Madam Speaker, the Government has got to get beyond rhetoric. The Government has to actually match what it says its policy is in relation to the economy and to development with its actions. Otherwise, I fear that we are going to be in these dark times for much longer than would otherwise be the case. Defer these increases for the time being. Proceed with some of the more positive provisions in the Bill. So far we have only identified two that caused us a major problem. With those gone and with a re-think about these fees the Opposition could find itself supporting this Bill.

But in the present circumstances we have to ask ourselves, as I was asked over the weekend by one of my constituents, "Mr. Alden, how much is too much? We can't take any more." And that, Madam Speaker, is the way those who are affected by these particular provisions feel.

The Premier claims that he does not read the papers and he doesn't read *CaymanNewsService*, but I am sure he gets reports. The *Journal* for this month . . . its headline is "Small Businesses are Hurting." The first quoted interviewee is Eddie Thompson, owner of CAD-plus Architectural Design Firm. I could read it; it's a long story.

His take on what a range of measures introduced by this Government has done to his small architectural business. And this is before this latest raft has been floated down here. With your permission I am going to read a few excerpts from this story because it is a powerful story; it is a poignant story. It is insight into what the very sort of company and the very sort of people who are most impacted by what the Government is proposing to do here today are feeling and seeing. But the Government seems to be entirely insensitive to what is transpiring on the ground. Instead they add hurt upon hurt to small businesses while in the same breath talk about how profitable they are.

Mr. Thompson says—

**The Speaker:** Member, I do need a copy of things that you all read in the House so I can follow along.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker—

**The Speaker:** I am not sure—

**Mr. Alden M. McLaughlin, Jr.:** This is a copy of the *Journal*.

**The Speaker:** I understand that it's a copy of the *Journal*.

**Mr. Alden M. McLaughlin, Jr.:** I am happy to sit down and have it photocopied so that you can follow me, Madam Speaker.

**The Speaker:** I would appreciate that because then I will be able to have it in my minutes as well.

**Mr. Alden M. McLaughlin, Jr.:** That's fine, Madam Speaker.

[pause]

**The Speaker:** Are you going to quote the entire sections or just excerpts?

**Mr. Alden M. McLaughlin, Jr.:** Just excerpts, Madam Speaker, but I want you to have the whole article.

[pause]

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, perhaps we could suspend for five minutes instead of just sitting quietly looking at each other.

**The Speaker:** That's good for you.

I will do the five-minute suspension, but I think Members should stay in their seats, because when you leave this Chamber you don't come back!

I'm not going to leave, I'll sit right here . . .

[laughter]

**The Speaker:** Proceedings are resumed.

Third Elected Member for George Town, please proceed with your debate.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker. Thank you for your indulgence in allowing time to have this photocopied so that not only yourself but other Members would have reference to the document to which I am referring.

It is, for the record, issue 94 of the *Journal*, July 2010. The article starts with an interview with Mr. Eddie Thompson, owner of CAD Plus architectural design firm. He has seen his staff numbers dwindle from five to two in a year.

He is quoted as saying: **“Unfortunately, when the economic downturn hit in the construction industry, ours was the first type of business to be hit.**

**“Without a doubt the downturn has hit businesses in the construction industry such as**

**ours hard, but government's increases in fees in the 2009/2010 budget have exacerbated the problem to no end.”**

**“Thompson says that his company is finding it difficult to cope with the downturn coupled with the irrational increase in fees imposed by government. ‘Nobody could have budgeted for these increases,’ he says.**

**“‘We budget for around a 10 to 15 per cent fee increase annually; however, the recent work permit fee increases far exceed those percentages and have been hard to absorb,’ he confirms.**

**“‘How could the immigration team or the government appointed consultants think that by allowing for a pension holiday (which is optional) that it would somehow offset the cost of the permit fees? My kids don't need a calculator to figure out that it would never work. I thought the pension holiday was to ease the pressure on business owners and employees rather than to have it replaced by another entity—**

#### Point of Order

(Relevance)

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, on a matter of relevance and Standing Order 36 (I think it is you said), what has that to do with Planning fees? I am not disagreeing with the Member that small businesses are hurting, I would defend that position. And I can agree with him on it, and I will tell him why. But what he is reading now has nothing to do with the Bill before the House. Notwithstanding that the man that he is reading about has an architectural business, but when you are reading extracts, the Standing Orders has to be relevant to that particular matter.

**The Speaker:** Is there more in this article that you are going to quote, Member for George Town that relates to the fees before the House?

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I do hope that debate in this House is not going to become so constrained that Members are unable to properly contribute to the debate.

The point here, the point I have been making from the start, is that this particular set of increases adds to the already terrible catalogue of fee increases which are really at a point of putting many small businesses out of business altogether. This is an example that you could not get a more relevant example of an owner of an architectural design firm who is saying the increases by government are killing his business. I am citing that, Madam Speaker, in an attempt—perhaps a vain one—to persuade the Government to rethink what it is about to do.

Now, Madam Speaker, the Premier will have two hours to respond to what I say and will no doubt shoot all sorts of holes in it. But I do not believe,

Madam Speaker, with the greatest of respect, that I should be prevented from making my case as strongly as I possibly can.

**The Speaker:** Member for George Town, in regard to Mr. Thompson's business, I think you have made your point. Is there something else in the article you wish to quote before we move on with the rest of your debate?

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I intended to quote at some length from the article which does not just deal with Mr. Thompson's business, but deals with small businesses generally, many of whom will have to bear the consequences directly or indirectly of these new proposed increases.

**The Speaker:** I would appreciate if you . . . you cannot quote this entire article. I would appreciate it if you would confine your quotations to short sections as opposed to this entire article.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker, that is what I intended to do. And guided by you I will be even more brief than I had intended.

**The Premier, Hon. W. McKeever Bush:** [laughter] At length I thought you said.

**Mr. Alden M. McLaughlin, Jr.:** I am trying to edit quickly in my mind, Madam Speaker.

**The Speaker:** I can appreciate that.

[pause]

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I can't see the page numbers on this now, but it will be the third page of the photocopy. It's the section entitled "Astronomical increases." I am going to quote a third from the top of the page from the article: "**As with Eddie Thompson's business, Maedac Supply has not only been hit with immigration fee hikes but other government fees are also putting the squeeze on profits.**

"**The Port Authority has increased its fees—**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, on a point of order.

Madam Speaker, I am pleading for relevance. This matter is about Planning fees. The Member can go on and talk for the balance of his time about Planning fees and how Planning fees affect . . . but he can't carry this into the Port Authority. He can't carry this into Maedac. That has nothing to do with Planning fees. This article has nothing to do with Planning fees. It might have said something about architect fees, if we were charging architects. We are not doing that. This is about Planning fees.

[Inaudible interjections]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Member keeps saying . . . and please allow me, Madam Speaker, that this is about doing business.

If he wants a general debate on doing business, then put a motion down. But this is not a general debate; this is a specific debate on Planning changes and specific debate on Planning fees.

[Inaudible interjections]

**The Premier, Hon. W. McKeever Bush:** [Replying to the interjection] You missed your Budget debate, that's what happened to you! You should have given Moses your stuff.

[Inaudible interjections]

**The Speaker:** Member for George Town, what section of the Standing Orders are you making your presentation under?

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, as a Member of this House, I am entitled to debate any matter that is before this House. The issue is squarely whether or not what I am saying is relevant to the matter before the House.

Madam Speaker, I don't think I need to reiterate it, I have made it quite plain that the thrust of my argument is that what the Government is proposing to do is going to add an additional burden to the already over burdened community generally, but particularly those who have direct involvement with development and planning matters. But not just them, all businesses are impacted by the cost of the services which they seek from whoever.

When Maedac needs to get something, an addition to their facility, they are going to be impacted by the cost of these fees one way or the other.

So, all businesses, everyone in this community who uses the services of architects, builders, contractors, anyone who has to put in a planning application at some point or another is going to be impacted by this.

So, a discussion, Madam Speaker, in my respectful submission, which talks about the impact of already existing but recently imposed fees is very relevant to this particular discussion as what the Government is doing is bringing more increases.

**The Speaker:** [Standing Order] 32(4) does allow the Member to read extracts of reasonable length from books or papers in support of his argument. However, Member, I would wish you to confine that as much as possible to the subject at hand.

You may continue your debate. He is allowed under [Standing Order] 32 to read from books or pa-

pers in support of his argument. His argument is that this increase is going to make it more difficult, I presume. So, would you please continue?

**The Premier, Hon. W. McKeever Bush:** But it has to be relevant to Planning fees.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

**The Premier, Hon. W. McKeever Bush:** Mm-hmm.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, when I was interrupted I had reached this point, **“As with Eddie Thompson’s business, Maedac Supply has not only been hit with immigration fee hikes but other government fees are also putting the squeeze on profits.**

**“The Port Authority has increased its fees, and shipping prices have also increased. Couple this with the 2 per cent increase in duty and small businesses are really hurting,” DaCosta says.”**

Madam Speaker, a Mr. Richter is also quoted as saying **“Other duties and charges have been increased in the financial industry making it more expensive to do business in the islands and also affecting our business in reduced spending.”**

Mr. Thompson said that he is **“not only concerned with immigration fee increases and says stamp duty on rent, plus the costs of pensions and medical for staff along with never-ending increases in insurance costs are gobbling up any profits.”**

So, Madam Speaker, I won’t push your patience any further. I think the point has been made. The Government, since taking office, has adopted a course of significantly increasing costs right across the board.

When the Honourable Financial Secretary delivered the Budget Address on 2 October 2009, he listed some 20-plus areas which would be impacted by increased fees, from work permit fees, to annual company fees, to general registry fees, to mutual funds, security investment, business fees on transfers through money remittance companies, business premises fees, exempted limited partnerships, cigarettes, package tax, warehouse charge, tax and trust undertaking fees, tax and trust undertaking annual renewal fee, environmental impact fee for used vehicles, import duties, patents and trademarks, Cayman Islands Monetary Authority transactional fees, banks and trust licences, insurance licences, all of which have been significantly increased.

Then we add to that the reality that the first thing the Government did was increase the cost of duty on fuel imported for electricity production by CUC by 20 cents, plus the 25 cents that they recently added. All of these things impact businesses and every single person in the country.

As I said before, as the gentleman said to me over the weekend, “Mr. Alden, how much is too much?”, I submit, Madam Speaker, to this honourable House that we are way past the “too much”. The country cannot take any more pain inflicted by increased fees. We are going to put businesses, not just small businesses, we are going to put businesses out of business.

The Government’s sworn intent—and I believe that is their intent—is to stimulate business, is to help us recover from this recession. But, Madam Speaker, they have to do more than say so. Their actions must match their rhetoric. And this, Madam Speaker, if they are in fact getting economic advice, it is completely wrong. It is bound to have the opposite effect.

As I said at the start, Madam Speaker, they do not have to guess about this. They just have to look at their track record from what they attempted to do in October of last year to increase revenues by \$94 million. It did not happen; in fact, it has had the opposite effect.

There are a lot of people in this community, but particularly in the financial services community, who are walking around with very sheepish looks on their faces now, who were associated with these increases. So, Madam Speaker, I ask the Government not to make the same mistake for the umpteenth time. Let’s do what we can to make the improvements that are proposed in the Bill to the legislation and the regulations.

If we can get over the hurdle of those two areas that my colleagues outlined and that I mentioned – that is, that Cabinet continues to bring the regulations down here for approval by the House, and the removal of this ominous clause that allows Government to ignore the Development and Planning Law when it suits them, then we can agree, notwithstanding the shortness of time, notwithstanding the absence of any consultation. Because we know positive things need to happen, the Opposition will support it. But in its present form, and particularly with these additional increases in fees, we cannot in good conscience support the Bill in its present form.

I thank you, Madam Speaker. I am sorry if I may have tried your patience a bit during the course of my debate.

**The Premier, Hon. W. McKeever Bush:** Sure you did!

**Mr. Alden M. McLaughlin, Jr.:** But I believe strongly that these are important points that need to be said, need to be made, and as I always do, Madam Speaker, I will sit and wish for the small miracle that the Government will see reason.

Thank you.

**The Speaker:** Thank you, Third Elected Member for George Town.

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

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

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I listened with intent as the Opposition Bench laboured to come up with anything credible. They struggled. In fact they brought out old newspapers to try to help them along. And, Madam Speaker, they even tried to give their budget debate in this present discussion.

Planning laws are never easy to implement, anywhere. And it is particularly not easy to implement in this country because everything when it comes to property is so emotive. And the Opposition knows that.

Today is no different from what I saw take place in the 1970s when all sorts of red herrings were raised. And I look at the debate on the present Bill back in 1971 when the late Mr. Warren Connolly piloted this present legislation first in this House, he and the late Mr. Desmond Watler. Back then I am sure people with any historical perspective in Cayman will remember what took place—the marches, the threats. I believe even the Government House was burnt down during that period, during the Cadastral and the Planning Law's passage.

Thank God we are not facing any marches and so on. And the Third Elected Member for George Town, who just spoke, is saying “not yet.” Madam Speaker, what has not changed is the rhetoric that anybody with a tongue can speak.

I listened to them pleading with the Government not to put through these things because they are so bad. The Member who just sat down—I will start with him—was right when he said that the cost is inflicted on the little man. Some of the fees, the increase on fuel will. Trying our endeavour best that these kinds of fees on planning do not inflict on them. But he is right about another thing. That the mess he left, the money they wasted is the root cause of the bad economic conditions being felt by the people, and their negligence in bringing any credible development and allowing any credible development except for what might have been associated with certain people.

Then, Madam Speaker, things moved ahead. But the negligence in bringing solid, sustainable development is what has caused us to be in this bad shape because the fact is, as hard and as long as he wants to try to talk to try to convince the public that it is our fault because we are raising fees, every cat and dog knows that 53,000 people should have been having it easier if the last Government had done what they were supposed to do. And I know that he does not want me saying that. I know that he will get up here and say that everybody does not want to hear it. I do not know which everybody because people are

calling me and telling me, *You better learn from your last mistake in 2005 when you allowed all, like the Third Elected Member for George Town, to have their say, and you paid them no mind, you worked yourself to the bone, created the revenue, created the industry, boosted the industry, and allowed them to spread their rhetoric and their propaganda and then they defeated you.* I am not going to allow that to happen.

I recall, Madam Speaker, that the same rhetoric propaganda came from that same Member back in 2002/2003. *The country can't take any more. Keep the fees as is.* I heard him with that same rhetoric when we were developing that budget when we were charging the banks more, when we increased the fees on the A class banks. I heard the Third Elected Member for George Town threaten all kinds of things. Well, on that occasion we went ahead and the added fees drew revenue. And businesses were better assisted by the then Government and the businesses grew and the revenue grew. And I left over \$100 million in the Government accounts. Even after the devastation of Hurricane Ivan and all that I had spent on that, I still left over \$100 million.

What did they leave for us? Deficits?

And he said, get beyond the rhetoric. I agree. He needs . . . he could have stopped that at 4.30, Madam Speaker, instead of an hour later. Get beyond the rhetoric.

Madam Speaker, he is right about what I said because that is the truth when he read from the Hansards. That situation of not overcharging businesses is something we would not want to do. However, when you take his example of the Mandarin Hotel, which he says would pay between \$100,000 and \$275,000, let's take the highest point, \$275,000, for a 300-room hotel, and all we get is \$275,000?

What about the infrastructural impacts? Well, that Government, them, they can afford to say that, Madam Speaker, because they just went and spent, and spent, and spent. They did not raise any money because they didn't want to cause anybody any hard feelings. And in not doing anything, nothing was done and people are suffering today because of it.

That is why business is down. Business can't be down because we put on fees which only took effect this month. Come on now! Come, come, my friends. Uh-uh. Don't tell me that.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** Neither could October have had the detrimental effect that you are saying it is having.

When they came in effect in January . . . I am not saying they are not having some effect; what I am saying is that it could not have had the detrimental effect to put the economy of this country in the condition it is, Madam Speaker. The economy of this country is in a bad condition because the last Government refused, or could not, or would not, or did not have the



political will, and when they finally realised that Ivan's boom could not take them through, it was 2008. And guess what, Madam Speaker, I heard the Member for East End saying this morning that nobody listens to the Opposition. Government worldwide doesn't listen to the Opposition! How true.

I really can't listen to them, but they ought to have listened to what I said back in 2008. But what did they tell me? Not on the kindest of mornings!

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Parrot or not, it's the truth. Some parrots say what they heard you say.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Oh.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, that is the cause of the economic downturn. It's because they knew . . . they were like a rabbit caught in the headlights. They could not move. And when they could have moved, they didn't because it got so close to the elections that they did not want to risk . . . and they still got defeated.

The truth is, when you find yourself in a bad situation, you have to make the best of it. You have to move forward. And that's what I am attempting to do. That is what this Government is attempting to do.

Madam Speaker, again, you are not just talking about infrastructural impacts with a hotel project. What about the uncoded social impact? Government spends, but costs rise because of such impacts. Must I agree to a 300-room hotel for only \$275,000 at the max, according to his figures?

No, Madam Speaker, I do not believe that. I believe that I must facilitate the hotel; I must get the best hotel in. I must allow them in, I must help them. But I have always believed that we must get what we can get out of it. And it is time, long past time, when we just continue to give and give and we don't get something back. If we are not going to have income tax, if you are not going to have property tax, if you are not going to have a VAT, then where is this burgeoning bureaucracy and these high bills that they say are there . . . how do we keep them going? I must ask that question again. You have to do so through things like this.

And we can no longer afford to let anybody, whether or not that person is a Caymanian building a 5,000 square foot house, to just do it for pittance. If you can afford to do that, then you must be able to afford a couple of thousand dollars which is going to pay for the roads and pay for the police and pay for the streetlights and pay for everything else, that gives

us the quality of living that we have! Don't tell me that they don't know that.

I don't believe that big men and women today who can get elected don't understand that because people know who they are. People see them, people know they went to school, people understand this. They ought to know that what we are doing is the right thing. Yes, it is going to hit some business. Yes! But you mitigate that by creating an atmosphere, creating an environment that allows them to grow. That is what we did in 2002, 2003; we charged, but the financial sector grew.

*[inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** No, they did not have a global recession. And we are going to come out of this one. Are you not watching the world trend? We have some time yet to come out, but we are moving in the right direction.

All I am saying is that having set the stage in these Islands we must now prepare where Government can get some revenue, because if you do it after all the big plans are passed, then, what do you get? You get nothing. So, small businesses are hurting, no doubt. And try as I will, Madam Speaker, it is very, very hard because the things I want to do, all like him are doing their best to derail. That's a big problem.

Madam Speaker, let's take the complaint they are making about Government exemption. Go back into the history of Planning. Why certain things were done is because there were those who could get up and speak for hours at length in those days and spread fear and you got nothing done. That's why we did not develop, Madam Speaker. Take 1969 to 2009, all those years, if we had gotten the right type of planning we would have been a well planned country today. We've done fairly well with what we have, I can say, and I keep saying that. But we could have been much more disciplined if those legislators of that day hadn't succumbed to the rhetoric surrounding them.

The truth is that they went on to win 1972, but by 1976 they had been punished by the rhetoric. And the people believed the rhetoric and what did we get? You know what they said? They said that they could not allow the Government Executive Council to make regulations because they were going to tell them what colour their house should be painted. Same mentality.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Yeah, but you haven't fallen far from the chip.

Madam Speaker, a lot of them might not know, but I know that you know because you are a historian and you have been down the ropes. You've seen it. That's why important things like that got pushed into the House every time and that rigmarole went on—because of the rhetoric. But it's time for us to get past this if we are going to grow.

Government exemption was another one. Madam Speaker, there is no good reason why if the Government takes the view that a particular project is necessary in the public's interest, a police station a fire station, why it should be prevented from undertaking such a development because some persons may have objections thereto.

If there is some national imperative, Madam Speaker, that requires Government to expeditiously undertake a project, then Government ought to have the flexibility to do so, subject to reasonable consultation. The requirements that Government could waive include not having to advertise, not having to give notice and building heights, for instance. Accordingly, Madam Speaker, there are Government projects of national importance which the Government cannot afford to have bogged down with objections and appeals as has happened before.

So, Madam Speaker, the greater good or national interest requires that Government should have the flexibility to carry out those developments expeditiously. Government must retain the right to deliver to the people of this country the infrastructural works which the country needs.

A safeguard in all of this is the fact that Government being exempted from certain Planning processes does not mean that Government will be exempted from Building Control requirements. And that is in that amendment. But, Madam Speaker, . . . because it will not be. It will not be. And, certainly, I am going to put a belt and braces amendment which will give even greater assurance.

But don't tell me that in this day and age because you are going to get up and talk, that Government must continue to have the problems, having to hire lawyers sometimes because somebody with something up their sleeve, somebody with some grievance which is not in the national interest gets out there and stops you. Madam Speaker, I can never forget . . .

What happens now if you get a big sea coming through Savannah? What will happen again?

Madam Speaker, I will never forget in 1993, 1994, when I was building the Sports Centre. They told me I had to put down blacktop or asphalt and I had to put all this paving, or they were not going to allow me to build. I said, *Well, let's see*. I told them that as far as I was concerned we would put it down, when we had a big event we would open up the school field and cars would park there. But I was not going to put down any asphalt because we did not have the money to do so. And did it hurt it, Madam Speaker? I went ahead and I did it. I built the National Sports Centre in 1993 or 1994; somewhere thereabouts.

Madam Speaker, when we were building the Royal Watler, two sides were fighting, north and south. I had to get them together. I got them together and I was in the middle getting licks. But I satisfied their queries in various meetings. One old man, Mr.

Adams, told us that if we didn't have those meetings he was going to object. And this is what he wanted us to talk about. And, Madam Speaker, meeting after meeting, first at the Hard Rock Café, then we had them down by the Port, then we met I think at Thompson's, four or five meetings. One by one by one we answered, one by one we dealt with their queries, made the assurances, and deflected the rhetoric that was out there.

At the end of those meetings, when everybody else said, *We are supporting you, go ahead*, that old man said, *I am still going to object!* I will never forget it.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I can't—

**The Speaker:** Order.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I think the Member for North Side who gave the example of a 10 [unit] apartment building. He said that the total Planning fees would be \$130,000 at the time of occupancy. But I think what we are doing here, Madam Speaker, is we are assisting businesses by allowing them to pay some up front and some when they get the certificate of occupancy. And they know this in the beginning so we are not coming and saying, *Oh, you have to do this now*. We are doing it before when everything is in the planning stages. They know what they are going to pay up front and what they are going to pay at the end.

But, Madam Speaker, if we just take that; that's roughly 10 apartments, something like \$13,000 per apartment. That's all. That's all! Now you would swear by the way the Opposition is speaking that this is going to kill them. As I said, there must be something that mitigates Government's expenditure or else we can allow the country to go develop, we can allow them to build and then we can come down here, or I can sit up in the Glass House and try to cover \$150 million, \$200 million in short fall by the actions of people like them over there, Madam Speaker.

Planning? We should have had Planning that could have locked you all up.

Madam Speaker—

*[Inaudible interjections]*

**The Speaker:** Ah—

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, when I say that—

*[Inaudible interjections]*

**The Speaker:** Honourable Premier, please keep the personalities out of it.

**The Premier, Hon. W. McKeever Bush:** No, Madam Speaker, what I am saying is that they did just a bad job, that they did not do any planning—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** No, let's not talk about jail; they should have planned something that could have kept you boxed in then, so you couldn't make those kinds of moves.

And the Member who is provoking me on the other side, Madam Speaker, ask him how many of his roads got Planning permission.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Yeah. I reckon they did, ha, ha!

**The Speaker:** Address your comments through the Chair, both of you.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the same Member for East End who—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Come so to my house to see if I have any wall around my yard!

Madam Speaker, they are querying whether I have a wall around my yard. I know they spread that because everybody has been coming trying to find this wall. The Jericho wall or China wall!

*[Laughter]*

**The Premier, Hon. W. McKeever Bush:** And the only wall that I have is a three-foot front wall which I have had since the 1980s. That's all.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Well, I don't know, Alden says that one too.

**The Speaker:** Member for East End, you can bring those questions to the House on Thursday morning to have them answered.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the truth is, the question that they are asking about the West Bay sea wall, it was God Almighty that made me put it there because everybody tried to stop it; and I did not stop it! When they told me I couldn't put it on their land I pleaded with them because the road . . .

Because, Madam Speaker, now that they query it, don't think that the Hansard is not picking this up, or the people are not hearing it; they think that because they are not saying it on this that people are

not hearing. But people are hearing. They will say it; you might not rule them out of order and then what happens? So I have to answer it.

That wall did not cost us what his wall in East End cost him. In fact, he was one of the Members who complained bitterly about what I was doing in West Bay. But had I not built that wall in West Bay, Madam Speaker, against the objections of some of them, and against the objections of some of their supporters in West Bay—and the only way I could get it built was to move it from off their land and put it on the roadside—central West Bay would not have been there after Hurricane Ivan. It would have been up by the post office. That's where it would have been.

But God . . . something pushed me to say *Don't listen to them, go ahead and do what you have to do, you know this is right. The road is being eroded. You have to do it.* But it did not cost us what his cost him. That is what he needs to talk about.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** I am of West Bay too.

Madam Speaker, there is this matter of the constitutionality of the clause in the Bill dealing with . . .

Madam Speaker, I am just trying to find a paper that I . . . [pause]

Madam Speaker, that provision is not a new provision. And while the provision they referred to, which the Member for East End was labouring to say that the Cabinet was appointing staff . . . Madam Speaker, while the provision currently exists and has existed for . . . I guess, I certainly don't know how long, I can assure this honourable House that the process of recruiting a new Director of Planning is currently underway. And it is not being done by the Cabinet; it is being done by the Chief Officer in the Ministry, and being done in accordance with the Public Service Management Law.

So, Madam Speaker, the Member for East End is absolutely wrong and so was the former Leader of Government Business, the Leader of the Opposition. This provision is not one that Government has introduced and, more importantly, it is not one that the Government is utilising even though it exists.

But I would like to say something, Madam Speaker, when they talk about the Governor in Cabinet, just to draw your attention, there is no such thing now. That has been taken out. That was in the last Constitution. What the Constitution says, Madam Speaker, is, "The Executive authority of the Cayman Islands shall be exercised on behalf of Her Majesty by the Government consisting of the Governor as Her Majesty's representative and the Cabinet."

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** No, not the same thing.

Madam Speaker, the definition of “Governor” in the 2009 Constitution—check it! That does not exist any more. Check it. You mightn’t want to say that that has been removed because you lay claim . . . they lay claim to their being the architects. So they would be talking about something that they should know was not there.

Madam Speaker, the section where they complained about I might have spoken to that to say that the making of regulations in Cabinet does not cover land use. The proposal now to make the regulations in Cabinet does not cover land use because that is covered under something else. So, when it comes to zoning, as they were complaining about, regulations cannot be made in Cabinet to deal with zoning.

Madam Speaker, I believe the increase in the height of buildings will stimulate development. Older properties now become more attractive to re-development and that will stimulate the economy. The Building Code is already in place to suit it. There are plans to bring a new international building code into place. This would allow better land use planning, more exterior spaces, this is only in hotel/tourism zones on the Seven Mile Beach corridor. And due to code requirements these buildings are actually safer in hurricanes than smaller buildings.

Changing agricultural/residential zoning making it basically low density residential will increase value to many Caymanians in the eastern districts, North Side, East End and Bodden Town. This still limits developments over land suitable for agriculture and over water lenses. It makes it simpler to do residential in this area, rather than through lengthy designated orders of Cabinet. Agricultural/residential zoned land was initially a holding zone for future land planning.

The Planned Area Developments (PAD) that are planned to be used for other areas as well, this PAD legislation has been sought by the Planning Department for over 10 years now and is unrelated to any specific project. PAD legislation allows more sustainable, livable and mixed use communities, not particularly suitable for dock development, for instance. Our Government has ensured that the PAD legislation has provisions for the Central Planning Authority (CPA) to take into account disturbances to neighbours and a whole range of impacts in consideration of approval. And PAD is more about the CPA and the country knowing the long term plans of larger developments, thereby allowing proper planning for future growth by all government agencies.

PAD legislation provides good modern urban planning capacity and is something the previous Minister of Planning, instead of coming here and asking questions today, should have dealt with.

Madam Speaker, changing the definition of architect, the definition change is really about protecting local practitioners from overseas submission. These overseas submissions use extra Planning De-

partment resources explaining the processes and they do not pay any trade and business nor work permit fees. So it is unfair and uses Government resources. This again is protecting local people and local young professionals.

The new definition of “agent” is more appropriate and still allows unqualified persons to submit plans to the CPA. If someone wants to use an overseas architect they still can; it is just that the submission must be done through a local person, local agent, if you may.

Buildings are getting far more complex now. However, Government must review a profession registration in this area. The existing building code does distinguish what buildings can be submitted by trained professionals. Design is really about life safety primarily. With the existing code it is almost impossible that large buildings can be done by untrained persons anyhow. That’s as the code stands. This exempts homeowners’ houses and duplexes.

Why smaller lot sizes? Some questions came on that. Smaller lot sizes will make it more economical for Caymanians to develop their land. It allows lower cost to first time Caymanians trying to own a house. Smaller lot sizes reduce the cost of utility distribution. Setbacks and densities are not being changed, Madam Speaker, so homes are not closer to each other than currently permitted. So, in line with trends worldwide to make more sustainable developments, [lots will become larger and larger and this will make it more difficult for people to keep the lots clean.]

Madam Speaker, there are several areas that I am concerned about. I am concerned that we have to increase fees. But I want to say that the various protections in the law bode well for these Islands. All around, the agricultural areas, those people with lands in the eastern districts, North Side, East End, Bodden Town, it helps them. It gives greater value to their land.

Madam Speaker, I just mentioned another good protection. That one is, that now these huge conglomerates from outside can come in and do the architectural work, carry away millions of dollars, don’t use any Caymanians, don’t pay any fees to the Government—

**The Speaker:** Order over there, please.

**The Premier, Hon. W. McKeeva Bush:** —and yes . . . Madam Speaker, therefore, this offers some protection. You never heard them debate that, though! It is . . .

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** I don’t know.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** No. it's in the Law too. You check it.

Anyway, Madam Speaker, all these are good things. They are right. That is in the regulations, but these are all good things.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Uh-uh.

Madam Speaker, I don't think that I need to spend any more time on answering their rhetoric because, Madam Speaker, I have answered I think quite clearly the few queries made.

I believe I might have touched on it, but the Member for North Side said that Government must comply with the law because if the common people must comply then Government should. But I can say to that Member that his draconian measure of disbanding Planning would be worse for all the people.

So, Madam Speaker, Government in putting these forward has brought forward work that was outstanding for years. I want to thank the Chairman, Mr. Burns Conolly, for his hard work. They have done their background checks. These committee members are all people from the various connected industries, small developers, large developers, architects.

Madam Speaker, without that committee and the work of the Government drafting department, Ms. Myrtle [Brandt], we would not have gotten thus far. We appointed that committee last year, early in our term. I believe that we owe it to them after their hard work to give this a good sailing, a fair passage.

So, Madam Speaker, there are some amendments which we will offer and I will ask to suspend Standing Orders in order to make things clear with some of these amendments. Some of it is only to put belt and braces on the clauses so that Members can't just say that we didn't do something. In fact, some of their queries, as I said, were covered in certain areas by the law but we could put belt and braces on and that is what we have done with some of the amendments. I hope when we get to that point that the Members will vote for it.

Thank you.

**The Speaker:** The question is that a Bill shortly entitled the Development and Planning (Amendment) Bill, 2010, be given a second reading.

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

**Ayes and one audible No.**

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, can I have a division please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 10/2010-11**

**Ayes: 9**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. J. Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne Seymour

**Noes: 2**

Mr. A. M. McLaughlin, Jr.  
Mr. V. Arden McLean

**The Speaker:** The result of the division is 9 Ayes, 2 Noes.

**Agreed by majority: The Development and Planning (Amendment) Bill, 2010, given a second reading.**

**The Speaker:** I am going to call a 15 minutes suspension of the House at this time.

**Proceedings suspended at 6.13 pm**

**Proceedings resumed at 7.32 pm**

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

When we concluded we had gone through the Second Reading of the Development and Planning (Amendment) Bill 2010. The House will now go into Committee to consider the Bills.

**House in Committee at 7.34 pm**

## COMMITTEE ON BILLS

**The Chairman:** Please be seated. The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses.

### Dormant Accounts Bill, 2010

**The Clerk:** The Dormant Accounts Bill, 2010

Clause 1 Short title  
Clause 2 Interpretation  
Clause 3 Application  
Clause 4 Dormant accounts  
Clause 5 Notification procedure

**The Chairman:** The question is that clauses 1 through 5 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 through 5 passed.**

**The Clerk:**

- Clause 6 Publication of notice
- Clause 7 Transfer and vesting of monies in dormant accounts
- Clause 8 Register of dormant accounts
- Clause 9 Claims
- Clause 10 Inspector

**The Chairman:** The question is that clauses 6 through 10 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 6 through 10 passed.**

**The Clerk:**

- Clause 11 Inspection
- Clause 12 Report to Monetary Authority
- Clause 13 Disclosure to the inspector
- Clause 14 Directions for compliance
- Clause 15 Regulations for disclosure

**The Chairman:** The question is that clauses 11 through 15 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 11 through 15 passed.**

**The Clerk:**

- Clause 16 Immunity
- Clause 17 Liability of directors etc. where an offence is committed by a body corporate
- Clause 18 Regulations

**The Chairman:** The question is that clauses 16 through 18 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 16 through 18 passed.**

**The Clerk:** A Bill for a Law to provide for the monies in dormant accounts to be transferred to the general revenue of the Islands; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### **Animals (Amendment) Bill, 2010**

**The Clerk:** The Animals (Amendment) Bill, 2010

Clause 1 Short title.

Clause 2 Repeal and substitution of section 80 of the Animals Law (2003 Revision)—protected animals.

**The Chairman:** The question is that clauses 1 and 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a law to amend the Animals Law (2003 Revision) to make provision for the protection of the Grand Cayman blue iguana (*Cyclura Lewisii*) and the Cayman Brac and Little Cayman rock iguana (*Cyclura nubila Caymanensis*); and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### **Development and Planning (Amendment) Bill, 2010**

**The Clerk:** The Development and Planning (Amendment) Bill, 2010.

Clause 1 Short title

Clause 2 Amendment of section 2 of the Development and Planning Law (2008 Revision) – definitions

**The Chairman:** The question is that clauses 1 and 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:**

Clause 3 Insertion of section 3A - continuation of Planning Department

Clause 4 Repeal and substitution of section 4 - appointment of staff

Clause 5 Amendment of section 6 - applications to carry out major developments

**The Chairman:** The question is that clauses 3 through 5 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 3 through 5 passed.**

**The Clerk:**

Clause 6 Insertion of section 8A – immunity.

**The Chairman:** The question is that clause 6 stands part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 6 passed.**

**The Clerk:**

Clause 7 Amendment of section 13 - provisions for development

**The Chairman:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Chair, in accordance with the provisions of Standing Order 52(1) and (2), I, the Honourable Premier and Minister of Finance, Tourism and Development, give notice to move the following amendments to the Development and Planning (Amendment) Bill, 2010:

That the Bill be amended as follows – (a) in clause 7 by deleting paragraph (c) and substituting the following paragraph –

“(c) in subsection (3), in the definition of “development” by deleting all of the words appearing before paragraph (b) and substituting the following words -

“development’ means the carrying out of building, engineering or other operations in, on, over or under any land, the making of any material change in the use of any building or other land, or the subdivision of any land, except that the following types of developments shall not require planning permission but shall be subject to all other provisions of the Law and any regulations made under the Law, including the Building Code Regulations, namely –

(a) the carrying out of works for the maintenance, improvement or other alteration of any detached house if the works -

(i) affect only the interior of the house or do not materially affect the external appearance of the house; and

(ii) do not constitute or contribute to a material change in the use of the house;

(aa) the carrying out of works for the maintenance, improvement or other alteration of any building (other than a detached house) if the works -

(i) affect only the interior of the building or do not materially affect the external appearance of the building;

(ii) do not constitute or contribute to a material change in the use of the building; and

(iii) do not contravene any other Law, regulation or code;”

(b) In clause 11, in the new section 38(4)(i) proposed for insertion in the principal Law, by deleting the item “A house exceeding 5,000 square feet in gross floor area” and the particulars relating thereto and substituting the following item and particulars–

**Hon. Samuel W. Bulgin:** Madam Chair.

**Mr. V. Arden McLean:** That is clause 11.

**The Premier, Hon. W. McKeeva Bush:** Okay. I'd moved on.

**Mr. V. Arden McLean:** Yeah, yeah, yeah, yeah.

**The Premier, Hon. W. McKeever Bush:** Okay, Madam Chair, I had moved on by going on and taking clause 11. So Clause 7 is the amending clause at this point.

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

**Mr. V. Arden McLean:** Madam Chair, if I may . . . and some of the Premier's technical people may be able to answer this.

While there is no Planning permission required under maintenance of a home, how do they envisage that the other provisions of the Law will be adhered to, such as, electrical, plumbing, maybe the interior roof, the structural integrity of it and the likes? If Planning does not know, how will we ensure that it is safe for the occupants?

**The Premier, Hon. W. McKeever Bush:** Madam Chair, what I understand is that the Building Code covers all the areas being questioned. That is why they have to comply with the Building Code.

**Mr. V. Arden McLean:** Madam Chair, I understand, but how will the Planning Department know that one is renovating their home? They do not need . . . a classic example: Someone builds a new rental building and they do not rent out some of those units for a year. They are not materially changing the building, but right now if they wanted to put a restaurant in there they would have to get Planning permission to modify inside that building.

*[Inaudible interjections]*

**Mr. V. Arden McLean:** Yes, change of use. But thereafter they want to shift some of those things in there and redesign the whole thing. That is where I was going.

**The Premier, Hon. W. McKeever Bush:** So what is the question?

**Mr. V. Arden McLean:** If they are going to redesign they don't need Planning permission for that. How would Planning know that they are doing it? That's what I am asking.

*[Inaudible interjections]*

*[pause]*

**The Premier, Hon. W. McKeever Bush:** Madam Chair, as it stands right now, if you make some renovations to your house, if it is not of any significance, you do not go to Planning. If it is something that is within and you go, it is significant enough that you need power shut off and reconnected, then Planning

will know. Code will enforce it. Well, that's what I am told.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** If the power is cut off by CUC for that reason, then CUC has to make Planning and the Code enforcement official know. And they won't reconnect. I know that to be a fact. I have gone through that with the constituents.

**Mr. Alden M. McLaughlin, Jr.:** But, Madam Chair, if changes to the electrical system are being made, but there is no requirement for an application to be made to Planning, how will Planning even know what is transpiring? That's the point that I am not getting.

*[Inaudible interjections]*

**The Chairman:** We need to talk through the Chair.

**The Premier, Hon. W. McKeever Bush:** As I said, when it comes to anything significant that's bound to affect the electrical supply, electricians have to make Planning and the electric officials know.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Where?

That's what is in there now, in the Electricity Regulations. That is what the inspections are all about. If it is that significant, then the electrical inspectors would know and, therefore, Planning would know. If it's nothing significant, as it stands right now, if you want to put up a doorstep, [or] change a doorframe, that is not going to Planning. You do it. But if you want to go and build on a bathroom, well, that goes to Planning most times.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Yes, well, specifically under the law if it's more than 10 per cent of the building.

**Mr. V. Arden McLean:** Madam Chair, if I may, here is where I have my concerns. And maybe the Premier can talk through the Speaker . . . I have a house and if I want to change the entire interior of that house, I don't necessarily have to go to CUC to turn off the electricity.

**The Premier, Hon. W. McKeever Bush:** What are you going to change?

**Mr. V. Arden McLean:** The whole interior, relocate walls and what have you—

**The Premier, Hon. W. McKeever Bush:** Well, if that is so, then, if you are relocating walls you are bound to



be affecting electricity. What are you going to do? Leave it and make it burn down the house?

**Mr. V. Arden McLean:** No, no. You don't have to get CUC to turn it off because you are going to need it anyway to do—

**The Premier, Hon. W. McKeever Bush:** Then obviously you don't need to go to Planning and then you would not be caught under the Planning rules.

**Mr. V. Arden McLean:** That is the concern I have. Who is going to ensure that that electricity is put back in the proper manner for the occupants of that house?

**The Premier, Hon. W. McKeever Bush:** Well, if it is significant enough you would deal with a licensed electrician.

**Mr. V. Arden McLean:** But right now the electrician does not affect any work unless he gets permission from Planning.

You can call him to do a material change on the interior of your house and he is going to say that he needs to take a drawing to Building Control to get permission. But he doesn't need Planning Permission under this anymore to do it.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** But if you are talking about electrical people, for instance, the process now is that once they get a job for something, they have to go to Building Control—

**Mr. V. Arden McLean:** To get permission. Yes.

**The Premier, Hon. W. McKeever Bush:** Yes. And then the Building Control would liaise with Planning.

**Mr. V. Arden McLean:** But now they don't have to do that. So that's what I am saying. Where is the provision to maintain that?

**Mr. Alden M. McLaughlin, Jr.:** Madam Chair, that is what we are trying to get at. Where is the requirement written that requires the electrician when he is making material changes to develop a plan and have it submitted to Building Control? That is what we are concerned about. We don't know the answer to the question; it's not that we are trying to be difficult.

**Hon. Cline A. Glidden, Jr.:** Madam Chair, it is an electrical regulation that currently exists. That has not changed with this.

**The Premier, Hon. W. McKeever Bush:** We are not changing the electrical regulations. The electrical regulations will require him to do what I just said. We are not changing that.

**Mr. Alden M. McLaughlin, Jr.:** No, I am not suggesting . . . but Madam Chair, what is happening now is that we are omitting . . . (that's the wrong word). We are exempting (that's the right word) much more in relation to changes to a building from the Development and Planning Law and, therefore, from the Department and the Central Planning Authority that has previously been the case.

**The Premier, Hon. W. McKeever Bush:** Uh-uh.

**Mr. Alden M. McLaughlin, Jr.:** So, there is greater scope for issues with things like electrical. We just want to inquire. And if provision is not made yet that we take steps to make the necessary provision to ensure that homes remain safe following changes in relation to the property by contractors, and the assurance for that is the Building Control Unit and so forth.

We just want to make sure that this is covered. And if it is not, then we can take the steps to cover it. We are not trying to defeat this; we believe this is a good provision.

**The Premier, Hon. W. McKeever Bush:** And it has the relevant safeguards in the current Law.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Well, you should have done that too.

**Hon. Samuel W. Bulgin:** Madam Chair, I am just wondering, because—

*[inaudible interjections]*

**The Chairman:** The Second Official Member is trying to clarify something for us.

**Hon. Samuel W. Bulgin:** I am just wondering, subject to my seeing the Electricity Law, but I am looking at the Building Code Regulations (2006 Revision), and Regulation 4 says, "**The Electricity Law [2005 Revision] and, to the extent that it is consistent with such Law, this Code shall apply to the installation of electrical systems, and to the alteration and replacement thereof, and to electrical fixtures, fittings and appurtenances thereto.**"

It would seem to me that if there is an alteration in the electricity fixtures then there is an obligation somewhere by the electrician.

*[inaudible interjection]*

**Hon. Samuel W. Bulgin:** No. No.

It says that . . . This is the Building Code Regulations, and it speaks to the Electricity Law, "**The Electricity Law (2005 Revision) and to the extent that it is consistent with such Law, this Code shall apply to the installation of electrical systems, and**

to the alteration, and replacement thereof, and to electrical fixtures, fittings and appurtenances thereto.” So, this suggests to me that if there is an alteration in the electrical fixtures or fittings thereto then whoever is charged with that responsibility of altering those electrical fixtures must get the necessary Building Code permission.

*[Inaudible interjections]*

**Mr. V. Arden McLean:** But there are provisions in the Planning Law to require the electrician to get permission from Planning, right?

**The Chairman:** You need to speak into the microphone, Minister for Health.

**The Premier, Hon. W. McKeeva Bush:** Madam Chair, I think that if Members searched their laws they would find out that under the Development and Planning Law, 2008, it is separate and apart from what the Honourable Attorney General just mentioned. Section 13 clearly says what covers for a dwelling house and the difference between a building even and a dwelling house. And in the Development and Planning Law (2005 Revision), Building Code Regulation 2006, section 6 covers it; there are safeguards to what they are questioning.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** [Addressing interjection] Why didn't you question when you were debating? Stop reading that newspaper talking foolishness.

**The Chairman:** Are we ready for the question?

**The Premier, Hon. W. McKeeva Bush:** Madam Chair, I don't know if they quite understand, but certainly I think we have explained it and that it is covered in several areas under the laws, the Electrical Law, the Building Code, which is in the Planning and Development Law.

**The Chairman:** Okay.

The question is that the amendment stand part of the clause. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause [7] passed.**

**The Chairman:** The question now is that the clause as amended stand part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 7, as amended, passed.**

**The Clerk:**

Clause 8 Amendment of section 15 - application for planning permission

Clause 9 Repeal of section 27 - maintenance of waste land, etc.

**The Chairman:** The question is that clauses 8 and 9 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 8 and 9 passed.**

**The Clerk:**

Clause 10 Insertion of Part IIIA- Land Adversely Affecting Amenity of Neighbourhood.

**The Chairman:** The question is that clause 10 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 10 passed.**

**The Clerk:**

Clause 11 Repeal and substitution of Part VI - Infrastructure Fund.

**The Chairman:** Honourable Premier, I have given permission for you to bring an amendment in that area.

**The Premier, Hon. W. McKeeva Bush:** Madam Chair, in clause 11, in the new section 38(4)(i), which is Area A, proposed for insertion in the principal Law, by deleting the item "A house exceeding 5,000 square feet in gross floor area" and the particulars relating thereto and substituting the following item and particulars -

"Development Type	Rate for Roads and Other Infrastructure per gross sq. ft.	Rates for Affordable Housing per gross sq. ft.	Total Rate
A house exceeding 5,000 square feet in gross floor area	\$1.50 per gross sq. ft.	\$5.00 per gross sq. ft.	\$6.50

In clause 11, in the new section 38(4)(ii) proposed for insertion in the principal Law, by deleting the items “A house exceeding 5,000 square feet in gross floor area” and “An extension to a house which would increase its gross floor area to more than 5,000 square feet” and the respective particulars relating thereto and substituting the following items and particulars –

“Development Type	Rate for Roads and Other Infrastructure per gross sq. ft.	Rates for Affordable Housing per gross sq. ft.	Total Rate
A house exceeding - (A) 3,001 to 4,000 square feet in gross floor area	\$1.50 per gross sq. ft.	\$1.00 per gross sq. ft.	\$2.50
(B) 4,001 to 5,000 square feet in gross floor area	\$1.50 per gross sq. ft.	\$1.50 per gross sq. ft.	\$3.00
(C) 5,000 square feet in gross floor area and an extension to a house which would increase its gross floor area to more than respective areas specified in paragraph (A), (B) or (C), shall pay the appropriate rate	\$1.50 per gross sq. ft.	\$3.50 per gross sq. ft.	\$5.00;

In the new section 38(4)(iv), by deleting paragraphs (A), (B), (C) and (D) and substituting the following -

- (a) at a rate of \$3,000 per hotel room; and
- (B) in Area A, at a rate of \$20,000 per apartment, in respect of applications relating to 10 or more apartments”.

**The Chairman:** The amendment has been moved. Does any Member wish to speak thereto?

**Mr. Alden M. McLaughlin, Jr.:** Madam Chair.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** I have only just looked at this, but can the Premier confirm that he is further increasing the fees over and above what the amendment that we had, or, I should say, the amending Bill provided for?

*[Inaudible interjections]*

**Mr. Alden M. McLaughlin, Jr.:** And if not, if he could explain the difference please.

*[pause]*

**The Premier, Hon. W. McKeeva Bush:** Madam Chair, in Area A, there is an increase to \$6.50 per square foot . . . to \$6.50 per square foot in Area A. And we deleted the \$25,000 per 5,000 square foot house and less than 10 apartments for \$10,000 per apartment.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Madam Chair.

**The Chairman:** Member for North Side.

**Mr. D. Ezzard Miller:** If I could just ask a question for clarification. I don’t know whether it is my reading of the drafting, but in C, the A, B, and C, the capital letters A, B, and C, in the margin do not refer to Area A, Area B, Area C. Those are all within area B. Correct?

**The Premier, Hon. W. McKeeva Bush:** No.

**Mr. D. Ezzard Miller:** Yeah, yeah, yeah, it has to be that or—

**The Premier, Hon. W. McKeeva Bush:** Yes.

**Mr. D. Ezzard Miller:** Right. So, may I suggest that you use something else to number them instead of the capital A, capital B and capital C? I think it will lead to confusion or something. When I first read it, I thought you were increasing the thing on area C.

*[inaudible interjections]*

**Mr. D. Ezzard Miller:** Maybe the drafts person can tell us . . .

**The Premier, Hon. W. McKeeva Bush:** You do understand that it does not relate.

**Mr. D. Ezzard Miller:** Yes. I understand that now. But what I am saying is that I think for clarity, I think that if we could find some other way of separating them rather than using the same thing that refers to the area.

**The Premier, Hon. W. McKeeva Bush:** Unless legal can tell me that, I can’t go change this because . . .

**Mr. D. Ezzard Miller:** And I don’t want some civil servant to interpret it that houses in Area C that are 5,000 square feet is \$5.00 and \$1.50. And that’s my concern. We know how the people at the Planning Department are; whatever is written in the book that’s

what they want to go by, plus what they can add on to it.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, just to get a minute. I would like to check this out with the . . .

**The Chairman:** Where is the Second Official Member?

**The Premier, Hon. W. McKeever Bush:** I wonder if the legal drafts person could just . . . I mean this is not strange to legislation, these alphabetical numbers.

**The Chairman:** The Second Official Member is here.

**Mr. D. Ezzard Miller:** I accept that; but because we are talking about Area A, Area B and Area C, when you number them A, B, and C, some civil servant is going to interpret that to mean that because I am building a house in Frank Sound for 5,000 square feet—which there is no charge on—I will have to pay \$6.50 and \$1.50, and I will have to pay it or they will not approve my plans.

We must be able to find something else to number it by.

**The Premier, Hon. W. McKeever Bush:** You are talking about the designation—

**Mr. D. Ezzard Miller:** A., B, C, and D.; not the area. I understand Area A, Area B, Area B. But maybe we can call this D, E and F then, or something different.

*[inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** We use a small a, and a small b, and a small c, and that should give you the difference in designation. That's all right, I would think.

Small a, small b . . . a house exceeding small a, a house exceeding small b and a house exceeding small c, 5,000 square feet in gross floor area.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** And that's all Area B.

**The Chairman:** That falls under the allowance to the Second Official Member, to make minor amendments or correct minor errors—

**The Premier, Hon. W. McKeever Bush:** Yes, I think that is just a consequential—

**The Chairman:** —and the like.

**The Premier, Hon. W. McKeever Bush:** Right.

**The Chairman:** So that will be corrected then to lowercase a, lowercase b, lowercase c.

Okay. Does any other Member—  
Member for East End.

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

Under the current infrastructure fee in the Law, it says that “**A person to whom Planning permission for development of- (a) an industrial building and (f) for a house exceeding four thousand square feet in gross floor area; or (g) an extension to a house which would increase its gross floor area to more than four thousand square feet, is granted pursuant to an application made on or after . . . shall, at the . . .**” and then it lists all the fees applicable. That's under the current Law.

**The Premier, Hon. W. McKeever Bush:** You are reading from the Law, not the amending Bill.

**Mr. V. Arden McLean:** The current Law. I read that so that I could refer back to the amending Bill.

This says, “a house exceeding A 3,001 to 4,000 . . .”. Is it fair to say then that we have dropped the square footage where infrastructure fee will be applicable, from 4,000 down to 3,000?

**The Premier, Hon. W. McKeever Bush:** 3,001 to 4,000 square foot—

**Mr. V. Arden McLean:** Right.

**The Premier, Hon. W. McKeever Bush:** —\$1.00 for infrastructure for roads and other infrastructure per gross square foot would be \$1.50 per gross square foot. And then rates for affordable housing would be \$1.00, for a total rate of \$2.50.

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

Prior to this amending Bill, the current Law has 4,000 square feet and above. And then the amending Bill was saying 5,000 and above. Now we have dropped it back by 2,000 square feet. So, we have dipped in, we have gone back now and infrastructure fee is going to be paid from 3,001 and up as opposed to 4,000 like it was before.

**The Premier, Hon. W. McKeever Bush:** Yes. What's the question?

**Mr. V. Arden McLean:** I am just asking if that is the intent.

**The Premier, Hon. W. McKeever Bush:** You see, the number is there, 3,001 up to 4,000.

**Mr. V. Arden McLean:** But it was 4,000 which would help the small Caymanians, you see?

**The Premier, Hon. W. McKeever Bush:** Well, I thought that 3,000 square feet is a sizable house and . . .

*[Inaudible interjection]*

**Mr. V. Arden McLean:** No, no.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** And as we know where the different areas are, right? The different areas: Area A is Seven Mile Beach area, and Area B is South Sound. I would think for those areas—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Three thousand, where?

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** No.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** I can't imagine the guys in Area A getting away with a 3,000 square foot house and the people along Frank Sound Road have to pay it. So—

*[Inaudible interjection]*

**Mr. D. Ezzard Miller:** . . . yes, but if you have to correct the error now before this Bill is passed.

*[Inaudible interjections]*

[Pause, with off microphone inaudible discussions]

**The Premier, Hon. W. McKeever Bush:** Madam Chair, in Area A, which is along the Seven Mile Beach, any house on that designated area would be paying rates for roads and other infrastructure per gross square foot, \$1.50 per square foot, rates for affordable housing, which is new, we are adding \$5.00 per square foot. That's \$6.50. That \$6.50 is for any house in that area. Small or big, it is in an area that we feel that . . . So that says, "a house exceeding 5,000 square feet in gross floor area" should not have been in there, and that comes out.

**Mr. V. Arden McLean:** Okay, okay.

**Mr. D. Ezzard Miller:** It should say "all houses."

**The Premier, Hon. W. McKeever Bush:** Yes.

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

**The Premier, Hon. W. McKeever Bush:** Or any house.

**Mr. D. Ezzard Miller:** Or any house, whatever you want to use. Okay. Now I can accept it up my way. I can accept the smaller one up my way.

**The Chairman:** So you want this to read, prefacing the A, B, and C . . . prefacing [Area] A you want it to say, "any house"?

**The Premier, Hon. W. McKeever Bush:** This is on the front.

**Mr. D. Ezzard Miller:** Front page.

**Mr. V. Arden McLean:** On the front of the amendment.

**The Chairman:** On the front of the amending Bill?

**Mr. V. Arden McLean:** Yes, and houses under 3000 square feet in Area B are exempt. And [Area] C as well?

**Mr. D. Ezzard Miller:** [Area] C is out altogether for all sizes.

**The Chairman:** Oh this. Okay.  
Yes, yes. So you want this to read—

**The Premier, Hon. W. McKeever Bush:** No.

**The Chairman:** Okay, so the house exceeding 5,000 square feet in gross floor area comes out.

**The Premier, Hon. W. McKeever Bush:** Correct.

**The Chairman:** Okay.  
So that is struck out of the clause?

**The Premier, Hon. W. McKeever Bush:** That's right.

**The Chairman:** Okay.

**The Premier, Hon. W. McKeever Bush:** And any house—

**Mr. D. Ezzard Miller:** Right. And then in D, we are running into this same thing with this capital A and capital B again, because that looks like only hotel rooms in Area A will pay the \$3,000 and from what I understood we want all hotel rooms anywhere to pay the \$3,000.

**The Chairman:** In D?

**Mr. D. Ezzard Miller:** In D.

That's what I am asking about. Here it has a big A beside it, you see?

I didn't say 'we'.

*[inaudible interjection]*

**The Chairman:** If we are going to number section D, then that should be—

**The Premier, Hon. W. McKeever Bush:** Small (a) and small (b). Small (a) at a rate of \$3,000 per hotel room; and (b) in Area A at a rate of \$20,000 per apartment in respect of applications relating to 10 or more apartments.

**The Chairman:** That should be (i) and (ii), because we are numbering in small letters on the way down now. This is section (d) (small letter), section (e) (small letter), so those numbers should be (i) and (ii)?

**Mr. D. Ezzard Miller:** I would think so, but I am not a lawyer.

So, Mr. Premier, the hotel fee is for the whole Island, and Cayman Brac and Little Cayman?

**The Premier, Hon. W. McKeever Bush:** No, no, no, no.

*[Laughter and inaudible interjections]*

**The Chairman:** This is a consequential amendment again, to number (d)(i) and (d)(ii)? Yes?

*[Inaudible interjections]*

[long pause]

**The Premier, Hon. W. McKeever Bush:** Madam Chair, what we are finding is that there are some numerical corrections that have to be made.

[pause]

**The Chairman:** Are we moving ahead with this?

**The Premier, Hon. W. McKeever Bush:** Madam Chair, I think we have it clarified.

In Area . . . under D, small (a) at a rate of \$3,000 per hotel room and small (b) in Area A at a rate of \$20,000 per apartment in respect of applications relating to 11 or more. So that should be 11 there and that would be a consequential change.

But it just puts the people in a better position, so . . .

*[Inaudible interjections]*

**The Chairman:** The change that they are proposing is in Area A at a rate of \$20,000 per apartment in respect of applications relating to 11 or more apartments. The other one is from 1 to 10, and so this number should be 11, not 10.

**The Premier, Hon. W. McKeever Bush:** Any problem with it?

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** The hotels are still in the various areas.

The hotel rooms go in the various areas that we have identified.

**The Chairman:** This is apartments.

**The Premier, Hon. W. McKeever Bush:** No. He's asking two separate questions.

**The Chairman:** Oh.

**Mr. D. Ezzard Miller:** Madam Chair, the question I am asking is . . . the way I read in here the \$3,000 per hotel room applies to all of Grand Cayman, all of Cayman Brac and all of Little Cayman.

**The Premier, Hon. W. McKeever Bush:** Not Cayman Brac and Little Cayman. No.

**Mr. D. Ezzard Miller:** But there's no exemption here for it.

**The Premier, Hon. W. McKeever Bush:** No.

**An Hon. Member:** The Law does not apply to Cayman Brac and Little Cayman.

**The Premier, Hon. W. McKeever Bush:** That's right.

**Mr. D. Ezzard Miller:** The Law applies to the three Islands.

**An Hon. Member:** No it doesn't.

**The Premier, Hon. W. McKeever Bush:** No.

**Mr. D. Ezzard Miller:** Okay.

**The Premier, Hon. W. McKeever Bush:** Never did!

**Mr. D. Ezzard Miller:** I need some advice on how I can secede North Side.

**The Premier, Hon. W. McKeever Bush:** North Side is part of Cayman.

**An Hon. Member:** Grand Cayman.

**The Premier, Hon. W. McKeever Bush:** Grand Cayman.

*[Laughter and inaudible comments]*

**Mr. D. Ezzard Miller:** You'd be surprised.

**An Hon. Member:** Yeah?

**The Chairman:** Is there any other amendment needed in this area? Any other adjustment or consequential amendment to this area?

**Mr. V. Arden McLean:** Madam Chair, if such is the case as the Premier has just said, and the Deputy Premier has said, that it does not apply to Cayman Brac and Little Cayman, then we need to take the “s” off of that “Islands” in there too.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, Members can continue—

**The Chairman:** That does not relate to the subject.

**Mr. V. Arden McLean:** It does, Madam Chair!  
I will draw your attention . . . well, if you don't want to, that's fine. If you don't want it, that's fine.

**The Chairman:** Ah, Member for East End, what are you trying to say?

**Mr. V. Arden McLean:** The amending [Bill] says, “(iv) without prejudice to the respective amounts prescribed in subparagraphs (i), (ii) and (iii), in the Islands an additional affordable housing fee is payable on the issue of a Certificate of Completion or Certificate of fitness for Occupancy, and will be assessed as follows—”

The Committee stage amendment to the amending Bill says in new section 38(4)(iv) “by deleting paragraphs (A), (B), (C) and (D) and substituting the following—”

Now, (A) says, “at a rate of \$3,000 per hotel room;” and (B) “at a rate of \$25,000 per house exceeding 5,000 square feet; and (C) “at a rate of \$10,000 per apartment, in respect of applications relating to not more than 10 apartments; and (D) “at a rate of \$20,000 per apartment, in respect of applications relating to 11 or more apartments.”

That needs to be deleted and substituted with, “(A) at a rate of \$3,000 per hotel room;” and “(B) in Area A at a rate of \$20,000 per apartment, in respect of applications relating to (we have now changed the 10 to 11) 11 or more apartments; and . . .”

Now, if that does not say, Islands . . . take the “s” off.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Little Cayman is included into the infrastructure fee; has always been.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Yeah?

But Little Cayman as well in infrastructure fee.  
Yes.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeever Bush:** Yes, it is “Islands” because Little Cayman has always been included in the infrastructure fee. So don't tell me you all are going to hold an argument all night long about an “s”.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Not to Cayman Brac. It has never applied to Cayman Brac. Separate control development licence for Cayman Brac.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Who? Your cousin?

*[Inaudible interjections]*

**Mr. V. Arden McLean:** If it has nothing to do with Cayman Brac only, because that's where the Deputy Premier is from—

**The Chairman:** Don't—

**The Premier, Hon. W. McKeever Bush:** No, Madam Chair, we can't have the Member saying that because the Development Control Law for the Brac has always existed and has always been outside of Grand Cayman. Cayman laws always pertain to Little Cayman because a tremendous amount of tourism development has taken place there.

**The Deputy Premier, Hon. Juliana Y. O'Connor-Connolly:** And, Madam Chair, the last time I checked I do represent Cayman Brac and Little Cayman. But in fairness, Little Cayman is a transient society and it is mainly persons who are developing. Just as in Grand Cayman we have always given incentives to Cayman Brac. I came and found the law writ there. I have just been a good representative preserving what I found, as would be the case for the Member for East End and his wall.

**Mr. V. Arden McLean:** The wall cannot be moved, Madam Chair. I am sure that can't be moved, the same way the one in West Bay can't be moved.

**The Chairman:** Thank you Member—

**Mr. V. Arden McLean:** But I have not had . . . Every request I made for East End has not been forthcoming either.

*[Inaudible interjections]*

**Mr. V. Arden McLean:** No now, since this Government has been in.

**The Chairman:** It has to relate to the subject, please.

**Mr. V. Arden McLean:** Madam Chair, then the Deputy Premier needs to be reminded of that too.

**The Premier, Hon. W. McKeever Bush:** The Member really brought the Deputy Premier into it; she had to defend her position.

**The Chairman:** [sigh]

*[inaudible interjection by the Member for East End]*

**The Premier, Hon. W. McKeever Bush:** Depending on where “up there” is.

*[inaudible interjection]*

**The Chairman:** Have we finished with the amendment to clause 11?

*[inaudible interjections and laughter]*

**The Chairman:** Have we finished with the amendments to clause 11?

**The Premier, Hon. W. McKeever Bush:** Yes, Madam Chair. Can we move on please?

**The Chairman:** The question is that the amendments stand part of the clause.

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

**Ayes and two audible Noes.**

**The Chairman:** The Ayes have it. The amendment stands part of the clause.

**Agreed: Clause 11 amended.**

**The Chairman:** The question now is that the clause as amended stand part of the Bill.

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

**Ayes and one audible No.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 11, as amended, passed.**

**The Clerk:**

Clause 12 Amendment of section 42 - regulations

Clause 13 Amendment of section 48—

**Mr. D. Ezzard Miller:** Can we take clause 12 separately?

**The Clerk:** Clause 12?

**The Chairman:** We are allowed under Standing Orders to take them in groups if there is no question on them.

**Mr. D. Ezzard Miller:** Well, I can ask a question if necessary, but I would just like the vote on that clause [to be] taken separately, Madam Chair, if possible.  
Clause 12.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Uh?

That repeals section 42(3) which removes the requirement to bring regulations to parliament.

*[inaudible interjection]*

**Mr. D. Ezzard Miller:** Because I am going to vote against it.

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Because I don't agree with the regulations not coming to parliament under the Planning Law. That's just my position and I said so in my debate, Madam Chair, if you recall.

*[Inaudible interjections]*

**The Chairman:** He has a right to his opinion and his debate.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, that is not what we are talking about really. I think the Member did say if there were certain aspects of it [where] if we were doing regulations to cover land zoning he would not support. And that is not covering land zoning. I clarified it, but the Member was not here.

**Mr. D. Ezzard Miller:** Yeah, well, I still have enough concern, Madam Chair—

**The Premier, Hon. W. McKeever Bush:** Ha! [laughter]

**Mr. D. Ezzard Miller:** —that I am going to vote against it because I know how these people operate when it comes to rezoning, and I am not comfortable with just having section 12 of the Law, which says “**A development plan and any amendment thereof, as approved by the Legislative Assembly, shall be deposited with the Governor**” because that's the only other place that I see anything about it coming here.



**The Premier, Hon. W. McKeever Bush:** Mm-hmm.

**Mr. D. Ezzard Miller:** So.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, it goes to show that when Members want to oppose they will find any good excuse . . . and it seems to me that the Member has his own valid excuse but I think I cleared up the one that he expressed concerned about. This one is new!

**The Chairman:** We can put the vote on clause 12.

The question is that clause 12 do stand part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes and Noes.**

**The Chairman:** The Ayes have it.

**Mr. D. Ezzard Miller:** Can I have a division, Madam Chair, please?

**The Premier, Hon. W. McKeever Bush:** [laughter]

**The Chairman:** Madam Clerk.

**The Clerk:**

**Division No. 11 2010/11**

**AYES: 9**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. J. Y. O'Connor-Connolly  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden, Jr.  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne Seymour

**NOES: 3**

Mr. A. M. McLaughlin, Jr.:  
Mr. V. Arden McLean  
Mr. D. Ezzard Miller

**The Chairman:** The results of the division, 9 Ayes, 3 Noes. Clause 12 accordingly stands part of the Bill.

**Agreed: Clause 12 passed by majority.**

*[inaudible interjection]*

**The Chairman:** I know the hour is late, but could we just get on with the business of the House? You are entertaining each other at this point.

*[laughter and inaudible comments]*

**The Clerk:**

Clause 13 Amendment of section 48—appeals against decisions of Authority.

**The Chairman:** The question is that clause 13 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 13 passed.**

**The Clerk:**

Clause 14 Amendment of section 49—appeals against decisions of Board.

**The Chairman:** The question is that clause 14 stand part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 14 passed.**

**The Clerk:**

Clause 15 Repeal and substitution of section 53 – application.

**The Chairman:** The Honourable Premier has permission for an amendment.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, amending clause 15 by deleting the new section 53 proposed for insertion in the principal Law and substituting the following section -

“53. This Law binds the Crown but where the Governor decides that the public interest requires, the Governor may, by Order published in the Gazette, waive the requirement to obtain permission pursuant to section 13; but nothing in this section shall be construed so as to allow the Governor to waive any other requirement of this Law or any regulations made under this Law.”

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

Member for North Side.

**Mr. D. Ezzard Miller:** Madam Chair, I also spoke against this clause in my debate. I do not think that . . . in fact, I am more confused now with these extra words as to why the Governor in Council would want to exempt the Law from . . . not . . . remove . . . the fact that the Law is applicable. And section 13 is a fairly wide section of the Law. I do not know if the Member can help me by explaining what parts of that section they envisage the Governor in Cabinet—

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** The Governor?

Well the Governor in the Law is defined as Governor in Cabinet. It doesn't say here any specific—

*[Inaudible interjections]*

**Mr. D. Ezzard Miller:** Oh . . . well . . .

**The Chairman:** Under the Constitution there is only the Governor.

**Mr. D. Ezzard Miller:** Okay.

Well that even makes it worse!

In that case, Madam Chair, my recommendation to the Honourable Premier is that he put a full stop after "Crown" because I can't see . . . looking at section 13 giving notice, development, notifying people, the setbacks and stuff, I can't see why we would want to give the Governor the ability to remove the law for any particular development.

**Mr. Alden M. McLaughlin, Jr.:** Perhaps, Madam Chair, now would be a good time for the Honourable Premier to come clean and explain to us exactly what he has in mind—

**The Premier, Hon. W. McKeever Bush:** Madam Chair—

**Mr. Alden M. McLaughlin, Jr.:** —using this section—

**The Premier, Hon. W. McKeever Bush:** I have never come to this House unless I have come here and spoke the truth, the whole truth and nothing but the truth—

**The Chairman:** Honourable Premier, the Member for George Town, you know better than that. It is not a matter of coming clean.

**The Premier, Hon. W. McKeever Bush:** He needs to withdraw that, Madam Chair.

**The Chairman:** He does.

**The Premier, Hon. W. McKeever Bush:** Madam Chair—

**Mr. Alden M. McLaughlin, Jr.:** Withdrawn, Ma'am.

**The Chairman:** Thank you.

*[laughter]*

**The Chairman:** Honourable Premier, now can you give your explanation?

**The Premier, Hon. W. McKeever Bush:** I did that earlier. I said here, Madam Chair . . . I went through why the Government should be exempted. But that was the same one. We are referring to that one. The exemption is in there.

Now, you all might not understand it, so you [may] have to go get a lawyer. But, Madam Chair, I did clearly—

**Mr. D. Ezzard Miller:** I do not understand it, so bear with me.

**The Premier, Hon. W. McKeever Bush:** I think I said why.

**Mr. D. Ezzard Miller:** Let's take 7(a).

**The Chairman:** Member for North Side.

**Mr. D. Ezzard Miller:** Yes, Madam Chair.

As an example let's take 7(a) "**The applicant has published adequate notice of his application for such permission in four consecutive issues of public newspapers circulating in the Islands.**"

Why should the Governor be able to exempt from that section of the Law?

**The Chairman:** I'm sorry, which section did you quote?

**Mr. D. Ezzard Miller:** Section 13(7)(a).

And there are several other things in here that give me concern as part of—

**The Premier, Hon. W. McKeever Bush:** Madam Chair, the Member was not here, but let me repeat here what I said in the . . . and it is a broad reason why.

**Mr. D. Ezzard Miller:** Okay.

**The Premier, Hon. W. McKeever Bush:** There is no good reason why if the Government takes the view that a particular project is necessary in the public's interest, whether it is a police station or whether it is a fire station or something, why it should be prevented from undertaking such a development because some persons may have objections to it.

If there is—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** A what?

**The Chairman:** Honourable Premier, please proceed, you are trying to explain something.

**The Premier, Hon. W. McKeever Bush:** Madam Chair, if there is, as I said, some national imperative that requires Government to expeditiously undertake a

project, then Government ought to have the flexibility to do so, subject to reasonable consultation, the requirements that Government would waive, including not having to advertise, not having to give notice, and building heights, that sort of thing. But there are Government projects of national importance which Government cannot afford to have bogged down with objections, petty objections and petty appeals, as has happened before through bloody mindedness in many instances—

**The Chairman:** Ah—

**The Premier, Hon. W. McKeever Bush:** So, the greater good or national interest requires that Government should have the flexibility to carry out the development expeditiously. So Government must retain the right to deliver to the people of this country the infrastructure works which the Government needs.

As I said, Madam Chair, the safe background in all of this is the fact that Government, being exempted from certain Planning processes does not mean it will be exempted from Building Control. So Building Control will still play; Building Control requirements. It will be subject to Building Control requirements.

Madam Chair, I cannot explain any more than to say to the Member that as I have been in Government I have seen many instances where Government has been blocked from doing many things that Government should have completed in four years. And an Opposition can be bloody minded enough—

**The Chairman:** Please change your adjective.

**The Premier, Hon. W. McKeever Bush:** Sorry?

**The Chairman:** Please change your adjective.

**The Premier, Hon. W. McKeever Bush:** Which one? Bloody minded?

**The Chairman:** Yes.

**The Premier, Hon. W. McKeever Bush:** Bad minded?

**The Speaker:** That'll do.

**The Premier, Hon. W. McKeever Bush:** Dirty?

**The Chairman:** No.

**The Premier, Hon. W. McKeever Bush:** Well, all of that is parliamentary.

But, Madam Speaker, they can provide stumbling blocks to Government and they have done so in the past, according to the Opposition in the interest of national interest. I have seen it. Why we do not have good Planning today is because Government had to do all sorts of things to pacify votes.

If people in this country want to vote against me because I am saying that Government must have the ability to carry out its works, which Government has campaigned on, and Government needs, then they will have to go ahead and do so. But I firmly believe, and given the mindset that I see around me, and given the mindset that I know the many stumbling blocks that have already been put in this Government's path . . . this is the right way to go.

**Mr. D. Ezzard Miller:** Madam Chair, I do not fault the Member's feeling and why he thinks that we need to do this. I still think that all of that can be accomplished in compliance with section 13 of the Law. And I have great difficulty in giving the Governor this kind of *carte blanche* thing to exempt from section 13.

**The Premier, Hon. W. McKeever Bush:** All I can say to the Member is that the Government doing this . . . and he was not here; but as I said, that is not as draconian as disbanding the whole Planning Authority—

**Mr. D. Ezzard Miller:** I wouldn't support that either.

**The Premier, Hon. W. McKeever Bush:** Ah, you came close to it!

**Mr. D. Ezzard Miller:** Shutting down the Planning Department?

**The Premier, Hon. W. McKeever Bush:** Yeah.

**Mr. D. Ezzard Miller:** Oh yeah, I support that. But that—

**The Premier, Hon. W. McKeever Bush:** That's draconian.

**Mr. D. Ezzard Miller:** But you have to follow the Law you know.

**The Chairman:** Through the Chair, please.

**Mr. D. Ezzard Miller:** The Law is the Law.

But, anyway, Madam Chair, I will just vote against the clause. I have my—

**The Premier, Hon. W. McKeever Bush:** I am sure the Member understands my position. He wasn't here, but I gave some good reasoning why I believe this is the right thing to do. And one of these days when they are in Government they will say McKeever was right.

**The Chairman:** The question is that the amendment stand part of the clause. Those in favour please say Aye. Those against, No.

**Ayes and Noes.**

**The Chairman:** The Ayes have it.

**Agreed: Amendment to clause 15 passed.**

**The Chairman:** The question is that the clause as amended stand part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes and one audible No.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 15, as amended, passed.****The Clerk:**

Clause 16 Savings and transitional provisions

**The Chairman:** The question is that clause 16 stand part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 16 passed.**

**The Clerk:** A Bill for a Law to amend the Development and Planning Law (2008 Revision) to formally establish the Department of Planning to establish a stable and adequate source of funding for affordable housing; to make further provision in respect of appeals against decisions of the Central Planning Authority and the Development Control Board; and to make provision for incidental and connected matters

**The Chairman:** The question is that the Title stand part of the Bill. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

**The Chairman:** The question is that the Bills be reported to the House. Those in favour please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**The Chairman:** The House will now resume its sitting.

**House resumed at 8.56 pm**

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

**REPORT ON BILLS****Dormant Accounts Bill, 2010**

**The Clerk:** The Dormant Accounts Bill, 2010

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I have to report that a Bill entitled The Dormant Accounts Bill, 2010, was examined by a Committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a Third Reading.

**Animals (Amendment) Bill, 2010**

**The Clerk:** The Animals (Amendment) Bill, 2010.

**The Speaker:** Honourable Minister for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I have to report that a Bill entitled The Animals (Amendment) Bill, 2010, was examined by a Committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a Third Reading.

**Development and Planning (Amendment) Bill, 2010**

**The Clerk:** The Development and Planning (amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I have to report that a Bill entitled The Development and Planning (Amendment) Bill, 2010, was examined by a Committee of the whole House and amended.

**The Speaker:** The Bill has been duly reported and is set down for a Third Reading.

**THIRD READINGS****Dormant Accounts Bill, 2010**

**The Clerk:** The Dormant Accounts Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move the Third Reading of The Dormant Accounts Bill, 2010.

**The Speaker:** The question is that a Bill shortly entitled The Dormant Accounts Bill, 2010, be given a third reading and passed. Those in favour please say Aye. Those against, No.

**Ayes.**

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

**Agreed: The Dormant Accounts Bill, 2010, given a third reading and passed.**

#### **Animals (Amendment) Bill, 2010**

**The Clerk:** The Animals (Amendment) Bill, 2010.

**The Speaker:** Honourable Minister for Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** Madam Speaker, I beg to move that a Bill entitled The Animals (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled The Animals (Amendment) Bill, 2010, be given a third reading and passed. Those in favour please say Aye. Those against, No.

**Ayes.**

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

**Agreed: The Animals (Amendment) Bill, 2010, given a third reading and passed.**

#### **Development and Planning (Amendment) Bill, 2010**

**The Clerk:** The Development and Planning (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** I beg to move that a Bill entitled The Development and Planning (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled The Development and Planning (Amendment) Bill, 2010, be given a third reading and passed. Those in favour please say Aye. Those against, No.

**Ayes and Noes.**

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

**Agreed: The Development and Planning (Amendment) Bill, 2010, given a third reading and passed.**

## **GOVERNMENT BUSINESS**

### **MOTIONS**

#### **GOVERNMENT MOTIONS**

**Government Motion No. 5/2010-11—Approval of the Development and Planning (Amendment) (No. 2) Regulations, 2010**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I beg to move Government Motion No. 5, standing in my name, which reads as follows:

**WHEREAS section 42(1) of the Development and Planning Law (2008 Revision) provides that the Governor may make Regulations to this Law;**

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

**AND WHEREAS the draft Development and Planning (Amendment) (No. 2) Regulations, 2010 were laid on the Table of this Honourable House;**

**BE IT THEREFORE RESOLVED THAT the draft Development and Planning (Amendment) (No. 2) Regulations, 2010, be approved by the Legislative Assembly in accordance with the provisions of section 42(3) of the Development and Planning Law (2008 Revision).**

**The Speaker:** The Motion is open for debate. Does the Honourable Minister wish to speak thereto?

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

The Development and Planning (Amendment) (No. 2) Regulations 2010, seeks to do several things

which we have already more or less talked about, but for the sake of the record, I guess I will have to go through them all.

Madam Speaker, the regulations require that application for development [is] to be made by an agent, which means a similar definition to the term "architect" in the past. However, now an agent will be required to have a Trade and Business Licence to practise in the Islands and will restrict overseas submissions without local participation.

- It amends the definition of the height of a building [and] requires that existing and proposed site levels be shown on site plans.
- It amends requirements for parking, including 100 per cent off site parking in downtown.
- It amends the definition of maximum height of buildings in general commercial zones.
- It amends the maximum height of buildings in hotel/tourism zones to 10 storeys on the West Bay Road corridor in the hotel/tourism zone only.
- It revises requirements for applications to be advertised and notification requirements to reduce polling to 1,000 feet from parcel boundaries in residential zones.
- It clarifies what constitutes exceptional circumstances which would allow the CPA to vary from regulations.
- It creates regulations for large mixed use master plan developments, known as planned area developments.
- It amends regulations regarding variations of the primary use in residential zones.
- It reduces minimum lot size for houses and duplexes in high, medium and low residential areas to 5,000, 7,500 and 10,000, respectfully.
- It amends regulations to be more flexible regarding residential development in commercial zones, including allowing residential and all level of buildings depending on the type of commercial zone.

- Amends regulations regarding the agriculture/residential zone to allow two houses per acre and to allow the CPA to treat agricultural/residential land as low-density residential if not over water lens and if unsuitable for agricultural use.
- [It] amends regulations to allow some expectations of subsequent Planning permission. This is needed for planning area developments and also allows a phasing of projects and amends the first schedule to include application fees for planned area developments.

Madam Speaker, the first item deals with the definition of an agent and the change is needed, as I said earlier, to more accurately identify those persons submitting applications to the Central Planning Authority. This revised definition does not exclude our local draftspersons from submitting, but will now require that they hold a local Trade and Business Licence. The result is a protection of our local design community from unregulated persons from overseas who are working here without a local Trade and Business Licence. Our Government sees this as a step towards protecting those that are here and have local expenses. It ensures that homeowners can submit their own plans for homes and duplexes.

The definition of height of buildings is also revised. The current definition refers to vertical distances measured from the centre line of the fronting road or, in one case, the surrounding ground. There has been no end of discussions of this through the years. After Hurricane Ivan, many persons increased the height of their properties making the problem even more acute. The revised definition uses the average finished height of the development site instead of the road center line. This means that the building height is now more accurately defined.

In addition, the revised definition provides more clarity based on roof style. For example, if in the case of a gable or hip roof the building height is measured to the lowest point where the underside of the roof slope meets the exterior wall. In the case of other roof styles, particularly roofs that only slope in one direction, the height is measured to the highest point at which the underside of the roof meets the exterior wall.

The next revision requires that application for Planning permission must be made by an agent. This change is to align these regulations with the new definition identified earlier.

Madam Speaker, the next amendment deals with the information that must be included on a site plan when applying for Planning permission. The amendment will now require that applicants show the existing and proposed site levels on the plan. This will assist the CPA in reviewing applications in terms of

building height, the height of the property in relation to adjoining parcels as well as any mitigation that might be required in terms of storm water management. For example, if an applicant is proposing to raise his site level from 5 feet above main sea level to 15 feet, this may have implications on his neighbour in terms of storm water run off. Understanding existing and proposed site levels would also enable correct interpretation of building height in relation to surrounding areas. This, as we have seen, has become even more critical since Hurricane Ivan.

The next amendment deals with offsite parking in general/commercial zones. This is an area that has faced many people, mainly in the central George Town area. At the moment, the current regulations allow a maximum of 25 per cent of required parking to be located off site within 500 feet of the subject building. The revised regulations would allow up to 50 per cent of parking to be within 500 feet of the subject building, except that in the General/Commercial Zone 1, that is, central downtown George Town, of up to 100 per cent of the parking may be located within 700 feet of the subject building. This will activate the potential for additional growth within George Town and make it practical to develop some of the smaller parcels here in George Town.

Madam Speaker, the next amendment deals with the height of buildings in General/Commercial zones. The regulation is amended simply to clean up the language, adding the fact that Civil Aviation Authority requirements must be met. There are no proposed changes to the actual height limitations in General/Commercial zones. They stay at the same 7 storeys downtown and 5 storeys in other General/Commercial zones.

Regarding the height of buildings in high, medium, low and beach-resort/residential zones, the amendment increases the maximum height to 40 feet up from the 33 feet. The maximum number of storeys in these zones would remain unchanged at three. This increase is required as modern buildings need more space internally for higher ceilings, air-conditioning equipment and structural beams. This modification puts this section of the regulations in line with the other zones giving approximately 13 feet per floor.

Madam Speaker, there will be changes to the height of buildings in Hotel/Tourism Zone 1, which is the area bounded to the north by the West Bay Cemetery and to the south by the Dixie Cemetery. In this area where a parcel of land is zoned hotel/tourism, the maximum permitted height of buildings will now be 10 storeys or 130 feet, whichever is less. As you know, Madam Speaker, the current regulations allow 7 storeys or 91 feet.

I would hasten to emphasise that these changes do not apply to hotel/tourism zones throughout the Island, but only to the West Bay Road tourist belt. While I know that some of my colleagues in this honourable House perhaps will disagree with this measure, I am sure they will agree that attracting de-

velopment to the denser areas of Cayman's tourism product is preferable as it will encourage inward investment. This will give momentum to the renewal of some of the older properties on the beach allowing them to be renovated or rebuilt.

Additionally, given the way the previous definition for building height has been interpreted, planning . . . well, Planning does have some buildings on the strip. And I say Planning [because] some buildings have been on the strip that seem to approach near the height at the moment. And just to be clear, our existing building code already has provisions for such buildings.

The next amendment has to do with advertising and notification requirements for planning applications. The amendment would expand the existing definition of applications to be advertised in the newspaper, such that the following applications would have to be advertised: restaurants, quarries and hotels. Regarding exactly who is to be notified prior to CPA consideration, at the moment the regulations have no specific requirements. The regulations only refer to adjoining landowners, but do not define "adjoining."

For the last number of years the Central Planning Authority has been relying on a guidance document that indicates the notification radius of certain developments. The amendment is merely to solidify into the regulations a longstanding practice.

The revised regulations outline the notification requirement in the residential zone as follows: for an application of 3 to 5 apartments, the notification radius is 150 feet. For an application of 6 to 10 apartments the radius is 250 feet. For 11 or more apartments the radius is 450 feet. For any other land use the notification radius would be 500 feet.

The notification radius for subdivision application would be as follows: subdivisions under 6 lots, 150 feet; subdivisions of 7 to 10 lots, 250 feet; subdivisions of 11 or more lots, 450 feet.

The notification radius in any other zone would be a minimum radius of 300 feet, except in institutional zones the radius would be 500 feet. For minor matters such as signs, fences, pools, cabanas, docks, seawalls, land clearing, television antennas, containers and ancillary buildings for storage, the notification would include adjoining parcels only and, where applicable, the owners of parcels across the road would be notified too.

This amendment also takes into account [that] should a subject parcel be so large that the notification radius would still be in the subject parcel, the CPA would be able to reduce these notification requirements. In addition, except for quarry applications the CPA would be able to alter notification requirements for good cause.

Madam Speaker, the next series of amendments has to do with exceptional circumstances. For many years the CPA has grappled with this issue and in some cases to the detriment of applicants and objectors alike. The revised regulations seek to add clar-

ity to circumstances that the CPA might consider exceptional for the purposes of granting a variance. An exceptional circumstance exists if the proposed site coverage setbacks, lot size, lot shape, parking provisions, density, building height and/or corner lot setbacks are similar to what already exists in the surrounding area.

An exceptional circumstance can also exist if there is an unusual terrain characteristic that might otherwise limit the site's development potential. The CPA can consider sufficient reason to exist if any of these conditions are present. In addition, the CPA may also consider it sufficient reason to grant a variance if the development proposes to accommodate a physically challenged or indigent family member and if the adjoining property does not object to the variance request. This will allow Caymanians to have relief from some conditions should they have hardships within their family and, as we know, these are the folks who find it the hardest to make ends meet.

Madam Speaker, next I would like to speak to the variation from the primary use.

As many Members of this House will be aware, certain application in residential zones are required to undertake what is known as a polling exercise, a process whereby a majority of landowners within 1,500 feet of a proposed development must consent to the development before the application can be considered by the Authority. And as many of us are aware, this process is not only time consuming and costly, but in many cases almost impossible to complete due to the difficulty of finding everyone who owns land in the area, but who live elsewhere. Some people are overseas with no addresses, Madam Speaker.

Madam Speaker, the proposed revisions would amend the polling requirement as follows: Reduce the number of newspaper advertisements from four weeks to two weeks; reduce the polling radius from 1,500 feet to 1,000 feet. I must note that the requirement to notify adjoining landowners by registered letter remains in effect. By reducing polling distances, these regulations will still ensure that those closest to the proposed change of use are still polled and are also notified; however, it simultaneously makes it more reasonable to actually achieve the polling requirements by reducing the radius of the polling area.

Madam Speaker, I have long heard the recommendations from many people that we should reduce the minimum lot size in residential zones. Not only will this help keep land affordable because it is cheaper to service smaller lots, but it will also make wiser use of our limited land area.

Smaller lots will allow better land planning, lower costs for home purchases, and in general, ensure that subdivisions will cost less to develop. So, those people that have a small piece of land and want to develop it for their children will have less trouble.

Madam Speaker, in the eastern districts of Bodden Town, North Side and East End, this will allow

opportunities for Caymanians that own land there. We all know that the cost of development using the old regulations has made it difficult. But this change will go a long way towards assisting those with lower valued land. And while they have said that we are hurting Caymanians, here we are doing a lot to rectify situations that exist that do not help Caymanian families, particularly those that have little pieces of land and leave it to their children when they have to do all sorts of things. By the time they get through with it, they have no land. They have nothing!

You want a 50 foot road for one acre of land, which you would only end up getting maybe two decent house lots out of it after they finish with it. I have seen it happen. It costs a lot of money to small Caymanians a lot of money! I have gone through this. I don't have . . . I never did believe in getting a lot of land, Madam Speaker, after my family's [land] was taken from us. I couldn't afford to go through that headache that I saw my mother go through with what land my grandparents left.

And the Pharaohs that be—or were around this town—knew just what to do. They could take your land. They preached sermons, *You know that little piece of land you have up there? Don't worry about it. Lay not up riches*, they would preach. And the poor Caymanians went and gave it away. Or they took it!

So, I was one that did not. But the little piece that I had, Madam Speaker, I do not have the time to go through—

*[Inaudible interjections and laughter]*

**The Premier, Hon. W. McKeever Bush:** He's pointing at you, Alden! [Laughter]

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** I think we are getting a history lesson from the Member for East End. He is saying what obtained.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Well, Madam Speaker, I do know, as I said—and I have been through this myself, one scrap of land, small piece, ended up having to build these big roads through it. Far too costly!

These regulations will now help small Caymanians and poor Caymanians when they leave a little piece of land for their children.

The revised minimum lot sizes are as follows: In high density residential zones, from 6,500 square feet to 5,000 square feet for houses and duplexes; in medium density residential zones, from 10,000 square feet to 7,500 [square feet] for houses and duplexes; In low density residential zones, from 12,500 [square feet] for detached homes and 13,500 square feet for



duplexes, to 10,000 square feet for detached homes and 12,500 square feet respectively for duplexes.

Madam Speaker, I also note at this point that we have reduced the minimum size lot possible and we have not changed the site coverage for the specific setbacks. They remain as they are. Buildings do not get any closer to each other. We have made minor adjustments to the number of houses possible on these lots to again, lower the cost of development for Caymanians.

Madam Speaker, I hear them say that they have no problem with it, that it's good. All of it is good! They need to admit that.

This Motion on amendments to the regulations seeks to modify where residential development in commercial zones can occur. At the moment, the regulations are too restrictive regarding the situations in which residential usage can be permitted in commercial zones. The regulations will be made more flexible.

In general commercial zones, presently residential use is permitted in a 5-storey building only and is limited to an upper floor. The revision specifies that residential development is permitted as long as it is not on the ground floor and does not occupy more than 70 per cent of the gross floor area.

In the neighbourhood or marine commercial zones, current regulations restrict residential development to only one upper storey. The revisions also allow the residential development in any and all storeys except the ground floor. Notwithstanding the above, residential development in all commercial zones is permitted if the development is a re-development of an existing residential development or the development forms part of a mixed-use development.

In other words, if the residential exists there now, the new regulations will allow it to be redeveloped. And, of course, in mixed use developments, residential development can have flexibility based on suitable areas, or on suitability.

Madam Speaker, many people have questioned why George Town dies after 5 o'clock, compared to other towns in other areas and other cities in other countries. The reason why George Town becomes a dead place is because everybody has gone out of it. That is why. If some of these buildings had residential spaces this George Town would be a different town than it is. But at 5 o'clock, maximum 6 o'clock, the place is dead. No life in it unless you have Batabano or some political meeting and even attendance at those meetings is getting less and less.

So, I believe that this is the right thing to do. Wherever you have that residential—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** No, ours will be well attended.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, any little encouragement we need, and you can believe that.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the next series of amendments deal with planned area developments.

Planned area developments, also referred to as planned unit developments in some districts, have been proposed by the Planning Department for many years. Our Government is proud to have finally brought this concept to the House for inclusion in our regulations. Many countries have moved to allow planned area developments which provide a more completely designed and sustainable style of development.

Madam Speaker, planned area developments are master plan developments of large tracks of land that provide for a mix of land uses, densities and open space. Planned area developments may be considered when a proposed master plan is submitted to the Authority for approval and meets the following minimum criteria: A minimum 40 acres of land, or a group of contiguous parcels; a minimum of three different land uses is proposed for close interaction; provision of up to 5 per cent of gross land area for open space to serve the development; provision of an internal circulation network that minimises conflict with existing public roads; provision of necessary infrastructure and services that will minimise the impact on the Islands' existing infrastructure; that the development not be dangerous, obnoxious, toxic or cause offensive odours or conditions or otherwise create a nuisance or annoyance to adjacent properties. And the development must comply with applicable regulations regarding fire, health and public safety.

Planned area developments will be permitted in all zones except industrial public open space and mangrove buffer zones.

In planned area developments the minimum permitted height for commercial apartments and hotels shall be 5 storeys or 65 feet, whichever is less, except in hotel and tourism zone 1. The maximum permitted height shall be 7 storeys or 91 feet, whichever is less, for apartments and hotels. These heights are in keeping with existing height regulations and practices. Additionally, Madam Speaker, the regulations will require the submission of a development statement for the planned area development.

The purpose of the statement is to set out to the CPA the development parameters including appropriate plans and data in sufficient detail to adequately explain the proposed development. For example, the development statement shall provide standards for development including, but not limited to:

- (a) Proposed land uses, including a mix of land use types; proposed densities of development and a statement addressing compatibility and impact of proposed uses of surrounding properties.
- (b) Site planning, including setbacks and site coverage, provisions for parking in service areas, provisions for open spaces, both public and private, an internal zoning or land use map which indicates proposed mix of land uses within the master planned area.
- (c) Design, including building design, scale, mass, height, form and proportion, allowance for natural light and ventilation, sign placement and design, street furniture and lighting and provision for extensive landscaping.
- (d) Infrastructure, including internal road network water supply; either public or private sewage disposal system; comprehensive storm-water management plan; and provisions for electrical, liquefied petroleum gas and telecommunication facilities to be placed underground where feasible.

In all our Islands all those things should be—especially those electrical lines—underground.

- e) Phasing, including timeframe for construction and installation of infrastructure works, and timeframe for construction of buildings within the master planned area which depicts each stage of development and applicable estimated timeframe for commencement and completion.

When presented with an application for a planned area development the Central Planning Authority may approve such application, either unconditionally or subject to such conditions as it thinks fit, or may refuse such application.

If the CPA approves a planned area development, the Authority shall require a copy of the approved Master Plan, together with the approved Planning Statement, to be lodged with the Director of Planning, who shall keep a Register of all such approved planned area developments.

The application fee for a planned area development will be \$500 per acre. These fees are only for a review of the PAD application but are required to ensure that all components of the plan are considered initially. Regular planning, building control and infrastructure fees still apply on application for specific buildings within the planned area development.

So, Madam Speaker, there are just a few more amendments that I would like to highlight.

The revised regulations delete the reference to the lack of expectations of further planning permission. This definition needs to be removed at this stage

to allow for the planned area developments. When the PADs are approved the Master Plan will indicate that future development in accordance with that plan can be expected. The current approvals of developments from the CPA are very specific. Thus, we can remove this section of the regulations.

Finally, Madam Speaker, two last areas.

Regulation 9, seeks to amend the current Regulation 35. But, Madam Speaker, this was done in error and it is therefore proposed that Regulation 9 should be deleted. I would like to make a note of that. That should be deleted.

Finally, the last amendment has to do with the payment of building permit fees. To ease the cash flow burden of paying 100 per cent of the fees up front, as is required now, the regulations will require 50 per cent of the building permit fees be paid on application for a building permit and the remaining 50 per cent on receipt of the building permit, or red card, as it is commonly known.

Again, our Government understands the difficulty of having significant cash flow up front and has sought to make this important change in how fees are collected.

Madam Speaker, this concludes my summary of the amendments to the Development and Planning Regulations. As all can see, these amendments seek to also clean up many sections of the regulations whilst simultaneously providing for new development opportunities, not only for the larger developer, but also for the small Caymanian developer who now can more economically develop land across the Islands.

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

Does any other Member wish to speak?  
[pause]

Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I support the regulations as presented. I just have one small query. And it is in the definition of the approved agent.

I know that the Honourable Premier in moving the Bill said that *as long as you had a business licence*, but it does not say that in this definition. And I am worried that it might be . . . the way the licence is used here, “to practise” might mean a professional licence from one of the firms. I just think we need to spell it out.

I don’t know whether there is a particular approval process for these agents to be approved by the Planning Authority, because the fact that one has a business licence to perform the services means that the CPA has to approve the individual. There is no clear layout here for grandfathering people who are currently practising.

I know that it is wide enough under experience to do it; but I just want to make sure that the licensing process means a Trade and Business Licence to work in the Cayman Islands and that it is an

automatic process once you have that by authority to make sure that the Authority approves them to submit plans.

Thank you.

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

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Essentially the same concern expressed by the Member for North Side: section 2, the definition section, says that an “**approved Agent**” means an **architect, engineer, surveyor, draughtsman or other person - (a) who has professional qualifications, training, or experience in architecture, building, construction or civil engineering . . .**” That’s fine, “. . . and is licensed . . . to practise as such in the Islands;”

I think we need some clarification here because I don’t know of any process or any legislation which actually licenses persons within the Islands to practise with respect to any of these various professions, or vocations.

And the other point, Madam Speaker, is that in some instances there are actually companies who have the Trade and Business Licence to operate as architects or drafts persons. I know of two. And I don’t know that the actual people who work within those companies or for those companies actually are licensed themselves. And I don’t think any of us here would want to create a situation where these people were unable to carry on their business.

So, other than that, Madam Speaker, as is subject always to our concerns about the lack of notice and consultation to the broader community, we are in a position to support these particular regulations even though we have issues with the Bill itself for the reasons that we earlier expressed.

**The Speaker:** Thank you, Third Elected Member for George Town.

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

If not, I will call on the Honourable Premier to exercise his right of reply.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, it sounds like everybody approves these regulations.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** No.

Madam Speaker, they will require a Trade and Business Licence. And once that company has that Trade and Business Licence they have to apply to the

CPA then to be an approved agent. And the CPA will then approve as an agent.

But what I can say to Members is that if I find anything that is not working, which is foreseen that that is how it will work, now that I can make regulations I will make regulations to make sure that their queries are in good standing.

Thank you, Madam Speaker.

**Mr. D. Ezzard Miller:** You won’t have any checks and balances.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED THAT the draft Development and Planning (Amendment) (No. 2) Regulations, 2010, be approved by the Legislative Assembly in accordance with the provisions of section 42(3) of the Development and Planning Law (2008 Revision).

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

**Ayes.**

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

**Agreed: Government Motion No. 5/2010-11 passed.**

**The Speaker:** I think that brings us to the end of the Order Paper for today.

I will call on the Honourable Premier to make the motion for adjournment.

## ADJOURNMENT

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, before I move the adjournment, I would like to thank all Members for working through these various Bills. It has not been easy, Madam Speaker. But while some Members have been disgruntled, the truth is that the Committee has worked on this for a long time.

We all know that practically everything that we have brought to light and changed has been outstanding for years. Therefore, I want to thank Members for their agreement, their understanding. I certainly want to thank the House for sitting late and, Madam Speaker, I certainly want to thank my staff for working through these difficult amendments, and for the legal drafting and Ms. Myrtle, who is still with us at this late hour.

Madam Speaker, I certainly want to thank you for your indulgence, your patience. It seems like we tax it at times. But, Madam Speaker, such is the life of this legislature. I know that you try to keep us in line and you do a good job of that. Our patience is often taxed, Madam Speaker, but that is what this House is about. This is not church; this is the Legislative Assembly of the Cayman Islands and it is one of the best behaved legislatures in the world! Madam Speaker,

you don't see people throwing shoes at one another, nor punches.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I do want to really thank you for your understanding to help us work through some of these Bills that have been giving us difficulties.

I certainly want to thank the Honourable Attorney General who stuck with us through all of this to make sure that we are on the right track.

Madam Speaker, in all, this meeting has been a meeting for changes; changes for the better.

I therefore move the adjournment of this Honourable House *sine die*.

**The Speaker:** Before I put the question, I would like to extend a welcome to our new Serjeant-at-Arms who came in this morning for the first time and is still sitting in his chair. It is a baptism!

The question is that this honourable House do adjourn *sine die*.

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

**Ayes.**

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

**At 9:48 PM the House stood adjourned *sine die*.**

**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**8 SEPTEMBER 2010**  
**10.48 AM**  
*First Sitting*

**The Speaker:** I will ask Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development to say Prayers.

**PRAYERS**

**The Premier, Hon. W. McKeeva Bush:** Let us pray.

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

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

*We also pray, oh Lord, for Prime Minister Cameron and his family as they mourn the loss of their father. We ask, oh Lord, that your grace, your comfort will be with them in these hours of grief. All this we ask for Thy great Name's sake.*

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

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

**The Speaker:** Good morning everyone, please be seated.

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

Apologies

**The Speaker:** I have apologies for absence from the Member for East End who is assisting his family with a health crisis in Miami, and from the Deputy Premier, the Honourable Minister of District Administration, Works, Lands and Agriculture, who is travelling on Government's business to the Commonwealth Parliamentary Association Conference in Africa at this time.

**Clarification by Speaker: RE: Decision to permit  
two motions without "Whereas" sections**

**The Speaker:** I crave the indulgence of the House to bring a brief message.

It has been brought to my attention that there were questions raised in the public forum regarding my decision to permit two motions to be submitted for this meeting of the House without a "Whereas" section being included in their presentation to my office for consideration. I feel it is incumbent on me as Speaker to clarify the matter for the legislature and the listening public.

Since my acceptance of this office, I have endeavoured at all times to follow the correct procedures, practices and precedents established over centuries of parliamentary development or, in the case of our legislature, those established by my predecessors. Thus, as in other areas, when a matter arises with which I am not familiar, I have to conduct the necessary research to determine the correct way to approach the subject.

For the benefit of this House, the two volumes on my desk are the record books of this House spanning a decade of practice regarding motions. The precedent of presenting motions without the "Whereas" section was used by previous Members of this honourable House, some of whom are here today, and allowed under three Speakers who came from political groups presently represented in this legislature.

The tabs mark the many times such motions were allowed by the Speakers and presented to this House over the past decade. The precedent is, therefore, well established, and the motions will be included on the Order Paper tomorrow, which is [Private] Members' day. The record books are here for any Member who might wish to verify what I am saying.

Thank you.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

### **Civil Aviation Authority of the Cayman Islands Financial Statements for year ended June 30th 2007**

**The Speaker:** Deputy Governor, the Honourable Member responsible for Internal and External Affairs and the Civil Service.

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the Financial Statements of the Civil Aviation Authority of the Cayman Islands for the year ended June 30<sup>th</sup> 2007.

**The Speaker:** So ordered.

Does the Member wish to speak thereto?

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Thank you, Madam Speaker.

[I wish] only to quickly say that the Financial Statements for the years ending 2008, 2009 and June 2010, will be laid within the next six months. And to acknowledge that the Authority continues to perform exceptionally well and definitely makes a contribution to central Government. And we are grateful for the able leadership of the Director General who, in a large part, makes this possible.

Thank you.

**The Speaker:** Thank you.

Does anyone have a question?

No?

### **Cayman Islands' Compendium of Statistics 2009**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to lay on the Table of this honourable House the Cayman Islands' Compendium of Statistics 2009.

**The Speaker:** So ordered.

Does the Premier wish to say something on this subject?

**The Premier, Hon. W. McKeever Bush:** Thank you very much, Madam Speaker.

Madam Speaker and Members of the House, it is with pleasure that I present the Cayman Islands' Compendium of Statistics 2009. The Compendium is the most comprehensive set of stats on the Cayman Islands. It includes social, economic, population, and environmental statistics.

These were compiled from a wide cross section of both public and private sector entities. They are also the most current annual data as of the end of 2009. Madam Speaker, the Compendium comprises

16 chapters, as outlined in the Table of Contents, it also features on page 1 the Cayman Islands at a glance, which is a snapshot of key socio-economic indicators. Included in the Compendium are economic indicators that were first reported in the Annual Economic Report 2009, which I submitted to this Assembly in [the month of] July.

I would like to speak on key social and protective service indicators in the Compendium which were not included in my previous presentation to this House. These indicators relate to the country's Caymanian and non-Caymanian population, education, health and court services and peace and order in 2009 as compared to 2008.

Of course, Madam Speaker, I think Members would have to peruse the document to get the full understanding of what is there.

The estimated population at the end of 2009 was 52,830, representing a decline of 7.3 per cent over the 2008 estimate of 57,009 persons. This was mainly due to a sharp fall of 13.9 per cent in the non-Caymanian population. Consequently, the share of non-Caymanians to total population is now down to 41 per cent and now stands at 21,665.

The number of Caymanians as at end of 2009 was estimated at 31,165. Caymanians now, therefore, make up 59 per cent of the country's population. Madam Speaker, as I said, the estimated population at the end of 2009 was 52,830.

As you know, Census Day is on the 10<sup>th</sup> and we hope to have more than estimates and we will be able to have stats that have been verified by numerators throughout the country.

Madam Speaker, in regard to the number of persons living here, while this may be satisfactory to some people . . . but in a country that is dependent on services of all kinds, and for the great part the sustainability of our economy, this also means that when people in great numbers leave here there is the loss of their economic contribution in business and we have seen that in the financial services sector. People have left, refused permits and what have you, and other countries have benefited.

All we need to do is to get the relevant papers from the relevant organisations that show what has happened in that area when places, like Canada, have moved up as against us because they provided open arms and we did not.

As I said, to some people this decline would be fantastic; but to me one of the reasons we do not have a good economy today is because we have lost people. Therefore, when we lose people we lose rental properties, we lose purchasing power in homes, apartments. We lose purchasing power in the supermarkets and restaurants, at gas stations. All around is affected.

I am wondering, Madam Speaker, how much more I can say, because I have been saying this since the 1990s when I myself had to be convinced, because I was adamant that a small population was bet-

ter – that less people here [would be] better. I was convinced. But, Madam Speaker, we know that that is not the case. That would be the ideal if we had all the money in the world to do everything for ourselves. But that is not so: 21,000, 25,000, or 31,000 Caymanians cannot sustain this economy and cannot sustain the way of life that we have. Because of this decline, general consumption is down. Therefore, the entire economy suffers because we are all so interdependent.

So, Madam Speaker, in delivering the stats here this morning I say to this honourable House and to the country, remember where we came from and how this country was built. We succeeded in what we built up over the last 40 years because of the mistakes of neighbouring countries in their financial services, in their constitutional makeup at that time (at least that's what scared the people away), and in their immigration policy.

The attitude that *we can do everything for ourselves and we do not need anybody here and we run all the foreign people away and we run all the workers away, and everybody has my job and I don't have a job*, is what made this country because those countries put those things in place. They put the same thing in place.

So, what is happening now is that other countries are beginning to benefit from our mistakes—the same way the Cayman Islands grew and benefited from the mistakes of those other countries.

I will stop there, Madam Speaker, on that matter. But all should be aware that all this thing about control of immigration and we don't want this one and we don't the next one, and we can't have this worker . . . Madam Speaker, in this Report, and in the general feeling which everybody is now feeling that pinch, it is not totally the fault or the fallout of international problems, meaning international decline in business. It is because we have chosen to move people out. And when we move people out, spending goes down.

In this 13 per cent at that time, much less now, you can believe you have lost millions, probably \$100 million in expenditure. Call me a fool. Call me short-sighted. Call me what you may. Facts are the facts. We did not get this standard of living that we have had in the last 40 years just so. It happened because people brought their money, they invested, we allowed them to invest, we assisted them to invest, and we benefited. Mistakes were made, Madam Speaker. Yes. But on the whole these Islands and our people benefited.

Education is a key foundation of long-term sustainable growth for the Cayman Islands. I am pleased to note that in chapter 2 of the Compendium total enrolment from Reception to Secondary for all government and private schools rose slightly by 2.3 per cent in 2009 to reach 7,688 students. Enrolment in government schools reached 4,712, or an increase of 2.9 per cent over 2008, while enrolment in private schools rose by 1.5 per cent to total 2,976.

These indicators are important, Madam Speaker, as they suggest that despite the economic downturn the education, as far as enrolment in schools is concerned, education of our young people has been largely spared from the fallout of the crisis.

Stats on the provision of social services indicate that these have been impacted by the Government's expenditure cut, but at a lesser extent than the overall spending cut of 5.1 per cent.

From Chapter 9 of the Compendium, the total number of clients provided with assistance through the Department of Children and Family Services dropped slightly by 50 persons, or less than 1 per cent, to reach 6,597 in 2009. The number of persons who receive poor relief declined marginally by 14 persons, or 1.4 per cent to total at 956, while the number of students who receive free school lunches dropped sharply by 191 to reach 630.

Chapter 9 of the Compendium also presents a summary of the Health Service Authority capacity and services. The number of health professionals at the George Town Hospital declined from 415 persons in 2008 to 391 in 2009. And these reductions were mostly nurses and doctors.

Faith Hospital had a slight reduction from 55 to 52 professionals. Nonetheless, Madam Speaker, discharges from George Town Hospital increased from 4,924 patients in 2008 to 5,222 in 2009 for a growth rate of 6 per cent, while discharges from Faith Hospital declined from 420 patients in 2008 to 361 in 2009. These indicators suggest that Government's health services system continued to show resilience in the midst of declining resources.

Madam Speaker, Chapter 13 of the Compendium presents a summary of the Judicial Department's court statistics, which showed a decline in the number of court cases in 2009 to 11,310 from 11,489 in 2008. This decline was due largely to reductions in the number of criminal cases. There was also a reduction in the number of reported youth and juvenile cases from 224 in 2008 to 168 in 2009.

At the same time, the prison population declined from 226 persons in 2008 to 195 persons in 2009. The reductions in criminal cases in prison population were recorded amidst an extremely challenging year for the country's peace and order situation. The number of crimes reported to the Royal Cayman Islands Police increased by 10 per cent to total 2,843 by the end of 2009.

Madam Speaker, I have limited my presentation of the Compendium in the interests of brevity. I would like to conclude by encouraging honourable Members and the general public to make use of the Compendium, especially as this was expanded anew for 2009 to keep in line with the changing needs of the people of these Islands. Among additional information is economic data such as economic activity by age groups, gross domestic product by industry, and the current account of the balance of payments and

demographic data, such as the number of births by month and age of mothers.

So, Madam Speaker, the Compendium will be released to the public through the website of the Economics and Statistics Office, [www.eso.ky](http://www.eso.ky) to allow the widest access to decision makers and students.

Lastly, but most important, Madam Speaker, is that this is not a report by McKeeva Bush. This is a report by the Civil Service of this country, the Economic Department.

Thank you, kindly, Madam Speaker.

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

**Report of the Standing Business Committee of the State Opening and Budget Address—First Meeting of the 2010/2011 Session of the Cayman Islands Legislative Assembly**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** I beg to lay on the Table of this honourable House, the Report of the Standing Business Committee of the State Opening and Budget Address—First Meeting of the 2010/2011 Session of the Cayman Islands Legislative Assembly.

**The Speaker:** So ordered.

Does the Honourable Premier wish to speak thereto?

*[No audible reply]*

**The Speaker:** Thank you.

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

**The Speaker:** I have no notice of statements by Honourable Members and Ministers of the Cabinet.

**GOVERNMENT BUSINESS**

**BILLS**

**Suspension of Standing Order 46(1) and (2)**

**The Clerk:** Suspension of Standing Order 46(1) and (2) to enable the Immigration (amendment) (No. 2) Bill, 2010, the Insurance Bill, 2010, and the Health Insurance (Amendment) Bill, 2010, to be read a first time.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** I beg to move the Suspension of Standing Order 46(1) and (2) as read by the Clerk.

**The Speaker:** The question is that Standing Order 46(1) and (2) be suspended to enable the Immigration (amendment) (No. 2) Bill, 2010, the Insurance Bill, 2010, and the Health Insurance (Amendment) Bill, 2010, to be read a first time.

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

**Ayes and Noes.**

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

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Madam Speaker, can we have a division please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 12/2010-11**

**Ayes: 7**

Hon. W. McKeeva Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour

**Noes: 5**

Hon. D. Kurt Tibbetts  
Mr. Alden M McLaughlin  
Mr. Anthony S. Eden  
Mr. Moses I. Kirkconnell  
Mr. D. Ezzard Miller

**The Speaker:** The result of the Division is Ayes: 7 and Noes: 5. Standing Order 46(1) and (2) are suspended.

**Agreed by majority: Standing Order 46(1) and (2) suspended.**

**FIRST READINGS**

**Immigration (Amendment) (No. 2) Bill, 2010**

**The Clerk:** The Immigration (Amendment) (No. 2) Bill, 2010.

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

**Insurance Bill, 2010**

**The Clerk:** The Insurance Bill, 2010.

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



**Protection from Domestic Violence Bill, 2010**

**The Clerk:** The Protection from Domestic Violence Bill, 2010.

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

**Health Insurance (Amendment) Bill, 2010**

**The Clerk:** The Health Insurance (Amendment) Bill, 2010.

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

**Suspension of Standing Order 46(4)**

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeewa Bush:** I beg to move the suspension of Standing Order 46(4) to enable the Bills to move forward.

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the Immigration (Amendment) (No. 2) Bill 2010, and the Insurance Bill, 2010, to be read a second time.

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

**Ayes and Noes**

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

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** May we have a division for the record please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 13/2010-11****Ayes: 7**

Hon. W. McKeewa Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P Scotland  
Capt. Eugene A. Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour

**Noes: 5**

Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin  
Mr. Moses I. Kirkconnell  
Mr. Anthony S Eden  
Mr. D. Ezzard Miller

**The Speaker:** The result of the Division – Ayes: 7 and Noes: 5. The Ayes have it. Standing Order 46(4) is accordingly suspended.

**Agreed by majority: Standing Order 46(4) suspended.**

**SECOND READINGS****Immigration (Amendment) (No. 2) Bill, 2010**

**The Clerk:** The Immigration (Amendment) (No. 2) Bill, 2010.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, this amendment to the Immigration Law will offer a residency certificate—

**The Speaker:** Honourable Premier, you have to move the Second Reading of the Bill first.

**The Premier, Hon. W. McKeewa Bush:** Sorry, Madam Speaker, I thought I had: my mistake.

**The Speaker:** We all forget.

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I move the Second Reading of the Immigration (Amendment) (No. 2) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Premier, Hon. W. McKeewa Bush:** Thank you, Madam Speaker. I was saying that this amendment to the Immigration Law will offer a Residency Certificate to domestic helpers, nannies, or other caregivers employed by private employers or the Government approved nursing homes to persons who care for a sick, elderly or handicapped person.

These are work permits. When we say “residency” we mean work permits, Madam Speaker.

Many Members of this Assembly have received representations from many, many members of our community who have complained that they are suffering from serious hardships because their domestic helper, nurse or nanny has been rolled over. In most cases the helper has been with the family for many years and was essential in tending to the particular needs of the sick, our elderly and our handicapped family members. Not only had they become closely attuned to the particular needs of that person, but in many cases the person being cared for had developed a close emotional bond with the helper.

Whereas we fully understand the reasons for the term limits, we recognise the importance of protecting the most vulnerable in our society which, as I have said, are the elderly, the sick and the handicapped.

There is no reason why the most vulnerable should not be protected if there is a way we can achieve this. In at least one case, Madam Speaker, the complete reliance on the helper of a handicapped person resulted in the Caymanian family being forced to move the elderly person (it is not the Caymanian family . . . because the person never had anybody to care for them) [they had] to move that person to Jamaica when the helper had to leave.

Of course the skills and experience required to care for a severely handicapped person or a person suffering from a degenerative or terminal illness may qualify the helper to be designated as a key employee. It is unlikely on any boards, including our boards, that they would be capable of acquiring sufficient points under the permanent resident point system to be granted permanent residence. So this means that they will be required to leave the Islands for at least one year at some point.

It is my view and that of the Government that we have a duty to take care, to look after the most vulnerable in our society. In my mind, there are no people more worthy than our elderly, the sick and the handicapped in the community, and they must be assisted in any way that Government can assist them.

We as a country have adopted this most difficult position of requiring persons to leave for a year once they have been resident here for seven years. I understand the thinking behind this, Madam Speaker, but in my view we cannot be so inflexible as to enforce this policy to the detriment of those who are vulnerable in our community.

The new amendments have the following precautions built in. Only persons in the following categories can apply: elderly persons, a person over the age of 65 years, that is; handicapped persons, a person who suffers from a permanent physical or mental disability which has been documented by a doctor and who, as a result of his or her disability, is dependent on the care of a specialist caregiver; sick persons, a person who suffers from an illness which has been certified by a doctor as not being short term in nature and as a result of which the person is dependent on the care of a specialist caregiver.

In addition, a "Specialist Caregiver" means a person who in the capacity of domestic helper, nurse, nanny or in some other care-giving capacity, cares for an elderly person, a handicapped person, or a sick person.

In addition, this is not a Permanent Residency Certificate. The Certificate will only be issued by the Work Permit Board or the Chief Immigration Officer if they are satisfied that the criteria have been met. It will be valid for five years to take effect upon the expiration of the employee's final work permit or final non-renewable work permit, or, if the employee's final work permit has expired, upon the date of the decision of the Board or the Chief Immigration Officer.

The Certificate will be renewable for a period of five years on application to the Board or the Chief Immigration Officer.

In addition, the Certificate can be revoked in the following circumstances: The Specialist Caregiver **"(a) . . . ceases to be employed by the person named in the Certificate; (b) the person named in the Certificate as being cared for dies or ceases to be a sick person or a handicapped person; or (c) in the opinion of the Work Permit Board or the Chief Immigration Officer, any of the matters referred to in section 38(1)(a) to (j) [of the Immigration Law] apply to the employee named in the Certificate."**

Or, **"Upon the expiry of a Certificate for Specialist Caregivers, and where no application is made for its renewal, or an application is made but is refused and no appeal has been made, the employee named in the Certificate [must] leave the Islands and neither the Board nor the Chief Immigration Officer shall grant or renew a work permit for him for not less than one year after he has left the Islands."**

It is also important to note that, **"A Certificate for Specialist Caregivers [does] not confer any rights on the employee's spouse or dependants with respect to residence and employment rights in the Islands."**

And, **"Any period of residence in the Islands in employment authorized by a Certificate for Specialist Caregivers [is not to be deemed] legal and ordinary residence for the purposes of sections 29 and 30 [which confers the rights for permanent residence]."**

It is our clear intent to limit strictly the number of persons given this Certificate. By moving this amendment we are recognising those employers who face a specific hardship, as in the case where the helper has been caring for the special needs of a family member over a long period of time. It is not possible to determine, as I understand from the Immigration people, how many of our domestic helpers are caring for a sick, elderly or handicapped person. But it can be assumed that the number which we are talking about would be significantly less than the total number of domestic helpers on the Island.

In conclusion, we see Immigration as an ever-changing policy to meet the needs of our community. In moving this Bill we wish to recognise the needs of the less fortunate and most vulnerable whose lives are already difficult and whose needs have to be recognised.

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

Does any other Member wish to speak?

[Elected] Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I wish to make a short contribution to a Bill for a Law to amend the Immigration Law (2009 Revision) to exempt from

the term limit provisions of the law persons who are employed to care for handicapped persons, elderly persons and sick persons; and to make provisions for incidental and connected matters thereto.

Madam Speaker, while I agree with the mover of the Bill as to the vulnerability of the handicapped, the sick, the elderly, particularly the sick elderly in our society, I have two major concerns with the Bill before the Parliament. One is the definition of "Specialist Caregiver." I think it is wide, if we are talking about people who the mover talked about. I do not know that we need to include domestic helpers, nannies, and others. I think if somebody is going to be a specialist caregiver one would hope that that role could be more narrowly defined.

I think the wide definition here is also going to give a number of people who are presently domestic helpers, and who may not be in this role . . . we may find them wanting to shift when they are getting to that four years out of their seven years. And as long as they are employed as this *Caregiver* for the last three years of the seven years, as I understand it they can apply for the Specialist Certificate. I would be happier if we somehow narrowed the definition of "Specialist Caregiver" to ensure that it can only be applied for by that narrow group of people who are, in fact, offering specialised care to handicapped children or to elderly people who are sick.

The second concern I have is in section 5(8) which says, "**any period of residence in the Islands in employment authorized by a Certificate for Specialist Caregivers shall be deemed not to be legal and ordinary residence for the purposes of sections 29 and 30** [of the Immigration Bill]." . . . As I read the Bill, the total time that a person could spend here would be 17 years—7 years final work permit for a rollover, 5 years for the first certificate, 5 years for renewal thereof.

My concern lies in the advent of the Bill of Rights and the stuff that is coming down that I believe it may be difficult for the Immigration authorities and/or the Government to deny someone who has been allowed to reside and work here for 17 years any rights at all in terms of any permanent residence. I believe that these people need to be singled out for some kind of special treatment.

I would caution, however, that one has to be concerned about what kind of society we are raising in Cayman that we need to import and provide these kinds of people to look after our vulnerable people when either the extended family, direct family members, do not appear to be willing to provide this specialised care, and that we have to go so far as to amend our Immigration Law in this way to try and protect these people from these family members and extended members who are not prepared to put in the time and care for these people.

What we are talking about is that they can have somebody for seven years, and they really only need to take on the responsibility for one year; or get

somebody else who they are prepared to assist for that one year, and then they can get another seven years for the person that they like.

So, I have some concerns about the kind of society that we are helping to develop; and I have some concerns about the broadness of the definition of Specialist Caregiver, and I am worried about the 17 years' residence coming back to haunt us.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Member for North Side.

Does any other Member wish to speak?  
[pause] Does any other Member wish to speak?  
[pause] Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I rise to offer a contribution on the Bill before the House, the Immigration (Amendment) (No. 2) Bill, 2010, which is entitled a Bill for a Law to amend the Immigration Law (2009 Revision) to exempt from the term limit provisions of the law persons who are employed to care for handicapped persons, elderly persons and sick persons; and to make provisions for incidental and connected matters.

Madam Speaker, I bring to your attention, and to the attention of this House that the first notice the Opposition received of this Bill was on Monday morning at 11:10 (I believe) I received mine, emailed to me by the Clerk of this House.

Madam Speaker, the record today will reflect that the Opposition, as well as the Independent Member voted firmly against suspending Standing Orders to allow these Bills—but this one in particular, because this is the one for which we had the shortest notice—to proceed through all their stages in this House today without any public consultation and with little opportunity, really for the Opposition and the Independent Member to have a chance to consider the matter carefully, let alone consult with our constituents or anyone else for that matter.

Madam Speaker, this practice—which is customary now—does often result in poorly thought through legislation, does often result in real concern and criticism in the broader community. We have recently learned of a consequence of something that occurred in the last meeting of this House in relation to the Dormant Accounts Bill, which we were assured public consultation had occurred on. And all indications are that the Law, in fact, is a disaster and that in short order significant amendments are going to have to be brought back here.

I raise that only to say, Madam Speaker, that we really need to bear in mind that unless there is a genuine emergency, Members and the broader community ought to have time to consider important pieces of legislation which are going to impact their lives and, indeed, in many instances the future destiny of this country.

Madam Speaker, without actually citing the provision in the new Constitution, the new Constitution actually requires that the Government amend Standing Orders to reflect that 21 days minimum notice be given of every Bill brought to this House, save in cases of emergency. We are now almost a year into operating under the new Constitution and no such change to the Standing Orders has been made and, indeed, in light of the way that the Government continues to conduct the affairs of this House one can understand why no effort is seemingly being made to ensure that that provision of the Constitution does have impact on the proceedings in this House.

But, Madam Speaker, I bring to your attention and to the attention of all Members of this House that, indeed, failing to comply with that provision does bring the Government into breach of the provisions of the Constitution and that steps ought to be taken to ensure that that situation is remedied as soon as possible.

Madam Speaker, on to the substantive debate on this Bill: impeded as we, and in particular as I am at the moment because of the shortness of time, to give consideration to this matter . . . but we will still soldier on, Madam Speaker.

Madam Speaker, the Bill seeks to address a concern which indeed is one that many people have, not just in relation to this category of employees, but to virtually every category of employee. You rarely hear an employer happy about the prospect of losing a good employee who has to be (to use the common expression) “rolled over” as a result of having reached the end of the term limit imposed by the new Immigration regime which came into effect in I think 1 January 2004, passed in 2003.

And it is interesting to note the distance which the Premier seeks to take from the provision that that legislation which he, in fact, piloted through this House as the then Leader of Government Business.

But, Madam Speaker, that legislation which includes the term limit provisions, the rollover policy, came about as a result of a great deal of work by a number of people, including three Members of this, based on a report which was a result of a great deal of work by a number of Members of this House, three Members of this House at the time (two of us are still here) and some four lawyers as well as some representatives from the Department of Immigration at the time.

Now, Madam Speaker, the rollover policy is without a doubt the most controversial—was and still is—aspect of that report and ultimately of the legislation. I should say before I start this analysis that I propose to do, that all of us on this side are sympathetic of the situation in which many people . . . some of us on this side have found ourselves or our families in this situation where key people that we know are caught by coming to the end of their term limits. So, we understand the (shall I call it) humanitarian concerns which are sought to be addressed in this Bill.

And I do not believe that any of us will find ourselves in a position where at this stage we feel we should vote against what is being proposed.

I say that up front. But we do have major concerns, and we believe that the Government must be called upon to tell us what advice it has received now which runs counter to the advice which I should say the former UDP administration received when it brought to the House the Bill which passed in 2003 and came into effect in 2004.

And indeed, Madam Speaker, to explain how on moral and humanitarian grounds the Government has decided it can treat persons who have been here potentially for 17 years in the way in which this particular piece of amending legislation proposes and whether in fact that is not . . . or to treat persons who have remained here for that length of time does not run counter to various international conventions to our Bill of Rights, which is yet to come into effect, but will certainly be in effect by the end (I hope) of 17 years from now.

So, Madam Speaker, with that introduction, I want to return to the report on which this legislation was originally . . . the present Immigration Law was based.

Madam Speaker, the Immigration Law (2003) came about after many, many years of a great deal of angst, controversy, hard feelings, fear that existed in the community on the part of Caymanians and on the part of expatriates who had been here for significant periods of time. Those of us who have been around for a while will recall that under the old Caymanian Protection Law there was in place a system by which Cabinet was required to determine a quota of persons who could be granted Caymanian status in any given year. And the quota usually hovered around 10 or 12 in the course of any year.

Over time, as concerns grew among the local population about the number of expatriates who were becoming Caymanian, and concerns were raised about the impact that great numbers of expatriates who had the right to vote and so forth, would have on the control of the country, the Government at the time which was led by Mr. Truman Bodden, actually suspended the quota process. We went on for some five years when no grants of Caymanian status were made until that was challenged in the Grand Court and the Court found that the suspension of the quota was unlawful and that as a matter of law the Government was required, the Executive Council at the time, to give to the Caymanian Protection Board a quota and that grants of status had to proceed.

Madam Speaker, we also had a very restricted form of permanent residence. Essentially, the only people who got permanent residence were the wealthy who, it was determined, did not have to work and compete with local people and local businesses. So, we wound up in a position where significant numbers of people were allowed to stay here on work permits for extended periods of time in some truly ex-

treme cases almost 30 years. But there were certainly many in the range between 10 and 20 years by the time the 2003 legislation actually came into effect.

So, over the course of the years before that, through various select committees of this House, through the Vision 2008 exercise, a consensus seemed, at least on paper, to have been reached that some sort of system would have to be put in place which would reduce the number of people who were able to qualify to get permanent residence and ultimately Caymanian Status or the right to be Caymanian, as the new legislation expresses it. But at the same time, a graduated system which would accord to people who had been here or would be here for lengthy periods, first permanent residence and then the right to be Caymanian.

And that is essentially the regime that was developed by the first IRT (Immigration Review Team) which was chaired by Ms. Sherri Bodden-Cowan who coincidentally, or perhaps not coincidentally, is the current Chairman of the Immigration Review Team.

Madam Speaker, the reason why a certain period, essentially 10 years, was determined to be about the maximum period anyone could stay here without having to be accorded some sort of security of tenure was because of the research done by the IRT back in 2001 and the advice it received. As I said, there were four lawyers on that team: Mrs. Sherri Bodden-Cowan, Mr. Patrick Schmid, Mrs. Sheena Frederick-Westerborg and I. And just for completeness, also on that IRT were the then Chief Immigration Officer, Mr. Orrett Connor, MLA, Gilbert McLean, and MLA Rolston Anglin.

So, Madam Speaker, with your permission I will read an excerpt of what is a copy . . . this is not the final version. I never did get a copy of the final version, but this is certainly a version of the report. This is the background, so this bit would not have changed, regardless of the report, although I do not think the report changed significantly from the draft I have.

But just so that we understand the basis for the rollover provision, the committee said, "We have also been mindful that we are a British Dependent Territory and as such subject to the British Nationality Act 1981 and, by extension, to certain international treaties entered into by the United Kingdom. In particular, there are certain provisions of the European Convention on Nationality, the European Charter on Human Rights, the Treaty of Rome, and the British Nationality Act 1981 which relate to rights of citizenship and establishment.

"Article 6(3) of the European Convention on Nationality provides that 'each state party shall provide in its internal law that the possibility of naturalisation of persons lawfully and habitually resident on its territory in establishing the conditions for naturalisation it shall not provide for a period of residence exceeding 10 years before the lodging of an application.'"

And then the Committee went on to say: "It appears that the United Kingdom may have complied with this provision by providing in the British Nationality Act 1981 for naturalisation as a British Dependent Territory citizen after five years of continuous residence in its territories, although the last year of such continued residence must be without immigration restriction."

It concludes by saying, "In the case of *Wheeler and Wheeler* (1996 Cayman Islands Law Reports) the Court of Appeal of the Cayman Islands provided dictum to the effect that habitually resident includes ordinarily resident. It is the view of the Immigration Review Team that for the purposes of the European Convention on Nationality, work permit holders must be considered to be habitually resident in the Cayman Islands."

And then, Madam Speaker, the team went on to explain the framework which they proposed for future immigration policies. And I will read that quickly, because it provides, I think, important background to all of us as we ask the Government to explain what has changed to remove these considerations from the discussion.

"The IRT has developed a comprehensive and integrated immigration framework which establishes a graduated system of timeframes for making applications for work permits, permanent residence and Caymanian status. The adoption of a residency benchmark is critical for the development of such a framework. The benchmark is the length of residency by which point a person should be eligible for permanent residence and British Dependent Territory citizenship. The IRT is of the view that it is socially undesirable and morally unacceptable for persons to remain in these Islands for periods longer than 10 years without becoming eligible to make application for some form of security of tenure. The IRT has adopted 10 years as its benchmark for a number of reasons . . ."

**The Speaker:** Honourable Member, are you going to read much more? I don't have a copy of that, and it is a very lengthy reading.

It relates to the subject of Immigration, but it is a lengthy reading and I am trying to find out where you are going with it.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I was proposing to read this provision explaining the basis for the legislation which is about to be amended. I am happy to stop to photocopy the excerpt so that you can follow me. But I believe the inclusion of this is critical to this discussion because what is being proposed now is going to have serious knock-on effect in relation to the broader immigration policy and it is important that we all understand what it is that we are doing.

**The Speaker:** Thank you, Member.

I am minded to call a lunch break at this time, and if you will photocopy that for me, we can continue with your reading this afternoon at 2 pm.

Proceedings are suspended until 2 pm.

**Proceedings suspended at 12 pm**

**Proceedings resumed at 3.07 pm**

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

When we took the lunch break, the Third Elected Member for George Town was debating on the Immigration (Amendment) (No. 2) Bill, 2010.

I had asked for a copy of what he was quoting. I think he has pretty much concluded most of what he said he was going to read.

Third Elected Member for George Town.

**Immigration (Amendment) (No. 2) Bill, 2010.**

*(Continuation of debate on the Second Reading)*

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

When we took the luncheon suspension, I believe I had completed reading the first paragraph on the last page of the report that I wished to refer to.

I will just pick it up (I can't quite remember exactly where it was) at the start of the second paragraph.

"The IRT has adopted 10 years as its benchmark for a number of reasons—

**The Speaker:** Excuse me. This is an interim report you are reading from. Is that correct?

**Mr. Alden M. McLaughlin, Jr.:** Yes. This . . . well, this—

**The Speaker:** I just want to be sure we are on the same page.

**Mr. Alden M. McLaughlin, Jr.:** Yes. It's the interim report on—

**The Speaker:** The Immigration Review Team.

**Mr. Alden M. McLaughlin, Jr.:** Right, 2001.

"The IRT has adopted 10 years as its benchmark for a number of reasons. It is the residency requirement to apply for a grant of Caymanian Status under the current Law [that is the old Law prior to 2003]. It is the period required by the European Convention on Nationality by which member states must allow an application to be made for naturalisation and we believe it is a period by which most persons come to feel that they do belong to a community.

"In adopting 10 years as the appropriate benchmark we have had regard for the proposal con-

tained in the 3<sup>rd</sup> Interim Report of the Select Committee of the Legislative Assembly on the Immigration Law on strategy 16 of Vision 2008.

"Indeed, we are fully cognisant the Vision 2008 represents the collective view of the Cayman community and has been duly ratified as such by the Legislative Assembly. We have nevertheless determined that it would be impractical for the Cayman Islands as a British Dependent Territory to maintain within our own legislation time periods for the grant of permanent residence substantially greater than those provided for in the British Nationality Act 1981 and the various charters, treaties and conventions to which the United Kingdom is bound whether these apply directly or indirectly to the Cayman Islands.

"We have concluded that in the future the Cayman Islands would have to be more mindful of international views and human rights particularly in relation to the rights of residents and citizenship for long-term residents, including work permit holders. Therefore, we must pay careful regard to these internationally recognised standards in crafting new immigration policy and legislation."

I will leave off referring to that important report at least for the time being. But I thought it important that I set out that background, which guided the development of the Immigration Law which is now being amended in this way.

The overriding concern was to develop a system which was fair, which was clear, and which provided a filter by which some sort of control could be exercised over the number of people who went on to live in the Cayman Islands on a long-term basis, while at the same time developing a graduated system of rights so that once you got beyond the seven year rollover period, you were then able to apply for permanent residence.

The view was that the vast majority of people who did apply would be granted if they got through the seven-year filter. In the interim, during the transitional stage, there would be obviously some degree of uncertainty among those persons who were actually here at the time the Law came into effect. And that has happened, but that period has pretty much concluded. So I think now that most people would say that the system is fairly certain, fairly predictable in its outcomes, which is what we have striven to get to.

Madam Speaker, the conclusion was that seven years was the appropriate term limit because it would afford them an additional two years for any appeals and so forth to be dealt with, concluded, with sufficient time for unsuccessful applicants, appellants, to wind up their affairs in Cayman and be gone before we reached the 10 year benchmark. That was the thinking behind that particular scheme.

Now, Madam Speaker, one of the . . . probably the principal exception to the rollover, the seven year term limit, was the introduction of the key employee provision whereby if an employee was determined to be key by the board on the application of

either the employee of the employer, they would then qualify to remain beyond the seven-year term limit for another two years to then apply during that extension for permanent residence. That was the way cases were proposed to be dealt with where the individual was key to the business or to the employer, as the case may be.

Now, the question which immediately arises is: Why is it that the Government is not proposing that this category of people, or the employee, which is called in the amending legislation "Specialist Care-givers" and which catches up domestic helpers, nannies, nurses and a range of people who look after the handicapped or the aged, and infirmed, why not take the relatively straightforward approach and say persons who are specialist care-givers as defined in the legislation are key employees for the purposes of the relevant section in the Immigration Law? That would deal with the problem. Those people would then no longer be subject to the provisions of the rollover policy, be it granted an extension of two years during which they would then become entitled to apply for permanent residence.

But the Government says, no, we can't do that, because they would fail the test or not meet the criteria in relation to permanent residence because they don't have the means by and large to qualify.

But the Government could always, again in the same way they are doing here, amend the relevant provisions in the law so that there is an exception as far as the criteria for permanent residency is concerned in the law. But the Government doesn't want to do that either.

I hope that when someone on the Government side rises to speak to this, or at least when the Premier winds up, that we will hear why it is that neither of these, or these two . . . because one is really consequential on the other . . . why this approach has not been adopted by the Government in this way rather than to take this radical and, I believe risky route as far as the legislation itself is concerned, that they have.

I am going to deal with those two issues arising from that now, Madam Speaker. One is the concerns about the impact that this amendment is going to have on the overall legislation and the policy which underpins it; and secondly, the ramifications both locally, or I should say both from the country's perspective but to the individual care-givers concerned of a regime which allows them to remain here for up to 17 years with absolutely no rights.

Now, to the first point Madam Speaker. We were told (and I don't just mean the IRT) I mean the country and governments and MLAs, Cabinet Ministers and a whole range of other people who were exposed to discussions with the Foreign and Commonwealth Office over time. We were told very clearly about the concerns of the UK of allowing people, foreign people, expats to remain in this jurisdiction for

extended periods of time with no rights and no hope of security of tenure.

Now, I know there has been a change of government in the UK recently; but I doubt seriously that the new government's view about that issue has changed much, if at all, in relation to this. Aside from that, Madam Speaker, it is morally repugnant to have a system as we had in the past and which we are now, it seems, slipping slowly into again, which permits people to remain in your country for extended periods of time but affords them absolutely no rights and no prospect of any rights.

And it is even more repugnant in that in this case the people we are dealing with are those who are at the absolute lowest end of the income scale in this country. So, they have the least means possible to look after themselves when in the final event 17 years hence they are booted out. And, to add insult to that injury, we have by virtue of provisions in the Pensions Law excluded them from the general national requirement for employers to contribute to a pension scheme for them.

So, if a lady comes to this country as a domestic and part of her duties at age 43, in addition to looking after the home, is to look after the ageing and infirm father-figure in the house, and she stays for 17 years, at age 60, when her employment prospects are certainly in decline, all that she will have is whatever meagre amount she might have managed to save while she was working here in the vast majority of cases on a very meagre salary. No pension. No prospects of permanent residence, let alone any prospects of the right to be Caymanian.

And while she has been here for those 17 years, neither her husband nor her children are permitted by this legislation to come and be her dependents or to live and work here as a result of their relationship with her.

That is what this legislation does, or will do when it is passed. That is the situation that it absolutely sets up.

**The Premier, Hon. W. McKeever Bush:** [Inaudible]

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I know that what I am saying is causing the Premier some disquiet. But he will have an opportunity to respond in due course.

**The Premier, Hon. W. McKeever Bush:** I am going to respond all right. [Inaudible]

**The Speaker:** Order please.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, this kind of treatment of foreign nationals is bound to be considered offensive, repugnant, all of those sorts of things, by just about anybody. But I would be surprised if this is something which finds favour with the UK Government given its various obligations under a

range of treaties to which I referred when I was reading from the IRT's report.

Now, Madam Speaker . . . and this is a question which the learned Attorney General must address, when the 2003 Legislation was drafted, developed, passed by Cabinet, brought to this House, passed unanimously by both sides of this House, the Government in office was the government that is there now. There are some different faces and individuals; but it was the UDP administration. The present Attorney General was Attorney General then advising in relation to this matter.

Now, I haven't had a great deal of time since I got this Bill—was it yesterday or the day before? I have forgotten now. Monday afternoon I think we got it—to do the kind of cross-checking that I would like to do. But my quick checks tell me that there has been no change in any of the various Conventions, at least in relation to the bits that we believed back in 2001 affected or had the potential to affect the Cayman Islands in that the United Kingdom Government, because of its obligations, would require its Overseas Territories to behave in a certain way.

So, one of the bits that really puzzles me is what has occurred, or what has now changed so that the concerns that we had back then about allowing people to remain indefinitely without any prospect of security of tenure are no longer concerns which we need worry about.

I do hope that the learned Attorney General is going to say something about that when I hope he rises to make a contribution to this Bill.

You see, Madam Speaker, if in fact there is no basis for a legal concern about the length of tenure of persons here who are just living from one work permit to the next in the hopes that the next work permit will be granted—which is the system we had for many, many years. If that is the case, then the legal basis, the legal premise on which the 2003 Immigration Law is based is gone. And if it is gone, there can be, from a legal standpoint, no reason to continue to say that persons who work in the financial services sector, as an example, ought not to have a similar exemption from the provisions of the rollover policy as the one that is being put forward today.

If anything, Madam Speaker, those people are getting a pension. Those people are generally earning the kinds of incomes which will allow them to build homes, invest, put money aside to go back home. They can more easily cope with displacement after a long stint in the Cayman Islands than can the category of people who are set out in this amending Bill.

Specialist caregiver, says the amendment, the Immigration (Amendment) (No.2) Bill, 2010, in the definition section [clause 2], “**specialist caregiver means a person who, in the capacity of domestic helper, nurse, nanny or in some other care-giving capacity, cares for an elderly person, a handicapped person or a sick person.**”

How, Madam Speaker, can the Government on the one hand put forward a proposal based on compassionate grounds—and I understand those grounds—which is that they want to ensure that the most vulnerable (to use the Premier's language) in our society continue to have access to familiar care with which they have become comfortable. So this is put forward on compassionate grounds on behalf of that category of people.

How can a Government that is so compassionate in that regard be so absolutely callous to the fortunes and fate of the caregivers? How can we say that we are going to chuck them out after 17 years with no pension, no savings, because they are earning very little over that 17-year period when they themselves are at least at the beginning of their golden years?

**The Premier, Hon. W. McKeeva Bush:** [Inaudible]

[Laughter]

**The Speaker:** Order.

Stop the back and forth please.

**The Premier, Hon. W. McKeeva Bush:** . . . Madam Speaker, we want to hear what his solution is!

**The Speaker:** He is getting to that, I hope.

**The Premier, Hon. W. McKeeva Bush:** Oooh!

[Laughter]

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, they are very uncomfortable. And I told them what the route is. The route is to make these people key employees as they have done other categories of people.

**The Premier, Hon. W. McKeeva Bush:** [Inaudible]

**Mr. Alden M. McLaughlin, Jr.:** But, Madam Speaker, it is wrong. It is wrong! They can berate me as much as they wish. But it is wrong to say to any person that they can stay in this country, receive no pension, work for minimum wage or below, and then when they are least able to look after themselves we will give them the golden boot.

**The Premier, Hon. W. McKeeva Bush:** . . . and what is your solution?

**The Speaker:** Ah, Member for George Town, please proceed.

**Mr. Alden M. McLaughlin, Jr.:** Yes, Madam Speaker, I know the ants are in the pants of the Premier over there. But he will have a chance to come back.



**The Premier, Hon. W. McKeever Bush:** . . . it just pains to hear him talk this way . . .

**Mr. Alden M. McLaughlin, Jr.:** Of course it pains him, because he has difficulty dealing with facts.

**The Premier, Hon. W. McKeever Bush:** *[Laughter]*  
It hurts!

**Mr. Alden M. McLaughlin, Jr.:** And so, Madam Speaker—

**The Speaker:** Lunch break was too long.  
Let's proceed.

*[Laughter]*

**Mr. Alden M. McLaughlin, Jr.:** And so, Madam Speaker, I wish for the Government . . . I said at the start that we understand, because we too have had representation about persons who are really attached to their caregivers. And we understand the difficulties that are inherent in losing someone like that.

But I want the Government to be honest with this House and with the country about the implications of what they are doing about the consequences that are inevitable when we move down this road. As I said, Madam Speaker, if the Government had simply said these are key employees, which, I believe, could be managed properly within the context of the legislation that currently exists. But going this particular route begins the undermining of the basic fundamental premise on which the 2003 legislation is built.

Now, Madam Speaker, that may very well be intentional and that has not slipped me. This may well be the thin edge of the wedge to do away entirely with the rollover policy. They are the Government, Madam Speaker, and if that is what they are proposing to do, that is a policy of the Government. I may agree or disagree. So may everybody else. And that is entirely within their power, their ability to do so. But, Madam Speaker, they need to be honest about what the intentions are.

**The Speaker:** You have to be careful using that word honest.

**Mr. Alden M. McLaughlin, Jr.:** Well, I do hope they are going to be honest. I didn't want to say "dishonest" Madam Speaker.

**The Speaker:** Yes.  
And don't impute motives that are not there.

**Mr. Alden M. McLaughlin, Jr.:** No. I am not.

**The Premier, Hon. W. McKeever Bush:** That is what you are doing.

**The Speaker:** I will handle it from here, thank you.

**The Premier, Hon. W. McKeever Bush:** *[inaudible]*

**Mr. Alden M. McLaughlin, Jr.:** I am hoping, Madam Speaker, that none of these things are so.

**The Premier, Hon. W. McKeever Bush:** *[inaudible]*

**The Speaker:** Third Elected Member for George Town, please continue.

**Mr. Alden M. McLaughlin, Jr.:** Yes, Madam Speaker. He's really worried now.

But, Madam Speaker, I do believe that we have to ask ourselves if we are going to be happy, if the country is going to be better off, going back to a system where employees generally, not just this specific incidence, are living from one work permit to another with no certainty about their long term prospects here. Because if we do decide to abandon the term limit policy which has been in place for the last seven years now, that is where we are going.

**Point of Order**  
*[Relevance]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, on a point of order, and the point of order is relevance.

Madam Speaker, I have been listening to the Member who has taken a great length of time in repeating himself and going into this matter that this Bill does not speak to. There is nothing in here that says anything about a change in key employee or rollover.

And, Madam Speaker, he is keeping . . . and if you listen to him, and I have. I know you were listening, as you said. That is what he is doing. He has no more to say, it seems, but to try to repeat this and say it in other words.

I am listening. And I have been here long enough. I know that's what he is doing.

And so, Madam Speaker, I am calling the point of relevance at this particular time.

**The Speaker:** Thank you.

Member for George Town, please do stay within the bounds of the Bill that is before the House.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, the other legal point that I am having great difficulty with is the provision in clause [5], subclause (8) which says, "**Any period of residence in the Islands in employment authorized by a Certificate for Specialist Caregivers shall be deemed not to be legal and ordinary residence for the purposes of sections 29 and 30** [of the original Law]." And those sections are those that speak to qualifying for permanent residence. I don't have that Law in front of me at the moment, but I believe that

the other provision deals with what is called the “right to be Caymanian” more commonly known as “status.”

Now, Madam Speaker, the fact that these employees who are living and working in Cayman pursuant to these certificates which extend their stay beyond seven years are certainly here legally, because they are here pursuant to a law, so I am not quite sure . . . I haven't had time to really do any research on this, but I find it difficult to understand how, if you are here legally, how one provision . . . if you are here pursuant to one provision to the law, which means you are here legally, how another provision in the law can purport to say that you are not here legally for the purposes of permanent residence, another provision in the same Law.

I do believe, Madam Speaker, that this is going to create a great deal, at best, of uncertainty, at worst problems for all of us.

Madam Speaker, we have seen instances in the past in Cayman where situations have been decided upon and have been allowed to continue until they wind up with a challenge before the court. The example I gave earlier about the Executive Council's decision to suspend quotas for grants of Caymanian status was challenged in the court and determined that that was unlawful. Thereafter, Executive Council was required to resume deciding quota numbers in accordance with the legislation.

Even before that, those of us who have been around for awhile remember the *Roper* case in which a challenge determined that someone who had been . . . who the Board and the legislation had sought to disqualify from a grant of Caymanian status, the court, in fact, determined that he was entitled to it.

So we are not unused to challenges in this country to immigration decisions and immigration law provisions. Most cases, at least from my knowledge of this history of it, are that the Government usually loses.

I believe that to adopt the approach that, *Well, we won't be around when people reach their 17<sup>th</sup> year, therefore it won't be our problem as the Government*, is, perhaps, the wrong approach to adopt to making this kind of change to the Immigration Law.

Madam Speaker, as I said at the start, we understand what is trying to be achieved. We are not . . . and I am not standing up here, or authorised to say on behalf of my colleagues that we are going to vote 'no' on this Bill. But, what I have been asked to do is to set out the range of concerns we have and to enquire of the Government and to assure ourselves that the Government and those who advise the Government have thought about these issues and have what they believe to be the correct answers to them. And that in consequence of seeking to assist and be compassionate to our own vulnerable people by making these amendments, we are not setting up, or we are not beginning to set up, a situation whereby the underlying premise of the present immigration legislation is going to be undermined.

Or worse, that we are going to face challenges in the long run by a group of people who have been disenfranchised as a result of this legislation; prevented from having a decent family life because they can't bring their spouses and children; disenfranchised because they are not required to participate in a pension scheme; and disenfranchised because despite the length of time they have been here they cannot acquire any form of security of tenure.

Those, Madam Speaker, I believe in brief are the points that we want to make and we will now hope that the Government will go some way to allay those concerns and fears that we have in this regard.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Third Elected Member for George Town.

Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Good afternoon, Madam Speaker.

I rise to make a contribution to A Bill for a Law to amend the Immigration Law (2009 Revision) to exempt from the term limit provisions of the law persons who are employed to care for handicapped persons, elderly persons and sick persons; and to make provision for incidental and connected matters.

Madam Speaker, as I listened to the Fourth *[sic]* Elected Member for George Town commenting on this issue—

*[Inaudible interjections]*

**Mr. Ellio A. Solomon:** Sorry. Sorry. Thank you very much, I appreciate that correction.

The Third Elected Member for George Town (I am going to start over), the previous Minister responsible for labour and for pensions, I was reminded of the comments made by the Member for East End some time ago at the Parliamentary Prayer Breakfast when he said that politicians and preachers are alike; they are both trying to win souls, because as the Third Elected Member for George Town spoke, I heard at least three or four separate scenarios; three or four separate permutations that the Member threw out. I can only gather from those that he threw out that in that wide net he was trying to appeal to as many different people as he possibly could.

On the one hand he was expressing concern that in some way, shape, or another, this particular piece of legislation would allow persons to get permanent residency. And that that was a concern. So, where on the one hand he is concerned that they could possibly get permanent residency and that that should be addressed, on the other hand he is also concerned that they are being disenfranchised and not given a fair opportunity to be able to get permanent residency.

So, you see, Madam Speaker, trying to get both sides. On the one hand, appealing to that group that does not believe they should get permanent residency, and, on the other hand, appealing to they themselves saying that perhaps they should be given that fair opportunity.

Then, throwing a little net out for another group saying if we do it for these individuals we should also be doing it for just about everybody else. Again, throwing out quite a wide net and, I believe, captured quite accurately by those sentiments as expressed by their colleague, the Member for East End, when he said *preachers and politicians, in their case, at lease, trying to win souls*.

Madam Speaker, as we talked about it, because I think it has to be addressed seeing how it was raised by the Third Elected Member for George Town who was once responsible for labour and for pensions, he also threw out a couple of other things. Other than talking about their rights, he talked about the fact that these individuals here do not have pensions. And that this is unfair.

Madam Speaker, every time that individual on the other side of the aisle, the Third Elected Member for George Town, or any of them on the other side, get up and makes these statements I am going to deal with it, Madam Speaker, because he particularly was the Minister responsible for pensions for the last four years. This scenario of this particular group to which he is talking about that does not have pensions is not something that happened today; it has been happening in this country for a long time.

He has over and often told me that he's been in here 10 years. So he could have brought a motion. And, even if he did not bring a motion, he was blessed with the opportunity in this House to be a Minister responsible for labour and responsible for pensions. So why is he standing in this honourable House today in 2010 and telling the country that certain individuals are neglected and don't have pensions? On his part, Madam Speaker, his failure. He should not, even in the slightest, try to suggest that maybe someone else should be picking it up. I am going to offer the challenge, Madam Speaker, because it is never too late. I am still going to offer up the challenge that the Member still has a chance to bring his own motions. Nothing stops him from bringing his own motions.

But, Madam Speaker, no pensions in the country for these individuals . . . that Member there and I wish to stress for all of those listening that that Member there was the Minister responsible for pensions for the last four years. So, again, for the many persons who are concerned about plummeting investments, failings in that, why they cannot be getting pensions from 60 to 65 or, in this particular case as he mentions today, why there is a group that is disenfranchised, and has no pension, Madam Speaker, be redirected and put it where it squarely belongs, which is on the Third Elected Member from the district of

George Town who was the Minister for four years for pensions.

Then, on top of that, Mr. McLaughlin, the Third Elected Member [for George Town] also brings up the fact that—

**The Speaker:** Do not use the Member's name.

**Mr. Ellio A. Solomon:** —of how the individuals, certain persons (thank you, Madam Speaker), don't get minimum wage.

Madam Speaker, again, to the point, the same Fourth Elected Member did nothing . . . sorry, Third Elected Member, Madam Speaker, the same Third Elected Member for the district of George Town, that did nothing with respect to pensions. Big, bold nothing. Same said man, Madam Speaker, did nothing with respect to pension. It was the same individual responsible for labour!

We also see a repetitive pattern there because in labour he did nothing. Actually, no. I think there was a change made to one of the laws where they changed the name of a department to the Employment Relations Office and that became the 2007 revision. That's it, Madam Speaker. That was it. People are still crying wondering if a place was going to be inspected.

But on to this point of minimum wage: He promised the people of this country . . . he said he believed in minimum wage. And I remember him promising that in September 2007 as well, Madam Speaker. It is now 2010, no minimum wage. Not even so much as to put a committee . . . let's try to give him the benefit of the doubt. Let's say things were really hectic and there was a lot of spending. Not even so much as to put a committee together. How difficult is it for a Minister to call for a committee to be put together and to ask that it be reviewed, which is a part of the Law. The law allows it to happen.

All it took, Madam Speaker, was for the Third Elected Member for George Town, who is here today talking about pension, talking about minimum wage when he was the Minister responsible for pension, Minister responsible for labour, to simply say, *I am going to call for what the law allows me to call for; which is for a committee to be set up and for us to be able to at least review the issue of minimum wage*. But he didn't do that, Madam Speaker.

Again, he did nothing. He did nothing for this supposed disenfranchised group that he is crying tears for today. He did nothing. But he wants to talk today about minimum wage. No, Madam Speaker!

As I said, it is a poor effort trying to appeal to souls, Madam Speaker. Because at the end of the day those persons and, I believe, the entire country, know the particular individual, the Third Elected Member for George Town, and the many failings, the many shortcomings in those areas. But I believe it is necessary to point them out.

Madam Speaker, this particular amendment . . . I don't necessarily believe that anything is perfect, because there are clearly challenges that face this country, and I don't believe that anybody can do any one thing to make it perfect. I don't believe that. But I can tell you what, unlike the Member who just spoke, you cannot make us guilty of doing nothing: we are doing something, Madam Speaker.

I think to get into the substantive part of this, Madam Speaker, it is important that we understand the circumstances on the ground. The reality of it is, right now, and I believe I heard the Member for North Side ask the question, what sort of situation do we find ourselves in, in a country when we have to depend on certain persons to take care of the sick or the elderly or the handicapped?

Well, Madam Speaker, I think that particular question may be the issue for another debate. But what I can tell you is that the situation is a real one. The situation is one that we are in large part in many instances where we are depending on individuals who are taking care of our elderly, who are taking care of our sick and who are taking care of our handicapped.

This is not something I read in a book. This is something I see and witness every day. Whether you go to the Lighthouse School or to some other institution or into the homes and you see people, 5, 6, 10, 12, 13 years taking care of the handicapped, taking care of the sick, taking care of the elderly, taking care of children as if they were their own.

Madam Speaker, I have personally witnessed what it is: the bonding that takes place between those individuals, and appreciating that in many instances those individuals are spending more time with those children, whether handicapped or otherwise, than perhaps the parents get to do. And even that handicapped child who sits at home and can't walk, can't talk . . . you can see the difference when the helper is gone for a week or two weeks, that despondent, blank look on their faces. They know something is different, that something has changed.

So, we have not come here, four years later, after seeing the pain, feeling the pain, understanding something has to be done and talking about it. We come here today, Madam Speaker, as to what perhaps the Third Elected Member [for George Town] would call imperfect; but we come with our imperfect motion, our imperfect amendment, or Bill, Madam Speaker, to be able to help some people in one way, shape or another. We are trying to help the elderly who need help.

Madam Speaker, again, a witness to that . . . when you have the 90-plus-year-olds in a room who pretty much cannot move and have to depend on an individual to do just about every single thing for them, not too many people want to do that, Madam Speaker. Not too many people in this country want to do that—not too many people around the world want to do that. But they do it.

Madam Speaker, this particular Bill here is seeking to say that you have individuals who are doing those things and not only have the elderly, the child, the sick, bonded with them, they have also bonded with the children. They have also bonded with the elderly.

Clearly, a challenge for this Government would have been to determine how long it takes to bond. Madam Speaker, you have people who meet someone in crossing (you can call it) for a week, a day or two. And by the time they are getting on the plane there are tears in everybody's eyes crying and they can't wait to see each other. So it was a difficult challenge to determine how long it is going to take for this bonding.

Again, in this imperfect amendment, Madam Speaker, you just have to unfortunately cut it one way, shape or another, and does it hurt one way or another for someone out there who maybe is two years and 360 days? Perhaps, Madam Speaker, perhaps. But as legislators, that is the tough challenge that we have. We can never get it just perfect. There is no silver bullet. In one way, shape or another some will be happy and some will be unhappy. Some families will be together and some families will not.

So we will not stand here, Madam Speaker, and, again, make idle criticism and try to win everybody's soul. No, Madam Speaker. We are going to come here and try to do what we believe is right. We are not just talking about numbers on a paper about 10 years and whether they are here 17 years or not. No, no. We are talking about real lives.

Do you know what the doctor sometimes tells an elderly lady? In fact, no different than with an aunt that I lost just a few weeks ago: They are going to say, "Take the lady. Please take her home and put her in a familiar environment so she can see some familiar faces." And, Madam Speaker, some of those familiar faces, I pray to God, are also captured in this imperfect amendment, because that is what we are here to do.

[We are here] to try to ensure that those individuals will have an opportunity so that they can see that when the elderly lady passes away, the lady who has been taking care of her (or the gentleman) for the last seven years can have that same closure. And that the little handicapped child, who for the last 10 or 11 years of his or her life has only ever known that one person, can have an opportunity to maintain that relationship.

Imperfect, Madam Speaker, but the perfect and best of intentions! And we going to do the best that we can in terms of cutting that just right.

So, Madam Speaker, I want to assure the Caymanian populace that we have got the cries from the mothers, the fathers and from the persons who are actually doing the work. We have those cries of, "*Allow me to keep that particular person; allow me to keep this caregiver just a little bit longer.*" And, Madam Speaker, we believe that it is a good piece of legisla-

tion—not perfect, but a good piece of legislation. And we have done in the same time everything that we could to try to ensure that we could address the negative, address the evils that exist. That is why we ended up with the bonding, that it is three years, or whether we ended up in situations saying certain persons cannot apply for permanent residency.

And, Madam Speaker, I can tell you, a lot of those persons will tell you, *I am not asking to be able live in this country in perpetuity. No. In fact, when I get older I probably want to go home and be buried. But for now, at least until this job is through, I would like to stay here.*

So, Madam Speaker, I believe that we have adequately, from all the legal advice . . . because this is something . . . and I want the listening audience and the public to know that this is not something that we just came up with willy-nilly. We have had numerous discussions and debate on this issue internally; externally as well. We all had our concerns and we are all trying to make sure that can do the right thing, but at the same time try our best to mitigate the evils that we know naturally lie in just about everything that we try to do.

So, Madam Speaker, in closing—because I am not going to be long, not too long . . . It is the situation that I get a little boiled up when every time I have to come here, because it is so unfortunate, it is a wonderful experience on the one hand; but it is so unfortunate when all you can get—no matter what you put on this Table, Madam Speaker—is criticism. Never once is anybody willing to put selfish political interest aside to do what is in the best interests of the country.

So, I want to just say, before I get one final wrap, is that that Member, the Third Elected Member for George Town, still has the option to come tomorrow and bring any motion that he believes is right for the country. Don't just talk about it now. We have seen that nothing has happened for 10 years. He still has a chance.

Finally, Madam Speaker, again I want to say to the general public, this particular piece of legislation has been debated and I can assure them internally and externally over and over, particularly between myself and my other colleagues. We have debated the pros and the cons and we believe that there is no perfect piece of legislation. But we believe that in this particular case, in this scenario, we have done everything we could to mitigate, to reduce, to eliminate those negatives, but at the same time to be able to offer the positive benefits that we believe are in the best interests of the homes and the families that exist in the Cayman Islands and that have been crying to this Government. And as echoed, I think from the other side, has been crying to them as well. But this Government has chosen to do something about it.

With that, Madam Speaker, I thank you for the opportunity to be able to make that short contribution.

**The Speaker:** Thank you, Fourth Elected Member for George Town. Does any other Member wish to speak? [pause] Second Elected Member for Bodden Town.

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

I rise to speak on the amending Immigration Bill before the House.

As we've heard, it is a very emotional and very important piece of legislation. My colleague on this side has pointed out the possibility of some difficulties down the line. But I know within my own electoral district a number of my constituents have approached me about this, and I have spoken to the Premier about the possibility of extending and getting relief for these [caregivers] who assist people that are at times dependent on these caregivers.

As my colleague, the Third Elected Member for George Town, said, we on this side support this. It is important that we never forget the humanitarian side. There is the possibility, as has been indicated, that we will have to look at some of this closer. But, it is important that we provide this facility especially for our elderly, the handicapped and those who get attached . . . and I have seen so many of our people get like this. They literally mourn and yearn for that caregiver.

I would just like to point out in the amending [clause] 5, [new section] 37C(3) where upon payment of the prescribed fee . . . one of the things I would say here, whatever this prescribed fee by Immigration as it comes through the regulations, that it is not a prohibitive fee to help these people which would cause a further burden on the families. As my colleague addressed earlier, whatever we need to do, what we are doing here is for the good of a group of people that really need the help. To balance the equation, we need to give whatever consideration to these caregivers that after that period of time that they be recompensed some how or the other, that they be given security of tenure, if necessary.

Unless you have been through this and you have seen what these people go through, it is very painful. And I want to offer my support to this amending Immigration Bill.

**The Speaker:** Thank you, Second Elected Member for Bodden Town.

Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] If not, I call on the mover of the motion to conclude the debate.

Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I want to thank my colleague on this side, the Fourth Elected Member for George Town who ably

spoke in support of this Bill. I want to thank my friend on the other side, the Second Elected Member for Bodden Town, who found himself in some difficulty because he knows that what we are doing is right because he pays attention to the needs of the district and people around us as any one of us does, and he too knows of the problem. The problem he has is that he is part of a party that at this point in time does not seem to know what they want. And I urge him to move away from them. That would be the best thing he could do to salvage his true feelings as I know.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** He can have this part of the bench if he wants, on this side.

Madam Speaker, this—

*[Inaudible interjections]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we don't want him!

*[Laughter]*

**The Premier, Hon. W. McKeever Bush:** When we started talking about this . . . this is not new. This has been talked about for many . . . a couple of years. Madam Speaker, on taking office and before taking office, the UDP knew that this was a matter that had to be grappled with and had to be fixed. We have far too many elderly in this country who have people that they are totally dependent upon.

Madam Speaker, our elderly, in particular older women throughout this country, in every district, have been knocking down my door trying to get us to a point to offer some assistance to them because they had long term people. They had maids, helpers, whatever you want to call them, caregivers that did their driving for them, did their banking for them. That's how much they trusted them. They took them to church, bathed them, cleaned their homes, fed them. That's just the elderly, Madam Speaker.

It took me some time to convince the UDP, elected Members, that is, that we had to do something about this and that we could do it without the problems that are being talked about. And I am going to come to them.

People on this side had that same feeling that the Opposition would get up and scaremonger the way they have done here today. And so, I kept going at it and debate is good and we have debate amongst ourselves—heated debate at times on issues. But we always come out and try to do the best thing for the public. Maybe mistakes are made, [that's] left to be seen. But I can tell this group, I can tell the UDP, and I can tell the PPM and I can tell this country that I am not going to preside over a Government—have responsibility and accountability—but cannot get anything done. I am not like that.

If something is wrong we have to address it. If something is hurting us, we must fix it. Whether that is the economy or whether that is social. We must fix it. We cannot sit down and talk forever and debate forever.

So, Madam Speaker, we are here with the Bill and before I go further, I want to thank Mr. Franz Manderson and the Attorney General's department. And I do this because I can forget, Madam Speaker. And the legal drafts people who put the Bill and do all that necessary work for us and sit here with us day after day to make sure we are going in the right direction.

You see, Madam Speaker, if I don't say that, the world could believe that the only legal mind that has gone on this is the Third Elected Member for George Town, and that what he is saying is by "Bible leaf". But that is not so. Other legal minds—better than his—put this together and they are not going to mislead us. They tell us what the pitfalls are when we ask them to put legislation together. That is how legislation is made.

So, Madam Speaker, the PPM in the form of the Third Elected Member for George Town, got up and did their usual thing. He started off by talking about suspension and how they don't have Bills in time and how we are running foul of the Constitution because things are done on short notice.

Madam Speaker, they had tons of suspensions . . . and I am telling him if I am wrong and he is right, and if we are doing so much wrong, he could get up now. I will sit down now, and he can correct me. His Government from day one had nothing but suspension and time . . . late meetings and late starts and what have you: the same problems that we have. And it is all because Government—this one, that one, or the next one, and those before us—always find the need that they have to have these suspensions. They have to bring legislation. They cannot get legislation fast enough there is are too many calls. And there are only so many people to do so much work. And we have to wait on things.

The people, legally, are human. And we only have so many of them. It's not like we have 200 of them running around, you know. So we have to wait until we get until we can get the legislation and when we get it we have to bring it.

And another thing that we are different from any other country is because we are such a small parliament. Where other countries have dozen of members and they can put five and six members and a dozen members on a committee on a Bill and get it going and go through the whole works, this legislature does not have that to help us.

So, I wish that he would be honest enough to recognise, even if he hates us so much that he has to do this all the time, that he wants to do it all the time, just recognise that they were no better and that is the problem, and tell the people the truth.

[Inaudible interjections]

**The Premier, Hon. W. McKeever Bush:** That's not the truth?

Do you know how many suspensions you had in your time?

**Mr. Alden M. McLaughlin, Jr.:** Not for Bills.

**The Premier, Hon. W. McKeever Bush:** For Bills as well.

**Mr. Alden M. McLaughlin, Jr.:** No, not for Bills.

**The Premier, Hon. W. McKeever Bush:** Not Bills?  
You go get it.

[Inaudible interjections]

**The Premier, Hon. W. McKeever Bush:** You do an analysis.

**The Speaker:** Ah, through the Chair, please.

**The Premier, Hon. W. McKeever Bush:** A fool-fool analysis.

**The Speaker:** Through the Chair, please.

**The Premier, Hon. W. McKeever Bush:** I am talking through the Chair, Madam Speaker. It is he who is not talking through the Chair. I am on my feet, so I am talking to the Chair.

You're the only Chair that I can talk to. When somebody interrupts, they are the one not talking to the Chair.

[Laughter]

**The Premier, Hon. W. McKeever Bush:** But I hear you, Madam Speaker. And I will try not to hear the yapping over there.

Madam Speaker, public consultation? On this Bill people who care to know, already know what the problem is. They know that this should have been fixed too, a long time ago! Short notice?

Madam Speaker, many days I came in here as Leader of the Opposition and they wouldn't even let me speak. It's in the record, Madam Speaker. I couldn't speak. Check the record. They had a Speaker who agreed with them so much that as the minority leader I couldn't speak on certain matters. I couldn't speak.

[Inaudible interjection]

**The Premier, Hon. W. McKeever Bush:** Yes, I was bound and gagged by the Speaker's orders by their instruction!

[Laughter]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, first let me say that it is a fact that there are Standing Orders that we have been working on since they were the Government. There was a committee set up. Nothing happened, although a lot of work was done. I was part of that committee [along with] the Attorney General, the Member for East End and the Deputy Speaker, then, and the Deputy Speaker now, and the Clerk went to Canada and we looked through all theirs and made determinations on what needed to be done. And if they were so good and so democratic, they would have done something about it. But nothing was done.

And so, we have restarted—and he knows that we have restarted that. I wrote to them and told them and asked them for their opinion. But even to that, Madam Speaker, they have to disagree. They have to put a different what they think is a solution. But anyway, they tell us, *No, you don't do it this way; you do it this way.* Have to be different. Have to oppose. And so that is what my Government has had to put up with. We have started on that. And I expect that there will be a motion before this meeting is finished. We will have to suspend the Standing Order, but we have to get it done.

[Laughter]

**The Premier, Hon. W. McKeever Bush:** So, Madam Speaker, all I can tell him is that I don't know that we are so *ultra vires* the Constitution, but I can tell him that there is another constitutional provision that we are *ultra vires*, which only he can put in place, and after nearly a year has not done so. And I wonder why. But that's the Deputy Leader of the Opposition. That, too, is a constitutional provision not put in place. Why? Only he can answer. But I know why. But I don't want to answer for him, Madam Speaker. But I am prepared to tell the world one of these days if they don't soon do it.

He has the audacity to come here and talk about things *ultra vires* the Constitution? He should be ashamed of himself, Madam Speaker. *But he nah gaw none a dat!*

Madam Speaker, I am answering the debate on the points that I think are necessary because we just cannot allow him to yap the way he yapped and carried on and just leave it alone for people to believe that his side is right.

Madam Speaker, in talking about the work of my Government and the 2002 IRT, he asked what advice we received that is different now than then when the Law was passed, what has changed.

[Inaudible interjection]

**The Premier, Hon. W. McKeever Bush:** [Responding to interjection] How do you know she's not here?

He says, "How do we treat people who have lived here for 15 to 17 years?"

Madam Speaker, the Member is absolutely talking out of both sides of his mouth. And he is not being genuine, because there has been nobody who has stirred up more trouble in this country about immigration matters than that same Member. The truth is, and he should understand this, by his defeat last May, that he is fooling no one. But what he is trying to do, Madam Speaker, is on the one hand trying to get his friends in the press to give him headlines of how he is protecting Cayman and, at the same time, to *mamaguise* the not-so-enlightened expatriate by trying to make them believe that he, or the PPM, is battling for them by saying they will be here for 17 years with no rights.

#### Moment of Interruption—4.30 pm

**The Speaker:** Honourable Premier, I don't like to interrupt, but we are coming up to the hour of 4.30. We need a suspension of Standing Orders to carry on the business of the House.

#### Suspension of Standing Order 10(2)

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I move the suspension of Standing Order 10(2), to enable us to go past 4.30.

**The Speaker:** The question is that Standing Order 10(2) be suspended to allow us to continue the business of the House past 4.30.

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

**Ayes.**

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

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I would just like to take one minute. I need to speak to the Attorney General for just one minute before I carry one.

**The Speaker:** Granted.

[pause]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, thank you very much.

The Member, as I said, talks out of both sides of his mouth by saying that the expatriates here will be here for 17 years with no rights. Yet, at the same time he complains about people being able to wreak havoc on the country . . . and this is where I said that the Second Member for Bodden Town was getting into a

little deep water when he was saying that there are problems. But, of course, the Third Elected Member for George Town just couldn't stop there, he had to make it sound like we were doing something untoward to destroy the country as he did that night out in front of the courthouse about immigration and about status and how the foreigners were going to take over Cayman and what they had done and what they were doing.

I wonder if he believes that people don't remember what they carried on with. Never mind their amendments (I am coming to that too) that destroyed the way that these same people could have been assisted. So he is doing all of that while he is complaining. But if we keep them here so long, according to him they will have 17 years here and we could not stop them from getting residence—and maybe he said status, or implied that.

So he says the amendment is far too risky and we don't know what we are doing. But, Madam Speaker, what is the position now? People have seven years and they go on to appeal their non-grant of permanent residence (PR) because they apply and they do not get it, and this has taken people another four to five years to get that appeal through.

More so, there are people who have been here for 17 to 20 years, at least 2 came to me on Sunday and are being turned down. So, they don't need this amendment, Madam Speaker, to be turned down. And that obtained with him.

Let's look at their amendments to the Immigration Law: One was the removal of your right to re-apply for permanent residence under section 29(3) of the Immigration Law (2003 Revision). Under the PPM amendment law, even if you are here for 100 years you could never reapply for permanent residency. Who led the charge on that? He? The Leader? Or who? This is difficult, not just for all foreign nationals; this is difficult for even Cuban Caymanians who would not meet the point system.

Two, the removal of the right to permanent residence without having to comply with the point system under section 50(2)(e) of the 2003 Law unless you were here by the 1<sup>st</sup> of January 2004. Madam Speaker, who did that help? Why does it matter when you arrive if you have been here for 15 years, whatever nationality you are?

Three, removal of the right to appeal the refusal of a Board to grant key employee status under section 47 of the 2003 Law . . . And you are talking about key employee? You removed the right to appeal from the Board! You removed the right to appeal the refusal of a Board and you dare have the audacity . . . he has the audacity to think he can fool-fool people. Looking votes!

Removal of the right to be Caymanian if your parents didn't have status at the time of your birth even though you are born here: I was never in favour of that. If you are born here, you are born here, just



like if you are born in the United States you are a citizen.

Removal of the entrepreneur and investor certificate under section 35 of the Law which encouraged people to take up residence who invested in employment-generating businesses . . .

He has the audacity to come here and talk about making changes to hurt these people? On the one hand, out of one corner of his mouth, the other side he is saying that they are going to destroy the country if you leave them here? He says that what we are doing is offensive, repugnant to foreign nationals and talked about the pension right and their immigration right to be treated fairly to live here with their family. He should be ashamed. He should be flogged.

That is unparliamentary, and I withdraw it.

**The Speaker:** Thank you.

*[Laughter and inaudible interjections]*

**The Premier, Hon. W. McKeewa Bush:** You never mind the abusive manner . . . it was you getting on the courthouse steps and telling the people of this country that because certain people got status they were destroying the country and he was the same one that talked about the Caymanians don't like foreigners and foreigners don't like Caymanians. I heard that chat before in the West Indies and the Caribbean.

*[Inaudible interjections]*

**The Premier, Hon. W. McKeewa Bush:** Oh yeah?

It is some great love that is missing now? They want a date now?

*[Inaudible interjection]*

**The Premier, Hon. W. McKeewa Bush:** Whoever handed it out, Madam Speaker, it was the right thing to do. And obviously, Madam Speaker, that must be so by all that he is saying now. They were the ones who said there were 14,000 people that needed to be put right; it wasn't me.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeewa Bush:** Yes, you!

So where does he stand on the issue? Where does the PPM stand on the issues? It is so hypocritical of them because . . . Madam Speaker, it was [they] who made the immigration changes that put foreign nationals in that position. It was [he] who whipped up the people about the foreign nationals here. There was never that kind of feeling existing in this country until the Third Elected Member for George Town got into office and tried to get into office and tried to take over the Cabinet and stood on the courthouse steps and ranted and raved and carried on and told people all sorts of nonsense about what the foreign nationals

were doing and how many jobs they were taking and which jobs belonged to them and which law firms couldn't get business and how many small law firms were going to suffer because of all the foreign nationals being here.

That is why we have the problems today!

*[Inaudible interjections]*

**The Premier, Hon. W. McKeewa Bush:** Because, Madam Speaker, we had 14,000 people here, as they said, that needed to be put right.

*[Inaudible interjections]*

**The Speaker:** Ah—

**The Premier, Hon. W. McKeewa Bush:** Whether they were in jail or not, they had residence though! You took it from them!

**The Speaker:** Please don't interrupt; I am trying to hear what the Premier is saying. Thank you.

**The Premier, Hon. W. McKeewa Bush:** Just now if I was hurting, boy he's having some great pain over there.

**The Speaker:** Honourable Premier, keep going.

**The Premier, Hon. W. McKeewa Bush:** Thank you, very much, Madam Speaker. I was just talking to my colleague. But anyway . . .

*[Inaudible interjection]*

**The Premier, Hon. W. McKeewa Bush:** Key employee? He wants to find out about the key employee? That is available now. And was available for the last four years!

He removed the right to appeal the refusal of a Board to grant you key employee status under section 47 of the Law that the UDP passed. I piloted that Bill in 2003. Some of it I did not agree with, but that was the Law that we had to bring according to everybody.

So, the key employee is available now. So how many got it over the last four years, if it was such the right thing to do? If it was so right, they would not have made that removal. Can you imagine removing, Madam Speaker, the right for an appeal? I don't think there is anything as wrong in law as that: anything that goes against human rights is that, anything that is repugnant and offensive is that because no matter what, you should have the right to appeal.

He, in all his wisdom, changed it. And what has happened since then, Madam Speaker? Over 8,000 and probably 10,000 people have left this country. So, if the key employee status was the right thing

to do, why did they not enforce it and do it more vigorously? I ask.

But the key employee wouldn't be in any better position. Again, it takes them to nine years. And then they can apply for permanent residency. If they get turned down, they appeal. So, how will the key employee help the group of people, the caregivers, that we are trying to help?

They say they understand what we are trying to do. They can say that, Madam Speaker, because they know that there are many people, many, many voters out there that have asked for this: Elderly people, people who have handicapped children, families who have handicapped parents.

So what is his solution or the solution of his party? They have none! That is their problem. Talk is cheap, and they have been doing that for far too long, ever since they have been a party. When they got elected they didn't do anything. And now that they are in Opposition they have all the time to do nothing, and boy, they are doing that!

What are they doing? Where are their solutions? Oh, they seem to have a basket full, but had none when they were in Government.

Madam Speaker, we are not taking this thing lightly. I have asked to get a legal opinion on this matter. And the legal opinion is that every state is free to determine for itself the conditions of residence of non-citizens. Every state! Our law applies and cannot be breached and will not be breached. People can go to court. But you didn't see much of that because people know that the only ones who didn't seem to know that were far too many Members of this House. Or they are so afraid that everybody is going to come take away our house, take away our land, take away our children, take away our wives, take away our husbands, so they don't want anybody here.

Do you know what is wrong with this country? They want everything, yet they do not want anything. That's the big problem here. We think that we can get it by ourselves. I said so this morning, Madam Speaker. Thirty-one thousand Caymanians cannot run this country! We cannot satisfy the economy of this country. And the sooner that my Government understands that, and the people on our boards understand that, and the sooner the Opposition will agree with us . . . I wouldn't even ask them to agree, to vote. I would ask my party to understand that and my boards to understand that we cannot—and we will not—fix this situation until we address the immigration problem in this country. It is the biggest single problem that we have.

When people do not know for certain where they are going to be in four years' time, no conglomerate is going to send anybody here to do anything. And so, we are suffering. Our business . . . we are losing it. Canada is getting it. The British Isles are getting it. Luxemburg is getting it.

He's gone out of this room? He has a right to go out of this Chamber because, Madam Speaker, he

was also responsible for the finance industry where the key employee stood. And that is why it is in such a mess today, because of things that he did. Never mind about a law that we made talking about funds that have been in the banks for 30 years. Which bank wants to give it us? None of them! None of them wants to give it up. But if an amendment has to be made, and I don't know that that will be so . . . well, if an amendment has to be made, I am prepared to come back here in due course and say it has to be done.

Madam Speaker, I did ask the Attorney General to get a legal opinion out of London. And we have that. I am not going to deal with that now. But later on I am prepared once my backbench and the Cabinet has been fully apprised of what our true constitutional position is. But even our Constitution, Madam Speaker, tells us what can and cannot be done.

And he just got an MBE, claiming that he was the architect of it. I don't know if that's so, but anyhow he got it. But he should know what's in the Constitution. And all that he says there . . . and he is the legal mind, supposedly, and he is leading the others and he misled those people. That's why I said that my friend, the Second Elected Member for Bodden Town, was misled into believing that we are going . . . that this is somehow down the years going to affect us. It cannot because our law is supreme and there are no international obligations demanding, telling us what we must do in this regard.

There are some saying—if there were no law and they were all here, that it would be different. Anyway, Madam Speaker, in due course, Members of this House will be apprised of where that stood.

But I can tell you that McKeeva Bush is for making the changes because I am not one to see something kill us and do nothing about it. And I believe that is what is happening. Our immigration issues are stopping the economy and are hurting us and will continue to do so.

And past 2013 the economy will not get any better, particularly in the financial industry, because there are far too many Caymanians who believe that those people have their jobs. They don't stop to think that one of those managers creates jobs for four secretaries. And if that manager has gone to Canada, nobody is going to create those four jobs for those four secretaries. But that is what is happening. And that is why we have so much employment.

Madam Speaker, my friend the Member for North Side talked about the definition. He said it could be more narrowly defined. Well, we worked at that and we worked at it, and we cannot get it any narrower than it is, unless we said that we do not give anybody the right. But I don't see us being able to do any more for it. It's narrowly defined to be given to the elderly or the handicapped, or in some other special case. But that is not open. Even that is limited. But he did raise a good point. Why?

But before I get to that point, he said this thing about people being able to switch. And that is not so. People cannot switch here on what we are doing because we have required them to be with the same employer making the application for three years. They cannot switch for three years. They cannot switch. They have to be with that employer for up to three years, the person making the application. So how are they going to switch?

Think on what you are saying.

**The Speaker:** Are you going to give way for him to say it?

**The Premier, Hon. W. McKeeva Bush:** No. I think he said it already.

Madam Speaker, the Member is not correct. I say he is not correct because they cannot make that switch because we have required them to be with the same employer making the application for three years.

The other point that he raised was why are Caymanians not doing more to take care of their people. That is a serious question that he needs to pound on the airwaves. I would advise him next week when he is on the radio to take that point forward and pound it to pieces for Super Tuesday. Pound it to pieces.

Do you know why, Madam Speaker? Because we are all so caught up in trying to survive that it is easier to pay somebody than for us to have to stay home to take care of our parents. But just think of it, since that question was raised.

I have a 90-odd year old aunt. Somebody has to take care of her. Some of her children are abroad. The son takes great care of his mother, but he has to get somebody to do it. I have a 90-year old aunt. Same thing! Do they have anybody who can leave their work to take care of them all day long? No. But each one of their children has to pay their mortgage and feed their family. My mother was 86 yesterday, God bless her – in a wheelchair. When I'm here and she has to go to the doctor, somebody has to drive her. My wife cannot drive. And it would only be my wife to be able to get . . . My sisters have to take care of their children, have to be out there making a living. And that is the problem with all Caymanians.

But, the truth is, some Caymanians who could be caregivers don't want to be, because they are not going to bathe the old people; they are not going to put up when any old people cuss them and hit them. They are not going to clean them up. They are not going to do it. And that is why for years we have had to have these people here. So, the Member's question was a little bit rhetorical. But I advise him, if he can pound that issue for me—

**Mr. D. Ezzard Miller:** Enforce the Maintenance Law.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, you see, again . . . and I don't think I am straying because he raised the point about why they

are not taking care of them. He says enforce the Maintenance Law.

That Law says that children must take care of their parents. That's outdated and cannot work, simply because of what I just said.

Do you know what? Singapore has programmes in place where they will pay you and the next one to keep your parents with you. They give you \$2,000 per month to keep your parents with you, to keep the family unit together. So, I am not disagreeing with what the Member for North Side is saying. I am saying it cannot work. But the premise is that we should be trying to keep the family unit intact. And that is what Singapore has done.

But that Maintenance Law that says that we have to take care of parents . . . no law has to tell me that. I only have M-O-T-H-E-R and when she's gone there is no more. You can always get wives; but you cannot get mothers. So, I do everything in the world that I can. The only thing I cannot get her to do is stop listening to the radio.

*[Laughter]*

**The Premier, Hon. W. McKeeva Bush:** She wouldn't shut that off like I shut it off!

But that is a fact. I cannot be there. I have to have somebody to help her. And I tell you, God bless those caregivers in this country. And some of the things that he is talking about, pensions—if he thought it was so right why did he not do it?

At a time like this, I don't know if that is what he could do; but all of us . . . and nobody can ever accuse me of not wanting to help anyone in that category because that group of people . . . I call it the casual labour sector. I pay more attention to that than any other sector in this country simply because those people need more assistance than anybody else that comes here to work. So, Madam Speaker, as a Government we have done all we could in this regard.

We have recognised the needs of the most vulnerable. But I say in moving our immigration policy forward, our needs as a country have been made harder by the amendments brought by the last government which I have named out. I acknowledge that the technical amendments to every law are a necessary part of every law. But the fundamental change by the PPM is still causing havoc in our business community and will continue to until we change it back to the better. And my party has to understand that. Take the bull by the horns and change it. Either that or we continue losing business. It is as simple as that.

In conclusion, Madam Speaker, the certificate for specialist caregivers represents the best mechanism for exempting those caregivers who perform particularly important functions in caring for our sick, elderly or handicapped family members. And I recommend this amendment to the House for the sake of the community and in consideration of the fact that we

all do not have equal needs. There are some more needy than most.

Madam Speaker, I want to thank all those who have been concerned. My own colleagues, elected colleagues, and Cabinet, and particularly Mr. Franz Manderson. I want to also thank the Immigration Department because all this while in trying to please everybody we had to get Immigration to hold back because some of the elderly people would have been very distraught. Madam Speaker, people just don't know the amount of calls, the amount of work that has gone into this. Overseas I have been emailing constantly dealing with these issues for the elderly, particularly.

So, I am glad to get to this point. This is one part of it behind us. I hope that it will immediately be signed by the Governor so that it can come into effect by 1 October if not before.

Madam Speaker, I thank all honourable Members.

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

The question is that a Bill shortly entitled, The Immigration (Amendment) (No. 2) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, can I have a division please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 14—2010/11**

**Ayes: 9**

Hon. W. McKeever Bush  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden  
Capt. A. Eugene Ebanks  
Mr. Elvio A. Solomon  
Mr. Dwayne S. Seymour  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden

**No: 1**

Mr. D. Ezzard Miller

**The Speaker:** The result of the division is Ayes: [9] and Noes: 1, the motion is carried.

**Agreed by majority: The Immigration (Amendment) (No. 2) Bill, 2010, given a second reading.**

**Insurance Bill, 2010**

**The Clerk:** The Insurance Bill, 2010. Second Reading.

**The Speaker:** Honourable Premier, the Honourable Minister responsible for Finance, Tourism and Development.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I beg to move the Second Reading of a Bill entitled the Insurance Bill, 2010.

**The Speaker:** The Bill has been duly moved; does the mover wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Yes, Madam Speaker, thank you kindly.

The process of modernising the regulatory framework for insurance has been ongoing for several years. In May 2005, the Insurance Working Group set up to do a full review of the insurance regime following the events that transpired after Hurricane Ivan. They recommended that the then Law be substantially revised.

The Working Group, which was appointed by Government and led by the Cayman Islands Monetary Authority, also took into account the recommendations contained in the International Monetary Funds (IMF) 2005 Report of its assessment of the Cayman Islands in March 2003.

The Law was subsequently amended, the last revision being enacted in 2008. These revisions brought about improvements in the regulations of insurance business and in the protection of consumers. However, Madam Speaker, these revisions, including the 2008 revision as passed, did not implement all aspects that the Insurance Working Group and the IMF had recommended.

Recognising the need for further changes, CIMA recommended that the Insurance Law (2008 Revision) be repealed and replaced with a new Law. The Insurance Bill 2009 was drafted.

The 2009 Bill was reviewed by the IMF when they conducted their follow-up assessment of the Cayman Islands in March 2009. They recommended further changes in the legislation to fully align it with the prevailing international standards. It is important to note that although most of these standards were being observed and practised, the fact that they were not set out in law was a deficiency.

In light of this, Madam Speaker, the 2009 Bill was redrafted resulting in the Bill laid before this honourable House.

The overall aims of the [Bill]: The changes contained in the 2010 address four main objectives:

- 1) It more clearly differentiates the two markets that exist within the Cayman Islands insurance industry, that is, the domestic market and the international market, and allows each to be regulated according to their different requirements.

- 2) It further strengthens legislation to protect Cayman's residents, addressing known weaknesses in that Law.
- 3) It brings the Law, not just the practice, up to international standards. Thus addressing the concerns of the IMF and meeting the present standards of the International Association of Insurance Supervisors.
- 4) It opens up new frontiers of business development.

The proposed Law enhances the insurance regulations in the following main areas:

- 1) It establishes defined categories of insurers, separating definitions and practices, distinguishing between insurance business and re-insurance business.
- 2) It regulates domestic insurers by establishing thresholds that prescribe adequate capitalisation and solvency requirements.
- 3) It regulates insurance managers and auditors by creating clear whistle blowing and immunity provisions.
- 4) It mandates proper segregation of assets, especially relevant to investor link policies, robust pricing processes, and controls adequate disclosures, and reporting to policy holders as well as effective training of intermediaries and professional sales advisory.
- 5) It mandates an effective corporate governance system.
- 6) It strengthens provisions to deter the commission of breaches of the Law by increasing penalties and through the creation of an explicit offence where false information is provided to the Monetary Authority.

The Bill creates two new categories of insurance licences. At present there are two categories, Class A, for domestic insurance business; and Class B for international insurance, which has been mainly Captive insurance.

The Bill creates a Class C insurer licence, special purposes vehicles, and a Class D insurance licence re-insurers. The new Class C, special purposes vehicle, creates a regime explicitly for the creation of reinsurance arrangements that are financed through the capital markets. This would include, for example, catastrophe bonds.

The creation of the Class D licence provides a clear regulatory structure for re-insurance business. This will allow the Cayman Islands to begin to develop a re-insurance industry which is an area of great potential for our international financial services centre.

The Cayman Islands has been approached in the past by numerous re-insurers who were seeking to re-domicile here, but due to the lack of specific legislation tailored to re-insurance, it was not attractive

enough for them to finalise their move. So, we know that we have the interest of the international re-insurance industry. Now, we have the legislative framework in place to welcome this high quality business to these Islands.

Under the new Law, Madam Speaker, Captive Insurance providers will continue to fall within the Class B insurer category. As you know, Captives have been the mainstay of the international segment of our insurance industry. The Law seeks to protect and enhance that and to make allowance for open market insurers.

Three subcategories of Class B are being introduced that will cover the broad range from pure captives to open market insurers, and to provide appropriate regulation for each. The categories are based on the proportion of risk they are covering from their related business as compared to the proportion of their unrelated business.

There is a whistle-blowing provision. The Law strengthens the whistle-blowing provision for insurance managers and auditors and provides full protection for them in doing so. This enhances CIMA's oversight of international insurers licensed in Cayman by making it mandatory for insurance managers who are their agents to inform CIMA if the manager has concerns of information about the licensee's fitness and probity, ability to meet its obligations, criminal activity, proceedings or breach of its licence.

Note that the Law has had whistle-blowing provisions for insurance managers since 1979. But this new Law makes these responsibilities more explicit, includes auditors and gives immunity in carrying out the duties, obligations and functions under this section of the Law.

Section 31 of the Law increases the protection of domestic policyholders by requiring Class A insurers, that is domestic insurers, to have CIMA's approval in order to transfer or amalgamate all or part of the insurer's long term business. That is their life business, Madam Speaker. Having regard to the interest of the policyholders and the circumstances of the case, CIMA may approve fully, subject to any conditions it sees fit, or deny such a request for portfolio transfer and amalgamation.

Section 33 also strengthens the domestic market by requiring licensees to submit to arbitration where there is a dispute, or differences, arising out of or in connection with a contract of domestic insurance. And no valid arbitration agreement was found to be in place.

Further, after a review of recent events in the domestic market, including difficulties of CLICO (Cayman) and British American Insurance, which impacted local consumers, the new Law lays a framework for a more robust set of capital and solvency requirements for insurers and enhances consumer protection.

Section 37 makes it an offence to knowingly and willfully provide falsified or misleading information to CIMA. Anyone found guilty of this offence is liable

on summary conviction to a fine of \$100,000 and to [five years] imprisonment.

On the issue of fines, these have been generally disproportionate to the nature of the offences, a situation that both we and the IMF noted. The new Insurance Law will increase the penalties in the Law, particularly in respect of the domestic insurance market. These are outlined in section 20(9) and section 38.

The Law also allows CIMA to impose certain conditions regarding decisions made by a licensee. These include a suspension of voting rights or nullifying Board decisions. These are among the powers of the Authority where it has concerns about the ability of the licensee to meet its obligations or about the manner in which the business is being conducted.

The Law also makes provisions for regulations. These are being drafted through consultation between Government and a wide range of private sector stakeholders. But they will address aspects such as developing a set of unique solvency standards for each distinct new class of business, protecting the viability of the Class B market. In fact, in some cases, the regulations are expected to be less burdensome. Updating the reporting and disclosure requirements for the Class A domestic market.

Madam Speaker, we can confirm that the local insurance industry has partnered with the Government and CIMA in a comprehensive process of consultation which demonstrates the commitment of these three key stakeholder groups, policymakers, regulator, and the private sector, to protecting this vital sector within our financial services industry.

I would like to especially acknowledge the tremendous effort of the Cayman Islands Insurance Association, Insurance Managers Association of Cayman, the Cayman Islands Society of Professional Accountants, the Cayman Islands Law Society, the Cayman Islands Monetary Authority, the Portfolio of Legal Affairs, and the Ministry of Finance, Dr. Dax Basdeo, Mr. Samuel Rose and others.

At every phase of the process, the insurance industry was fully engaged in the development of this legislation providing feedback directly to and holding meetings with representatives from CIMA and my Ministry. This has resulted in the robust and innovative legislation before us today which is eagerly anticipated by our local industry and our international clientele.

In summary, Madam Speaker, the proposed Law 2010 is very forward-looking. It clearly recognises the two distinct markets that comprise the insurance industry in the Cayman Islands and establishes a regulatory regime that is appropriate to each market and its sub-sectors. The Law codifies some of the standards that were being applied and practised and addresses other weaknesses to bring it officially up to par with international standards.

It provides the legislative framework for the Cayman Islands to become domiciled for re-insurance

entities, tapping into a lucrative niche in the international insurance market. And, equally important to all of that, Madam Speaker, the new Law provides greater protection for consumers in the domestic insurance marketplace.

I am also pleased to say that this Law has been treated to wide and comprehensive consultation within the Cayman Islands. I believe that this Law is needed and all of those consulted believe that the Law is needed and is a strong step towards reinforcing our international standard.

I again want to thank CIMA. I want to thank the Attorney General and his team, and my team in my Ministry for their hard work, and all those in the private sector, of course.

Thank you kindly.

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

Does any other Member wish to speak?  
Elected Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker.

I wish to make a short contribution on a Bill for a Law to revise the regulation of the insurance industry in the Cayman Islands; and for incidental and connected purposes.

Madam Speaker, I support the Bill, however I have a couple of concerns. I say this because the Bill goes into quite a lot of detail of the requirements for licensure and the reporting mechanisms. But I find a curious provision in the Law that bothers me. The first time it appears is in clause 4(b), where it says, “**(b) unless waived by the Authority, comply with section 9(1)(a) and(c);**” and 9(1)(a) and (c) talks about “**(1) An insurer shall, except as otherwise approved by the Authority in writing and subject to subsection (3), submit to the Authority by way of annual return, within six months of the end of its financial year - (a) audited financial statements . . . (b) an actuarial valuation . . . (c) certification of solvency . . .**”

Also in clauses 10 and 11 we get the same provision, *except as otherwise approved by the Authority in writing.*

So my concern, is that if we are requiring (which I think we should) audited financial statements and actuarial valuations and certifications of solvency, why are we then allowing the Monetary Authority to decide that they don't have to comply with these regulations? I have some concerns about that because I think that . . . I would be happier if we just deleted the section that says “unless waived by the Authority, comply with the section” because I cannot think of any instance that I would think that an insurance company should be allowed by the Authority to not produce audited financial statements or not produce a certificate of solvency.

Or, in [clauses] 10 and 11, we are talking about returns required by insurance agency, returns required by insurance broker and insurance manager.

I interpret that to mean that the Monetary Authority can in certain instances say that these people do not have to comply with these requirements by the Law. And that troubles me a lot because I think they should have to comply with the Law and the Monetary Authority should not have the discretion to say in writing that they do not have to.

Madam Speaker, the mover also spoke about the regulations that are going to be promulgated on this Law. I haven't found it in the legislation, but I hope that the regulations are going to address the vexing problem of underinsurance, which was a creature created post-Hurricane Ivan to reduce people's ability to claim.

I can say that insurance companies are using this underinsurance thing to drive and to increase people's premiums. What they do is they decide to go and get your property valued, sometimes it may be by their friend, and you will get a letter in the mail saying that your property was valued at \$200,000, and they have information that it is valued at \$450,000 or \$500,000 and this is what the new premium will be.

And if you call them up and say, *I want to insure it for \$250,000*, then they give you this whole spiel of underinsurance and tell you that they are going to value . . . although you are paying a premium for the value of \$250,000, because they have decided that the property is valued at \$500,000, your claim will be 50 per cent of what you have insured it for, less your deductible.

Most people in the Cayman Islands have always believed that if they insured a property for \$100,000, that is what the premium was paid for; when they had a claim they expected to get the \$100,000 as specified in the contract minus whatever the contract deductible is. I am hoping that the Government sees fit in the regulations to address this problem because I believe the insurance companies are using it to their advantage and to the disadvantage of many people in terms of simply collecting more profits for themselves.

Madam Speaker, I was hopeful that the Government, having accepted a motion from me in April to do a survey and a comparative survey of insurance charges within the region of countries with similar exposure as Cayman with hurricanes, et cetera, and they were supposed to report in this Session. I haven't seen anything. It would have been nice if we had that before this Law was brought into place. I hope they haven't forgotten about it, and that it has, in fact, been done, and that it will be tabled during this sitting.

With those few remarks, Madam Speaker, thank you.

**The Speaker:** Thank you, Elected Member for North Side.

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

If not, I call on the Honourable Premier to conclude the debate.

This might be a good time to take a break . . .

**The Premier, Hon. W. McKeever Bush:** Yes, Madam Speaker, except that I don't plan to be long, and we do not plan to go beyond this Bill this afternoon.

**The Speaker:** If you want to continue—

**The Premier, Hon. W. McKeever Bush:** Yes, Madam Speaker, because, as I said, we don't propose to be long.

Madam Speaker, I had to step out, but I did listen to the Member from North Side and heard his queries. I will answer them in the Committee stage of the Bill. Some of [his queries] are very valid – questions in regard to locally how people are treated by insurance. That is a vexing question for all of us and those particular areas that he talked about. I do not know if they can be addressed in this, but they are valid questions in that regard.

So, Madam Speaker, as I said, I propose to deal with these questions at Committee stage. I therefore thank all Members for their tacit support of the Bill.

**The Speaker:** Thank you Honourable Premier. The question is that a Bill shortly entitled the Insurance Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Insurance Bill, 2010 given a Second reading.**

**The Speaker:** I am going to call a short break now, 15 minutes. Please do not be longer than that coming back to the [Chamber]. Thank you.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we're going to adjourn.

**The Speaker:** You are going to adjourn? Well, let's . . .

[pause]

**The Speaker:** The question is that a Bill shortly entitled the Insurance Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Insurance Bill, 2010, given a Second reading.**

## ADJOURNMENT

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, we propose to adjourn the House at this point.

**The Speaker:** Is that adjournment motion going to include the continuance of the business of the House tomorrow?

**The Premier, Hon. W. McKeeva Bush:** Tomorrow.

**The Speaker:** At 10:00?

**The Premier, Hon. W. McKeeva Bush:** Yes, Private Members' Motions.

Madam Speaker, I move the adjournment of this honourable House until 10 o'clock tomorrow morning. Everyone recognises that Thursday is Private Members' day. As the Business Committee conducted its business, it will be Private Members' Motions tomorrow first.

**The Speaker:** Thank you.

The [question] is that this House do now adjourn until 10 o'clock tomorrow morning.

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

**Ayes.**

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

**At 5.25 pm the House stood adjourned until 10.00 am Thursday, 9 September 2010.**



**OFFICIAL HANSARD REPORT**  
**THURSDAY**  
**9 SEPTEMBER 2010**  
**10.37 AM**  
*Second Sitting*

**The Speaker:** I will ask the Second Elected Member for Bodden Town to say Prayers.

**PRAYERS**

**Mr. Anthony S. Eden:** Let us pray.

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

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

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

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

**The Speaker:** Good morning everyone, please be seated.

Proceedings are resumed.

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

**Apologies**

**The Speaker:** I have a message from the Honourable First Official Member [Deputy Governor] that he will be arriving late this morning.

I also spoke this morning with the Member for East End, and his sister came through the surgery quite well and now they are hoping for a full recovery. He will be away for a few days yet.

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

**The Speaker:** [Honourable Leader of the Opposition] First Elected Member for George Town,

**QUESTION NO. 1**

**Hon. D. Kurt Tibbetts** asked the Premier, the Honourable Minister of Finance, Tourism and Development, when was the last actuarial review done for the Public Service Pensions Plan.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

Madam Speaker, the last actuarial review completed for the Public Service Pensions Plan has an effective date of the 1<sup>st</sup> January 2008.

**The Speaker:** Are there any supplementaries?

[Honourable Leader of the Opposition] First Elected Member for George Town.

**Supplementaries**

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Madam Speaker, I am assuming from the answer that it has an effective date, 1<sup>st</sup> January 2008—meaning the Actuarial Report would be as of that date. Assuming that is the case, can the Honourable Premier state the results of the actuarial review with regard to the amount of pension that is being paid in now and whether or not that was deemed to be sufficient? If not, what was the recommendation?

*[pause]*

*[inaudible interjections]*

**The Speaker:** You gentlemen turn off your [microphones] please.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I am sorry for that delay. I had to consult with the Honourable Financial Secretary.

Madam Speaker, I just want to point out that while this Board is under the Ministry of Finance (because of the importance of the Board and the fact that it affects Government's overall financial positions, is the reason it is under the Ministry of Finance), administratively, it reports to the Deputy Governor.

Madam Speaker, I would also like to say that when this Report was done there were several legal issues raised, which took a while but are now clarified, and we will in due course be tabling this Report. If I can do that, I certainly will.

In regard to the amount of pension being paid now and if that is sufficient, the Report revealed and recommended that the rate of the Parliamentarians pension plan at 2005 was 101 per cent, and the recommended rate at 2008 was 104 per cent.

The Public Service Pension Plan, that is the Defined Benefit portion of the Plan, was 40.53 per cent at 2005, and the recommended rate at 2008 was 44.9 per cent.

The Public Service Pension Plan, Defined Contribution portion of the Plan, the rate at 2005 was 13 per cent and the recommended rate at 2008 was 13 per cent.

The Judicial Pension Plan at 2005 was 41 per cent, and the recommended rate was 40 per cent.

I am sure that when that Report is tabled Members should take the time to peruse it as I believe the public will. I believe it contains sufficient information for people to understand the seriousness of the whole matter.

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

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you.

Madam Speaker, staying with the Public Service Pension Plan, can the Honourable Premier state what was the Actuary's position with regard to Past Service Liability?

*[pause]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, in 2005, the Past Service Liability (PSL) rate was 28.53 per cent.

In 2008 when the last review was done the recommendation figure should be 32.9 per cent.

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Madam Speaker, for purposes of clarity.

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

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you.

Could the Honourable Premier explain what these percentage points represent?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I just needed some clarity from the Financial Secretary on it. But I did say that in 2005 the Past Service Liability rate was 28.53 per cent; in 2008 the recommended figure should be at 32.9 per cent. So 28.5 per cent in 2005 was the Government's contribution; the rate of pension contribution to eliminate the Past Service Liability over the end of 20 years.

In 2008, the recommended is 32.5 per cent.

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

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you, Madam Speaker.

Madam Speaker, through you, these two percentage points, 28.53 per cent in 2005 and 32.9 per cent as of January 2008 . . . obviously, if the amount has grown from 28.53 to 32.9 from 2005 to 2008 January, and Past Service Liability payments were being made between 2005 and 2008 . . . can the Premier then say what effect will the fact that Past Service Liability payments have not been made in the last two budgets— what effect that will have on the percentage rate with the next actuarial study? Because I am assuming that (if memory serves me right) that is supposed to be done every three years.

*[pause]*

**The Premier, Hon. W. McKeever Bush:** Madam Speaker.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** It is very likely, Madam Speaker that the 1<sup>st</sup> January 2010 Report will show a higher percentage for Past Service Liability because of poorer than expected performance of the Pension Fund Investment, one, and then by sticking to the 20 year elimination of the PSL the percentage rate would have to be higher, Madam Speaker. But if the 20 years were extended to 30 years—if that was possible—it is possible for the percentage to be less.

Madam Speaker, also, why that is so (the Member specifically asked the question about not being paid in two budgets) it is simply because Government's financial position—

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** I understand.

**The Premier, Hon. W. McKeever Bush:** Well if you know that . . . you asked the question [so] let me answer it now.

Government's financial position was so poor. Last year when we took it over there was \$80 plus million deficit and if we didn't have to pay that off then money could have gone into paying off the Past Service Liability. Why we couldn't put it there is because

we didn't have it! It was all spent up! That is simple arithmetic, Madam Speaker. Blind Bartimaeus can see it, and the daffiest of persons can understand why.

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

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you, Madam Speaker.

I noticed with interest the substantive answer which the Honourable Premier gave when he spoke to the Defined Contribution portion of the Public Service Pension Fund, that for both actuarial studies the percentage was the same, which was 13 per cent. Can the Honourable Premier say if that is to say that the Past Service Liability for the Defined Contribution portion of the Public Service Pension Fund is not growing, and at the 6 plus 6 that is being put in now, it is keeping apace of the liability that it might have?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, before I answer that question just let me say that this underfunded position has existed for well over a decade. This is not new.

And as far as our Government is concerned, we are looking at all options to positively impact the contribution rates. But this is not new. As I said, the cause is well known. If Government had the money [and] if we hadn't had the deficit of [\$]81 million, and instead of talking about "the kindest of mornings," and had taken time to wipe out that deficit, we would have had money to put towards pensions.

Anyway, the Defined Contribution Scheme, Madam Speaker, came into effect around the year 2000. There is no associated buildup of the PSL for the employees joining from 2000 onwards. The employee benefits now equal the performance of the Pension Fund. And, as we are told, the 13 per cent is sufficient.

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

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you.

Madam Speaker, it is 6 plus 6 being paid in now, and I'm assuming that that 13 per cent should mean that the recommendation is that instead of 12 per cent going in it should be 13 per cent. I'm assuming that that's what that means.

Now, assuming that that is what that means, I just want to clarify: The position as of 1 January 2008, where 32.9 per cent is a figure moving up from 28.53 as of 2005. Does that mean that what the Actuaries Report basically states is that to bring that portion of the Public Service Pension Fund, which is a Defined Benefit portion of the Public Service Pension Fund, to where it should be, and that it is capable of sustaining itself and that there is no Past Service Liability over a 20-year period? Is it that it means that whatever is being paid out in pensions now, or does that refer to

salaries? Or is it pensions that are being paid out now, that 32.9 per cent of that should also be going in on an annual basis to bring it to zero in 20 years?

**The Speaker:** Before we continue we need to raise the Standing Order to allow questions after 11 o'clock.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I will do that in a minute but I want to say that the substantive question was, when was the last actuarial review done for the Public Service Pension Plan? I consider that the Member has gone far away from that and obviously he had all of these questions he wanted to ask. I mean he is not just pulling them out of his head now.

I see what is going on. And if he wanted them answered, Madam Speaker, he should have put them down as substantive questions because I consider answering this question that it has gone far away from what he asked, in which I could have answered easily.

Anyway, Madam Speaker, I will move the suspension. We have other questions and, certainly, I will answer that last one that he has. But I want to tell him and his Government that my Government will not—and you can say anything you want, Madam Speaker—but my Government will not accept any blame for not being able to pay into the PSL in the last time that it should have been done.

Had his Government managed the finances of this country in a more responsible manner we should have had more than enough money to pay into that past service pension liability. And the world has to understand that! And he . . . don't think by him [asking] any question that he is going to get away from that fact. Now he might get up and say the important thing is to find out what we can do about it, and I want to say to him that is exactly what we are trying to do—we're trying to fix the problem!

#### **Suspension of Standing Order 23(7) and (8)**

**The Speaker:** Are you going to raise the Standing Order—

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I move the suspension of Standing Order 23(7) [and (8)] in order for questions to be asked after 11 am.

**The Speaker:** Shall we move on to the next question?

*[inaudible interjection]*

**The Speaker:** Pardon me.

The question is Standing Order 23(7) be raised to allow the answering of questions after the hour of 11 am.

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

**Ayes.**

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

**Agreed: Standing Order 23(7) and (8) suspended.**

**The Speaker:** Shall we continue with question time, please?

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, in regards to the last supplementary, 32.9 per cent is the percentage of public servants salaries and benefits that would need to be paid into the Pension Fund on an annual basis to eliminate the Past Service Liability figure down to zero over a 20-year period.

**The Speaker:** Thank you.

Can we move on to the next question please?  
Third Elected Member for George Town.

## QUESTION NO. 2

**Mr. Alden M. McLaughlin, Jr.** asked the Premier, the Honourable Minister of Finance, Tourism and Development, if the Government is collecting all of the deferred payments and customs duties as they become payable in accordance with the terms of various agreements made from time to time between Government and certain property developers and/or entrepreneurs and/or other persons or entities.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

With the exception of one entity, the Government is collecting all deferred payments and customs duties as they become payable in accordance with the specific terms of agreements.

The one entity that has temporarily suspended payments on their agreement is required to make quarterly payments of \$347,818.00. To date, the total amount that has been repaid by the entity is \$3,825,996.80. And the total amount outstanding is \$6,186,807.50.

The entity has submitted a request to extend the payment plan, and has also offered to pay interest on the outstanding amount, citing very difficult economic conditions as the main reason why the request has been made. A decision has not yet been made on this request.

It is important to note that the entity has not requested any write-off of the amount due to Government.

It is believed, Madam Speaker, that there is little risk in the Government not getting the full amount recovered and that confidence was perhaps demonstrated by the previous administration when in January 2009 an associated entity [of that one making a

request], the one mentioned above, received considerable concession possibilities of:

[STAMP DUTY]:

All transfers conveyances of property within the Development subject to the following concessions:

- (a) Reduction of stamp duty on all transfers to first time Caymanian homeowners to 4 per cent;
- (b) All other property transfers Stamp Duty to be set at 7.5 per cent (7.5 per cent) for properties purchased within the development.

IMPORT DUTY:

1) Reduction of import duty on materials for construction of hotel and related facilities, including golf course, to 10 per cent.

2) Import Duty waiver on all pre-opening and opening supplies for Hotels.

3) Reduction of Import Duty on all residential construction materials to 10 per cent for eight years from the date of the Agreement by both parties, provided that the entity will be required to allow local vendors to bid and are obligated to use local vendors if their prices, timing and quality are the most competitive.

4) Waiver of Import Duty for construction materials to build new schools.

5) Waiver of Import Duty for construction materials to build a church or churches.

6) Waiver of Import Duty for construction materials to build public beach facilities.

7) Waiver of Import Duty for construction materials for public roads and related elements provided that wherever such roads are privately owned the public will have full access and the entity will be liable for installation, upkeep and maintenance of the same.

8) Waiver of Import Duty for construction materials for a new Port Authority Marina.

9) Waiver of Import Duty for a) alternative energy equipment, materials and operating supplies; b) recycling equipment and other eco-friendly initiatives; and c) reduced emission vehicles to be used within the resort including electric or solar powered boats.

**The Speaker:** Third Elected Member for George Town.  
**Supplementaries**

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, I would ask the Premier if he would clarify this bit of his substantive answer: He says, "**The one entity that has temporarily suspended payments on their agreement is required to make quarterly payments of \$347,818.**" But then he goes on to say, "**The entity has submitted a request to extend the payment plan and has also**

**offered to pay interest on the outstanding amount citing very difficult economic conditions as the main reason why the request is being made.”** And then he says, **“A decision has not yet been made on this request.”**

So, I'm trying to understand if the decision to suspend payments is simply a case of the entity defaulting, or has that suspension occurred with the agreement of the Government? I'm not sure, given what he says at the bottom of the answer, which is, **“A decision has not yet been made on this request.”**

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, sorry I had to confer with the FS on this matter.

Madam Speaker, the decision has not been taken because it has not gone to Cabinet as yet. And it has not gone to Cabinet because there is discussion going on between the FS and the entity in regards for such things as the rate of interest that will be charged now.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

Madam Speaker, would the Premier say which entity is involved? And would he say when the last payments under this agreement, or these agreements, was, or were received?

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeewa Bush:** Sorry for the delay.

The company is the Stingray Cesar Condo Co. (that is the Ritz Carlton), the same company that they gave concessions to in January 2009. And the last payment, as I am told, was that it was renegotiated in March or June 2009, last year.

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, the Premier keeps introducing this question of concessions in relation granted. That's a fact! Those are public documents. This issue relates to the payment of amounts which were deferred pursuant to various agreements.

Is the Premier saying that no payments have been received pursuant to these specific agreements since March 2009?

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, this, as I understand from the FS and read-

ing this letter, it is a quarterly payment. And, yes, it would have been the last payment at that time. And the last payment was as I have stated.

Madam Speaker, the Member says that the duty waivers—remember now what they gave were waivers. What we are discussing are the people who owe us money. And that means that that Government didn't waive anything; they made them pay and they have paid except for when they got into a financial crunch, as it stands, which is now being renegotiated.

But the part that he is wholly wrong about is that this—their deal (because that is what I want to put it)—that waiver that they gave him, that waiver that they gave him, was no public document. That was done in January 2009 [and] not quehey was said to this country, to this House by him, by the Leader of Government Business, the Minister of Tourism, nor the FS at that time, nor Cabinet at that time. Nobody said anything about all the giveaway that was done!

Now, it was until I got elected and happened to go through some papers that I found out or I would never have been told that that was done. So it wasn't any public knowledge or public document!

**The Speaker:** Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Madam Speaker, I could ask the Premier if he has forgotten the press conference he had announcing the details of that particular arrangement, which is included at the end of this answer he has just provided. But perhaps his memory is going through a convenient stage.

But, Madam Speaker, may I ask the Premier whether or not what is occurring now is a default under the agreement (or agreements), or whether these non-payments over the course of the quarters starting following the Election in June (or should I say starting in June following the Elections), this suspension of payments is occurring with the acquiescence of the Government?

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, I was wondering when he was going to get to the point of “following the elections.” This has nothing to do with elections, Madam Speaker, except that the country . . . nobody was doing any business. That's the only reason why this thing has been stopped. And it is not . . . if it is default, whether it is stopped or a default or however they want to term it, the fact is that Government's position is that the people have to pay, whether that is in a reworked position or whether when we finally get to Cabinet the Cabinet says, *No they must pay the full thing.* I don't know. But one thing is that they have to pay.

But economic conditions have not gotten any better since he left office. In fact, the condition of the country is because of things that he did.

Madam Speaker, I don't know what press conference he is talking about, because I checked

with reporters and nobody knew about that Cabinet deal with that company and those giveaways of import duty and stamp duty. Nobody knew about it. No reporter. I asked around . . . “Well, why wasn’t this reported?”

“Well we didn’t know anything about it.” That’s the answer I got. So, Madam Speaker, I’m not asking him a question. He asked me the question. I’m answering him.

So, the reason why I have given these is to say that it is believed there is little risk in the Government not getting the full amount recovered. They themselves reposed the same confidence in that group of people; in fact, more confidence because they gave them more. When you add this up, this is a lot of money that they have given away. We didn’t give it away; we simply gave them time to pay. And that is the kind of incentives that the world is going to demand from the Cayman Islands, whether it is his Government or whether it is my Government, or whether any other Government.

We have to recognise, Madam Speaker, that for us to get development in this country and to get business coming here, there are incentives that the world is offering, even the United States. Various states are offering companies incentives. Okay? And right now financial industry companies are asking for incentives to relocate here. And, Madam Speaker, it is something that we are going to have to do. But don’t come to this House and try to make people believe that this Government has done something wrong and his Government was the apple of Jesus’ eye, because they like to believe that. But that is not so.

The last thing I’m going to say on this, Madam Speaker, [is that] they don’t need to believe that I didn’t know that they knew the answers because I knew who asked the question some months ago for them.

**The Speaker:** I think we have exhausted this question. Let’s move on to the next one.

*[inaudible interjection]*

**The Speaker:** Pardon me?

**Hon. Cline A. Glidden, Jr.:** Madam Speaker, I was just saying that I have been signaling for—

**The Speaker:** Oh, I’m sorry I missed you.  
Yes, you may. I’m sorry.

**Hon. Cline A. Glidden, Jr.:** Madam Speaker, thank you for allowing me to . . . I just need some clarification from the Honourable Premier.

Madam Speaker, in the substantive answer—

**The Speaker:** But we will make the answer short.

**Hon. Cline A. Glidden, Jr.:** Thank you, Ma’am.

In the substantive answer that was given I see that there is a reduction of import duty on materials for construction of hotels and related facilities, including golf course, to 10 per cent. And then we see a huge list of waivers. So apparently, the policy of the last administration was to give waivers instead of reductions or even deferments.

But the question that I have is the one that was listed as Import Duty No. 2: “Import duty waiver on all pre-opening and opening supplies for hotels.” That seems very broad, Madam Speaker, and I am just wondering if the Premier, the Financial Secretary, [or] if anyone has any idea as to what that would involve in the term of value that was given by the last Government to the developer in what seems to be a wide open arrangement on all pre-opening and opening supplies. And I think the country would deserve to know what that will equate to in terms of value for the country, Madam Speaker.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, only God can add up those figures; I can’t add them up right now. But I can tell the Member this; it’s a whole lot of money. And I want to say this further, Madam Speaker, that how people can be so misleading. I don’t want to say “dirty” Madam Speaker, you may rule that out.

**The Speaker:** That’s right.

**The Premier, Hon. W. McKeever Bush:** No, I know you would rule me out. But that’s what I want to say in my heart of hearts. Because when anybody is going to show me—

**The Speaker:** You keep it there.

**The Premier, Hon. W. McKeever Bush:** —a church that’s going to be built by the Ritz Carlton, or a school that is going to be built down there, you show it to me. You tell me when it gets done. That was put in there just to say that we got that for the public because they were giving away so much; so much of what the public should have gotten so that they could come back and say, *Well, we waived the import duty for schools too. We waived the import duty for churches too.* Madam Speaker, I will say it in my heart of hearts, you don’t have to hear it: *What a dirty bunch.*

**The Speaker:** That was out loud for me to hear. You are not supposed to use that here. Thank you very much and please withdraw it.

**The Premier, Hon. W. McKeever Bush:** Withdrawn, Madam Speaker.

**The Speaker:** Thank you.

**The Premier, Hon. W. McKeever Bush:** But as I said, it was in my heart . . . [*inaudible*]

**The Speaker:** Please keep it there, silently.  
Shall we continue now with the next question?  
The Third Elected Member for George Town.

### QUESTION NO.3

**Mr. Alden M. McLaughlin, Jr.** asked the Premier, the Honourable Minister of Finance, Tourism and Development, if the Government was considering further reductions in the salaries and/or benefits of the public servants.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Government is not considering reducing the salaries and/or benefits of public servants.

**The Speaker:** Supplementaries?  
That is the end of Question Time.

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Speaker:** I have no notice of statements by Honourable Members and Ministers of the Cabinet.

## PRIVATE MEMBERS' MOTIONS

### Private Member's Motion No. 1–2010/2011— Human Organ and Tissue Transplant

**The Speaker:** I was waiting for the commentaries to finish.

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Madam Speaker [Private Member's] Motion No. 1 2010/2011, standing in my name, reads:

**WHEREAS it has been recognised that significant numbers of Caymanians suffer from debilitating illnesses and/or diseases such as Diabetes;**

**AND WHEREAS it has been recognised that a significant number of those persons require replacement of certain tissue(s) and or organ(s) to live and/or to live a more normal life;**

**AND WHEREAS it has been recognised that person(s) who provide certain tissue(s) and/or organ(s) can still live a normal and healthy life and to a normal age;**

**AND WHEREAS there is no provision in any Law for the body of a deceased person(s) to have an organ(s) and/or tissue(s) removed, stored or transplanted whether or not the deceased per-**

**son(s) whilst alive expressed their desire for their organ(s) and or tissue(s) to be so used;**

**BE IT NOW THEREFORE RESOLVED THAT the Government considers repealing, amending and /or introducing the legislation required so as to allow for the removal, storage and transplantation of tissue(s) and/or organ(s) in the Cayman Islands between persons with a genetic or emotional connection, whether the person providing such tissue(s) and or organ(s) is dead or alive.**

**The Speaker:** Is there a seconder for this Motion?  
Fourth Elected Member for West Bay.

**Capt. A. Eugene Ebanks:** Madam Speaker, I beg to second the Motion.

**The Speaker:** The Motion is open for debate. Does the Member wish to speak thereon?  
Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Yes, Madam Speaker, thank you very much.

Madam Speaker, I would start by saying that it is truly a privilege and an honour to be able to today present what is my first motion in this honourable House. And, Madam Speaker, not only is it just any motion, it is a motion as it relates to a very, very important issue, and that is one of health. Madam Speaker, the issue of health is a very important issue to me as well. So it is truly an honour to be able to present this Motion.

Madam Speaker, just by way of background, I believe that everything that we do as human beings in one way, shape or another, is to be able to ensure our survivability. I can say that in as broad or in as narrow a way as required. It doesn't matter whether it is a case of why are we driving to work this morning, why we take offense to certain statements that are made; it doesn't matter, every single thing you and I do as individuals every day is in order to ensure our survivability.

Madam Speaker, God has provided us in this world with a myriad, a proliferation of resources. But in order to be able to exploit those resources and to ensure our survivability there are certain things that we require. One of those things that we require is good health. And, Madam Speaker, for many of us who have the advantage of being able to walk around on a daily basis, not necessarily enduring pain or suffering from some debilitating disease, we are truly blessed because in that way God has enhanced our opportunities ensuring us that greater sense, that greater ability to be able to survive and exploit the resources to which He has provided us.

But, Madam Speaker, I stand here today to speak for a number of persons that have, unfortunately, for one reason or another, whether their fault or otherwise, found themselves in the unfortunate position where they have a debilitating disease. They

have some illness, something that is preventing and impeding them in one way, shape or another, from being able to capture, exploit those resources that you and I use on a daily basis to live a normal and happy life. That's what this Motion is about, Madam Speaker.

As I talk about this Motion . . . by way of background, as I mentioned earlier on, I had the ability and the fortunate opportunity while I was on the radio to have had the interview with two persons, not necessarily at the same time. One of those persons was Dr. Steve Tomlinson, an individual who is very, very familiar to us, well learned, one who we can be all very proud about and one who has made a tremendous contribution to this country in the medical field.

While he was on the talk show with me, he raised an issue that at the time I was completely oblivious to, Madam Speaker, and that was the fact that in the Cayman Islands there is almost a practical prohibition against someone being able to remove and donate an organ. It does not matter whether it is a friend, a family member or a complete stranger, Madam Speaker. It is almost a practical prohibition against that. There's such a grayness, at the minimum a nebulosity, in the Law that first of all any licensed practitioner would probably, at the minimum, be very reluctant to engage in anything that carries him or her close to that. That is, at the minimum, the grayness that extends in the Law.

And so, Madam Speaker, we come, insofar as this Motion, to be able to remove that grayness, that nebulosity that exists so that hopefully we can create an environment where those persons who may have a family member or a friend who is in need, and, as I mentioned earlier on in the Motion, it talks specifically about diabetes but there are other issues as well in this country. But I believe that diabetes, amongst other areas, such as cancer, is one of those things we can all say in this room that we probably know at least one or two persons who are suffering from. And at any point in time those persons find themselves in a situation where they say, *I have no other choice* (because of kidney problems, partial or otherwise failure of the kidneys) *but to go and engage in a painful exercise of dialysis perhaps three times a week.*

And again, Madam Speaker, just to add dimension to that, because when we talk about an individual who has kidney problems, and that they are suffering and that they have to go through dialysis three times a week it is very easy for our minds to skirt over that if we're healthy. But, Madam Speaker, I understand that somewhere in the region now of about 40 persons in this country are going perhaps three times a week, Monday, Wednesday, Friday, whether in the morning or in the afternoon, and engaging in a painful exercise, Madam Speaker, of dialysis.

A machine is hooked up to the human body to ensure that it can work towards filtering out the problems, the areas, the harms, the toxins out of the blood, something that the kidney would normally do. And, Madam Speaker, it is a most a painful exercise

for many of those persons that they go through those exercises three times a week and it takes up to about four hours every time they go for that dialysis, to the point that when they are through, not only have they already consumed twelve hours for the week, but they are also weak afterwards. Also, because of the imbalance that is caused in terms of the dialysis with respect to the urea in the cells versus the urea in the blood; it is a matter that their brain in many instances actually swell.

So, Madam Speaker, it is not a simple exercise where someone is simply going and having to engage in getting an injection here or there that you or I as a healthy person, whether it is a vaccination or otherwise, have to endure. These are serious exercises. And those 40 persons, just as an example, are battling on a daily basis for their life. They are there and many of them are sitting hoping on a daily basis that they will be able to get access to an organ. They are saying, *I'm hoping that I can be the next person in line for a kidney.* That is why they are there.

That is why they are pretty much consuming \$70,000 per year in terms of their finances. Because I will stress again that the issue, even in terms of insurance, insurance companies in terms of their mitigation, their managing of their risks, are not necessarily going to want to be insuring persons who are sick. The reality of it is that they want to insure people who are well. And we see the unfortunate reality; they try to take you off when they find out that you are sick.

So they are spending up to, and probably beyond, \$70,000 every year to be able to go through that dialysis process. Why, Madam Speaker? Because they are living with what at the end of the day ultimately is the one thing that makes us all wealthy, and that is hope—hope that one day a kidney has their name on it. And what is the line that they are in? The majority of those persons are being referred to LifeGift in the United States, hoping that somewhere in that line there is an organ with their name on it.

And, Madam Speaker, right now the numbers reflect that there is somewhere in the region of 117,000 persons in the United States waiting for the same kidney, while one of our Caymanians here is waiting for a kidney. Perhaps there is a situation where there is somebody who wants to give it, but the difficulties, the challenges that are experienced . . . again, if nothing else, on the minimum because of the grayness and the nebulosity that we have in the Law.

And, Madam Speaker, just for clarity, when they get companies, whether it be LifeGift or otherwise—when those organisations get those organs only 5 per cent of them are actually arranged and organised in such a way that they will go towards international patients. So we fall in the 5 per cent category. So the Cayman Islands and perhaps the rest of the world is fighting for that five per cent.

So, Madam Speaker, as we talk about the issue of health, if we are going to work towards ensur-



ing that the Cayman Islands can be great—because I believe that the adage of a healthy nation is a wealthy nation, is a true one. There are cracks that all of us fall through and one of those major cracks, Madam Speaker . . . I don't care what your level of education is, I don't care how great of a house you live in, I don't care how much money you have, persons would give all of it up to be able to have their health. That's the importance of health, because without it we lose everything else.

And so, Madam Speaker, this Motion is asking us to work towards creating the legislation and the environment that will allow this sort of procedure to be able to take place right here. Is it a case that today we have all of the organisations, all of the methodologies, all of the institutions? No, Madam Speaker, we do not.

I will take this opportunity again to take a diversion to what I talked earlier on about the talk show. One of the persons I had the privilege of speaking to was none other than Dr. Fritz Hendricks. Madam Speaker, here in this country, again, just as I talked about Dr. Tomlinson, we have someone who has over 40 years' experience in the whole area of transplantation. So we have amongst us persons with that expertise, persons who are dealing with these cases on a daily basis; persons who, in terms of the formation of a committee, in terms of working on a daily basis, are working to ensure that we can try to provide opportunities for the 40-plus—and the number continues to grow—individuals who are suffering. To do what? Simply trying to survive.

Madam Speaker, the stats show that every 30 minutes there is someone new added to the list asking for an organ. So I believe that the Cayman Islands has an obligation to its people insofar as health. Preventative, absolutely!

And I'll take another short diversion to again compliment the Minister for Education in terms of his recent action with respect to putting the healthy food in our school. That, Madam Speaker, is important. It may not make the headlines, it may not be perhaps as attractive as some of the most controversial issues, but those sorts of things impress me beyond, because those preventative measures, at the end of the day, will help to make this country great.

When persons are losing their health we are hurting other lives socially and economically. So we have an obligation to make sure that persons are going to be able to stay healthy.

As I mentioned, I hope that the rest of my colleagues in the Government and in the Opposition will accept my Motion. It is not a case that we have all of the institutions, but it would be a matter that the Government would form the relevant committees, hire whatever consultants are necessary to make modifications to the legislation and to be able to build those institutions in a way that we can provide those facilities here, that we can perform the procedures here, and, at the same time, do so prudently to ensure that

we have done everything we can to mitigate, reduce, or eliminate completely any of the risks that exist.

One of the things I did hear was that persons are concerned [and would like to ensure] that we are not going to become a butchering shop. And, Madam Speaker, those are concerns that exist in many parts of the world. I can also say that many parts of the world have taken the necessary actions to ensure that that cannot happen. I am confident, if and when the Government accepts this Motion today, Madam Speaker, that those same areas, those same evils will be addressed. That is not the spirit or intention of this particular Motion, and we will make sure that that spirit carries through.

Again today, as narrowly defined, it is about ensuring that those persons, who are in one way, shape or another genetically or emotionally connected, can be in facilitated to be able to help their loved ones.

Madam Speaker, one of the concerns that I was also able to address, as I talked about bringing this Motion to the House, was the issue in terms of religion, because the Cayman Islands is a very religious society. We are a God-fearing nation. That was a concern to me, and I took the opportunity to speak to many of our Christians and many of our Pastors. And, Madam Speaker, the list even pretty much says it, because this is not new, it has been done in other countries.

I reviewed the standard notes that exist in the United Kingdom. I took the opportunity when I was sent on the parliamentary seminar to do just that. And, in fact, Madam Speaker, we see that even in terms of the religions around the world, I believe there are two that seem to have some remonstrance insofar as the donors of organs, and that is the Shinto religion in Japan and the Gypsies.

But, Madam Speaker, in this particular country, predominantly Christian, there seems to be no issue with respect to donating organs to those persons who are in need.

I think it was not long ago when even the Pope from the Catholic Church gave his endorsement in terms of the Catholic Church with respect to that. And, if I am not wrong, Madam Speaker, again I would give the quote from the good Word, the same Word that we read and hold in high authority, that there is no greater love than a man who is willing to lay down his life for a friend. That is love, Madam Speaker. That is the sacrifice that at the end of the day in this particular case, is simply a matter of persons who are willing in one way, shape or another, to make a major sacrifice—because it is a major sacrifice insofar as even taking one of your kidneys knowing that you have two.

And there are persons on a daily basis who would like to know that they have the opportunity, that they are healthy, they are alive and that they are functioning, and want to have, if nothing else, the peace of mind to know that if there is one person in this country

that needs a kidney, that needs a liver, that needs a heart . . . take it from me when I pass away to ensure that someone else, from my unfortunate circumstances, would have the ability to live on.

There are many persons, I believe, in this country who would like to do that. But again, the grayness and nebulosity in the Law does not facilitate it.

So I call on the Opposition, I call on the Government to support the Motion so that we can make the necessary changes to the legislation to allow someone who is alive, who is willing to say, *When the unfortunate circumstance comes that I pass away, allow my body to be used to give life to someone else*, Madam Speaker. And at the same time even if they so choose, particularly as the Motion calls for today, if they are genetically or emotionally connected: *Here I want to donate an organ to my mother, to my sister, to my brother, to my uncle, to my aunt*. That's what we want, Madam Speaker. That's what the Motion is calling for.

And so, Madam Speaker, I won't necessarily drag it on. I think that Winston Churchill says that a long speech is a sign of laziness. And I definitely don't want to be falling into that category. I believe that I have given the overview that is required and I will ask, as I said earlier, that the Members of the Opposition and the Members of the Government will support this Motion.

Don't let petty politics jump into it. It is a matter that there is no such thing that is perfect and that there are evils that exist in anything that we do. Walking out of this honourable House, Madam Speaker, something can go wrong. But we have to today, with this particular Motion, with this particular request, do what we do every day on every other issue—list the risks, list the evils and take proactive action to ensure that we can mitigate, reduce, or eliminate those risks altogether.

So, I call on my colleagues in the entire Legislative Assembly for the health of the nation, for the survivability of our people and towards building a greater Cayman, to support this Motion, Madam Speaker, so that we can make the changes and make the Cayman Islands, the institution, stronger to be able to keep our people healthy.

With that, Madam Speaker, I will allow other Members who may wish to make a contribution to the debate to do so.

Thank you very much.

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

[Elected] Member for North Side.

**Mr. D. Ezzard Miller:** Madam Speaker, I wish to make a short contribution to Private Member's Motion No. 1 2010/2011, calling for human organ and tissue transplant. I have a couple of concerns and issues that

prohibit me from supporting the Motion in its present form.

Firstly, tissue transplants. A lot of that is on the fringes. Organ transplants, I don't really have a major problem with. I will get to that later on. But the idea of legislating for tissue transplants gives me some concern because some of these tissue transplants are on the fringes of medical practice and not all of them turn out to be what they purport to be.

A lot of them, because of the fact that they are controversial in some instances and on the fringes, are moving from jurisdictions which have the capability to properly regulate them to jurisdictions where there is less scrutiny and less regulation. And I would be concerned about those creeping in.

Secondly, Madam Speaker, I am not aware of any legislation that prohibits a living person who has all of his mental faculties from making a decision to donate an organ to another living person in the Cayman Islands. The organ harvest transplant or storage cannot happen in the Cayman Islands, but any Caymanian can decide to give his friend, brother or any relative, an organ as long as they do it while the person is alive and in possession of their mental faculties to do so. In fact, there are many Caymanians who have donated organs to relatives and friends under that scenario in other jurisdictions that are equipped to deal with harvesting of organs, storage and transplants.

By no stretch of the imagination is the Cayman Islands currently equipped to deal with any of this in any local medical facility. And what I would be minded to support is the creation of a living will where I could make a living will deciding and authorising my next of kin to harvest my organs, that may be in a state to be harvested and could be of help to somebody, as long as I was in the jurisdiction that had the medical facilities to do so.

We have to be very careful how we are writing legislation to allow harvesting of organs in the Cayman Islands. There are some physicians and some people around here who believe that they are capable of doing exactly that. And I don't think that we have the medical facilities or the expertise, locally, to harvest, store and transplant organs in our current medical position.

The other concern I have is in the resolve section which reads: "**BE IT NOW THEREFORE RESOLVED THAT the Government considers repealing, amending and /or introducing the legislation required so as to allow for the removal, storage and transplantation of tissue(s) and/or organ(s) in the Cayman Islands between persons(s) with a genetic or emotional connection, whether the person providing such tissue(s) and or organ(s) is dead or alive.**" I think the mover may want to consider removing "in the Cayman Islands" and maybe insert something [to the effect] that the person is in a jurisdiction that has the institutional and the medical

expertise capacity to do this organ harvesting, storage and transplant.

For some time now, Madam Speaker, we have had various experts coming to the Cayman Islands. And a good example is a Cath Lab. We've had people come here—mostly to make money out of it; they don't come here for any other reason—to establish Cath Labs and tell us that they don't need to have cardiovascular surgical teams or chest teams stand by because it is such a routine procedure. It is a routine procedure as long as everything goes well and according to plan!

The problem is that when the stint pops and the aorta and the heart are pumping blood into the chest cavity, you had better have a full chest and cardiovascular surgical team very close nearby and the medical facilities to deal with that eventuality.

So, Madam Speaker, I would caution about allowing it in the Cayman Islands in the absence of the proper facilities and stuff to do so.

Thank you, Madam Speaker.

**The Speaker:** I think I will take the lunch break at this time. We will return at 2 o'clock.

I suspend the House until 2 pm.

#### **Proceedings suspended at 11.56 am**

#### **Proceedings resumed at 2.18 pm**

**The Speaker:** . . . Does anyone else wish to speak?  
Honourable Minister for Health.

**Hon. J. Mark P. Scotland:** Madam Speaker, I rise to offer a brief contribution to the Motion, first of all in support of the Motion proposed by the Fourth Elected Member for George Town and seconded by the Fourth Elected Member for West Bay, which seeks legislation to allow for human organs and tissue transplants.

Madam Speaker, I'd first of all like to commend the mover of the Motion for taking such a keen interest in this important health-related issue.

Indeed, through his remarks, and through speaking to him over the past few weeks, I realised that he has done quite a lot of in-depth research. Just tabling this Motion has brought this important issue into the public realm.

In some of his remarks he noted how easy it is for persons who are healthy to overlook this issue as they don't have any need to have transplants of organs. Madam Speaker, as I said earlier, the Government lends its support to this Motion as we see this as an important milestone in the advancement of quality of health and medical opportunities which would be available in the Cayman Islands.

Government's acceptance of this Motion will allow human organ and tissue harvesting and transplants to take place locally once all legislation is put in place and the necessary facilities are here as well.

This will be a new dawn in the provision of healthcare in the Cayman Islands, once we create the opportunities, and patients will no longer need to travel overseas for such a significant procedure as an organ transplant, with the added ancillary cost of overseas travel, board and lodging. Residents of the Cayman Islands can have the opportunity to undergo a transplant procedure here and experience a recovery period at home surrounded by family, which is an important aspect in healthcare recovery.

Furthermore, the Government's acceptance of this Motion will also put up the possibility of the Cayman Islands becoming a party to an organ donation network. Currently, as we are not a donating party, local patients are treated as low priority for transplant consideration from overseas sources, as pointed out by the mover of the Motion. By becoming a part of an organ donation network, the Cayman Islands will benefit from local patients having increased priority for consideration to receive genetically matched organ and tissue to a wide pool of donors, as well as having the opportunity to provide organs and tissue that will benefit others as well.

In terms of other jurisdictions, Madam Speaker, advised economies have an accepted process in place whereby residents agree to become an organ donor and it is specified on one's driver's licence.

Madam Speaker, we are fully aware that this will be quite an adjustment in the culture for the people of the Cayman Islands. Never before has the question been posed of being an organ donor. Furthermore, no one wants to contemplate the circumstance of a family member, or yourself for that matter, requiring an organ transplant. It is a [possibility] that this could come to pass for any of us.

Also, from a spiritual perspective our community is a God-fearing one that has carried us through storms, both literally and figuratively.

The introduction of a legal framework that permits organ and tissue harvesting and transplant will cause some reluctance at first amongst residents who have a more traditional way of thinking in terms of the instance when a loved one's organs or tissues could be used to better the life of another. Nevertheless, Madam Speaker, I firmly believe that our Christian values do allow for us to be a society which embraces the privilege of being able to save or better a life through organ or tissue donation.

Madam Speaker, the Motion, if accepted, will also fulfil an undertaking that was given by the Government upon signing the agreement for the proposed Cayman Narayana Health University project. As Members will recall, this proposed long-term project, which is poised to become a catalyst for the creation of Medical Tourism as a third pillar of the economy, will provide tertiary care to persons from overseas at much reduced cost and in a timely manner.

It is envisioned that a component of the tertiary care, which will be delivered at the facility, will be

of a transplant nature, such as heart, lung and kidneys. With the acceptance of this Motion and the draft legislation to follow, the progress in making the project become a reality will take another step forward as well.

Madam Speaker, in terms of work that has taken place so far, a sub-committee of the Health Practice Commission, the Organ Donation Committee, has previously examined the requirements necessary for the Cayman Islands to become a party to an organ donation network, the LifeGift Organ Donation Centre in Houston Texas. The preliminary advice from this sub-committee suggested that several laws may need to be reviewed in order to facilitate organ and tissue harvesting and transportation, including the Wills Law, the Penal Code and the Succession Law.

Government's Legal Department has also provided recent input on the current legal framework that exists as it pertains to human organ and tissue transplant. This advice revealed that there is no legislation enforced which regulates the removal, storage and use of human organs and tissue. However, as inferred by the Organ Donation Committee, the Legal Department has stated that there is existing legislation that includes traditional offences that may apply to some instances of organ or tissue removal of living persons and very limited offences for removal of body parts from a corpse.

The advice from the Legal Department also stated that the United Kingdom, which regulates human tissue transplants through legislation, also regulates the removal, use and storage of human tissue concerned with fertilisation of embryos through a separate and distinct piece of legislation.

Lastly, advice from the Legal Department speaks to human trafficking as a relevant area of consideration when countries are seeking to regulate human tissue and organ transplantation. Currently, the Cayman Islands has legislation governing human trafficking in the form of the Trafficking in Persons (Prevention and Suppression) Law, 2007. This Law also addresses the subject of human organs insofar as it defines exploitation as an illicit removal of organs. The definition of that term means the unlawful removal of organs, tissue or body parts from a victim irrespective of whether the victim consented to such a removal.

The recommendation is that this Law be revised to ensure that all relevant areas relating to human trafficking and/or organ trafficking in and of itself, are adequately covered in the legislation.

In order to expand on the work that has already been completed, my Ministry has set up a Stakeholders Committee that includes the Health Practice Commission, the Health Services Authority, the Ministry of Health, Legal Department, Health Practitioners, private sector attorneys and other stakeholders. I will also be inviting Mr. Solomon to be part of this Committee to share the work he has done already to continue the work that the Committee is doing. The Committee will develop and put forward rec-

ommendations for an appropriate legal framework that will allow human organ and tissue importation harvesting and transplant.

In closing, Madam Speaker, I want to again thank the mover and seconder of this Motion for bringing much needed attention to this important issue. The Government will continue to work to provide the country with an effective and up-to-date legal framework for human organ importation and organ and tissue transplant.

Thank you, Madam Speaker.

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

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

Second Elected Member for Bodden Town.

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

I rise to make my contribution to the Motion before the House, Private Member's Motion No. 1 2010/2011. I would like to start by commending the mover and the seconder, Fourth Elected Member for George Town and the Fourth Elected Member for West Bay.

Madam Speaker, this subject has been before the House and in the community a number of times, once back in 1999, to my understanding, and as recent as 2008 when a similar motion was brought before the House. It was in June 2008.

At that time some of the figures that were shown over a five-year period, 2003 to 2008, were that there were about 18 persons who had received transplant surgery. That included the most common cases, the kidney, the liver, the cornea, the heart, and the pancreas. And many of us know of a gentleman who has been living here with us for a long time who has had a successful heart transplant. It goes to show that these efforts can be very beneficial to the prolonging of human life.

As I go back into history, Madam Speaker, I remember this subject being first started by the Lions Club of the Cayman Islands, Grand Cayman at that time. Specifically at that time, I think it was the President, Mr. Andrew Eden, from Savannah, when . . . as we all know the Lions Club was involved in the vision project and the attempts to have the cornea and the lens brought in from Miami, which many of our Caymanians have benefitted from. But as has been alluded to, I was pleased to hear the Minister of Health [say] the things they have started to put in place to deal with this Motion which at times is quite complicated.

Madam Speaker, one of the things [we found], when we first looked at some of the information we got from the UK, was the concern they had about the cross-border transportation of tissue and the very strong regulations and laws put in place to make sure things were done in the proper manner and the . . . [inaudible]. And we all know that dealing with the harvesting of any organ is a very timely thing. We must

have everything in place once the organs are in the process of being harvested. This is very important.

There was a committee at that time set up to look at the . . . also mentioned was the organ-sharing network and to date I have been informed that [there are] legal issues to attach to such a programme, including various implications surrounding the introduction of a Brain Death Law. I'm sure the Honourable Attorney General will be looking at this in more detail.

Under this law, Madam Speaker, before a legal brain death diagnosis and organ removal can occur, both the donor's prior declaration and family consent must be obtained. Of course, as the debate develops [I am hearing] that these are now being looked at.

And I don't have to bring to the attention of the House the culture here in Cayman. We have to question whether the turning off and removal of organs from a loved one for transplanting would be acceptable within the Cayman culture. So, I would suggest to the mover that educational part and the benefits that can be received. We have seen so many times some of our young people, very healthy, and God forbid what has happened . . . but much benefit could be derived from being able to harvest these organs.

One of the other things I would encourage—and I know that so much of this is in place by the Minister of Health—is the health promotion schemes and the disease prevention. We know, Madam Speaker, that hypertension, obesity, abuse of alcohol and illegal drugs (termed as lifestyle illnesses) can go a long way. And I know the mover specifically mentioned diabetes in his Motion, one of the most debilitating [diseases].

In the Dialysis Unit I understand that there are over 40 people. I have visited some of them in there and it is really a tragedy to see some of our younger, middle aged . . . it is like cancer. No respecter of persons. [We need] to help [in any way we can] to provide some relief for them. I know that there have been those who have benefited from the transplantation.

As was mentioned, Madam Speaker, by the Member for North Side, it is well known that at this time in the Cayman Islands we are not in a position to do this, but I feel that ([as brought out by] the mover when he was thinking about this Motion and was brought out by the Minister of Health) that this is also what would happen in the future with the incoming establishment of Dr. Shetty's Hospital. I would assume that when this was being drafted this was also being borne in mind.

I remember when being the Minister of Health we were talking about a Cath Lab. There was a gentleman doctor here who used to meet me weekly or monthly about the establishment of a Cath Lab. Ironically, one of those times when I made a presentation to the Legislative Assembly, I had the opportunity to get the information from the *New England Journal of Medicine*, talking about these Cath Labs and the benefits. And that study had been done by them over

five or ten years, indicating, Madam Speaker, that there was very little difference once proper health care management (by a doctor) of a person with hypertension (or whatever cardiology problems they had) taking medication and going in and doing the catheterisation.

Incidentally, after I put that in the paper I didn't hear any more from him. And what was alluded to by the *New England Journal of Medicine*, [was] that to do a procedure like this can cost up to \$30,000 and they were alluding, some of their doctors (of course, there are both sides of the feeling on that), that it was a money making thing.

But there are times . . . and I have benefited . . . Madam Speaker, as you know, a year ago I had to go to Miami and one of my arteries was 99 per cent blocked. Thank God I'm here today, because of a Cath Lab. But what I have been made to understand [is that for it] to be functional and protect the beneficiary if (God forbid) anything were to happen, that we [need to] have a cardiologist, a pulmonary surgeon and all of those on hand within literally seconds to minutes to be able to deal with any eventuality.

Madam Speaker, I would say that, generally speaking, on this side, I give my support to this Motion. And down the line as we look forward to the development of Medical tourism and the other benefits that may be derived here from whatever hospitals—I know there is Dr. Shetty, and I know that some of the other doctors have been talking about providing more tertiary care here—it could prove a tremendous savings to us here in the Cayman Islands, because as you know, when we have to travel overseas for whatever reason the prices are prohibitive, which is another reason why we introduced health insurance back [then] when the Member for North Side [was here] and also the present Premier, who talked about health insurance like it was an investment to be used in times of dire emergency. Not just to go and pick up some Aspirins and Phenics from the drug store, but to use when there are serious illnesses; surgery, inpatient services at the hospital. And as we move along and move up the ladder in the provision of health care, Cayman can become one of those outstanding places, not only in the Caribbean, but throughout the world.

Thank you, Madam Speaker.

**The Speaker:** Thank you [Second Elected] Member for Bodden Town.

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

Fourth Elected Member for West Bay.

**Capt. A. Eugene Ebanks:** Thank you, Madam Speaker.

Madam Speaker, as the seconder of the Private Member's Motion No. 1 2010/2011, I too would

like to make a short contribution in support of this Motion.

Madam Speaker, in my opinion the mover did an excellent job in presenting the Motion. I don't think it is necessary for me to go over what he has already said.

In most developed countries, Madam Speaker, there is an organ/tissue programme in place to help persons who are otherwise healthy to be able to get an organ to be able to live a normal life.

Madam Speaker, I know quite a few local people who have received or donated organs and who are living normal lives because of such donations or receiving such organs. But without those organs those persons probably would more than likely be deceased. In my opinion, Madam Speaker, a person should be allowed to donate an organ while they are alive or after their death, if they so desire, and if the organ is compatible with the recipient.

Even though we don't have those facilities in place here locally now, I think it is important for us to put legislation in place that when the facilities become available to us we will be able to carry through with these procedures.

Madam Speaker, I know the Government supports the Motion, but I think the Opposition should as well. And I am going to ask them to support this Motion on the Floor of the House.

Thank you, Madam Speaker.

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

If not I call on the mover of the Motion to conclude the debate.

**Mr. Elio A. Solomon:** Madam Speaker, thank you very much.

In providing some closing comments and remarks in respect to this [Private Member's] Motion No. 1 of 2010/2011, and to address some of the points that were raised, I will start, Madam Speaker, with the Member for North Side. I think he raised several issues and I would like to thank him as well for raising those issues and I will take my time to, hopefully, address some of the concerns that I believe he raised.

I think generally he spoke about the issue of tissue transplants and naturally the sort of risk that is actually taken when we engage in that sort of practise. And, Madam Speaker, I am not in any way at all going to disagree with that. One of the things I mentioned when I opened the discussion was, without a doubt anything that we do . . . and not to belittle it. But even if it is stepping out of the Parliament, and definitely something as intricate and as complicated, yet important, as the whole issue of organs/tissue transplantation, there are going to be inherent risks that are being taken.

But when we talk about, and the Minister in accepting the Motion talks about, modifications to the

legislation, putting place the proper processes, the proper institutions to deal with that . . . Madam Speaker, as I mentioned in the beginning, the fundamental part of that will be to ensure that we have done everything possible to mitigate, reduce, and in order to eliminate all of those risks.

I think the other area he raised in terms of the legislation and generally talking about, again, the sort of equipment not necessarily being here . . . and I thank the Second Elected Member for Bodden Town for addressing that issue as well. Madam Speaker, because clearly at this point in time, as I mentioned in my first discussion, we do not have all of those facilities. We don't have all of the processes. We don't have a lot of things that we need; but, at the minimum, as long as we have the sort of nebulosity, the grayness, the uncertainty that exists in the present legislation, there is no way at all that anyone is going to get a pole (ten-foot pole if you like to use that expression) close to it. There are too many risks that someone is going to take.

This Motion is not about discouraging something; this is more about encouraging something to happen—something that is important, something that we need. And so once we pass this particular piece of legislation we start to make the modifications, start to put these various processes, et cetera, in place and then we will now encourage that expertise, whether, as I mentioned earlier on, it is Dr. Fritz Hendricks, it is our local doctor, Dr. Steve Tomlinson, or whether it is some other name that I don't even know, one who may come in the future, or whether it is Dr. Shetty, as the Second Elected Member for Bodden Town mentioned.

Irrespective, Madam Speaker, we will be in this action creating the field in which those persons today and in the future will be operating.

I think another concern was sort of just ensuring that perhaps again it would not necessarily happen in the Cayman Islands, but in other jurisdictions. And, again, I thank the Member for that. I believe that that question is also addressed—even from the previous statement I've just made.

Madam Speaker, I think that we have to go beyond the point of having to look at every single thing and say to ourselves, we have to travel to the United States of America, or some other country to accomplish that.

The reason we are here today as the fifth largest financial industry in the world, one of the best tourism destinations in the world, and hopefully soon to be one of the number one medical industries in the world, is because someone had the confidence to start and to say, *Listen, we can do it here as well.* That's what it takes. And there is no difference today, Madam Speaker.

We're not back in the 60s, we're not back in the 70s, but we are here in 2010. And before us are the same opportunities, if we are willing enough, big enough to grasp them. And it starts first of all like most

things start, with us having confidence in ourselves and to be able to say, *we can build a viable and strong medical industry*, just like we did with the finances. And once we have that, then we will be battling with that like with everything else to make sure we can maintain it.

So, without a doubt, Madam Speaker, I hope that those will address the majority of the concerns, if not all of them, which were raised by the Member for North Side. I hope and trust that when the time comes that he will give this Motion his support, and I believe that he will. And, Madam Speaker, again, I want to thank him for his comments he made as well.

Madam Speaker, I think it would be remiss of me not to mention and go down the list of the many persons who have played an important role in this activity that allowed me the ability to be able to stand here today and bring this Motion of which I hope to be able to get full support.

Now, Madam Speaker, I would like to start in no particular order. I would like to give thanks to Mr. Steve McField, who was one of those persons I could call on again for some research and legal advice in terms of some of these medical issues to make sure that we were not stumbling over ourselves. And I would like to just take time out . . . he has always been there. I even recall, as mentioned earlier on, from my previous occupation that he would call in there and give his advice.

And I think Mr. McField is just one of those persons who has knowledge and expertise in this country, and in no way at all hesitates in sharing that information. Knowledge transferred in terms of skills to ourselves, to our people, is fundamentally important and I take this opportunity to commend him publicly, to have recorded in the *Hansard* that it is good people like him who continue to make this country strong, and I thank him for his support.

Again, I mentioned Dr. Steve Tomlinson, who is the person that first raised this issue with me. I thank him for doing so and continue to encourage him for the contribution that he continues to make in the medical field. I am very confident that if and when this Motion is passed today, Madam Speaker, that it will be persons like that who will be able to even make a further contribution to the many lives in this country as a result of it.

I talked earlier on about Dr. Fritz Hendricks as well. Again, a person with over 40 years' experience, particularly in terms of organ and tissue transplants, who came here and has lent his expertise. And I want to thank him personally. He went on the radio once and gave a detailed explanation—I've never heard it done so eloquently—in terms of the kidney and how it functions. And I can talk about health for hours, and I am sure I talked to him for at least two, and was hoping to perhaps talk a bit longer. So I would like to thank Mr. Hendricks for his tremendous contribution.

Madam Speaker, the Second Elected Member for Bodden Town . . . I believe it is important and even

as he got up and spoke earlier and talked about his own personal experiences with respect to a blockage that he had in his heart, Madam Speaker, I think that in itself echoes it. I believe the adage goes, *He who feels it, knows it*. And, Madam Speaker, here is an individual who understands what it is to come that close, perhaps to death, who understands the medical challenges.

So, I commend him, not just insofar as to the political arena, but personally for what he has done, what he has gone through, what he continues to do. Because even with respect to the formation initially in terms of the committee looking at this particular piece of legislation, that individual, be it his personal capacity or otherwise, was instrumental in hoping that that would be formed and getting it started. And again, Madam Speaker, part and parcel, part of the reason significantly why we are here today.

I want to thank the Minister, Mr. Scotland, for getting up today and saying that he is going to support this Motion, Madam Speaker. I think that, unsurprisingly, we have an opportunity . . . and not to detract from anyone, but I believe that this Government has some very young and vibrant individuals, persons who understand the issues and are in touch on the ground, and not just talking about it but are prepared to take the action. Therefore I would like to commend the Minister, the Honourable Mark Scotland, for everything that he has done so far, for his support and for even welcoming me to get personally involved with this, because I believe that indicates at least one thing, and that is that he understands the passion I have for many issues, health in particular. So, I thank him very much for that.

I also want to touch very quickly on Mr. Andrew Eden who played a role as well. I believe it might have brushed by very quickly by Mr. Anthony Eden. But there are many other persons, Madam Speaker, and we always do perhaps a little injustice when we call names because there are so many persons involved on all of those boards, and in one way, shape or another, have made a contribution.

I have not called their names today. Unfortunately, I don't even have all of them. And I ask them personally today to forgive me that I have not mentioned their names, but please don't let it detract from the significant contribution that they have made to what is happening today and what will happen in the future as a result of their work.

Madam Speaker, last but by no means least, I want to commend my colleague, the Fourth Elected Member for the district of West Bay and thank him sincerely. because when I thought about bringing this, my first motion, I was able to sit with him and [have him] ask his questions or concerns and voice his opinions in terms of things that perhaps he thought I could change or do to make it a little bit better. And, Madam Speaker, I would like to commend him as well, because I know a lot of times persons, perhaps from an outside view . . . sometimes we suffer from all of the

externalities because we don't see all of the intricacies.

As we talk even about debating internally about some issues, what people will see is all of us coming here taking one face and one position, and it is oftentimes very easy to lose that behind the scenes there is an intricacy of debate that takes place. And so, Madam Speaker, I would like to again, personally thank the Fourth Elected Member for West Bay for his support. Without a doubt, I believe the people of West Bay already know this, but for what it's worth, Madam Speaker, I believe they have a good person, a good representative in the Fourth Elected Member for West Bay.

In closing, Madam Speaker, I would like to ask all of my colleagues, both in the Government and in the Opposition to support this Motion. Because, Madam Speaker, in brief, as I mentioned earlier, this is important insofar as ensuring that we can preserve and that we can save lives. And so, Madam Speaker, I ask for their full support.

And, with that, I want to thank you and this honourable House for an opportunity to present today my first motion. Greatly appreciate it.

**The Speaker:** Thank you, Fourth Elected Member for George Town.

The question is: BE IT NOW THEREFORE RESOLVED THAT the Government considers repealing, amending and /or introducing the legislation required so as to allow for the removal, storage and transplantation of tissue(s) and/or organ(s) in the Cayman Islands between persons with a genetic or emotional connection, whether the person providing such tissue(s) and/or organ(s) is dead or alive.

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

**Ayes.**

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

**Mr. Ellio A. Solomon:** Madam Speaker, may I call for a division please?

**The Speaker:** There were no "Noes".

**The Premier, Hon. W. McKeeva Bush:** It has been common to allow Members to have a division.

**The Speaker:** I can allow the division if that is necessary.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

*[inaudible interjection]*

**The Premier, Hon. W. McKeeva Bush:** You *nah* running out? You usually do.

**The Speaker:** Can we just have the division please?

**The Clerk:**

**Division No. 15/2010-11**

**Ayes: 12**

**Noes: 0**

Hon. W. McKeeva Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Capt. A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour  
Hon. D. Kurt Tibbetts  
Mr. Alden M. McLaughlin, Jr.  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden  
Mr. D. Ezzard Miller

**The Speaker:** The results, 12 Ayes, no Noes.

**Agreed: Private Member's Motion No. 1 2010/2011 passed.**

**Private Member's Motion No. 2-2010/2011—  
Caymanian Only Positions**

**The Speaker:** Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Madam Speaker, I rise to present a motion in my name, Motion No. 2 of 2010/2011 which reads:

**"BE IT RESOLVED THAT the Government consider establishing a Committee to recommend categories of positions or types of employment that should be designated as 'Caymanian only.'"**

**The Speaker:** Is there a seconder to this Motion?  
Third Elected Member for Bodden Town.

**Mr. Dwayne S. Seymour:** Thank you, Madam Speaker.

I rise to second this Motion. Thank you.

**The Speaker:** The Motion has been duly moved and seconded.

The Motion is opened for debate. Does the mover wish to speak thereto?

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

I rise to put forward my contribution to this Motion No. 2 2010/2011.

Madam Speaker, as someone perhaps hears Motion No. 2 2010/2011, which, again, for the benefit of all of those persons reads: **"BE IT RESOLVED THAT the Government consider establishing a Committee to recommend categories of positions or types of employment that should be designated**



as ‘Caymanian only,’” I believe that almost in linking with our previous discussion and we talked about survivability as human beings, I think that that Motion and the wording in some instances may strike some people in two different ways.

It may be something that immediately appeals to some, and some on the other hand may feel a little bit uneasy about that particular Motion. I believe both of those emotions are understandable. I would hope that, amongst other things, as I discuss this I would adequately address those concerns that anyone may have.

Madam Speaker, I believe that we are all in one way, shape or another, products or our environment. One way, shape or another, our environment plays a very important role as to how we act, how we think, how we conduct our lives. Madam Speaker, it is no different here in the Cayman Islands. The way we were raised has impacted our lives. It impacts the way we think and the way we conduct ourselves.

This country has to face all of the challenges, both internally and externally. We face them in large part, built somehow concretised on how our environment has helped to shape us. And so I say that as well, Madam Speaker, because it will not just necessarily be one nationality that may feel uneasy, we may have that even within ourselves.

I will give an example, Madam Speaker, not trying in any way to speak for anyone else, but speaking strictly from my experiences. I can recall being raised [that] you would perhaps have a parent say to you—and they meant it with the best of intentions. They were teaching us to be respectful. We would interrupt as children and they would say, “Be quiet, big people are speaking.” And that was meant with the best of intentions.

And just like with any government that passes a piece of legislation, there are natural residual effects of that law, unintended consequences. Whether they be good or bad, they are unintended consequences. I make reference to that particular statement, Madam Speaker, just to give an example, that even on the statement of someone saying, *Let us make sure to be respectful to our elders, be respectful to others*. There’s someone having a conversation so we use that little quote: “Be quiet, big people are talking.”

Madam Speaker, we become products of that environment. That very statement in itself affects the way we think, not just as children, but as we grow older. And if I may be so bold as to extrapolate and to offer my opinion, as just one example, even though we were young and were told that particular statement an argument perhaps could be put forward, that even as we grow older someone always changes this place of who this big person is. So when I was 10 years old a big person was very clear, and now that I am even 41 years of age there is someone who is the big person.

[inaudible interjection]

**Mr. Ellio A. Solomon:** Therefore, Madam Speaker, when we put all of those things into the mix, what it says to us is that we see that in one way, shape or another, our environment is influencing us.

I mentioned all of that, Madam Speaker, to say that even here in the Cayman Islands, with respect to this environment, we have a great degree of passivity. Passive! And, Madam Speaker, that is a trait that has done us a tremendous amount of good because it has allowed for a harmonious society, a group of persons who are very welcoming to all of those around us.

I have very little doubt that had it not been for that same welcoming trait that we have as Caymanians, we would not have achieved the success that we have today; very little doubt in my mind about that.

Madam Speaker, even as we talk about the welcoming approach, that same passivity oftentimes leads us into some unintended somewhat negative consequences. I’ve seen persons where they may even go to pay a bill and the bill is \$10 and they hand over \$25 and the person hands them back \$10 change knowing that they should have gotten \$15 back. There are persons—not just here in the Cayman Islands, but I’m speaking about what I know best—who are still even then reluctant to ask for the additional \$5. Because, Madam Speaker, even then it is difficult oftentimes for us to ask as human beings, as individuals—and no different for us as Caymanians—to ask for something that belongs to you.

And as difficult as that may sound, as challenging as it may sound, I believe it hopefully strikes a chord because it is true. You know that it belongs to you, but even then sometimes it is challenging to say, *I’m sorry, you still have an additional \$5 for me*.

So, Madam Speaker, this particular Motion here asks for something. And it is not asking for the additional \$5, it is asking for something that some would argue is even greater. So I can appreciate that it is challenging. And, in continuance, I wish to assure that this particular Motion is nothing about Caymanians versus foreigners, foreigners versus Caymanians. No, Madam Speaker! I can assure you that I, like many persons in this room and many persons around this country, will agree that it is this harmonious society that has made the Cayman Islands great.

Just the other night I had the opportunity to attend a reunion of the Truth for Youth School. Almost with tears in my eyes, I heard one of my past teachers, Sister Pat. She talked about the fact that she came here in 1964. She has been here since 1964 and what has she been doing? She has been teaching educating our children. I stand here today a product of Sister Pat. And there are many persons who came before, and I’m sure also came after me, Madam Speaker, that have benefited from the individual. That’s just one example of who came here in 1964.

I recall, for example, when I was working with Government, an individual (then at the time coming from the United States who was doing wiring) one day asked me for a tool and I told him, *Sorry, I don't have that tool*. And he called me outside by myself and sort of pushed me up against the wall by the elevator and said to me, *You have to do better because you have a lot of potential*. That's what he said, Madam Speaker. *You have a lot of potential, and you owe it to yourself, you owe it to your country to get yourself organised. Show up on time, bring your tool kit*.

Madam Speaker, as simple as that is I can tell you that that made a difference in my life—and that was a foreigner too. That made a difference in my life!

And, Madam Speaker, I could go on and on, but I mentioned that for those who may seek in one way shape or another to take the good spirit and intention of this Motion and twist it and turn it for their own expedient purposes. This individual standing here today has full appreciation and understanding for the importance of a harmonious society here in the Cayman Islands for us to be successful.

But, Madam Speaker, I am also cognisant, as I am cognisant that there were many Caymanians who also, very importantly from my parents, go down from the *beard to the feet* at the end of the day that played a vital role in my life.

I am also understanding something else. Great physiologists can write about it, but common-sense says it best, that at the end of the day you have to first learn to hold onto something, as they would say, *“to be a little selfish for something before you can actually learn to be selfless and to share it with someone else”*.

And, Madam Speaker, to the individual who has to ask for his \$5 back, you have to ask for it because it belongs to you and you deserve it. And irrespective of what it is, Madam Speaker, with “the big person is speaking, be quiet,” we must grow up and say yes, we are to be respectful to those—don't interrupt the conversation. But do not be afraid, nevertheless, when the time comes to speak up and make sure that we face our giants.

So, irrespective of whether it is a foreign national or local, this Motion is good intended, and this Motion is selfless. This Motion, at the end of the day, Madam Speaker, is a good one, in my opinion, and for a myriad of reasons. Madam Speaker, not that I believe that it should be too necessary, but I will highlight them anyway.

Just recently the people of this country went and voted for a Constitution. And in that Constitution, amongst other things, it states that certain positions are going to be held for Caymanians only. What are those? [The position of] Deputy Governor. And I believe that there is logic behind that. There's logic in why we say that as Members of the Legislative Assembly you have to be a Caymanian. And some may capture it to say, Madam Speaker, that we believe as we oftentimes say, irrespective of what side of the

aisle we may be and irrespective of how we may disagree, it is a matter that I believe everyone in this room, one way, shape or another, has this country's best interest at heart.

I know the individuals here. As we say, *“their navel string is buried here.”* And this country means everything to them. And whether we agree with their decisions or we don't, we have very little doubt in that, Madam Speaker.

Madam Speaker, in another analogy we see that even an individual who is driving their car . . . you know what happens when he or she is driving the car and something happens? By default the individual swerves—and not because he or she intends to, but she swerved to save herself. She swerved to protect her side of the car, Madam Speaker, and it is not because the driver intends harm to any one of the passengers. It is a natural reaction.

So, Madam Speaker, as Members of the Legislative Assembly we are now today in the driver's seat. We are the ones driving this car. We are the ones who the people of this country voted in and said, *You drive, because we have confidence in you*. And, Madam Speaker, there is some legislation there that says [that] for you to drive this car you must be a Caymanian!

Irrespective of how natural it may be for the driver of any vehicle or the drivers of this country to protect themselves, I believe we have an obligation to also make sure to protect the passengers in the back-seat too! One of the challenges we have in the country is that oftentimes, too many times, our people say, *Well, the difference is that we're all in the same boat together; but you wear a life vest and I don't*. And, Madam Speaker, we have a chance to correct that.

We have a chance to make a difference. And I promised it in 2005. I promised it on the talk shows and I fulfil my commitment today, Madam Speaker—and let the *Hansards* record it. We have an obligation that now that we are in the driver's seat, not just to protect the position of the Deputy Governor, not just to protect the position of MLAs for Caymanians only, but also to form a committee—that's a start—to form a committee that is going to take a careful judicious look at what other jobs should be for Caymanians. Whether it is going to be the public service, whether it is going to be statutory authorities or whether it is going to be specific jobs within the private sector.

Madam Speaker, even in the United States or in the United Kingdom they hold those same things. They still stand and say, *we have the right to be able to say these specific jobs are for Caymanians*. These are questions we all have to ask, we all have to grapple with. Who should be our Chief Immigration Officer? Does it matter? Does it matter who our Chief Immigration Officer is? If we have decided that it is important to know who our Deputy Governor will be, who our MLAs will be?

Madam Speaker, I think it is just as important to ask ourselves who the Chief Immigration Officer will

be. And we may even want to go down to say *I think it is important that we know who the individual is who is checking our fresh water reserves*. I don't know! I'm not going to prejudice or pre-empt anyone; it is for the committee to make their recommendations. But, Madam Speaker, be it public, statutory authorities or the private sector, this Motion asks for something very simple, very straight forward, but fundamentally important. We would not only be politically expedient, we would be selfish to say we are the drivers of the vehicles and the only persons worth protecting are ourselves. No, we have an obligation to protect passengers too.

And for those persons, Madam Speaker, who may even get a concern that if somehow or another we were to make certain categories of jobs Caymanian only, that it may lower the expertise that you won't get the sort of fair competition, we don't have to look any further than here to see that you can create a job for Caymanians only and you get some very fierce competition. And if anyone has forgotten they can probably wait until May 2013.

So you will get competition, Madam Speaker, but it is a matter of us judiciously and caringly deciding as drivers that there are other passengers worth protecting. Because somewhere out there right now there are certain jobs that I believe—and hopefully the committee will one day come with their recommendations—are worth ensuring that Caymanians hold those jobs. So that is what this Motion asking for?

Again, I don't have to belabour the point in terms of what the United Kingdom does, what the United States does, or any other country, to justify it. The precedent has already been set here, as I said, with even the Deputy Governor or even ourselves as MLAs.

So, Madam Speaker, the question and the concern is what this Motion is trying to address. And I am quite happy, in terms of wrapping up, if there's any Member of the House who sees evil, who sees wrong, who thinks it's absolutely false, it shouldn't happen, that somehow or the other asking for a committee to be put together to make recommendations for categories of positions or types of employment that should be designated for Caymanians only is wrong.

Madam Speaker, before I take my seat I will allow any other person who wishes to make a contribution to the debate. This, Madam Speaker, is nothing different, and I've cleared it up, hopefully, for anyone who wants to twist it.

Ellio Solomon understands the need for a harmonious society and I constantly encourage integration because it is good for all of us, good for business. But at the end of the day, what I will not forget [is] that history records that. What I will not forget is that today the people of this country have given me the opportunity to sit in this driver's seat. And while I am in this driver's seat I am going to do my endeavour best to ensure that certain things which are important, whether you want to call it for a national interest,

whether you want to have it under terrorism, whatever it is, Madam Speaker, that there are fundamentally certain things, certain jobs, certain positions that have to be protected.

And so I ask all of my colleagues in this honourable House that at the end of the debate they would support this Motion for the formation of a committee to decide on where those jobs, be it public, statutory authority, or be it private, that their recommendations may be able to come forward from this committee as to which jobs should be for Caymanians only. And with that, Madam Speaker, I thank you very much.

**The Speaker:** Thank you Fourth Elected Member for George Town.

Does any other Member wish to speak?

[Pause] Does any other Member wish to speak?

[Pause] Does any other Member wish to speak?

If not I'll . . . .

Third Elected Member for Bodden Town.

**Mr. Dwayne S. Seymour:** Thank you, Madam Speaker.

I rise to give a small contribution to this Motion, Private Member's Motion No. 2, 2010-2011—Caymanians only positions.

As the seconder of this Motion, Madam Speaker, I would like to say [that] in other countries we can see examples of this like the Indians in Florida. That is one of the examples that I know which demonstrates that indigenous citizens should be given some sort of advantages in the employment and business fields of their native land.

Madam Speaker, this Motion sets out to set us apart and to make us special and feel a special sense of pride and love that our country has for us; that, as a Government, we will do whatever is necessary to ensure that our citizens are able to survive in this progressive world that the Cayman Islands have now become.

Madam Speaker, I want to say that we as Caymanians are not lazy, as some have suggested in the past, and that by passing this Motion, for some reason we as Caymanians would suddenly feel we are untouchable. I'd like to say that we as Caymanians have always worked hard and all we need is an opportunity to prove ourselves, just like the opportunity we got when our fathers went to sea and we rose to the top there.

But, Madam Speaker, we all know that it is not a level playing field out there now and there are plots to employ friends and families in the Cayman Islands in jobs that Caymanians are capable of doing. And, we are not saying that we don't need outside help or expertise. That is not what we are saying. We are saying [that] if we can do the job, then no one else should have it. Madam Speaker, since this could not be done in good spirit and heart we had to move a motion to ensure that it is now written.

I ask the business owners of this country to please, as we move to pass this Motion, don't move the goalpost once again. And I passionately plead and beg, allow us and let us break the ceilings.

I thank you and ask your humble support of this Motion. Thank you, Madam Speaker.

**The Speaker:** Thank you Third Elected Member for Bodden Town.

Does any other Member wish to speak?

[Pause] Does any other Member wish to speak?

[Pause] Does any other Member wish to speak?

If not, I will call on the mover of the Motion . . .

. Oh!

[Honourable] Minister of Education.

**Hon. Rolston M. Anglin:** Thank you, Madam Speaker. Thank you for recognising me, Madam Speaker.

Having been around these parts now for close to a decade, today this Motion has brought out the *Cat-and-Mouse* game in us I guess. However, Madam Speaker, I rise to accept the Motion before the House on behalf of Government.

Madam Speaker, this Motion, like any that an elected Member will bring, will cause people to take sides, because in everything we do in this Legislative Assembly there are two sides to every coin. And, Madam Speaker, the mover spoke to some of those matters that detractors would seek to point out. And certainly, it is not lost on the Government that accepting the Motion will give some of those detractors a little bit more fodder.

And so, Madam Speaker, what are they going to say? They are going to say, *Well, would the Cayman Islands with a move like this . . .* If we go through, form the committee and the committee makes certain recommendations and those recommendations are accepted by the Government and a bill is brought to this House to give effect to those recommendations . . . people are already at that stage which is at the end of the game. People would say, *Well if that winds up being the final outcome, is the Cayman Islands being too protectionist?*

There are those who would naturally look at what recommendations come from the committee and what the content of the bill would be and start to debate around how appropriate they would be, those potential positions in the workforce, and whether or not they in some way define how Caymanians ought to be viewed.

Madam Speaker, there are those who would also go further than that and say that perhaps we would be also indirectly saying through that process and end result that the legislature and therefore the legislation would in some way be also speaking to skill sets, capacity and competency of Caymanians. Those are but a few of the types of arguments that detractors would make and could make, and I've heard some of those arguments put forward already.

Madam Speaker, having sat on the original Immigration Review Team, the construct of that legislation, in particular surrounding the term limit and provision for key employee status and how we envisioned it ought to have been implemented, was around the basic concept that for positions in which there was a global shortage, for positions for which there was a high level of technical expertise, and for positions that normally would take a relatively long period of time for a person to become very competent and skilled in those areas, that those would be the areas that ought to be up for the granting of key employee status.

From the original concept it was not envisioned that it would surround or apply to areas for which a person could be trained relatively quick and become competent in their chosen field or profession relatively quickly. Naturally, Madam Speaker, within that there is room for argument about what is *relatively quick*. But, certainly, in my mind at least, if I recall correctly most persons on the first review team basically were looking at areas for which you potentially would have to have tertiary education or have had some form of extended apprenticeship and technical training that ran over the course of a similar number of years, somewhere like four years. And there are a number of highly skilled positions in the technical fields in which that sort of programme is the norm for you to become a skills tradesperson in that area and in that field.

Now, Madam Speaker, I say that because it is very important that we bear that in mind when we're looking at what has actually happened in the workforce and the job marketplace. What I like to think of as a normal job marketplace [is] where you have a reasonable local population base, you get natural competition and you therefore naturally get access to talent that is much deeper than you do in a place that is as small as the Cayman Islands.

I don't believe there is any Member of this House who would argue that sheer numbers . . . we have a small population base, and that naturally causes us to be very, very limited in the depth of skill sets; but, also as importantly, the breath of skill sets that a lot of our people have acquired. And so as we have developed, one of the natural phenomena created was the whole concept of bringing talent from outside these Islands to live, work and have their being within the Cayman Islands.

Certainly, 40 years ago it worked well. We built the Financial Services Industry on that model and Caymanians benefitted tremendously and got access to an industry that ordinarily an island stuck in the Northwest Caribbean, that was a fishing village turned into a shipbuilding and seaman hub, could never have created on its own.

As we developed, and as the economy grew and tourism took off, development became firmly entrenched in the mid-to-late 70s and we saw the development of Seven Mile Beach Road, particularly in the late 70s. We continued then to have the need to start

to bring in persons in the skilled trade area. In those early days there was very little need for skilled and a lot of Caymanians again benefitted, because a lot of them initially started out in the unskilled categories. But through experience in various industries—construction, plumbing, electrical—they worked along with skilled tradesman in those areas, Caymanian and non-Caymanian, and everyone started to have their skill sets lifted and you saw, relative for our size, a large number of Caymanians start to get involved in those areas.

Double that with tourism growing, financial services growing and you saw clear opportunities for Caymanians. And Caymanians were hired. Caymanians benefitted and our middleclass really started to grow. And so our economy and the way and shape of the Cayman Islands shifted. And it shifted away from a few merchants, a few of the highly skilled seamen and landowners being the set of people in the community who basically controlled the economy. And much more Caymanians were able to get access to a lifestyle that their parents certainly never had and never enjoyed.

And so the economy grew. The economy grew and the necessity for more and more skilled persons, whether they were professional in financial services, or whether they were skilled tradespersons in construction and other industries that grew up around the people who were brought in for financial services, grew up around development, grew up around tourism. As those industries flourished and more and more Caymanians got involved, they needed more people. And as they needed more people we brought in more people to service our businesses. Businesses grew, the economy grew and Cayman continued to flourish.

What happened with the young Caymanians is one that all of us in this legislature have lamented for many years now unlike the seamen who were coming back because the economy has started to take off. And a lot of the young men and women who left school in the late 70s or early 80s, unlike a lot of them who took up a lot of opportunities across the entire spectrum of the economy, there was a natural shift and the shift went toward white collar jobs. Everybody wanted to work in the office. We've heard the story, we've preached it in this House before, but I will say it again, we can't blame Caymanians, we can't blame parents.

As parents you naturally want your child to be better off than you were, to get access to success higher and more progressed than you had in your lifetime. And so parents pushed their children because they saw the buildings, they saw the office buildings being developed, they saw the financial services industry continue to flourish, and so the natural thing was to parents to naturally want their children to want to do better.

I'll never forget coming home from school in the afternoon and seeing my father, who was a

painter, cleaning up after a long day's work of painting and him saying to me, "I don't want you to ever be a painter, I want you to be the business owner or the homeowner and somebody's coming to paint for you." Okay? And, Madam Speaker, I can't fault him for wanting that. And I say that because that was the mantra and the mindset of the vast majority of Caymanian parents. It is natural for humans to want for the next generation to be better off.

With the shift and with the push and pull and attraction, we saw the very brightest and able in the vast majority of cases go off to university, but to take up professions that were going to service what was the biggest and most lucrative industry. That again, Madam Speaker, is a natural human phenomenon. And so more and more people got diplomas in banking, majored in accounting, majored in law, majored in finance, majored in economics, majored in business management; all trying to take advantage of the tremendous opportunities.

And so, Madam Speaker, as we developed what happened in a lot of other very well paying jobs in this country, was that businesses started to develop a model that had very little, to nothing, to do with bringing young potential practitioners in, training them, supporting them to try to get access to courses to make themselves better so that they themselves could develop and become better at what they did

That happened not only in what I would like to call the sort of hard industries: construction, mechanics and the sort of ancillary other industries or businesses and jobs that go with those. But it also started to happen in financial services. A lot of young Caymanians got access to entry-level jobs, but how they were able to navigate and get up to middle-level supervisor and management positions became very, very tricky. And so across the economy we had an open-door policy of welcoming people in and naturally, absent being told, businesses tried to get access to the quickest and most immediate talent available—plain and simple!

So, if you were a big business you wanted the qualified accountant, the qualified lawyer with five, seven years post qualification experience who could hit the ground running in your firm and be able to contribute. If you put on the hat of a business owner . . . and to be fair, you have two choices: *Do I invest in a person who is at entry level, or a person who is already experienced and can make direct contributions right away?* Businesses and business persons naturally gravitated toward the finished product.

It is like going out to buy a car, Madam Speaker. If you go on the lot and see a car with all the wheels on, engine in, and you can turn the key and start it, versus a pile with all the different parts ready to be assembled . . . as humans, let's face it, all of us are going to go with the option where we can sit in the seat, turn the key and off we go. That's what businesses wanted; that's what they were attracted to.

And so, Madam Speaker, what has happened in my mind is that in a lot of instances, in a lot of cases, just through rapid economic growth we had Caymanians getting whatever job they could. There was no real emphasis on training and being the best you could be from a formal education standpoint, but getting into the workforce to make a living, to get a car, to get a piece of land, to get on with life.

So, unlike a lot of countries where if you compared a young Caymanian with a certain level of skill sets, our options in what was available to us, that field was so much greener and looked so much better than a lot of other countries. So, not having that focus has caused this economy to be built around the turnkey employee; the employee that comes with all the relevant skills right now. That's what we want. That's what businesses want, that's what they are going to hire, that's who they are going to hire.

Madam Speaker, I can say that there was no legislation, certainly, in my former field of accounting, that underpinned the policy that has existed for basically about four decades now. Immigration never processed and approved staff accountant positions for accounting firms. From the very early days whoever were the legislators at the time made it very clear to the original big firms that came into Cayman, that staff accounting positions, the entry level positions had to be reserved for Caymanians; they could not bring anyone in. Up until I got my scholarship, that was the case. You could not find a staff accountant in an accounting firm that was a non-Caymanian.

And so that meant that it had to naturally feed a scholarship programme, and so the scholarship programme was where they got their staff accountants. That's the first level position that you get once you have gotten your accounting degree. So all the accounting firms through a scholarship programme populated their staff accountants and then you passed your exams and worked your way up through the ranks.

I mentioned that, Madam Speaker, because there are those who will try to detract from this Motion to say that if you try this it is going to be overly protectionist and you are going to harm the economy and you are not going to be able to get the outcome that you are hoping for.

I believe that there are certain industries and certain professions within industries that are right for this type of public policy. We have reached the stage now where we need to say . . . let me give my classic example. And this is the one that I always beat up on. I've said it about three times over the last couple of years and have said it in a number of speeches. Let me use one simple example. Right? And I know all of them are going to be pounding my door down and saying that their industry . . . no, no, no, there's all sorts of reasons why it shouldn't be them.

A heavy equipment operator: A few decades ago all of us in this House knew who the heavy equipment operators were in this country. We knew

who every one of these were. It grieves every time I see a non-Caymanian on a backhoe. Grieves me!

Madam Speaker, there are many, many skilled and semi-skilled positions that we give access to businesses for the turnkey product, and businesses have said . . . and everybody is going to use an excuse. They are going to use the excuse and say that they cannot find a Caymanian. If the legislators and public policymakers in the 70s had not insisted on the policy in accounting firms, what would have happened? If they had not entrenched and dug their heels in and said, *You cannot have a work permit for a staff accountant*; if they had given in, what would have happened?

Would we have had the number of Caymanians who have successfully gone through the firms become qualified, some partners and the vast majority of them gone on to be financial controllers and CFOs and VPs of finance and various businesses? I don't think so.

Madam Speaker, as long as there is that option of a work permit available in certain professions the natural gravitation for a business owner—and I'm not talking about a business owner doing anything wrong, I'm talking about them being a business owner. The natural gravitation for a business owner is to go to try to find the employee who is ready right now, that you don't have to train, that you don't have to invest in, and guess what—that you don't have a risk that they are going to easily leave your business.

And so we know as legislators that this sort of conversation is a tough one. There's nothing easy about this Motion and there's nothing easy about the conversation that emanates from this Motion. But we've talked about it too long. We've talked about the magic wand of a work permit and how businesses much prefer, even with a fee . . . even as we've increased fees, a lot of business owners still say, *You know what, I still prefer a personnel permit for two reasons, firstly, we didn't have to pay for training and the cost of that was borne somewhere else by another company in another country, and, secondly, I have a certain level of control over the person*. If you take the option away I am convinced you will be surprised how quickly people will find young Caymanians and train them.

This downturn in this economy has had one very small silver lining, and that is that, unlike 1990 when I got my scholarship (I will never forget) . . . a lady at one of the clients that I worked for left her job on a Thursday evening and she told the Caymanians who were auditing that she was leaving, and we asked her where she was going. She didn't know. Within two weeks she had a job. And we know that that is what existed during the good times in this economy—unlike today where the economy is very tight. The job market is even tighter.

We are seeing a lot of Caymanians who are going into jobs that normally other times they would not have, and we see them. I don't know about the

rest of my fellow legislators, but unless I'm living in a very, very different Cayman, every day I have people who are calling the office looking work and basically saying, "I just want a job. I simply want to work. Forget about what I did, forget about the fact that my company is now downsized, forget about the fact that my company is now gone out of business and my employer has now gone to work for a big firm. I simply want a job now. I want to find a position in this country, get skilled in it and hold a job".

And so, Madam Speaker, tight economies do that. It forces people to be innovative and to reflect, look on and say, *Okay here is what I am now willing to do*. If you coupled that with this Motion and the spirit of this Motion, I believe it could be beneficial to the labour market in this country.

Madam Speaker, I can say this: Once a committee is formed, does its research and comes back with recommendations, this is not something that can simply be implemented overnight. That could never be fair; that could never be rational; that could never be practical. We couldn't just go out to the country and say, *As of tomorrow there will be people on contracts, there will be people who have just arrived, there will be a whole host of circumstances that has to be taken into consideration*.

However, Madam Speaker, I am convinced that over a period of time the spirit of this Motion and the outcomes that it could bring could be hugely beneficial to this economy to Caymanians.

I guess I'm lucky to have had my experience and to have seen this type of policy work firsthand for me in my former industry and know that it can work. What I fully appreciate is that we are coming mid-stream now. When that policy in the accounting firms was implemented it was when they had entered the country, and it is much easier to implement these types of policies when something is about to start. We are where we are.

I believe as legislators we ought to be very interested in a motion like this to see the outcomes of the research of the committee which is to be put together, and then be able to look at them and start to have a mature and rational debate around those outcomes. None of this is going to happen tomorrow. And, as I said, even when the research is done and a report submitted to Government, at that point you still have to have a sensible and natural implementation that would make sense for businesses, because that is ultimately a huge consideration. Without businesses you can't have jobs.

So, Madam Speaker, the Government believes that this Motion is one that ought to attract the support of the Members of the House. Also, we believe that it is one that the community at large ought to await and see the results and then let us have a discussion surrounding some of the outcomes.

Madam Speaker, it would be useful for me to also mention that as stated by the Honourable Premier in this honourable House—I'm not going to ven-

ture to say what meeting of the House it was—that the Government internally is also doing research surrounding whether or not the whole issue of 100 per cent owned Caymanian businesses, whether or not there are certain sectors in the economy that the 60/40 rule is not no longer relevant to because we have gotten to the point in the country's development that we easily can see that from the base population we can have viable businesses 100 per cent owned by Caymanians servicing those particular business sectors. And that research is ongoing and certainly that is something that I am going to be very interested in seeing myself as well.

Madam Speaker, let us be very clear. One of the points that I opened with was this whole issue of who would detract and what would be their argument. This whole issue of protectionism . . . let us be very, very clear in our minds. There is no economy on the face of this earth that is a pure free market. There is none! You cannot find it. In every country there is still certain protection for certain industries, certain incentives given to persons involved in the industry that are from the country, whether it is through aid and direct government grants. And so all countries have looked at their economy, looked at their workforce and said, *Here is how we are going to build out; here are the restrictions we are going to put in place*.

Let me use one simple example: [In] the United States of America there are still certain industries in their country that the World Trade Organization (WTO) will never get the US Government to make completely free, and that there will always be protection. Food is one example. Their food security policies drive them to have protectionist regimes around certain key areas within food stuff.

Also, Madam Speaker, let us be clear that there are a number of countries, many countries, that, for example, require you to be a citizen if you are going to work for the State. You cannot work for central government if you are not a citizen of the country. So, many countries have looked at their economy, looked at their workforce and said, *Here is how we are going to organise it. Here is what we are going to do and how we are going to manage it*.

All we are saying is at this point it ought to be a useful exercise for us to reflect on our . . . certainly, for this Motion, we are now going to reflect on the workforce and do some research and see what the outcomes of that is, and see what sort of recommendations would come forth. As I said, not part of this Motion directly, Madam Speaker, but it was announced earlier by the Premier [that] we are also doing the same thing in regard to business ownership.

So, Madam Speaker, the detractors can have their say, and that's how life should be. But I believe that unbalanced . . . anyone who listens to the rationale behind this Motion would be encouraged and supportive, if they are going to be completely fair in their minds, that this Motion ought to see passage and we ought to get the committee in place and get to a point

where we can have real debate around what jobs are within the economy they have identified.

Madam Speaker, with those few remarks I applaud the mover and seconder, and on behalf of the Government I can say that we support this Private Member's Motion.

**The Speaker:** Thank you [Honourable] Minister of Education.

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

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you, Madam Speaker.

Madam Speaker, in listening to the mover of the Motion and subsequently listening to the Minister of Education, certainly, it becomes very obvious what the spirit and intent of the Motion is. And in simply thinking of that it certainly is a situation that all of us would like to be able to see the country aspire to. So from that point of view I think we are on all fours and everybody is in agreement.

The Honourable Minister of Education made a point earlier, which I am glad he made because it tells me that he was thinking the whole process through. When he said that, he drew the comparison about in the early 70s with the industry from which he cometh. The big firms were told that staff accountants had to be Caymanian. Those were ground rules set from early in the game.

Nowadays life is totally different. And if we accept that there are going to definitely be some very serious (I term them) structural difficulties with the accomplishments that are aspired to, then we are fine. You see, I don't want to use the term the Minister of Education used about detractors. Let's not say it like that. Let's say, Madam Speaker, that you will find many people from different positions with different perspectives of this attempt once a committee has been set up and their findings are made known.

For instance, Madam Speaker, I was in on a conversation with a group of people very recently going over the legislation that was upcoming in this meeting. And when we spoke about this specific Motion there was a young person who was genuine in thought and was seriously put off by the Motion because the immediate reaction was: *Are they saying that there are only some jobs that Caymanians can fill?* I understand that that is not the spirit or intent, but that is how that person saw the Motion coming, saying, *They are telling us then that they are going to tell us which jobs Caymanians must fill but then the other jobs are not for us.* I'm only pointing out some of the difficulties that we are looking at.

We're talking about Caymanians. We are looking at a myriad of circumstances. We are looking at spouses of Caymanians who are not Caymanian. We are looking at those with what they call an RERC (Residency Employment Rights Certificate). Now if

and when we ever get to the stage where we announce jobs that are Caymanian, fine! At what point in time do we have the lines drawn when it has to be pure Caymanian? People will always be Caymanian, ad infinitum from hereon in. That will never change that you will have a Caymanian who is married to a non-Caymanian and that person is going to be several years before that person can become a Caymanian, assuming the marriage remains stable. And that person will only have an RERC for seven years but the spouse is a Caymanian.

So what do we say to them? How does the spouse feel about that? And I understand that that is not the intent. I'm pointing out some of the specific difficulties that we will encounter in moving in this direction.

What I appreciate also that the Minister of Education said that perhaps there is no country in the world that does not exercise some level of protectionism when it comes to their own citizens. Now those levels will vary depending on the country, and also not only the levels will vary but the types of occupations that are protected will vary because it just depends on how industrialised the country is, or vice versa. So, there are many, many, many considerations that we have to make in making any determination.

The aspiration is one that we all have to say yes to, because that is what we would want. All of us would want to find a way which would (shall I say) give our own people a certain edge to guarantee them certain levels of livelihood to be able to share in this success story. And that's what it's all about! So we understand all of that. But I just wanted to point out certain little instances which the situation is not limited to what I have just said. If we think for any length of time we can think of other circumstances.

The country has moved over the years to where, from an immigration standpoint, there are wide varied circumstances which will have to be taken into consideration. You will end up with families, some being in a certain position by way of their immigration status, some being not in the same position by way of immigration status. But as a family unit once some part of that family is a Caymanian, are you then depriving or disenfranchising that family by saying that the person who is not a Caymanian—even if that person is on the way to being a Caymanian—that that person can't fill that job?

That is going to be difficult! And that is not going to stop. That is not one of those situations where five years from now you won't have any of them. Five years from now you are going to have more of them! So it is not going to stop! And I'm not going to just chime on that situation, but, Madam Speaker, that is the same way that the Minister of Education used the backhoe operator. That, to me, is a prime example of some of the difficulties that will ensue as a matter of course.

Perhaps some of my colleagues will add more insight into the situation. But, Madam Speaker, it is



certainly not the Opposition's view that because there are difficulties that we see, that we should find it necessary to vote against the Motion because we do not fully understand the spirit and intent. What I would like to hear before the windup is whether any thought has been given to these circumstances which have been talked about, and if it is simply a matter of let us hear what a committee forms as their opinion, and let us look at it and see if there is any sensible way forward.

Madam Speaker, I'm going to say this: Whenever we come to the point, whether some of us who are here now are still here and it becomes a legislator's job, or whether it's time past and some of us are not here, whenever we come to the point of making decisions, such as those that will have to be made to deal with this specific aspiration, we are going to have a very difficult time covering all the bases, looking at all the options and deciding on what is best for . . . In this one we'll never be able to get what's best for all concerned. We'll just have to decide what is best for the most concerned and see how many sacrifices we are willing to make in order for the greater good.

So, Madam Speaker, the Opposition would very much like to hear some more before the Motion is taken to the vote on some of these thoughts which have been expressed. And, as I said, Madam Speaker, we do understand the spirit and intent of the Motion, and it is certainly an aspiration that all of us should have at some point in time for certain jobs to be Caymanian. But we certainly are going to have some difficulty in natural justice prevailing and fair play prevailing, and trying to balance that whole act to see how far and to what level of benefit it will be in moving in that direction.

Thank you, Madam Speaker.

**The Speaker:** Thank you [Honourable] Leader of the Opposition.

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

Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I too wish to offer a contribution to this Motion which raises, I think for the umpteenth time, some of the concerns that are inherent in the immigration regime which we have and have had for many, many years, and the society that has developed, particularly over the course of the past 40 years.

The fact that a Backbench Member of the Government is bringing this Motion is indeed an acknowledgement by the Government that the present regime that we have for "permitting" (if I may use that expression) is not working the way we would want it to. And, in fact, this is not a criticism of the Government, lest they think that's what I'm saying; it is an acknowledgement of problems with the system that have existed from before we actually had legislation in the late 60s.

It is, in fact an acknowledgement of a situation which drove the development of the three pieces of companion protectionist legislation which saw passage in this House in 1971—the Caymanian Protection Law, the Companies Control Law, and the Trade and Business Licensing Law. Those three pieces of legislation were passed at the same time in the same meeting of this House in 1971 and they were developed as the Caymanian Protection Law. The name itself reflected they were protectionist pieces of legislation aimed at ensuring that in what was then a very quickly growing economy and growing country population wise, that Caymanians had some certainty, some assurance that they would, to put it bluntly, obtain a piece of the pie.

Those policymakers back then, I would not say they were prescient, but they certainly understood what was happening and what was likely to happen. And in 1971, although the population then was just . . . I think the census in 1970 put the population at 10,270 (if my memory does not fail me, somewhere around there) of which at that point about 80 per cent were persons born in the Islands or persons with a historic connection to the Islands. But they understood even then what was likely to happen as Cayman grew, as its success increased, and as its popularity and attractiveness as a destination to live and work to do business increased. And that was the goal of everyone.

And back then also, Madam Speaker, there would have been much less percentage-wise Caymanians with any level of formal training. Many didn't even have formal education beyond what we now call primary school. I say all of that, Madam Speaker, just to say that this is not a new issue; this is not a new concern. But somehow we have not, in all that we have done, managed to find a way to ensure that there is fairness in the workplace, that there is a means by which employers can be properly held to account in relation to job positions and prospects of all Caymanians.

In other words, we have the work permit regime. We have a system that has developed and been amended and adjusted countless times over the years, including business plans and training programmes that are attached as part of the conditions on which work permits are granted and so forth. But we have never had, and still don't have, the means by which we can ensure that these conditions are actually complied with and that employers do what they ought to do.

And then on the other side of that coin, Madam Speaker, is the fact that . . . and we have to face it. While many Caymanians have done well and, therefore, have had great opportunity for professional and economic success, the education system on which the future of this country has rested for the past few generations has been inadequate in preparing sufficiently large numbers of our people to be able to get the access they need to post high school educa-

tion and to be able to develop the skills and training necessary to seize a lot of these opportunities.

And then added to that is something that still haunts this society, and that is the growth, over the course of the last generation, of a sense of entitlement which those of us of my generation, and certainly the generations that preceded my generation, didn't have the luxury of even thinking about.

So these factors have all come together to create a most difficult situation. Any time you talk about immigration in any country it raises controversy and angst, and people take positions. Lord knows I have taken I believe more than a fair share of licks over the years for my view about how we ought to be developing immigration policies in this country. Indeed, the present Government are perhaps chief among my critics in that regard—at least, publicly, even though privately I know many of them currently and in the past are generally sympathetic to many of the positions that I hold about these issues.

*[inaudible interjection]*

**Mr. Alden M. McLaughlin, Jr.:** But, Madam Speaker, it's a real challenge balancing the need to ensure that those who come here to do business, and even our own people who have businesses, have the opportunity to develop those businesses to exploit the opportunities that present themselves by having the good quality trained staff that they need, regardless of where they come from, to allow that business to prosper. We have to balance that always, Madam Speaker, on the one hand with this situation about what are the prospects for our own people.

Not every one will agree with me about this, but there can be no future for this country that does not include those who are of this country. For if that is the case, then what is the point of all of this for our people? This is not an easy question to address. If it were, it would have been fixed a long, long time ago.

If this Motion succeeds, the committee is not going to fix it all by itself either. And we have, I believe, to acknowledge that there will always be these tensions. There will always be people who say, *Oh you are going to run away business*. The Premier loves to say that whenever he talks about any position that the administration of which I was a part, or me in particular, have ever taken on anything—*running away business*.

*[inaudible interjection]*

**Mr. Alden M. McLaughlin, Jr.:** But at least, Madam Speaker, I've never said that expats were cluttering up the infrastructure as he has, since he wants to get—

*[inaudible interjection]*

**Mr. Alden M. McLaughlin, Jr.:** Since he wants to engage in crosstalk. But I don't want to go there be-

cause this is too important a subject and I believe that—

*[inaudible interjection]*

**Mr. Alden M. McLaughlin, Jr.:** —that—

*[inaudible interjection]*

**The Speaker:** Shush! Be quiet please. I want to hear both sides.

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** You shouldn't get *[inaudible]*.

**Mr. Alden M. McLaughlin, Jr.:** I believe that *[laughter]*.

It's all right, Madam Speaker, it's late in the afternoon.

**The Speaker:** I'm going to soon send you all home. Just go right ahead and finish your debate.

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** I hadn't intended to speak, but now I'm going to have to speak.

*[laughter]*

**The Premier, Hon. W. McKeever Bush:** And now we are going to have to stay late.

**Mr. Alden M. McLaughlin, Jr.:** I don't mind, Mr. Premier, we can stay as late as you wish.

But, Madam Speaker, this is too important a discussion. I believe the little jest is okay, but too important a discussion for us to trivialise.

Madam Speaker, there are those who believe that we should just let the market determine who gets hired, how much they get paid, what their prospects are. I can tell you, Madam Speaker, from personal experience, that unless things have changed vastly in the ten years since I was a partner in a law firm, discrimination is alive and well in the Cayman workforce. Make no bones about it. Make no bones about it. And if it were not for the work permit situation, which is both a carrot and sometimes a stick, if that were not strictly controlled, the prospects for many Caymanians in terms of upward mobility would have been greatly limited over the years.

In the early years training was a critically important component of the package when you got a work permit. As time worn on, that, seemingly, has become less of an issue; not because it is less important, but because I believe the resources to ensure that firms who have undertaken to train Caymanians, whether they are young or not, the resources are less

available to follow-up and to ensure that that training takes place.

And also, Madam Speaker, attitudes have changed significantly in that increasingly I have heard in the business community that training ought not to be the burden and at the cost of the businesses; that this is something that actually ought to be Government's responsibility. So attitudes have altered significantly.

Madam Speaker, when the Minister of Education spoke about his personal experience coming up as a trainee accountant, I can speak also of my experience coming through the ranks starting as an articled clerk and going to law school and working my way through to partnership in a local law firm. Now, Madam Speaker, there were greater opportunities then. Firms were much more anxious to take on board young Caymanians as trainees because, as we used to say rather cynically, it looked good on the next work permit application.

And there was in the legal profession a policy—well, it wasn't in the profession it was as far as Immigration was concerned—a policy was applied to the legal profession that essentially if an attorney had less than three years post qualification experience, you could not get a work permit for that position. Now more and more (and that is not just in the last couple of years) I have heard that that is no longer really the case—that if you can make the case for why you need someone . . . And lots of these persons for whom applications are made are very well qualified academically. And so the case is made that, *Well if you are an Oxford grad, first class honours, if you didn't have any post qualification experience, that is not the end of the world because these people are so bright they will pick it up very quickly.* That may all well be true.

But the consequence of that is that while on a weekly basis, at least, I see young attorneys—sometimes not so young—but foreign attorneys being admitted to the Cayman Bar at a time when there are at least a dozen young legally qualified persons who can't get articled so that they can get called to the Bar. These are some of the situations which are giving rise to the kind of sentiment and resentment which I believe has given birth to the Motion before us, to the level of frustration in the example given by the Leader of the Opposition when he just spoke, among our people, but particularly our young people.

Now, Madam Speaker, I am not at all sure that what the Motion seeks is going to cure that. And I myself have some significant concerns about saying that certain jobs are only for Caymanians, because for a number of reasons—and I hasten to say that that does not mean I'm not going to support the Motion. I am going to support the Motion because I think getting the committee together to talk about these issues may actually go somewhere to help.

The problem I see of saying that certain jobs are only for Caymanians is how do we know at this stage whether there are sufficient Caymanians who

are that way inclined to fill these jobs without having conducted some extensive and careful survey? And that, I believe, is the danger of taking such hard positions in relation to these matters. If, in fact, we could get the system which currently exists to work better so that each case and each instance is looked at and followed up, that I believe would be a much better way. But that system hasn't been the effective machine we wanted it to be for 40 years.

**The Speaker:** Third Elected Member for George Town, we need to have motion to continue after four-thirty. Can you just . . . I would like to finish this Motion this afternoon if we could.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we had planned to break at this point, but I would like to confer one minute and then, since the Member intends to be longer, we can decide what we have to do because there are some commitments.

**The Speaker:** I understand that in fact the Leader of the Opposition . . . There are several people who have commitments this afternoon. I don't have a problem with that, but we can continue. . .

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the Member says—

**The Speaker:** Can we continue? I know it's a Private Member's Motion . . . finish it off tomorrow morning first thing.

**The Premier, Hon. W. McKeever Bush:** That's what I said. Give me a minute to confer then we will make a decision as to whether we stop now, start back when Private Members' [Motions] are due, or whether we commit to tomorrow morning for a short while, as we had other commitments for tomorrow morning as well. So, if I could take a minute to confer I would appreciate it.

**The Speaker:** Okay.

[pause]

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we had given an undertaking to the Leader of the Opposition and other persons that we would be shutting down at 4.30. We can't start back tomorrow morning, not on this Motion, because we had made other commitments.

So, we are going to adjourn the House at this time and we will come back to this Motion at an appropriate time once Government Business has been completed, or we decide otherwise at a given point in the next several days.

For now, we are going to move the adjournment of this honourable House until 10 am tomorrow.

**The Premier, Hon. W. McKeeva Bush:** Okay.

**The Speaker:** I had also given a commitment to the Member for North Side. He wanted to raise an issue on the adjournment motion.

Are you going to continue with that, Member for North Side?

## PERSONAL STATEMENT

### UK Press release on Parking Spots

**Mr. D. Ezzard Miller:** Thank you, Madam Speaker, Madam Speaker, thank you for giving me the opportunity in accordance with Standing Order 11 subsection (6) and (7) to raise this matter.

In February, I tabled a Private Member's Motion No. 2/09—Clarification of Parking Spots that was accepted by the Government. However, Madam Speaker, it seems that our local efforts may have been overtaken by events in the UK, as reported on BBC news in the UK on 17 August 2010. And with your permission, Madam Speaker, I would like to read the news release:

**"Wheel Clamps Face Private Land Ban"**

That is the title of the news item.

**"Wheel clampers are to be banned from operating on private land in England and Wales, the Government has said."**

**"The legislation to be introduced in November will introduce penalties for anyone clamping a vehicle or towing it away on private land."**

**"Minister, Lyn Featherstone said motorists had faced "unscrupulous tactics" by some firms for too long."**

**"Motoring groups welcomed the news, but parking firms said regulations rather than a ban was the answer."**

**"In one case on Monday, a nurse was clamped while visiting a patient and told to pay £350 to get her car released, with another £50 charge for every hour she delayed payment."**

**"The planned legislation announced by the Home Office, will be introduced in the Government's Freedom Bill in November."**

**"More than 2,000 existing clamping licences will be revoked as a result, with towing also set to be outlawed, but private firms will still be able to ticket parked cars."**

**"Only police or councils will be allowed to immobilise or remove a car in exceptional circumstances such as a vehicle blocking a road."**

**"The penalties could include fines or jail terms."**

**"Wheel clamping on private land has been outlawed in Scotland since 1991, but will remain legal in Northern Ireland"**.

Announcing the ban, Miss Featherstone, the Equalities and Criminal Information Minister, said the Government was "committed to ending

the menace of rogue private sector wheel-clampers once and for all".

**"Reports of motorists being marched to cash points or left stranded after their car has been towed are simply unacceptable," she said."**

**"Regional and local Transport Minister, Norman Baker, said "cowboy clampers' had had "ample opportunity to mend their ways, but the cases of bullying and extortion persisted"."**

**"Lawyer, Nick Freeman, who specialises in motoring law said: "For a long time this has been nothing but an unregulated racket operated mainly by unscrupulous cowboys, with some people making a lot of money from the misfortune of others"."**

**"For motorists who fall foul of this unfair practice, they have no choice but to pay an extortionate release fee and they have no redress other than through the county court, which a vast majority of people don't pursue."**

**"Professor, Stephen Glaister, director of the RCA Foundation, warned that getting rid of clamping would not end disputes about parking on private land."**

**"There needed to be a fair system that found the right balance between protecting motorists and landowners."**

**"He said some operators have already turned to issuing penalty tickets rather than using clamps and the law needs to recognise a "growing form of enforcement"."**

**"Currently, wheel clampers and the directors and supervisors of clamping companies must hold a licence granted by the Security Industry Authority (SIA)."**

**Patrick Troy, of the British Parking Association who represents the parking industry, said a ban on clamping was not the solution."**

**"He said he would prefer company licensing with code of practice covering issues such as maximum recommended charges for clamp release fees, the amount of signage, "all the things which quite rightly upset the public about the way car parks are managed"."**

And, Madam Speaker, I could easily apply that news release to what's happening around George Town and the complaints I get about the people. So, Madam Speaker, I would invite the Premier and the Attorney General to confirm if the Government plans to follow the UK and outlaw this wheel-clamping. At least, given the pending action in the UK, I invite the Government to announce that it will be terminating any contracts it has with wheel clampers to clamp vehicles on Government owned property. I further invite the Government to bring the appropriate certification in November to accomplish what the UK is doing.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I've heard the Member and I've listened to

the news report. But the Member ought to know that I don't just jump up and do anything because someone makes a news report—the radio nor paper. Facts have to be ascertained and people reading in the news and writing in the news sometimes make great mistakes. Also, they twist the facts.

So, no, I have never been one to do that and, in particular, I'm not just about to jump up ready to say to be doing anything that the UK or just following the UK on any particular matter unless it is properly checked out.

We gave an undertaking that we would be addressing this matter. That is now being done by the Honourable Attorney General's Office.

**The Speaker:** Thank you.

Can we have the motion for adjournment now please?

### **ADJOURNMENT**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we adjourn this honourable House until 10 am tomorrow.

**The Speaker:** The question is that this honourable House do now adjourn until 10 o'clock tomorrow morning. All those in favour, please say Aye. Those against, No.

**Ayes.**

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

**At 4.40 pm the House stood adjourned until 10.00 am, Friday, 10 September 2010.**



**OFFICIAL HANSARD REPORT**  
**FRIDAY**  
**10 SEPTEMBER 2010**  
**10.55 AM**  
*Third Sitting*

**The Speaker:** I will ask the Deputy Governor, the Honourable First Official Member responsible for Internal and External Affairs to say Prayers.

**PRAYERS**

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Let us pray.

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

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

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

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

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

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

**Apologies**

**The Speaker:** I have apologies from Mr. Arden McLean who is still absent, dealing with a family illness. The Honourable Rolston Anglin, for the same

reason, Mr. Ezzard Miller, who is on personal business abroad, the Hon. Juliana Y. O'Connor-Connolly who is on Government official business at a Commonwealth Parliamentary conference in Kenya.

I also have apologies for the late arrival of the Second and Third Elected Members for Bodden Town, Mr. Anthony Eden, and Mr. Dwayne Seymour, both of whom are attending school functions this morning and will be here later on.

I apologise for the late start for the meeting, but we needed a quorum and Members were engaged otherwise today.

Thank you.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**Annual Report 2007–2008 Fourth Annual Report of  
Office of Complaints Commissioner of the Cayman  
Islands addressing the Fiscal Year July 2007–  
June 2008**

**The Speaker:** The Chairman of the Committee of the Legislative Assembly responsible for overseeing the Office of the Complaints Commissioner, Deputy Speaker, the Third Elected Member for West Bay.

**Hon. Cline A. Glidden, Jr.:** Madam Speaker, I beg to table the Report entitled Annual Report 2007 – 2008 Fourth Annual Report of the Office of the Complaints Commissioner of the Cayman Islands addressing the Fiscal Year July 2007 – June 2008.

**The Speaker:** So ordered.

Does the Honourable Deputy Speaker wish to comment thereon?

**Hon. Cline A. Glidden, Jr.:** No, Madam Speaker.

**The Speaker:** Thank you.

**Penny Pinching Pensions—Own Motion Investigation  
by the Office of the Complaints Commissioner  
September 2010**

**The Speaker:** The Chairman of the Committee of the Legislative Assembly responsible for overseeing the Office of the Complaints Commissioner, Deputy Speaker, the Third Elected Member for West Bay.

**Hon. Cline A. Glidden, Jr.:** Madam Speaker, I beg to table the Report, Penny Pinching Pensions—Own

Motion Investigation by the Office of the Complaints Commissioner September 2010.

**The Speaker:** So ordered.

Does the Honourable Deputy Speaker wish to speak thereon?

**Hon. Cline A. Glidden, Jr.:** No thanks, Madam Speaker.

#### **First Report of the Commission for Standards in Public Life 12<sup>th</sup> August 2010**

**The Speaker:** Deputy Governor, First Official Member responsible for Internal and External Affairs and the Civil Service.

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the First Report of the Commission for Standards in Public Life 12<sup>th</sup> August 2010.

**The Speaker:** So ordered.

Does the Honourable First Official Member wish to speak thereon?

**Hon. Donovan W. F. Ebanks (Deputy Governor):** Thank you, Madam Speaker, yes, just briefly to say that this Commission is one of the six commissions that have been established since the new Constitution came into effect in November 2009. One of those, as Members will recall, fell away after its report was presented to this honourable House, that being the Electoral Boundaries Commission.

There is one outstanding, the Advisory Committee on Prerogative and Mercy, which has yet to be established, or is expected to be established in the very near future.

Madam Speaker, the Commission for Standards in Public Life is one of the more significant commissions in respect of public administration and good governance overall. The functions of the Commission are set out in section 117(9) of the Constitution. Among those functions, at subsection (g), is the report to the Legislative Assembly at regular intervals, and at least every six months. The Committee, having been established back in January of this year, this represents their first report.

The Commission is comprised of Mrs. Karin Thompson, Mrs. Nyda Mae Flatley, Mr. Roy McTaggart, Mr. Hedley Robinson, and Pastor Winston Rose. I certainly wish to express our gratefulness for their willingness to serve in this role.

It is envisaged that this Commission, as [well as] some of the others, will in the near to medium term, be putting forward proposals for enactment of legislation to better give effect to the discharge of the functions which the Constitution has prescribed as

falling to them. And, in turn, I would anticipate that the Report in relationship, which the Constitution calls for, and which I just read, will be addressed in that local legislation.

I would certainly invite Members to read the Report. I think it introduces some new considerations that all Members should make themselves aware of. Certainly, the maintenance of the Register of Interests is one that I think Members in particular should familiarise themselves with and the roles that are prescribed in the Constitution for this Commission to discharge in relation to that function.

Finally, Madam Speaker, on behalf of the Commission I want to reiterate their expression of thanks to an acknowledgement of the pivotal role played by the late Dr. Philip Pedley who, in the months leading up to his untimely passing was extremely influential in the establishment of a number of the commissions and in their membership. We obviously lost a most competent and faithful soldier.

Madam Speaker, copies of this First Report, in addition to being available here, can be accessed by the public electronically at the Commission's Secretariat website, as part of the Government portal, the address being, [www.constitution.gov.ky](http://www.constitution.gov.ky). And I would likewise extend to the public an urging that they too make themselves familiar with the Report.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable First Official Member.

#### **Cayman Islands Monetary Authority Annual Report 1 July 2008–30 June 2009**

**The Speaker:** Honourable Premier, Minister of Finance, Tourism and Development.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House the Cayman Islands Monetary Authority Annual Report 1 July 2008 – 30 June 2009.

**The Speaker:** So ordered.

Does the Honourable Premier wish to speak thereto?

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, there are a number of matters that I would like to highlight from the Report, which I think would do the House well to understand, and the general public at large.

The Report covers the period of July 2008 to 30 June 2009. It is being presented in accordance with the Monetary Authority Law and the Public Management and Finance Law and it has been noted by the Cabinet.



The Report contains the audited financial statements of the Authority for the year ended 30 June 2009. The Report provides an overview of the industries that the Cayman Islands Monetary Authority (CIMA) regulates, namely, banking and related services, fiduciary services, insurance, investments, and securities.

It provides evidence of industry trends, including movements in the numbers of regulated entities and jurisdictional comparisons for each sector. The Report also outlines the developments within the Authority during the year and how it executed its four main functions, which are: 1) management of Cayman Islands currency and its reserves; 2) regulation and supervision of financial services; 3) provisions of assistance to overseas regulatory authorities and the provision of advice to the Cayman Islands Government on monetary regulatory; and 4) cooperative issues.

Madam Speaker, 2008/2009 was a challenging period for the Cayman Islands Monetary Authority as it was for the larger financial services industry. Regulated entities were faced with having to rapidly adjust and re-adjust their operations to cope with the drying up of liquidity, a global freeze on credit and other effects of the international financial crisis.

The harsh international economic climate resulted in mixed sectoral performance in the banking sector. International assets booked through banks in the Cayman Islands fell to US\$1.73 trillion at the 30 June 2009. In June 2008 it was US\$1.83 trillion.

Liabilities also fell slightly to US\$1.76 trillion, down from US\$1.82 trillion as at June 2008.

The 270 banking licences in force at 30 June 2009 were 10 below the number of licences at June 2008. They should note that all of this was happening amidst the time we were being told in this honourable House that things were well.

In the investments and security sector, the overall number of authorised funds fell by 2 per cent to 9,825. This includes 9,189 registered funds. The number of funds administrators fell by 7 per cent to 143. On the positive side, the number of securities investment business entities registered as excluded persons under the Securities Investment Business Law (SIB) increased by 13 per cent to 2,270 while licensed SIB entities grew by 17 per cent to 28.

The captive insurance sector continued its growth, not only in numbers of licences, 787 at 30 June 2009, but in assets and in value of premiums written, US\$40 billion, and US\$8 billion respectively, at 30 June 2009.

In the fiduciary sector, trust licences grew by 2 per cent to 160, company manager licences grew 5 per cent to 77.

Nine entities registered in each of the new categories of private trust and controlled subsidiaries. CIMA collected some \$62.3 million in regulatory fees on behalf of the Government for the fiscal year. This was roughly \$1 million less than the previous year.

As noted in the Report, the prevailing conditions placed increased demands on CIMA's time and resources to intensify its supervision of its regulated entities and industry as a whole; to institute measures to more closely monitor entities; to work with entities to mitigate potential and actual negative effects; and to take appropriate enforcement action as necessary.

A total of nine new formal enforcement actions were taken during 2008 and 2009 involving two domestic insurance companies and seven registered funds. On the international front, Government's regulators and standard setters of leading jurisdictions responded with a barrage of recommendations and new standards and requirements designed to prevent future crises of such magnitude.

The Authority expended much effort, time and resources to monitor these developments, do its own reviews, assess and provide input on the proposals where possible through its membership of various international organisations and act to develop and implement the adjustments required for new and amended standards.

The Report outlines several regulatory initiatives that CIMA executed. These involved making amendments to some existing measures as well as developing and issuing new ones. Among the measures was our regulatory policy on consolidated supervision that outlines CIMA's approach to ensuring effective cross-body supervision of entities that are internationally active. Regulatory policies on the licensing of banks, approval of major acquisitions or investments by banks, and audit exemptions for regulated funds were issued for insurance entities rules and risk management and market conduct.

Continuing its international involvement and cooperation, CIMA was successful in gaining membership of the International Organisation of securities Commissions (IOSCO). It facilitated the IMF jurisdictional assessment of Cayman's regulation of financial services and participated in the Cayman aspect of the UK's independent review of British Offshore Financial Centres, by Michael Foot . . .

Madam Speaker, the country will remember that when we agreed with the UK on the savings directive, and after that was a hard-fought battle, one of the things that we pushed for to get out of that was the membership of IOSCO for the Cayman Islands, and we were successful.

CIMA continued to enhance its international reputation as the leading offshore regulator by assisting the Caribbean Financial Action Task Force (CFATF) in its assessment of St. Kitts and Nevis, and hosting the offshore International Group of Insurance Supervisors Training workshop among other international cooperative activities.

CIMA processed 113 requests for assistance from overseas regulatory authorities, 95 were routine, and 18 were non-routine.

Three new memoranda of understanding were implemented. These were with the Malta Financial

Services Authority, the Securities Commission of Brazil, and the International Organisation of Securities Commissions. These bring to 16 the number of such international agreements that CIMA had in place as at 30 June 2008. One new local MOU was also signed with the Cayman Islands Stock Exchange.

CIMA's effort to increase operational efficiency and strengthen supervisory capacity included developing policies, supervisory review systems, and information technology infrastructure for implementing the new Basel II Capital Adequacy Standard for banks.

The Authority implemented improvements to the electronic reporting systems for funds and continued groundwork for automating manual processes for licensee registrant submissions, as well as the redevelopment of its public website.

Further work was also carried out on the development of the Monetary Authority Regulatory Systems that will, on completion, replace the supervisory and regulatory functions of the current licensee/registrant database.

Initiatives in the Human Resources area included the completion of a comprehensive job evaluation exercise and the adoption of new job classification and compensation policy. CIMA also streamlined staff training and development programme by launching a learning centre and bringing most of their training programmes in-house. This effectively decreased training expenditure while increasing the number of employees benefitting from training. The staff as at that time was 139; at June 2008 it was 122.

Madam Speaker, the Authority's financial statements for 2009/10 reflect its efforts to exercise prudent management of its limited fiscal and other resources. CIMA's total income for 2008/2009 was \$15.7 million. This was below the total income of \$19.3 million for the previous years. And this is Cayman Islands dollars.

The main contributor for this decline was the investment income which fell by approximately \$3.2 million due to the restructuring of the investment portfolio to reduce exposure to high risk investments in keeping with investment guidelines of security, liquidity and income.

Total operating expenses were \$15.4 million at June 2008 and \$13.7 million June 2008. This resulted in a net income of approximately \$310,000 which was allocated to contributed capital and to capital expenditure reserves.

Total assets as at 30 June 2009 were \$115 million; June 2008 it was \$111.3 million. This amount includes currency reserves assets of CI\$100.4 million.

Although interest rates continued to be depressed, the value of currency reserves assets at 30 June 2009 was marginally higher than the June 2008 value of CI\$99.8 million. This reflects the vigilance of CIMA's Board in overseeing the investment of the currency reserve assets which provide the direct backing

for the currency in Cayman Islands dollars in circulation.

Currency in circulation as of the 30 June 2009 was \$83.5 million, a 6 per cent increase over June 2008, \$78.9 million. Currency reserve assets exceeded currency in circulation by 20 per cent. June 2007 it was 26.5 per cent.

Total liabilities as at 30 June 2009 equaled \$86.4 million. June 2008 it was \$81.2 million. Total reserves were \$20.3 million. June 2008 it was \$20.16 million. While contributed capitals stood at \$10 million, June 2008, it was \$9.9 million.

The Auditor General's Report on the financial statements for the year ended 30 June 2009, confirms that (and I quote): **“. . . except for the possible effects of the adjustments necessary for recording the past service pension asset, these financial statements present fairly, in all material respects, the financial position of the Cayman Islands Monetary Authority as at 30 June 2009 and the result of its operation and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Monetary Authority Law (2008 Revision).”**

Madam Speaker, with regard to the past service pension asset the Authority disclosed in the financial statements and the Auditor General's Report notes that the Authority was not able to quantify this asset as it did not have available to it an actual evaluation as of the 30 June 2009 from the Actuary of the Public Service Pensions Board.

Madam Speaker, the Cayman Islands Monetary Authority Annual Report 2008/2009 presents a comprehensive account of the Authority's activities and developments for the reporting period. I recommend it for this honourable House.

Madam Speaker, on a personal note I would like to thank CIMA's Managing Director and her management team, and the entire staff of the Cayman Islands Monetary Authority for their professionalism and service to these Islands. They have a tremendous job which I think they are trying to carry out fairly.

I also want to thank the Board members, in particular, Mr. George McCarthy who does so much work, Madam Speaker, in so many different ways on the international front for these Islands. So I want to thank him and the Board.

Thank you kindly.

**The Speaker:** Thank you, Honourable Premier.  
That's the end of Papers and Reports.

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

**The Speaker:** I have received no notice of statements by Honourable Members or Ministers of Cabinet.

## GOVERNMENT BUSINESS

### BILLS

#### FIRST READINGS

##### Court of Appeal (Amendment) Bill, 2010

**The Clerk:** The Court of Appeal (Amendment) Bill, 2010.

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

##### Police Bill, 2010

**The Clerk:** The Police Bill, 2010

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

#### SECOND READINGS

##### Protection from Domestic Violence Bill, 2010

**The Clerk:** The Protection from Domestic Violence Bill, 2010.

**The Speaker:** Honourable Minister of Community Affairs, Gender and Housing.

**Hon. Michael T. Adam:** Thank you, Madam Speaker. Madam Speaker and honourable Members of the Legislative Assembly, I am pleased to lay on the Table of this honourable House the Protection from Domestic Violence Bill, 2010.

**The Speaker:** You are moving the Second Reading of the Bill?

**Hon. Michael T. Adam:** Yes, Madam Speaker.

**The Speaker:** Okay.

The Bill has been duly moved. Does the mover wish to speak thereto?

**Hon. Michael T. Adam:** Yes, Madam Speaker.

**The Speaker:** You may proceed now, sir.

**Hon. Michael T. Adam:** Thank you, Madam Speaker. Madam Speaker and honourable Members of the Legislative Assembly, I am pleased to lay on the Table of this honourable House the Protection—

**The Speaker:** You are not laying it on the Table; you are presenting the Bill.

**Hon. Michael T. Adam:** Pardon me, Madam Speaker. I am presenting the Bill to this honourable House, the Protection from Domestic Violence Bill, 2010.

**The Speaker:** Mm-hmm. Thank you.

**Hon. Michael T. Adam:** The intention of the new Protection from Domestic Violence Bill, 2010, is primarily to 1) enhance the protective remedies available to victims; 2) expand the definition of Domestic Violence; and 3) expand the definition of who is offered protection from domestic violence.

The proposals put forward in this new Bill reflect an increased awareness of the incidence of acts of domestic violence within the household setting and the need to ensure that all victims are afforded appropriate remedies regardless of the nature of the domestic relationship or the type of abusive conduct committed.

The current Law that addresses the issue of domestic violence is the Summary Jurisdiction Domestic Violence Law, which was originally enacted in 1992 and revised in 1998. At the time, the primary objective of the current Law was to introduce additional remedies to provide timely protection to victims or potential victims of domestic violence.

The Protection from Domestic Violence Bill 2010 seeks to repeal and replace the current Domestic Violence Law in order to effectively accommodate the proposed legislative measures, and in so doing, primarily expand and in some instances clarify the current Law.

Madam Speaker, the document for debate is a well considered instrument and has been in development for over a year. It is the culmination of collaborative work between private individuals and key government agencies.

Madam Speaker, I would like to begin by providing you and honourable Members of this House with some background on this piece of legislation. In December 2008, a Special Advisory Report on Gender Violence was submitted to the Cabinet of the Cayman Islands Government. This Report was produced by a temporary government appointed special advisory committee on gender violence in response to the tragic murder of Estella Scott-Roberts as a former executive director of the Cayman Islands Crisis Centre. The committee was tasked with making both short- and long-term recommendations to the Government to address the issue of gender-based violence, which includes domestic violence.

In December 2008, Cabinet issued a directive based on one of the recommendations of the committee's report that the issue of gender violence, including domestic violence, be examined within the parameters of the Law Reform Commission.

In October 2009, the Law Reform Commission produced a discussion draft Bill and legislative proposal paper for the Protection from Domestic Violence Bill. The public consultation process took place

from November through December 2009. During this time, the public was invited to submit comments on the draft Bill and relevant government departments and stakeholders were contacted directly for their input.

This consultation process and the Bill were publicised through various media houses, including press releases, radio appearances and on the Government Website. During the public consultation process, the Ministry responsible for Gender Affairs and the Law Reform Commission received responses from members of the public as well as organisations such as the Department of Children and Family Services, the Department of Community Rehabilitation, the Cayman Islands Crisis Centre, the National Drug Council and the legal department, all of whom demonstrated strong support for, and commitment to the Bill.

In addition to considering the comments received from agencies and individuals, this Bill was also formulated based upon information from the 2008 Special Advisory Report on Gender Violence and the legislative experience of other jurisdictions, such as The Bahamas, Barbados, Belize, Bermuda, Jamaica and St. Lucia.

There should be no doubt, therefore, that this Bill is a culmination of a collaborative effort among concerned stakeholders and has been thoroughly reviewed by the Ministry responsible for Gender Affairs, the Department of Legislative Drafting, and the Law Reform Commission.

Madam Speaker, before I speak to the details of the proposed Bill, I think it is appropriate to state that the Government unequivocally views this issue of domestic violence and the protection for its victims as being of the utmost importance. This Bill demonstrates that as a society we consider this conduct unacceptable and it can no longer be perceived as a private or cultural issue to be ignored. We are, unfortunately, well aware of the consequences that can occur when persons continue to remain in abusive relationships and our children grow up being witnesses to domestic violence or victims of child abuse.

It is widely accepted that the home is the breeding ground for healthy non-violent youth and adults as well as youth and adults who only know how to interact and relate to one another in violent and abusive ways. This has been repeatedly documented and is reinforced by the 2006 Criminology Study prepared by Yolanda C. Forde which states, and I quote: **“. . . families are not only the cornerstone of society, but parents should be the primary agents of crime prevention. They have the first chance, and indeed the most critical chance, to influence an individual's patterns of behaviour . . . and of course the committing of crime is a behaviour."** [5.1 at page 134]

Therefore, Madam Speaker, not only does the Government see this Bill as an immediate measure to

increase protection for victims from the crime of domestic violence, but we also view this Bill as but one piece of the puzzle towards improving our crime prevention efforts in this country.

The departments in my Ministry and other government and non-governmental agencies interact with and assist victims of domestic violence on a daily basis in a variety of ways. Additionally, domestic violence sensitive training for police officers, social workers and other frontline staff known as the Domestic Violence Intervention Training Programme, is conducted quarterly by the Department of Counseling Services.

I know there are some people listening to this who may think that domestic violence really does not affect very many people or that it is a thing of the past and, therefore, may even question the need for strengthening our legislation. An unwillingness to acknowledge the extent of domestic violence exists in many societies and the Cayman Islands is no exception.

Domestic violence is an uncomfortable topic for many because it is such a personal and painful issue that often it is very close to home. I assure you, Madam Speaker, for many women, children and men, domestic violence is very much an every day reality in their homes that not only affects them but their families, their schools and their communities. It is worthy to note that Dr. Eleanor Wint, who conducted the 1996 Study of the Family in Caymanian Society, documented at that time over 10 per cent of our 845 random sample households cited, that they had either been victims or witnesses to domestic violence in the home.

While there is very much the need to improve the coordinated efforts of domestic violence data on a national level from all agencies, the following information should give us a glimpse of how prevalent the complex issue of domestic violence is in our society. The Royal Cayman Islands Police Service's Family Support Unit reported that last year they dealt with 167 domestic violence cases. Sixty-two of those cases were referred to the Legal Department for prosecution. It should be noted that these numbers represent the cases dealt with solely by the Family Support Unit officers and are not a reflection of the domestic violence cases encountered by the entire RCIPS which would undoubtedly increase this number.

In 2008, the Cayman Islands Crisis Centre (CICC) had 88 women and children use their emergency shelter. And in 2009, 92 women and children used the shelter services. The CICC has observed the following trends with their clients:

- Approximately 75 to 95 of the children served at CICC have observed one parent physically hurting another parent.
- An estimated 95 to 100 per cent of children served at CICC have behavioral problems.

- Ninety-five per cent of women served at CICC have two or more children.
- The majority of children served at CICC have poor academic performance.
- Approximately 95 to 100 per cent of women served at CICC voiced concerns about the lack of financial maintenance for children by their fathers.
- The majority of women served at CICC needed financial assistance from the Department of Children and Family Services.
- The majority of women served at CICC reported that the abusers have a family history of domestic abuse.

Madam Speaker, in the Department of Children and Family Services, domestic violence has been cited as a contributing factor for seeking assistance in 31 of the cases, that they have had so far this year 2010, with another 92 cases citing marital relationship problems as the primary factor. The Department of Children and Family Services acknowledges that adult victims of domestic violence normally seek other assistance, such as financial assistance, food assistance or school lunches for their children, but they do not normally seek assistance from the Department to primarily address the issue of domestic violence that affects them.

From November 2009 to June 2010, 69 people attended the Legal Befrienders Clinic, which is coordinated by the Family Resource Unit. The Clinic is offered by attorneys from various law firms that provide free legal advice primarily for victims of domestic abuse. Of these 69 people, 50 women and 6 men reported single or multiple abuses. These were 27 Caymanian and 29 non-Caymanian victims of domestic violence.

While the numbers I have reported may seem relatively small, I believe that they are just the tip of the iceberg as many victims of domestic violence remain silent about and [are] fearful of their situations. Indeed, when we take a broader view we can clearly see that the entire country is adversely affected by domestic violence.

If we were to consider how much time and money is lost in productivity as well as how much money is spent on related services such as mental and physical healthcare, law enforcement, legal services, financial assistance, educational services, social work services and emergency housing that deal with the effects of domestic violence, we begin to understand that it affects each and every one of us directly or indirectly.

Madam Speaker, I would like to now explain some of the improvements that have been made in this progressive Bill that seeks to update and repeal the 18-year-old Summary Jurisdiction Domestic Violence Law.

First, the current Law does not provide a definition of "domestic violence." If the Magistrate is satisfied that the respondent has used or threatened to use

violence against the applicant, he or she may make a matrimonial order prohibiting the respondent from continuing to act violently against the applicant. The emphasis in the current Law is on physical violence. Based upon the research of the Law Reform Commission and the observance of practitioners in the human services field, it is recognised that domestic violence can transcend physical violence and extend to behaviour of an emotional, psychological, financial and sexual nature. Therefore, the Bill defines "domestic violence" to include conduct which is intended to cause the victim emotional or psychological abuse, financial abuse, physical abuse or sexual.

Under clause 3 of the Bill "emotional or psychological abuse" means behaviour which is intended to harass or undermine the emotional or mental well-being of a prescribed person.

"Financial abuse" means behaviour which is intended to exercise coercive control over, exploit or limit a prescribed person's access to financial resources so as to ensure financial dependence.

"Physical abuse" means any act or omission which causes or threatens physical injury; and "sexual abuse" includes sexual contact of any kind that is coerced by force or threat of force.

I must also state for the record that recently some media houses have been incorrectly referring to this Bill as a *domestic violence and stalking legislation*. While the Bill does identify stalking behaviours such as waylaying or following a person, making persistent telephone calls, or making unwelcome and repeated or intimidating contact as a form of emotional or psychological abuse within the context of close intimate relationships, it does not address the issue of stalking in its entirety and the many circumstances in which it can occur. It is nonetheless a step in the right direction by acknowledging that these kinds of stalking behaviours are traumatic for the victim and unwanted in our society.

Other major improvements in this Bill are that it provides a definition of a household residence and expands who is offered protection from domestic violence. The current Law makes reference to household or matrimonial home in relation to married spouses or a man and woman living together as husband and wife and a child of that family. The current Bill expands the definition to cover a wider range of persons referred to as "prescribed persons" who are identified as individuals likely to be present in the household and in need of protection.

This Bill expands the definition of who is offered protection from domestic violence to include the following:

- married spouses;
- men and women living together as husband and wife;
- a child of the family;
- a parent;
- a man and woman who are or have been in a visiting relationship; and

- a dependent of the respondent or any person who is living in the household.

By expanding the definition of who is offered protection from domestic violence, we are casting our net wide to ensure that some of the most vulnerable persons in our society, such as children, the elderly and physically and mentally disabled persons are protected.

The expanded definitions also take into account that the restrictive nature of the current Law, which does not adequately cover the various types of familial and living arrangements that exist within our society today, such as several generations of families living together or visiting relations where a man and woman may not live together but currently or previously spend a lot of time with each other and, in many cases, they have a child together.

The current Law defines a child of the family in relation to the parties to a marriage as a child of both those parties and any child who has been treated by both the man and woman as a child of their family. The Bill expands the definition of child to make it clear that a child who does not fall under either of the categories of the current law but who is or has been a member of the household or who resides in the household on a regular basis, or of whom a member of the household is a parent or guardian has access to the remedies of protection under this law. The Bill also amends the definition of child to refer specifically to a person under the age of 18 years who is not or has never been married.

The Bill also increases the kinds of court orders available to victims of domestic violence. The current Law only provides for a Matrimonial Order, which basically gives the Court the right to order the violence or threats or violence to stop and to temporarily remove an alleged abuser from the matrimonial home. The Bill expands options for the Court to include a Protection Order, Occupation Order, Tenancy Order and various Ancillary Orders.

The Protection Order in essence is to prevent the respondent from acting in a particular way towards the applicant. By such an order the respondent would be prohibited from engaging or threatening to engage in conduct that is defined as domestic violence; being on specific premises; engaging in communication with the applicant; or taking possession or damaging property that that applicant may have an interest.

The Occupation Order is similar to the Matrimonial Order currently provided under the law. However, the occupation order is intended to be expansive in that it can be accessed by any prescribed person covered in the Bill and permits that person to occupy the household residence to the exclusion of the respondent.

The Tenancy Order deals with situations where the applicant leases his or her household residence. The Ancillary Orders allow the Court on its

own volition or at the request of the applicant to make ancillary orders including a Maintenance Order in favour of the prescribed person in circumstances where there is a legal obligation to maintain that person. Additionally, the Court may order that the prescribed person be permitted to use the property within the household residence.

The Bill also expands who may apply for protection for a victim of domestic violence. Often times because of fear or intimidation, a spouse or common-law partner may be unwilling or unable to seek the assistance of the court in obtaining a relevant order under the current Law. This is particularly true in the case of women who suffer from 'battered women's syndrome' and in circumstances where a child is also exposed to the violence. The child's interests are not protected due to the inability of the adult victim to take the appropriate actions.

The proposals therefore under the Bill seek to address this issue by allowing third party applications to the Court on behalf of any person falling within the ambit of the Legislation. In the case where a child or dependent is the victim or potential victim of domestic violence, an application to the Courts can be made by a range of persons including:

- a) a person with whom the child or dependent ordinarily resides or resides on a regular basis;
- b) a parent or guardian of the child or dependent;
- c) a person who is approved by the Ministry responsible for family services, for example a social worker.

In the case of a spouse, parent, member of the household residence or person in a visiting relationship with the respondent, third party applications may be permitted by the following persons: a police officer; or any other person whether or not he or she is a member of the household residence.

Madam Speaker, we believe that an enhanced provision of this nature has the potential to ensure that no victim—child, adult, elderly or disabled person—is left exposed to acts of domestic violence without having access to court remedies.

I now wish to highlight some of the new features of the Bill which aim to send a message that domestic violence is not acceptable in our society and that we will ensure that the court is empowered to make the proceedings private and fair to both the victim and perpetrator and that they both have access to appropriate treatment programmes.

Clause 22 states that if a respondent breaches any of the court orders served under this Bill, he or she is liable for a fine of \$10,000 or imprisonment of up to two years or both.

Clauses 27 and 28 state that the Court has a right to determine who can be present at the time of the hearing and has the right to determine if a report is published on any Court proceedings under this Bill.

Clause 31 states that the Court may order that the victim, perpetrator or both participate in an appropriate treatment or counselling programme.

Clause 32 provides a person who is aggrieved by an order by the Court or the refusal of the Court to make an order to make an appeal where applicable to the Grand Court or Court of Appeal.

Madam Speaker, I am assuming that this Bill will receive full support in this honourable House. Its objective is to improve the systematic reaction to the crime of domestic violence by ensuring that the societal and legal responses offer protection to the most vulnerable people who are, or may become, exposed to one of the most pervasive and detrimental societal ills and human rights violations known.

In concluding, Madam Speaker, I wish to commend and thank all the parties who provided input, the Law Reform Commission, and all the staff involved in bringing this piece of legislation forward. I would also like to thank the Deputy Premier, the Honourable Julianna O'Connor-Connolly, JP, for bringing this legislation to Cabinet for approval during her tenure as the former Minister responsible for Gender Affairs. I recommend the Protection from Domestic Violence Bill 2010 for the favourable consideration of this honourable House.

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

Does any other Member wish to speak?  
[pause]

Second Elected Member for Bodden Town.

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

It is with a heavy heart that I rise to speak on this very, very important piece of legislation and I want to thank the Minister for bringing it here. It has been entrain for quite some time. And just to give the genesis of this legislation, Madam Speaker, as he alluded to, back in 2008 when the earth-shattering and violent death of one of our very, very fine young Caymanians, Mrs. Estella Scott-Roberts . . . she certainly did not die in vain.

That Special Advisory Report that the Minister spoke about, came about in a meeting that the Leader of Government Business at that time (Mr. Tibbetts) and I had with some very concerned people. Just to mention a couple of the names, there was Mr. Len Layman, and I notice in the Chambers Mrs. Tammy Ebanks-Bishop. Also at that time [was] Ms. Marilyn Connolly. We talked about what could be done and the great importance and urgency of dealing with legislation about gender/domestic violence.

I can tell you, Madam Speaker, I learned a lot from our young Caymanian, Ms. Tammy Ebanks-Bishop, in regard to gender . . . and I know the number of seminars and the effort put into this Bill in preparation to bring it here. And I am certainly glad to see it come here.

The Minister mentioned briefly about stalking. I would also like to give credit to another young lady

who is working on that, and has worked on it. I think the report is probably at the Ministry, and eventually the final piece of that (in regards to stalking) was [done by] Mrs. Joanna Bodden-Small. This must all come together as companion legislation to root out this cancer that is in our society. We, as legislators, must never allow this to continue to happen.

I know the Honourable Attorney General, who also sits here today, put a lot of effort and support into this when it came to the Cabinet in either October or November 2008. And we were still in shock over the violent death of one of our young Caymanians.

So, however and whatever we need to do, Madam Speaker, we need to make sure that this does not ever happen again; we must give the power to the Police, the Social Services and whomever, to support them as needed.

He mentioned the Cayman Crisis Centre. They are a valuable and compassionate tool in helping those victims who have experienced domestic abuse at times with great violence. We must, Madam Speaker, condemn this at the highest level. We must make sure that the enforcement takes place.

I would certainly urge the penalties to be more than \$10,000 or whatever, because it has been demonstrated that these types of people do not clear up overnight. We must send the message that this society in which we live will no longer tolerate [this type of violence]. Many of the children who witness this violence to one parent or the other are suffering today and some of them will eventually go on to become the criminals of Cayman. And we wonder what is wrong.

We cannot expect the police to deal with these things. We have to start this at home as parents, as fathers and mothers, treating our spouses with respect, especially in front of those young children; the traumatic experience that is burnt into their minds, and as one of my colleagues said, they should be flogged!

Remember back in the old courthouse on the waterfront when they had that cat o' nine tails . . . we didn't have too many problems with some of these things, Madam Speaker, once it was identified. We have to stop pussy-footing with crime in these Islands.

*[Inaudible interjections]*

**Mr. Anthony S. Eden:** Madam Speaker, I vividly remember that immediately after the death of Estella Scott-Roberts there was a huge gathering at the Lion's Centre of Caymanians coming together to condemn this type of violence in our society—the society that you and I grew up in and cherish so.

We must work to preserve it, to make it better. And whatever we need to do, Mr. Minister, you can believe that the wholehearted support is on this side.

Once again I want to thank you and the staff that supported you in finally bringing this here. It has been a while in coming, but it is never too late, Madam Speaker, to do good.

May God bless us all.

**The Speaker:** Thank you, Second Elected Member for Bodden Town.

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

If not, I will call upon the Honourable Minister to conclude his debate.

**Hon. Michael T. Adam:** Thank you, Madam Speaker.

Madam Speaker, I wish to thank my friend, the Second Elected Member for Bodden Town for his strong support and to also thank all of the Members of this Legislative Assembly who have spoken to and given their full support to the Protection from Domestic Violence Bill 2010.

It is clear from the dialogue that has occurred in this Honourable House that the Members of the Legislative Assembly are supportive of this Bill. I am very proud of this progressive piece of legislation that should serve as a beacon to other countries in the region and indeed the world. It makes a bold statement that the Cayman Islands does not tolerate domestic violence in any form and aims to protect all its citizens and residents, including the most vulnerable in our society, that are or could be at risk of this crime.

I also would like to commend the many civil servants and employees of government authorities, such as police officers, nurses, doctors, social workers, counsellors, probation officers, prison officers, attorneys, and others who have the daunting task of working on domestic violence cases, assisting the victims and rehabilitating the perpetrators.

Additionally, it would be remiss of me to not publicly thank the non-governmental entities, such as the Cayman Islands Crisis Centre, the Business and Professional Women's Club, and the Estella Scott-Roberts Foundation, that have highlighted this social ill through public education efforts or advocated over the years for systematic changes. We know as well that service clubs and religious organizations have supported various anti-domestic violence campaigns and have assisted victims in the community. Indeed, it does take the 'village approach' to address the wide ranging effects of domestic violence.

We should all feel proud that we were involved in bringing this issue to the forefront through legislation that aims to keep our family, friends and colleagues protected from domestic violence.

Domestic violence knows no boundaries; it speaks many languages; it has many colours; it occurs in all socio-economic levels; and it lives in many different houses. It is devastating to be abused by someone that you love and think loves you in return or by someone who is supposed to be caring for and protecting you.

Domestic violence causes far more pain than the visible marks of bruises and scars, and we know from experience that it can be and is more than just physical abuse. The effects of abuse are devastating and far-reaching. Often times the emotional and psychological damage that occurs for victims of domestic violence takes much longer to heal than the physical wounds received. Domestic violence can sometimes even lead to murder, which we unfortunately have experienced in our beloved Islands as well.

I implore every victim of domestic violence listening to my voice or reading my words to know that you are not alone; there are many more like you. I want to take this opportunity to encourage the victims of domestic violence to come forward and seek the protection that this new piece of legislation offers. There are many services and agencies that can assist you when you decide to break free from the cycle of domestic violence or if you are a vulnerable child who is witnessing or experiencing abuse. I also urge the perpetrators of abuse to seek help, before it is too late, so that you can learn that there is an alternative to violence.

Madam Speaker, Mother Teresa once said "**What can you do to promote world peace? Go home and love your family.**" It sounds so simple, but it rings a profound truth. Many of the violent crimes and social ills, such as juvenile delinquency, teenage pregnancy, and gang activity, which affect us, are a result of children and young adults who experienced or witnessed domestic violence in their homes.

We all want a society that protects our children, adults, and the most vulnerable from abuse, turns victims into survivors, and educates offenders that there is an alternative to violent behaviour. It is my hope that this piece of legislation serves our country well into the future as we aim to create more peaceful homes and, in turn, a more harmonious Cayman Islands.

Thank you, Madam Speaker.

**The Speaker:** The question is that a Bill shortly entitled the Protection from Domestic Violence Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Protection from Domestic Violence Bill, 2010, given a second reading.**

### **Health Insurance (Amendment) Bill, 2010**

**The Clerk:** The Health Insurance (Amendment) Bill, 2010.



**The Speaker:** Honourable Minister of Health [Environment, Youth, Sports and Culture.]

**Hon. J. Mark P. Scotland:** [Microphone not turned on] Madam Speaker, I beg to move the Second Reading of a Bill shortly entitled the Health Insurance (Amendment) Bill 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker.

Improving the delivery of healthcare and the access that our citizens have to that healthcare is one of the most important initiatives that a Government can undertake to enhance the development of our society.

This Government, since elected, just over one year ago has been working diligently to improve the delivery of healthcare, and we are already seeing some of these improvements. I can see the Leader of the Opposition acknowledging these improvements by his amusement over there.

*[Inaudible interjections]*

**Hon. J. Mark P. Scotland:** The proposed amendments—

*[inaudible interjection]*

**Hon. J. Mark P. Scotland:** Sorry?

*[inaudible interjection]*

**Hon. J. Mark P. Scotland:** I'm used to those.

The proposed amendments to the Health Insurance Law will continue to improve access to health care—primarily for those persons in the lower income brackets and those considered at higher risk.

We know that mandatory health insurance has existed now for over 10 years (from about 1998), but the current law has already become outdated and inadequate. It allows for too many persons to be termed “underinsured” or “uninsured” which leads to higher incidences of chronic diseases and a population that is less proactive about its healthcare.

Madam Speaker, these proposed amendments will increase the numbers of persons that will have more and better health insurance coverage. Another benefit of the better increased access to health insurance coverage and healthcare will be, in turn, a reduction in Government's exposure or liability for healthcare costs. As it currently exists, Government provides healthcare for many persons who are uninsured or underinsured primarily through the services being provided through the HSA and also overseas. The Government often attempts to recover some of

those funds, but those attempts more often than not prove to be futile.

Madam Speaker, Government will not change its policy of providing healthcare to those who genuinely need it, but with these proposed amendments, the numbers of uninsured persons will decrease, and the level of underinsurance will improve significantly.

Just in the 2009/10 financial year Government spent in excess of \$20 million on healthcare for persons who are underinsured or uninsured, both on Island and overseas. Madam Speaker, this level of expenditure is certainly not sustainable.

The proposed amendments, along with other initiatives from the Ministry of Health, will go a long way to reduce these costs. These proposed amendments will be welcomed by the general public who will be able to be more proactive about their healthcare. And as I said previously, Government will also recognise savings.

Madam Speaker, I am pleased to be standing here today to table these amendments, and acknowledge that it has not been an easy process. Some of these proposed amendments have been drafted I believe from 2007 but were never tabled. I'm sure [it was] because of objections from primarily those providing health insurance. There have been objections to the amendments. There are numerous loopholes now in the Law that allow insurers to cherry pick and decline insurance to individuals. These amendments propose to eliminate some of these loopholes or most of these loopholes.

Madam Speaker, with the proposed amendments concerns have been expressed about the increased cost of health insurance as a result of these amendments and subsequent amendments to the regulations (which will follow). Costs will increase; but the increased costs will be offset by a significant increase in the benefits to the insured population. Madam Speaker, This will ultimately result in much healthier population.

An actuarial study was actually carried out to determine new premium rates for the upgraded Standard Health Insurance Contracts, and a range of premium rates has been established which will be monitored by the Health Insurance Commission. I will speak to that later on, Madam Speaker.

Madam Speaker, as I said earlier, this Government has the will and the commitment to make these improvements. We are, and have demonstrated already, [the] commitment to improving the lives of the people we have been elected to represent. These proposed amendments being presented here today will certainly not make the Health Insurance Law perfect, but they will go a long way and be a big step in the right direction. These proposed amendments [to the Health Insurance Law will] form the cornerstone for the on-going modernisation and improvements to our health insurance and healthcare industries in the Cayman Islands.

The original mandate of the health insurance legislation was: 1) To help shift the cost burden of healthcare from government to the individual consumer/patient; and 2) to provide a guaranteed hospitalisation plan to cover catastrophic illnesses, both locally and overseas.

If you look at what has happened over the years, there has been a shift in the cost burden; but there is still a tremendous cost burden on the Government. And in terms of the second mandate to provide a guaranteed hospitalisation plan . . . well, the plan is currently in existence, which is the minimum plan—woefully inadequate at present—being only up to a maximum of \$25,000 per episode. So, there have been a number of amendments to the legislation over the years. In 2003 and 2005 there were amendments.

Madam Speaker, I am sure that all my colleagues in this honourable House will agree with me that the introduction of compulsory health insurance for all residents is not an easy undertaking. After all, one could argue that if it was easily done our American neighbours to the north would have introduced it and had it fully implemented years ago. The fact that President Obama is still struggling to introduce compulsory health insurance in the United States is a testament to the challenge that is inherent in implementing such a system.

Madam Speaker, one of the challenges is the far-reaching implications of such legislation. There are five main stakeholders which comprise the health insurance industry:

- Health care providers
- employers
- insured persons
- approved insurers
- Government

It is important that any amendment to the health insurance legislation takes into full consideration the potential impact that the amendment will have on all stakeholders.

Madam Speaker, I have recognised the need to have an integrated approach to these amendments, and since I became Minister with responsibility for health insurance I have taken the opportunity to meet with stakeholders, and I have made every effort to identify and understand the current problems that exist with the legislative framework, and to determine and come up with recommended solutions.

The current legislation has been in effect for approximately 11 years, and has given us an opportunity to review our experience to date and assess what is working and what is not working. Much has changed since the legislation was originally envisioned and enacted, and, as I said, at this time we are proposing these amendments to make the Law more responsive to the current reality that exists in the healthcare industry in our Islands.

Madam Speaker, I just note to Members of this honourable House that just in the last financial

year alone, the Health Insurance Commission received almost 1,400 complaints and inquiries regarding the provision of health insurance in the Islands. This speaks to the many issues and problems that we have now. While the provision of health insurance benefits was a giant leap forward, if we have a system that allows that number of complaints to exist in a given year, we can see that it's time to improve that system, take further steps to streamline the process of our country's health insurance regime.

Madam Speaker, I'll speak specifically now to some of the proposed amendments to the Health Insurance (Amendment) Law 2010.

Clause 1 provides the short title and makes provision in respect of the commencement date of the legislation. Members will note that in clause 1 there is a delayed commencement for certain sections of the law, namely, those sections that pertain to the Standard Health Insurance Contract, or "SHIC". This is to allow for the necessary amendments to the Health Insurance Regulations to be brought forward and to give the insurance providers, and insured individuals time to prepare for a smooth transition from the existing SHIC-1 to the new, enhanced SHIC plan.

Clause 2 amends section 2 of the principal Law in a number of ways to enable the Health Insurance Commission to grant approved insurer status to insurance companies that have met all of CIMA's requirements for a licence, as well as satisfying all of the requirements of the Commission in accordance with the Health Insurance Law and Regulations.

Approved insurers will be closely monitored. There will be an annual review of their approved insurer status and this approval can be withdrawn if necessary.

Clause 2 also includes provisions which update various references in the legislation and replaces references to the old Immigration Law, 2003, with the current Immigration Law (2009 Revision)

The definition of the words "group employee" is deleted as this category of employee is no longer defined in the Civil Service Regulations.

The reference to "Director of Social Services" has been replaced with "Director of the Department of Children and Family Services", as appropriate now.

In the definition of the words "prescribed health care benefits" the words "**a standard health insurance contract**" are deleted, and replaced with the words "**the standard health insurance contract**", as the other three standard health insurance contracts will no longer be in existence.

Clause 2 (f) introduces a new definition for "dependant." This new definition broadens the definition of dependant to include any dependent offspring of the employee who is over 18 years of age who is not a full time student at a University or other educational institution, but who for financial, medical or physical reasons, is dependent on the employee for shelter or care.

Madam Speaker, the reason for this is that numerous complaints have been received from parents whose children have reached the age of 18 who are not attending college, or have returned from college or university, and are unemployed for one reason or another. And these “adult children” remain financially dependent on the parents for shelter and care. But under the existing definition of dependent in the Health Insurance Law they are often excluded from cover through their parent’s insurance. At times parents even try to include them on their employer’s insurance, but they are not allowed to.

There are also cases where the adult offspring have some medical or physical condition which renders them dependent on the parents, yet because they are over 18 and not in full-time education they are not able to get health insurance as dependents on the parent’s plan, even though the parents are prepared to pay for their health insurance. By inserting the new definitions of “dependant”, and “dependent offspring”, will correct this problem and help to ensure that some of our most vulnerable members of society are able to access health insurance coverage.

Madam Speaker, Clause 2(k) deletes the definition of the words “supplemental medical benefits” and substitutes a new definition “supplemental medical benefits” which are benefits provided to compulsorily insured persons in excess of benefits under the Standard Health Insurance Contract. This new definition ensures that approved insurers can provide their customers and clients with benefits which exceed the benefits contained in the Standard Health Insurance Contract.

**“Clause 3 amends section 4 of the principal Law to increase the penalty that may be imposed upon conviction where a person who is not an approved insurer issues a health insurance contract.”** Section 4 of the principal Law requires that no person carrying on business in or from the [Cayman] Islands other than an approved insurer shall issue a contract of health insurance to provide insurance cover in respect of health care benefits relating to a person resident in the Islands.

Clause 3 proposes to amend subsection 4(2) of the Law to increase the fines from the current levels of \$20,000 plus \$1,000 for each day to a fine of \$100,000 plus \$10,000 for each day during which the offence continues. In addition, on summary conviction there can be imprisonment for one year.

Madam Speaker, I would like to note that we have seen reports in the media saying that the proposed increases in fines are just another attempt by Government to increase its revenue. But, Madam Speaker, imposing greater fines is simply intended to provide more incentive to comply with the law, and has nothing at all to do with raising Government revenue. In fact, it could be said that if the incentives work and people comply more with the Law, Government revenues from fines should actually decrease.

Madam Speaker, the point is that we have to send a clear message that we are not going to treat violations of the Health Insurance Law lightly. In many instances it is quite literally people’s health and lives at stake.

Madam Speaker, I can give an example of an employee, a domestic helper, whose employer had no coverage for her. She had a stroke. She went to the George Town Hospital and in the time that they were trying to find out how we could help this person, because she had to be sent overseas, the employer was refusing to assist us, and the patient was getting worse. We finally had to take the decision to send her overseas at the Government’s expense in order to save her life. That is but one example, but there are numerous examples like this. For this reason, I strongly believe that it is in the public’s interest that the penalties imposed reflect the seriousness of the situation and that they are significant enough to act as a deterrent.

Clause 4 of the Bill includes amendments to section 5 of the principal Law that will **“require an employer, including Government, to effect a standard health insurance contract in respect of his employee’s dependants as defined in the legislation, not only the employee’s children and unemployed spouse”** as previously; and **“increase the penalty that may be imposed upon conviction for the offence of failing to effect a standard health insurance contract.”**

Several of the amendments under clause 4 are necessary so that the broader definition of dependants (which I previously spoke to) is applied and adhered to. In addition to the amendments for employers and Government to reflect this broader definition of dependants, clause 4(d) also amends the principal Law by repealing subsection (4) paragraph (a) and substituting “(a) a seaman fifty-five years of age or older and his dependants.” It also repeals subsection (4) paragraph (c) substituting “(c) a veteran and his dependants.” It basically adds “dependants” to those two categories.

Clause 4(e) amends section 5(5) of the principal Law by inserting after the words “uninsurable person” the words “or an underinsured person.” Madam Speaker this is necessary because there are numerous cases whereby persons have the minimum level of health insurance benefits required under the Law but their specific medical condition may require medical care which exceeds those benefits and Government then has to provide financial assistance where necessary. So this amendment allows those persons to approach Government and seek assistance from Government as well.

Clause 4 introduces a new subsection—a very important subsection—which says, **“No underwriting is permitted under the standard health insurance contract.”** This is very significant in that it will now allow for all residents of the Cayman Islands to obtain, at a minimum, health insurance coverage

under the Standard Health Insurance Contract. Approved insurers will no longer be able to refuse to provide health insurance coverage under the standard contract (SHIC) because the individual has a medical condition. Under the current Law, there were many instances where approved insurers were refusing to provide cover for minor medical conditions and ailments which were controlled with medications, including diabetes, hypertension and cholesterol.

Madam Speaker, under this proposed amendment the approved insurers will still be able to underwrite the prospective employee or client for higher benefit plans or other comprehensive plans. We believe that this is fair and reasonable.

While approved insurers are required to provide the SHIC Plan (the standard plan) without any underwriting, for high risk persons the regulations already allow for them to increase the premium rate by up to 200 per cent of the standard premium to take into account the increased risk being assumed by the insurer. Any refusal of coverage must be reported to the Commission by the approved insurer who will review the justification given for not providing the client with health insurance coverage. Approved insurers will no longer be able to medically underwrite each individual employee in a group and eliminate anyone who they deem to have pre-existing conditions or have a risk which would then allow them to refuse coverage.

Madam Speaker, some approved insurers have taken advantage over the years of loopholes in the current legislation, such as the definition of pre-existing condition. The objective of this new amendment to the Law is that all persons resident in the Cayman Islands will be eligible for the SHIC. However, in reviewing the various amendments to the Law, we did have to take into consideration that there are some persons, for example, who are terminally ill, have an acute or a catastrophic illness, or who will probably not be able to obtain automatic health insurance coverage through an approved insurer.

We must acknowledge that the approved insurers have businesses, and they have to operate. We should not be asking them to assume risks which are impossible to manage. If we did, it could possibly result in a situation whereby premium rates are so high that the average employer and employee could not afford the cost of the health insurance coverage. This would surely defeat the purpose of having the mandatory requirement for health insurance.

If we force approved insurers to enroll new persons who have catastrophic illnesses it could possibly result in a situation whereby they could refuse to accept business from some groups because of the significant risk that they could be exposed to. Madam Speaker, it is certainly not our intention to drive approved insurers out of business. Health care needs to be accessible to all of our people, as we said before, and health insurance also needs to be affordable.

That is the balance that needs to be struck. I can assure all stakeholders that we have been cognisant of the need to strike this balance in our deliberations thus far on these proposed amendments.

Clause 4 amends section 5(16) of the principal Law **“to increase the penalty that may be imposed upon conviction for the offence of failing to effect a standard health insurance contract”** as a minimum for their employees. Madam Speaker, employers who fail to provide and put into effect the standard contract [SHIC] can be fined \$30,000 upon summary conviction and \$40,000 upon conviction following indictment. Those fines were previously \$5,000 and \$10,000 respectively.

Employers of all categories of employees, including domestics and gardeners, need to provide health insurance cover for their employees. The current Law requires it, and the amendments to the Law to increase the fines for failing to provide it reinforces the message that it is necessary.

**“Clause 6 repeals and replaces section 8 of the principal Law as a consequence of provision being made for only one type of standard health insurance contract. The amendment is also consequential upon the use of the term “dependants” instead of spouse and children.”**

**“Clause 7 amends section 9 of the principal Law to increase the penalty that may be imposed upon conviction where an employer makes unlawful deductions from his employee’s salary.”** The Summary Court fines are increased from \$5,000 to \$30,000 and, upon indictment, \$10,000 to \$40,000. Madam Speaker, unfortunately the Health Insurance Commission has recorded numerous complaints regarding this matter. And, again, to send a firm message that increasing these fines that it is—to make it more clear that it is unlawful to make these deductions from an employee’s salary.

**“Clause 8 amends section 11 of the principal Law to increase the penalty that may be imposed upon the conviction of an employer for the offence of failing to provide to his employee [with] health insurance details [to confirm that the employee does have health insurance coverage, such as] the name and address of the approved insurer . . .”** the effective date of cover under the contract, and the insurance number of the contract of health insurance. The health insurance card for the employee should be produced within 15 days of the commencement of employment. The Summary Court fines are increased from \$5,000 to \$15,000 with an added per day penalty of \$1,000. It was previously only \$100 per day.

**“Clause 9 amends section 12 of the principal Law to provide that, in proceedings for recovery of damages relating to an employee’s dependants, the employer has a defence if he shows that he did not know that the employee had dependants. The amendment is consequential upon the**

use of the “dependants” instead of “spouse and children”.

**“Clause 10 of the Bill repeals and replaces section 13 of the principal Law as a consequence of provision being made for only one type of standard health insurance contract.”** I mentioned this earlier, where the other three SHIC plans will no longer exist. **“The amendment is also consequential upon the use of the term “dependants” instead of “spouse or his children”.**

**“Clause 11 amends section 14 of the principal Law to require insurers to provide to the Health Insurance Commission data indicating how many single plans and how many family plans of health insurance coverage have been provided”** by that insurer. This information is useful to allow the Health Insurance Commission to reconcile the insurer’s contributions to the Segregated Insurance Fund.

Clause 11 **“also makes it an offence for an approved insurer to fail to provide an audited annual report containing information specified by the Health Insurance Commission”**. The Commission must be able to obtain appropriate and timely information from the approved insurers to carry out the monitoring and regulatory functions under the Law. An approved insurer who fails to comply could be subjected to a Summary Court fine of \$30,000, and in the case of a continuing offence, to a fine of \$2,000 for each day or part of day that the offence continues. Previously, there were no penalties our fines for the violation of this section of the Law.

**“Clause 12 amends section 15 of the principal Law to increase the penalty that may be imposed upon conviction of an employer for the offence of failing to extend his employee’s health insurance coverage.”** This amendment is necessary because we have too many employers who are failing to offer and extend the employee health insurance coverage upon the termination of employment.

Where an employee remains a resident in the Islands and does not become compulsorily insured with any other employer (maybe he is not employed for some period after his employment has been terminated), the Law states that the coverage could continue for a period of three months from the date of termination of employment or until the person becomes employed, whichever is earlier.

The employee is liable to pay the total cost of the premiums but the employer must make that insurance coverage available. It is very important, for obvious reasons, for the coverage to be extended and not to have any break in coverage which could expose that employee to uninsured medical expenses and possibly become a liability to Government. The fine for this offence is increased from \$5,000 to \$30,000 following conviction.

Clause 13 of the Bill inserts into the principal Law a new section 15 A entitled “Prohibition against reduction of level of benefits.”

On a housekeeping note, Madam Speaker, I should point out that the explanatory note on this clause on page 4 of the Bill is not correct in its reference to the level of benefits of a “standard health insurance contract”. The actual clause on page 12 of the Bill is correct in that it refers to the level of supplemental health care benefits or supplemental medical benefits.

The new Clause 13 makes it **“an offence for an approved insurer to reduce the level of [health care benefits] or supplemental medical benefits “except for non-disclosure of a material fact or misrepresentation.** Madam Speaker, this new section satisfies or addresses the many complaints whereby approved insurers have reduced the level of benefits for a health insurance contract once a person has reached retirement age—which could be as early as age 55. This will no longer be permitted, and the offence carries a fine of \$10,000.

**“Clause 14 amends section 16 of the principal Law to provide that the mental element of knowledge must be proved in order to constitute the offence of producing false information for the purpose of obtaining a benefit under a standard health insurance contract.”** Madam Speaker, the approved insurer would have to justify that the person knowingly did not provide the insurer with information for the purpose of obtaining a benefit. There are cases where approved insurers terminate coverage without the appropriate justification. This amendment will address the concern related to this matter.

**“Clause 15 amends section 17 of the principal Law to increase the penalties that may be imposed upon commission of an offence by officers of corporate bodies.”** Summary Court fines increase from \$2,000 to \$5,000 and upon conviction from an indictment \$5,000 to \$15,000.

**“Clause 16 of the Bill amends section 18 of the principal Law to increase the penalty that may be imposed upon conviction of a health care facility or a practitioner for failing to file medical fees.”** The previous fine was \$5,000 and the new fine is \$15,000 upon conviction.

**“Clause 19 of the Bill repeals and replaces section 24 of the principal Law to make further provision for the imposition by the Health Insurance Commission of administrative fines for the breach of specified provisions of the Law.”**

Madam Speaker, much has been said about the current Law not having any teeth, and many concerns have been raised that it gives little authority to act and regulate the health insurance industry. Madam Speaker, this is not wholly true because over the past financial year the Health Insurance Inspectors carried out some 381 investigations into complaints. Ten of these investigations are currently in some stage of prosecution and overall 83 per cent of the complaints and inquiries have been resolved.

However, the introduction of administrative fines will enhance the enforcement capabilities and

efficiency. Clause 19 will allow the Superintendent of Health Insurance, in consultation with the HIC Board, to issue direct fines for some offences under the Law. These offences are:

- failing to effect a Standard Health Insurance Contract;
- failure of the employer to provide the employee with information about his health insurance;
- failure by approved insurers to provide required information to the Commission;
- failure of employer to extend the cover of health insurance for employees who are terminated; and,
- where the approved insurer reduced the level of supplemental health care benefits or supplemental medical benefits provided under the health insurance contract.

With these administrative fines provisions, the Superintendent of Health Insurance could issue a fine for these violations of \$1000, and apply a fee up to \$100 per day while that offence under the Law continues, irrespective of when that offence was committed.

Madam Speaker this amendment to the Law allows the Commission to address the violation directly and speedily. Members should be aware that currently prosecutions of offences under the Health Insurance Law are long, time consuming and difficult, and the previously low amount of possible fines made it hardly worth the trouble of taking the cases to court.

Indeed, Madam Speaker, I am aware that some unscrupulous employers have concluded that it would probably be better for them not to pay the health insurance premiums for their employees as it would cost them less to pay the fines that they might be charged against them if they were prosecuted. We cannot allow such unscrupulous employers to continue to violate the law while other law-abiding employers provide their employees with health insurance coverage. There is a potential for competitive unfairness whereby employers who choose not to pay the overhead costs for health insurance could potentially be selling their services or products at a lower cost than those law-abiding employers.

Madam Speaker, this section of the Law will also be good for employees, some of whom only discover that they did not have health insurance coverage when they visit their health care provider for medical care. This is quite unfair and it exploits the employees.

Madam Speaker, the Superintendent may stay or compound any proceeding for an offence under sections 5, 11, 14, 15(4) or 15A, irrespective of when the offence was committed subject to a right of appeal to a court of summary court. The administrative fines issued by the Superintendent would have to be settled immediately, however, if the matter goes to a court the fines vary from \$10,000 to \$30,000.

And the final clause, **“Clause 20, inserts into the principal Law a new section, section 24A enabling the payments of restitution to a person against whom an offence has been committed.”**

Madam Speaker, the Commission has recorded cases whereby the employer was found guilty by the court for failing to provide health insurance for the employee. However, the employee had incurred uninsured medical expenses. The insertion of this section into the Law will allow the employee to be compensated for costs related to medical and physiological treatment, cost of physical and occupational therapy and rehabilitation, and other losses suffered by the employee which the court considers applicable.

Madam Speaker, these amendments to the principal Law will be followed by amendments to the Health Insurance Regulations (2005 Revision) which will give the health insurance legislation and the Commission much more teeth to deal with violations. Indeed, I believe that it will also improve the utilisation and regulation which impacts all stakeholders.

I would like to take a few moments now to outline some of the proposed amendments to the Health Insurance Regulations which we have been preparing. The most significant amendment to the regulations will be an enhancement of the current Standard Health Insurance Contract (as we spoke about earlier) which is the minimum plan of health insurance benefits which insurers must provide. The current plan, as we all know, is now woefully inadequate. As I noted earlier, when amended, the Health Insurance Law will provide that no underwriting is permitted under the new Standard Health Insurance Contract and therefore all residents in the Cayman Islands will be entitled for coverage under this plan.

Some of the enhanced benefits of the new plan will include the following: An individual annual maximum of \$100,000 – the current episode maximum of \$25,000 will no longer apply. The individual lifetime maximum of \$1 million remains the same as contained in the current Standard Health Insurance Contract.

Madam Speaker, the new plan will improve inpatient services including hospitalisation physician charges, surgical, room and board, newborn care, ancillary services, chemotherapy, radiation, maternity/labour and delivery; major maternity procedures; and outpatient surgery in the Ambulatory Surgical Centre or hospital. These will all be covered up to \$100,000 per annum. Previously that was \$25,000, Madam Speaker. Mental health not currently covered, will also now be covered.

- Outpatient services benefits will be increased from \$100 per year to \$1,200 per year. This is very significant because currently, as we all know, a visit to the doctor's office is certainly not anything near \$100 nowadays, and only being able to spend \$100 on outpatient services annually certainly does not encourage people to be proactive about their healthcare and can

lead to people having more chronic diseases and so on.

- The benefit for Dialysis will be increased to a maximum of \$100,000 per year. Previously we heard the Fourth Elected Member for George Town speak about the number of patients currently in dialysis and the cost for that annually.
- Maternity: Coverage for labour and delivery, as well as major maternity procedures will also be increased.

Madam Speaker, the episode of illness will be removed from the enhanced benefits.

There are numerous issues surrounding the acceptance of health insurance cards and claims processing. Some of the challenges include, the information provided on the insurance identification card, exclusions and denial of claims due to pre-existing conditions, and the delay in processing claims.

Madam Speaker, to address this we have been actively looking into implementing an electronic verification and claims system. This will be the next step in modernising our healthcare systems and will provide real-time 24-hour access to current and complete member eligibility information; real time electronic claims verification and adjudication which will reduce the denial of claims; immediate acknowledgment of receipt of claims; reduction of waiting time for settlement of claims and the payment to healthcare provider or health care facility.

Given today's technology, the application of electronic claims processing for the filing, authorisation, processing and payment of claims can facilitate this real time information and processing thereby reducing the need for paper transactions, reduce administrative overhead costs, and improve efficiency and customer service.

Madam Speaker, another major issue in the current legislation is the portability of insurance benefits. In 2006 my colleague, the Honourable Minister for Education, brought a Private Member's Motion to the Legislative Assembly regarding the portability of health insurance benefits. This honourable House unanimously passed the Motion to look into the issue and the concerns relating to the portability of benefits. Because of the ambiguous wording of the current Regulation 7(6) some approved insurers were excluding certain medical conditions from coverage when a person changes their job. In some reported cases the employee was completely denied health insurance coverage or they were given coverage with exclusions.

Madam Speaker, Regulation 7(6) will be amended so there can be no misunderstanding or misinterpretation about the coverage that an employee and his dependants must have upon the employee changing their job. If the employee had a comprehensive plan of benefits previously, then he would be entitled to similar coverage upon changing his job.

Madam Speaker, briefly, those were some of the highlights of the proposed amendments to the Health Insurance regulations which will complement the proposed amendments to the Health Insurance Law being tabled now.

In closing, Madam Speaker, I would like to thank all those persons who contributed to putting these comprehensive amendments together: specifically, the Superintendent of Health Insurance, Mr. Mervyn Connolly, who has worked for many years and has long advocated for these changes; my Chief Officer, Jennifer Ahearn, and Ministry staff; Mrs. Myrtle Brandt from Legal Drafting, for her very, very hard work on these proposed amendments.

I would like to acknowledge the input from the Members of the Health Insurance Commission Board, the Cayman Islands Human Resources Professional Society, as well as the Cayman Islands Medical and Dental Society and the Health Insurance Standing Committee.

I would also like to acknowledge the support of my Cabinet colleagues and my colleagues on the Government Backbench.

I look forward to the support of all Members of this Honourable House for these proposed amendments.

Thank you, Madam Speaker.

**The Speaker:** Thank you Minister for Health.

I'm going to call for a suspension at this time until 2.30 pm.

**Proceedings suspended at 12.57 pm**

**Proceeding resumed at 2.50 pm**

**The Speaker:** [Proceedings have resumed. Please be seated.]

The Minister for Health had just completed his presentation of the Health Insurance (Amendment) Bill, 2010.

The subject is now open for debate. Does any other Member wish to speak?

First Elected Member for Cayman Brac and Little Cayman

## SECOND READINGS

### Health Insurance (Amendment) Bill, 2010

*(Continuation of debate thereon)*

**Mr. Moses I. Kirkconnell:** Thank you, Madam Speaker.

Madam Speaker, I rise to make a short contribution on a Bill for a law to amend the Health Insurance Law, to make further provision in respect of the imposition of administrative fines; to improve the administration of the Law; and for incidental and connected purposes.

Madam Speaker, to start, let me say that on this side we feel it is timely and it is well welcomed that the Minister for Health has brought these amendments. I have taken the time to look through what was being brought and I have written down quite a [number] of questions. In the Minister's presentation he answered most of what I had hoped to have answered in questioning him. So, I will say to the Minister at the outset that I think he has done an extremely good job in his presentation.

Just a couple of things, Madam Speaker, to start with and then I will probably ask for a little bit of latitude to talk about some of the things that the Health [Insurance] (Amendment) Bill will really affect.

In clause 2, instead of being licences approved by the Cayman Islands Monetary Authority (CIMA), they will now be approved by the Health Insurance Commission (HIC). I am assuming—

*[Inaudible interjection]*

**Mr. Moses I. Kirkconnell:** Rather than the Monetary Authority?

*[inaudible interjection]*

**Mr. Moses I. Kirkconnell:** Okay.

"[Clause 2 amends section 2] of the principal Law to enable the Health Insurance Commission to grant approved health insurer status to bodies desirous of providing health insurance . . ."

**The Speaker:** Do you want to yield and have him . . . no? All right.

**Mr. Moses I. Kirkconnell:** For clarity, Madam Speaker, the question basically is: *Will it be the Health Insurance Commission or the Cayman Islands Monetary Authority, or both?* My assumption was that by bringing this amendment we were just bringing more expertise to bear and having more expertise available in looking at the Health Insurance itself. So I will leave that.

Madam Speaker, [clause 4(c) of the Bill states]: **"to remove the Government's obligation to effect a contract of health insurance in relation to group employees."** The definition of "group employ[ees]" are persons who are employed by the Government on a temporary basis and who is paid at an hourly rate. In effect, the way it reads is that the insurance for an hourly worker with Government, the provision for that has now been taken out of the Law. Will that be handled in a different way, basically to give us all comfort, that an hourly worker with Government will be covered under health insurance policy, CINICO?

Madam Speaker, we understand the change from "a child born out of wedlock" to "an offspring born out of wedlock" which I am assuming was just a clerical

error to start with in the original Law and has now been taken care of.

Madam Speaker, the explanation on the insurance itself, the basic policy, was explained and we understand that now no private insurance company will have the right to not insure an applicant under that policy. They will have the right to charge different rates based on the risk they are taking. And I think for the listening public, and for every Member of the House, we want to make sure that that is very clear because that is certainly a big change in the way health insurance is administered now.

Madam Speaker, most of the other parts of the amending Bill talk about fines, obligations, who has to do what, things like the employer must show the employee who he is insured with, cards must be available, these are good things, Madam Speaker. As we look at the different clauses, what I want to bring to the floor of this honourable House and to the attention of the drafters of the Bill is where we are in our economic cycle as a country.

Madam Speaker, it is my belief that the mover of the Bill and the Government are sensitive to the issues of small business and private sector. I believe that they are including in this amendment a way that this can be dealt with. But the fact is that the world economy has shrunk, and the fact is that we are in a recession. And the fact is that with the shrinking economy, each person that has a small business that is required by law to carry insurance has a tremendous responsibility every day to the people they employ and the people that they warrant they will make whole if there is some type of accident or if they are sick and need medical healthcare in this country.

Madam Speaker, when we look at the balancing of making sure that the employer lives up to his legal responsibility of providing healthcare, we must also balance that with where we are in the economic cycle. It is nobody's intention (I hope) in this honourable House to push any business over the edge. And what happens in a business, especially a small business that's trying to stay alive in this country, is that the first thing you do with the cash you get is to try to meet payroll, and you try to pay your mortgage. But some of the things that you do not have discretion over, but no ability to pay, are things that people do not come to your door and knock on, but you are left with the responsibility to be honourable and do it yourself.

One of those is health insurance. And one of those has been dealt with in a way with the pension holiday. And there are others that as the business cycle goes down and you try to change your business plan that you feel within a couple of months *I will be back in line with my insurance payments, and back to where I can make all of my employees have the right health insurance and be up to date.*

Madam Speaker, the other sensitive issue is . . . and let me make it quite clear. I believe this is a



good part of this Bill; but, again, it is the constructive part of talking about some of the issues that are going to come from this amendment. One of them is the issue of increasing the fine, being more vigilant when an employee leaves the employment and has not found another job.

The legislation calls for the employee to pay for the insurance, but the employer has to continue the policy. So, Madam Speaker, for practical purposes you have to pay the insurance the first of the month to do what the Law says. Then you have to make sure that the employee makes you good, or has given you money first to pay that. But, Madam Speaker, the practical honest part of this is that if you don't have the job it is going to be very hard for you to have the money to pay that insurance.

And I say this, Madam Speaker, certainly in a way that these are issues that we are going to have to face. If I read this correctly, it seems that these have been thought about and will be able to be addressed through the Superintendent's discretion under administrative fines in [clause] 19.

I would just invite some comments on that when the Minister winds up. And I would ask that the sensitivity of understanding and realising some of the tremendous issues that are going to complicate the businesses that continue to be regulated and looked at, that we ensure those businesses that this Law is for them and not against them; assure them that this is to make everybody in this country play on a level playing field that if you pay insurance, you know that your competitor is paying insurance.

Madam Speaker, the issue at hand with the latitude that I ask for is really providing a place to be successful and the conversation of how do we provide the environment for businesses to be successful. And that is one of the reasons that I believe the support from this side is lending itself with the movement that the Minister and the Government has towards dealing with the issues of how do we provide the environment to make them successful, to give them the ability to cut the cost of living.

Madam Speaker, the step to look at the cost of healthcare is a tremendous step in the right direction. When you think about how every society struggles and wrestles with what it really costs to provide the proper healthcare in the proper environment for their people to be successful and have the quality of life that they deserve, it speaks volumes when you are trying to deal with it.

Madam Speaker, one of the issues that has actually been dealt with is . . . you hear the word "cherry pick." I heard it in the address and I certainly heard it many times in the industry. The idea that a private company can look at who they insure and pre-existing conditions allow them not to insure that person or those people, has now been removed to the basic policy. We recognise that.

We also recognise that we have an indigent population that must be dealt with, and we also realise

that when these people fall on CINICO, it falls on the Government itself. And it falls on each citizen of this country in how they pay their registration fees, their licences. That contribution goes towards the cost of healthcare.

So, Madam Speaker, with a step, certainly in the right direction with what we have heard here today, we ask that consideration and understanding be given that there are many more ways and areas that we must continue to look at, especially when we think of the burden of this falling on the healthcare system and on CINICO. And as it is broken apart, the area or the largest percentage that we hear by looking at it from a common sense standpoint, the highest cost must be when people are sent overseas, and how we actually administer that healthcare.

I was reading an article, which I thought was very interesting, about some of the other Caribbean islands that are looking at the model of what they needed to do to provide the correct healthcare; probably the same type of healthcare that we are used to with centres of excellence and when the need be the doctors recommend those and we are sent overseas. But one of the things that they recommended, which I thought was very interesting, was how to benchmark the cost of the medical care you are actually going to get when you are overseas.

If you think of the group, if the provider is going to be in the United States, the group that gets the absolute lowest rate from that provider is the United States Government, Medicare. And what they said in this article was that they would use that as the benchmark and build a model back from that on percentage points. And I think it would be extremely beneficial and also very interesting to have the professionals take a look at that, and really, it would give us the ability to see if we are paying 5 per cent more than Medicare costs. Are we paying 10 per cent more? And if we are, we probably feel pretty good about that based on the population of this country, and the ones that we send overseas, considering you have hundreds of millions of people who are being treated under that.

Madam Speaker, if we are paying 50 per cent more or 60 per cent more, then obviously it is a quick calculation and a quick study to realise that we really need to look at this more.

Madam Speaker, I believe the issue of how we tackle healthcare in this country to continue providing very good quality healthcare at a cost that can be less than it is today to help the community itself and each person (not only private citizens, but public sector as well as private sector) be successful, is the challenge we see taking place here today, the challenge that each one of us bears a responsibility for. And I believe that the Minister knows we are all here to help and work in that direction.

Madam Speaker, with those short comments I believe it is clear that we want this to go through. I will await some of the answers in his winding up.

**The Speaker:** Thank you, First Elected Member for Cayman Brac and Little Cayman.

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

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

I guess I will start and say that I will be brief because I believe that a lot of the comments that I wanted to say have already been stated by the Member for Cayman Brac and Little Cayman. Despite that, Madam Speaker, I think it is worthy perhaps of a reiteration or restatement, if you like, in some cases.

Madam Speaker, I want to start by commending the Minister insofar as this particular Bill for insurance. I think it is a situation where many of us . . . and I recall just over the last 15 months we had a significant degree of discussion. One particular debate I recall, where many of us joined in, in chorus, to the many evils that we see existing in the insurance industry.

It is not to highlight that and to say that there is any one perpetrator or persons who set out to do this particular thing, but it is almost the nature of the business. As we talk about insurance, the reality is that the insurance company, in trying to manage their risk, is looking and creating policies that exclude many of our people from even getting insurance. So, when the Minister is going to talk about those policies and provisions in the legislation that is going to say that you cannot just cherry pick, you cannot just simply say because so-and-so has suffered some sort of an illness, *We are going to in our discretion simply not give them insurance* . . . Madam Speaker, I think that is absolutely important.

As I mentioned before, there are a lot of different things we need in this life in order to survive, but fundamentally our health is of paramount importance. Everything else hinges on it. So, to be able to deny someone the opportunity for insurance, Madam Speaker, in my opinion is nothing short of wrong. So, I think it is good to be able to see that particular provision in here.

I am also very much equally impressed when we talk about persons reaching retirement age. Often times we make the statement in reference to financial institutions. We will say that they provide you with an umbrella when the sun is out, and take it back when it's raining. And with the insurance industry it is often-times something similar because here is an individual who has worked all his life, has made a contribution to this society, and when he gets to be 60 years of age, when he perhaps needs the medical insurance most, they are being denied.

So, to see that we can actually have some continuity, some consistency, to be able to say if that person is in a position where he can pay for the policy

he can continue on with that insurance in those years when he is in retirement, which, arguably, is perhaps when he is going to need it most.

Madam Speaker, as the Member for Cayman Brac and Little Cayman made reference to, it is constantly a balancing act. I think that when many persons would hear about this particular piece of legislation, especially at this time, the lens that everyone is wearing is one of cost, *How much is this going to cost us?* And so the only thing that you hear about is the fees.

Madam Speaker, they say that you have to be penny wise, but you can be pound foolish. Let there be no doubt about it, we are going to pay for the issuance of insurance in one way, shape or another. If there is someone out there right now who is not insured, there is no one paying for them, we are all paying the insurance for that person, because if they get sick, if something goes wrong, the Government pays for it, and the Government at the end of the day is all of us as taxpayers. So, whether you are paying for it at the pump, the Water Authority, CUC, regardless of where it is that you are making your contribution, you are going to make the contributions for every person in this country if they are sick and uninsured.

So, Madam Speaker, I think it is a matter, as said, to ensure that we can strike a balance and give everybody an opportunity to engage in business and be able to make money, but to share that responsibility and not just have it fall all, if you like, on the taxpayers of the country. That is important.

And, Madam Speaker, when we talk about insurance, to me, a lot of times you have companies and if you make it, and I don't care whether it is Government, or whether it is a private institution, a tax is a tax. And if it is going to be as easy as simply saying it is mandatory, everybody must pay insurance, a lot of times persons can sit on their laurels because at the end of the day that money is sort of guaranteed. And we need to have a bit more of a competitive environment.

How many times have we seen advertisements perhaps for insurance companies saying "Don't smoke"? How are you practically getting out there and having some proactive sort of methodologies and tactics being taken to say, *What can I do to keep our people healthy?* Because it is good for business. So I praise companies, such as, Generali. I remember when they would come on the talk show and talk about the "Be Active" programme getting into the schools and trying to make sure from very early on, educating our children to be healthy, which, Madam Speaker, is good for the children, good for the family, good for the country and good for the insurance company, because if you have healthy minds, healthy bodies, at the end of the day the insurance company, in all truth, collects their funds and the payout is less.

So, Madam Speaker, I think that I want to encourage those insurance companies and other em-

ployers as well as employees to not view this in a negative way, but particularly for those insurance companies to see the positive side of this as well. Look at the opportunity to be able to engage in some real business tactics insofar as saying, *How can I actually work and mitigate my risks?* Not necessarily by simply excluding someone from an insurance policy, but by saying, *I am going to be pre-emptive by getting up and saying 'let's keep our people healthy.'*

There have persons who have argued, *Why should I be paying the exact same amount for health insurance and I am a person who goes to a gym on a daily basis, I don't smoke, I don't drink and I don't do a long list of things and I am paying the exact same policy and amount as the person next to me who isn't or who is?*

So, Madam Speaker, I think there are good provisions in this particular piece of legislation. Many of them, as I said before, have been mentioned but I think it is worthy to note, Madam Speaker, those particular ones. A lot of times I have seen insurance companies . . . and I want to encourage the Minister, the Ministry and all of those persons involved, where persons have paid their insurance policy consistently for many, many years and then when the time comes for them to actually get some coverage because he or she had to go to the hospital, you find that the insurance company finds every single reason in the book to not have to pay.

So, Madam Speaker, in closing, I believe there is a significant number of provisions in there that, despite the fact of the particular circumstances that we find ourselves in with the economy, that if we actually sit and review it carefully we will see that for employees right now insofar as health insurance coverage, that there are a lot of benefits—benefits for those who are working and benefits for those who are retiring and those who are going to retire in the future. And at the same time, even with respect to health insurance companies, there are real opportunities in there to engage in business, to be proactive and to be able to make sure that 1) the country can be healthy. *A healthy nation is a wealthy one.* And, at the same time in so doing they will ensure that they can maintain a good bottom line for their business as well.

With that, I just want to again take this opportunity to commend the Minister, the Ministry and all those persons who in one, way, shape or another have contributed to this particular piece of legislation being laid in this honourable House today.

Thank you.

**The Speaker:** Thank you, Fourth Elected Member for George Town.

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

If not, I call on the Minister for Health to conclude the debate.

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker.

First, I would like to thank the First Elected Member for Cayman Brac and Little Cayman for his comments. He obviously perused the Bill in great detail and on behalf of the Opposition lent their support to it.

I do want to answer some of his queries or address them. He spoke to clause 2 in reference to the issuance of the licence and asked if that was a change from what currently exists. What currently exists is that CIMA issues the Class A licence for insurers which deals with their capitalisation and other matters like that. And the Health Insurance Commission regulates the provision of insurance under the Health Insurance Law. So that is what currently happens and all the amendment is doing is formalising that process. So the Health Insurance Commission now issues approved insurers certificates and this amendment formalises that process.

For instance, there are now I think eight approved insurers who are approved to sell health insurance and there are numerous other insurance companies registered on the Island. So this clause simply formalises the process which currently takes place.

Regarding hourly workers, group employees, all that has happened is that the classification of group employee no longer exists, Government still has hourly workers but they are now contracted either local contracts or overseas contracts but they are all contracted workers now. So, the classification of group employee has come out of the Government classification and all employees will be captured under the Health Insurance Law but not called group employees as that classification no longer exists.

We spoke about Government being sensitive to small businesses and this Government is very sensitive to small business, particularly in this climate. But the amendments to the law don't do anything to make Government less sensitive. And, like I said, the amendments are really to act as a greater deterrent because there is one thing about being sensitive to small business, but the more businesses that do not provide insurance for their employees, the greater burden that places on Government and back on taxpayers again.

When you talk about the burden that's on Government now to take care of people who are not insured or who are under-insured and Government is spending upward of \$20 million a year, that is falling right back to us as taxpayers again, so yes, the level of sensitivity is still going to be there. The Health Insurance Commission now dealt with almost 1400 complaints last year, over 300 investigations and only 10 of those ended up in court. So that, in itself, says that there is a level of discretion that exists already and sensitivity to what is happening.

I think a lot of times what happens is that a complaint will come in and it ends up being dealt with

by a simple phone call from the Health Insurance Commission to the employer, to the insurer, and it gets sorted out most times that way. All these increased fines and the amendments do is to increase the deterrents. If we increase the deterrents I think you will see the number of complaints go down.

We talked a little bit about the *cherry picking* in the indigent population. I just mention again that the . . . and we talk about benchmarking costs and that would be an interesting exercise to do. However, I can say without doing a benchmarking exercise right now that the Government spends far too much on health care for persons who are not insured. Again, we budgeted \$10 million for overseas care for indigents and \$8 million for local care for indigents in this year alone, so, that's \$18 million plus, because it often goes over that.

So, again, what we are doing here is amending the law and the regulations, and changing the SHIC language, which will make insurance more accessible to the general population so that Government's exposure becomes less. Government is still committed. In section 5(5) of the Law it says that **"Government may, on written application to it by or on behalf of a [partially] uninsurable person. . ."** And we have now added "or underinsured". **". . . or underinsured persons agree to pay for healthcare services."** So it is in the Law. The Government is committed to providing healthcare for persons who are underinsured or who are uninsured. All we are hoping to do with this Law is to make that net a little bit smaller so that Government's exposure is not that high and that through the workforce we access that insurance already.

I hope, Madam Speaker, that I have addressed some of the issues he raised.

I want to also thank my colleague, the Fourth Elected Member for George Town, for his brief comments in support of the Bill.

In closing, I understand the amendments contained in the Bill are copious and far-reaching but, Madam Speaker, these amendments are necessary to correct the discrepancies discovered to date in the provision of health insurance in the Cayman Islands. We have already commenced a public education campaign and this will be very important over the coming months to ensure that all stakeholders are fully informed about the changes to the Health Insurance Legislation.

Madam Speaker, suggestions and recommendations for amendments to the Law were accepted and thoroughly considered from the Cayman Islands Medical and Dental Society, the Health Insurance Standing Committee, made up of representatives of the eight approved insurers on the Island. Suggested recommendations were also taken from employers, insured persons, retirees and senior citizens; many, many stakeholders across the spectrum.

We can be proud of what we have accomplished to date with our health insurance legislation. I accept that it may not be perfect, but over the past 11 years the existing legislation has served the country well. We will continue to build on what has already been laid before us and make the necessary improvements and adjustments by introducing new methodologies, systems and technology to ensure that the health insurance industry works for all stakeholders and that we are satisfactorily protected under the Law.

Madam Speaker, I would like to thank the members of the Medical and Dental Society and the Health Insurance Standing Committee for their input. Clearly these two organisations have separate interests, but based on my experience with them I can vouch that they are extremely passionate about improving the health insurance and healthcare delivery system in our country.

I would also like to recognise the contributions made by the Cayman Islands Human Resources Professional Society and all others.

Madam Speaker, I would especially like to thank the Superintendent of Health Insurance, Mr. Mervyn Connolly and his staff, the members of the previous Health Insurance Commission Board, and the members of the current Board for their hard work, enthusiasm, dedication and sterling efforts to not only enforce the health insurance legislation, monetary and regulate the health insurance industry, but also to serve as an entity whereby complaints emanating from the provision of health insurance can be resolved.

Madam Speaker, I would also like to thank my Chief Officer, Jennifer Ahearn, Senior Policy Analyst, Ms. Janet Flynn, and others, Deputy Chief Officer, Stran Bodden, Ms. Myrtle Brandt from Legislative Drafting, and all others who have assisted in putting this Bill together. I would also like to thank all other Members of this House for their tacit support and I thank you, Madam Speaker.

**The Speaker:** The question is that the Health Insurance (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Health Insurance (Amendment) Bill, 2010, given a second reading.**

#### **Court of Appeal (Amendment) Bill, 2010**

**The Clerk:** The Court of Appeal (Amendment) Bill, 2010.

**The Speaker:** Honourable Second Official Member responsible for Legal Affairs.

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

I beg to move for the second reading a Bill entitled The Court of Appeal (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved.  
Does the mover wish to speak thereto?

**Hon. Samuel W. Bulgin:** Yes, thank you, Madam Speaker.

I must begin by saying that I was getting a bit nervous because I was hoping to get to my two Bills this afternoon, as I sensed there is an abundance of goodwill and synergy flowing in the Chambers this afternoon! And I would certainly like to tap into that before it dries up.

*[Laughter and inaudible interjections]*

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

This Bill seeks to amend the Court of Appeal Law (2006 Revision) in order clarify the position of an appeal from a decision of the Grand Court to acquit where, among other things, a no case submission is upheld or where the case is withdrawn from the jury.

By way of background, Madam Speaker and honourable Members, in 2005, the Court of Appeal Law was amended to insert in section 28 a provision which says that "Where an accused persons tried on indictment is discharged or acquitted by a trial judge sitting alone, or by a jury (where such jury has been directed to do so by the trial judge) or is convicted of an offence other than the one with which he is charged, the Attorney General or the complainant may appeal to the Court of Appeal against the judgment of the Grand Court on any ground of appeal which involves a question of law alone."

It is those last seven words, Madam Speaker, that has led to some confusion or, probably more appropriately, uncertainty. And that is the words which read "which involves a question of law alone."

Madam Speaker, the use of the words "on a question of law alone" has resulted in a number of appeals being dismissed without consideration of the merits on the basis that there is no jurisdiction to hear them as they involve questions of mixed fact and law. Indeed, Madam Speaker, on at least two occasions in recent times matters of appeal have gone to the Court of Appeal by way of appeal by the Crown. And the Court of Appeal has observed that there are merits in the appeal, that there were errors in the judgment but they were not satisfied that based on the current wording of the legislation they had the remit to hear the appeal. In one instance, the court said they would have allowed the appeal had they been able to do so,

but the current wording of the legislation did not allow them, in their view, to entertain the appeal.

Madam Speaker, this is of particular concern where there has been direction of no case submissions which invariably involve a question of law, but which, of course, is informed by certain facts and is ultimately a question of law at the end of the day as to whether the necessary evidential threshold has been met: clearly a question of law.

And so, Madam Speaker, the proposed amendment seeks to clarify the position, and in so doing, would rely heavily on the wording used in other jurisdictions, such as Trinidad, for example, where their legislation has had the benefit of pronouncement by the UK Privy Council affirmatively saying that the wording in the statute being proposed here does allow the court to review those decisions where there is an appeal by the Crown.

So what we are seeking is to amend it to, instead of using the words "on a point of law alone" we would simply use words "erroneous on a point of law." That is the crux of what we are seeking to do here today.

There are some other minor amendments, Madam Speaker, for example, with the advent of the new Constitution and the Director of Prosecutions now being responsible for prosecution, whenever that person is appointed. Of course, the Attorney General does it in the transitional period, but we are now amending legislation where "Attorney General" appears, to read "Director of Public Prosecutions." So, clause 3 of this Bill will make that amendment.

The other clause of the Bill deals with transitional matters so that appeals that occurred and are pending would be dealt with as if the law had not been amended. So nobody's rights or chances, for that matter, would be affected by the changes. The new system would only apply to appeals that had been made after the law has been passed, if this House is so minded to.

So, I commend the Bill to honourable Members, Madam Speaker, and seek their support. Thank you.

**The Speaker:** Thank you, Honourable Second Official Member.

Does any other Member wish to speak?  
Third Elected Member for George Town.

**Mr. Alden M. McLaughlin, Jr.:** Thank you, Madam Speaker.

I will speak very briefly to this particular Bill because there is a substantial Bill that will follow this one and much of my concerns about this trend, as I will explain. I will reserve my views on most of what I have to say to address that Bill.

I just want to say in relation to this that there has been a trend by the Attorney General over the course of the past few years to continuously and consistently adjust and amend the various pieces of legis-

lation, or to create new provisions to constantly strengthen the hand of the prosecution in relation to its conduct of prosecutions and to give greater chance to securing and preserving convictions.

Now, Madam Speaker that runs counter to the age old principle that given the great apparatus and strength and resources of the State, that to constantly undermine the ability of the accused to defend himself or herself is wrong. And by that I mean that when the prosecution fails to secure a conviction . . . let's use this example: When the prosecution fails to secure a conviction, that is, the trial judge has withdrawn the case from the jury or he has issued a direction to them to acquit, in times past that was the end of the matter.

Since the amendment to which the Honourable Attorney General just referred, notwithstanding the acquittal, the accused is put through having to deal with an appeal and, assuming that appeal by the prosecution is successful, to be put through another trial again. And at a time when we have a Government which consistently, at least through the Premier, says that Legal Aid is a bad thing, it ought not be allowed, it's costing the country too much, this is very, very worrying.

Now, this provision here, which I think the Honourable Attorney General said is a clean-up exercise, in fact, goes much further. The amendment which this amendment actually amends has proven unsatisfactory or inadequate from the Prosecution's standpoint because they are still having matters which they appeal to the Court of Appeal under this section being dismissed because the Court of Appeal says, *This is a question of mixed law and fact and, therefore, we don't have jurisdiction to consider it because the Law says this issue can only be appealed to the Court of Appeal on a point of law alone.*

So, here we have a constant refining of the jurisdiction increasingly placing the accused in a position where he or she is going to run greater and greater risks of a long, drawn out process before they get to the end of whatever the legal proceedings are.

Madam Speaker, I am not going to vote against this particular proposal. I am simply speaking because, as I said, this is a refining of an amendment that was made already. But it is, I think, demonstrative of a trend that has certainly most lawyers in the jurisdiction worried, but also many people who worry about things like civil rights and about what happens to a system when you get unequal and . . . or an inequality of arms, let me use that expression, an inequality of arms in that the State has all of the resources that it can muster behind whatever it is that it is doing. For most people who are charged with offences before the Court they have little in terms of means to secure adequate legal representation. Even that little is increasingly being taken away over the course of the last few years.

So, I wish to record my concern and that of many in the community, particularly the legal commu-

nity, at what we see as a worrying trend and one which has the capacity, we believe, to undermine the basis of our system of justice. I will have much more to say about these sorts of things when we get to . . . I know I am not supposed to anticipate another Bill, but when we get to the other Bill that is to come over the course of the next little while, whether it is this afternoon or some other time. But I just wish to place on record my concern which is not the first time I have expressed that concern—

**The Speaker:** Order!

**Mr. Alden M. McLaughlin, Jr.:** —in this Chamber and elsewhere, to the Attorney General and to many others who have interest and involvement in these issues.

So, Madam Speaker, I just wanted to place that on the record and to advise the Attorney General if he is not already aware of my views, that my views are still very much what they were five or six years ago in this regard.

**The Speaker:** Thank you Third Elected Member for George Town.

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

If not, I call on the Second Official Member to conclude his debate.

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

I will begin by thanking the honourable Member for his conditional support of the Bill. I would also like to pick up where he left off when he says those were his views five or six years ago. But in the last five years we were speaking from the same side and he was of the same view as me in some of these matters, where he had a wider constituency, which is the entire country. But now his constituency is a little more narrow, his base is a little more narrow, and so one can understand his concerns.

But the truth is that as legislators we have to do what is right, not necessarily what is popular. And that is what we are trying to do here.

*[Inaudible interjections]*

**Hon. Samuel W. Bulgin:** I know. It depends on which hat he is wearing.

Madam Speaker, having said that, I just wish to thank all honourable Members for their support of this Bill.

Thank you.

**The Speaker:** The question is that a Bill entitled the Court of Appeal (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Court of Appeal (Amendment) Bill, 2010, given a second reading.**

### **Police Bill, 2010**

**The Clerk:** The Police Bill, 2010.

**The Speaker:** Honourable Second Official Member responsible for Legal Affairs.

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

I beg to move the second reading of The Police Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**Hon. Samuel W. Bulgin:** Yes, Madam Speaker.

This Bill seeks to repeal and replace the Police Law (2006 Revision) and to make provisions for matters connected therewith.

Madam Speaker, my erstwhile colleague on the other side mentioned about five or six years ago what his views were on these matters. And to show that we are in this House agents of change and we need to keep abreast of what is happening in our society and listen to the pulse of the population, not just a particular segment of the society, but the broader community.

About six years ago we embarked on an exercise to modernise our Police Law in order to enhance the capabilities of the Police Service to deal with what we thought then were worrying trends developing in our society. And that was six years ago. On the 22 of July 2004, I wrote to the Solicitor General and asked her to put together a task force to look at our Police Law with a view to modernising it to deal with issues of powers to take intimate samples and non-intimate samples, require video taping of interviews of suspects, and, where appropriate, to mirror appropriate sections or relevant sections of PACE (Police and Criminal Evidence ) in our Police Bill. Six years ago.

We thought then the place was falling apart and we needed to do something. And if we thought it was falling apart then, if we thought things were bad then, we just need to look at what is happening around us now and see whether we can afford to remain stuck in the past, or if we need to put in place

contemporary legislation and contemporary provisions in our legislation to arrest this decay that is setting in and that has set in, in our society.

So, Madam Speaker, based on that instruction, that memo to the Solicitor General then, a task force was set up which included persons, such as Deputy Commissioner Ennis, and Ms. Neblett from Legislative Counsel, chaired by the Solicitor General and others, who have been working on this exercise over the period. Since then we have had the benefit of significant input from various Commissioners of Police, we have had significant input from the Portfolio of Internal and External Affairs, the honourable Deputy Governor, Mr. Franz Manderson, others in the Legislative Drafting Department, and others. I would also like to single out a particular Acting Commissioner of Police who was here for a short period of time, Mr. David George, but who also thought it was quite important to pay some attention to these changes that we are trying to put in.

So, Madam Speaker, that has been the focus over the last six years. And I dare say that it has even become more urgent given what is happening these days. But in doing so, Madam Speaker, we have always done enough to ensure that there are appropriate safeguards in place for civil liberties and, like any other democratic society, some things have to give. Some things have to be tweaked, and the Government has to do what is reasonably justifiable in a democratic society. And that is part of all of this ongoing exercise.

Madam Speaker, in crafting this Bill, there was also another very important step in that the Bill was brought to this House and Members of this Chamber were given an opportunity in the Committee Room to comment on the draft Bill, make input before it reached the floor of this House. All of that was done in that Committee Room where we spent two or three days, I think it was, laboriously going over the sections and allowing Members to make input into what is now the final product which is before this House. And, Madam Speaker, I must say that it has proven to be extremely beneficial and I would like to record my appreciation to all honourable Members who took part in that exercise, as well as all of those who I have mentioned before who have contributed to the development of this Bill. I owe them a tremendous amount of gratitude.

Madam Speaker, the Bill in itself seems a bit large. It has over 140 sections. But I should explain for the benefit of members of the public and others that this Bill now contains the provisions of the existing Police Law along with new sections and amended sections that have been put in, hence the size of it.

With that background, Madam Speaker, I would wish to concentrate more on the new sections rather than repeating the clauses as they relate to the existing Bill.

Clause 8 of the Bill provides for the appointment of the Deputy Commissioner, Assistant Com-

missioner by the Governor and police officers of all other ranks by the Commissioner. This is of some significance in that under the current legislation the provision for dealing with the appointment of the Commissioners' rank is to be found in the Public Service Management Law. And the appointment provision for other ranks is to be found in the Police Law.

So, what we have done is streamline all appointments. So it is now in a one-stop shop (for want of a better word). If you want to find out about appointments of all police officers, it is now to be found in the Police Law, not having to cross reference two pieces of legislation in that regard. So, that is the new clause 8. In so doing, on the heels of this Bill we will be putting through a consequential amendment to the Public Service Management Law to take out those sections or provisions which deal with appointment of police officers (section 48, I think it is).

Clause 10 of the Bill provides for the making of a declaration and requires of a police officer on or before entering the Service to make a declaration on oath or affirmation in relation to any previous service he has had. It also provides for the fingerprinting of all police officers, as well as the taking of other samples, whether intimate or otherwise, upon entry into the Service. It provides that it is an offence where there is false declaration in dealing with that request.

Clause 21 of the Bill provides for the retirement of police officers at the age of 60 or after completion of 30 years. This also is of some importance because it provides for the early retirement of officers in the public interest and also on medical grounds or to improve the efficiency of the organisation. Under the current Police Law, a police officer of what they call non-gazetted rank is allowed to retire after serving 21 years on pension. And all other officers who have not availed themselves of that retire at 55. Non-gazetted officers may retire at 55.

What this has done is to preserve the position as it relates to existing officers. In other words, those officers who are currently in the Force and who still want to retire after having put in 21 years will still be allowed to do so. But once this law is in place, officers joining the Force thereafter will be required to serve 30 years before they can retire on pension. Or, of course, you have the option of going to age 60.

And we have also jettisoned the use of the words "gazetted and non-gazetted." That is no longer part of the vocabulary in the Police Law. So, that distinction has been done away with.

Madam Speaker, clauses 22, 23, and 24, make provision for retirement, pensions, and also deals with funeral benefits. There is a slight amendment to the exiting arrangement, Madam Speaker, because in clause 23 the provision has been modified to say that the pension currently payable in terms of an officer who has been killed in the line of duty, is payable to the widow and children of that officer is currently one-half. Under the new arrangement that

would be increased to two-thirds. So that is a change which is being made to the Police Law.

Clauses 41 to 58 deal with the powers and duties of police officers in relation to search and seizure. A police officer has the power to stop and search persons or vehicles and their contents where he has reasonable grounds for suspecting that an offence has been committed. There is a duty to make records concerning searches.

The Bill provides for safeguards in relation to the execution of search warrants as well as stipulates special provisions for the issue of warrants by a Justice of the Peace in particular cases.

It also makes provision for access to certain types of material, including what we call *excluded materials*, which are things like body tissues and certain body fluids, that those are held in confidence by medical institutions.

It makes provision for the Police to erect road barriers; make road checks; impose curfews and cordons; stop, search and arrest persons during these cordons and, as is the case now, break and enter premises in case of fire where it is deemed necessary to do so.

Madam Speaker, Clauses 59 to 82 of the Bill deal with the powers and duties of police officers in relation to detention and arrest. A police officer is given the power, with or without a warrant, where he has reasonable grounds for suspecting the commission of an arrestable offence to detain a suspect. A police officer will also have the power to enter premises for the purpose of arrest and in doing so is required to give the person arrested the appropriate information such as the reason why he is under arrest and the nature of the alleged offence for which he is being arrested.

Significantly, Madam Speaker, an arrested person now has the right to have someone informed upon his arrest and to have access to legal advice. I am sure that will resonate very well with my colleague on the other side. That sounds more to me like enhancing civil rights, civil liberties, something which we all applaud.

Provision is made for the detention of persons arrested without a warrant and arrests by private citizens. Arrangements are outlined in the Bill for the appointment of custody officers and what their responsibilities should be in relation to a detained person. Also, instructively, Madam Speaker, again to safeguard civil liberties, we have put in the Bill that persons who are arrested, and before they are charged, they are being interviewed, that those interviews should be either taped or visually recorded which would certainly cut down, minimise if not eliminate allegations of impropriety during those interviews.

Clause 65 of the Bill seeks to revisit the custody period for persons detained before charges are brought. This also is very instructive because, again, if the concern is that civil liberties are being eroded,



then what this has done in a very significant way seeks to safeguard those civil liberties in terms of cutting down significantly on the amount of time that a person can be detained before being charged.

So, Madam Speaker, it is now divided into 72 hours and 24 hours, thereafter a court order has to be obtained and a court may order detention for a further 72 hours, initially. And if the court can be persuaded that there are some exceptional circumstances that justify further detention, the court may order a further period of detention not exceeding 24 hours, after which the person has to either be charged or released. That, to me, Madam Speaker, sounds like we are in fact conscious of civil liberties and have significantly abridged the period within which a person can be held in detention before they are charged.

Madam Speaker, clauses 91, 92 and 93 provide for the continuation of the Police Welfare Fund. The clauses establish how custody and application of the Fund should be dealt with and make it permissible to accept voluntary contributions to the Fund.

Clauses 100 through 108 outline a fairly new disciplinary regime for all officers including those of the commissioner's ranks. It also establishes new appeals protocols that allow the Governor to divest himself of some of the appeals which he now deals with. So the new arrangement would allow for some of those appeals to be devolved through the Honourable Deputy Governor and some to the Chief Officer of the Portfolio. And, of course, some will be retained by His Excellency the Governor.

There is also an Appeals Advisory Panel to advise His Excellency the Governor and the Honourable Deputy Governor on some of these appeals. So, not only are we jealously guarding civil liberties here, we are also putting in place appropriate grievance procedures to deal with matters arising out of the Police Law.

Some years ago, there were rumblings (for want of a better word) about the way complaints from the public about police officers were being dealt with. And, whilst we take the view that relatively speaking the issue of police excesses in dealing with the public is relatively minor compared with other countries there was a need for an independent body to deal with complaints by the public against police officers, and for it to be seen to be dealt with in a transparent way and a way that would enhance public confidence in the system dealing with these complaints.

So, what we have here is that the Bill in clauses 109 going forward now reflects the efforts by all of us who have accepted that there is the need for such an independent, transparent mechanism to deal with these complaints. And so, Madam Speaker, the Independent Public Police Complaints Authority is now established in this Bill and if the Bill is passed it will now become a feature of a new Police Law. So clauses 110, 111, establish the Authority and specify its functions and provide for its independence, which is very important.

Clause 112 grants to the Authority the power to initiate or continue an investigation of any complaint.

Clauses 113 and 114 provide for the making of a complaint and the preservation of evidence in relation to complaints. And there is a provision in there, clause 115, to deal with informal resolution of complaints and also for resolution of minor complaints.

Clause 118 of the Bill creates an obligation to issue a final investigation report to the Commissioner and, where the complaint is against the Commissioner, to the Governor, and, of course, sets out how that procedure should be handled.

Madam Speaker, given the age that we are living in, it is quite important that in order to carry out its functions effectively, members of the Authority should not have to be looking over their shoulders at every shifting impulse on every matter that they are dealing with. So, clauses 120 and 121 provide for the protection of the Authority from proceedings in relation to any investigation, mandate that the Authority shall keep all its dealings confidential and create offences for false statements, obstruction and breach of confidentiality.

Clause 145 establishes the Police Legal Protection Fund, to provide assistance towards the payment of legal fees or associated costs in relation to the defence of a legal action. We are more concerned here, Madam Speaker, with criminal actions or criminal cases brought against a police officer for any prescribed act committed by the police officer in the line of duty.

And if I might just explain, Madam Speaker, because these police officers are public officers, understandably, if they have been sued for doing anything in the line of their duty, the State provides protection by way of legal support through the Attorney General's Chambers, like we do for all other public officers who are accused of anything during the line of duty.

However, there are instances where allegations of criminal conduct have been made against police officers and they have to be prosecuted. The State in those circumstances does not provide any support for them; there is no mechanism for that. Understandably, the Attorney General's Chambers would not be able to support them because we prosecute criminal matters.

The problem is compounded by the fact that because these officers draw a salary they do not qualify for legal aid. And so, in effect they are left to fend for themselves to defend themselves against these criminal matters, often times at great cost to them. In some countries this issue is addressed by them having sort of insurance protection arrangements where lawyers are paid out of the insurance fund that is contributed to.

So, the closest we could come to providing some assistance for those officers is to craft a provi-

sion in the Law which allows for the establishment of the Police Legal Protection Fund which would allow donations or contributions to be made to that Fund over a period of time, and hopefully it would build up significantly, to be able to provide for them to retain attorneys and for them to also be able to accept voluntary contributions to the Fund. Of course, when I speak I would imagine that they would also be able to get what I would call pro bono representation from some lawyers given the significant contribution police officers make to our society to keep us safe.

So this is a way, Madam Speaker, of Government trying to address the concerns of police officers. We are hoping that there will not be too much call on the funds. And, in fairness, we have not had much problems with police officers in this jurisdiction being charged with criminal offences. That is something for which we should be justly proud.

Madam Speaker, one proposal in the Bill is the bone of contention, being of some consternation in some quarters of society (and I say some) is the issue of what we commonly refer to as adverse influence, which I have to address.

Madam Speaker, as we all know, it says that we have a right to remain silent. That is a well-known right, probably one of the most commonly known rights. What many people do not understand is that that right to remain silent is nowhere to be found in the European Convention on Human Rights. It is not a right that has ever found its way into the European Convention of Human Rights. Now, that does not detract from the right, because it has now been accepted universally that there is such a right.

We readily understand and appreciate some anxiety when you hear that there is some legislation which will affect the way you exercise that right. The right is not being taken away; it is a question of how you exercise that right. So, Madam Speaker, traditionally an accused person enjoys that right. And, as I mentioned to you, it is not part of Article 6 of the European Convention on Human Rights (ECHR).

But, Madam Speaker, there are portions of that right that still remain sacrosanct. A person is not a compellable witness at his trial; you cannot compel a person to testify. A person is not under any obligation to assist the police or officer during an investigation. That is part of his right and he will always retain that right. It's the Police and the Crown and the State to prove that you or I did something.

But, Madam Speaker, we are living in changing times. We must admit that. We are all living in changing times. And, inevitably that means that traditions have to be tweaked. Traditions have to be tweaked where it is reasonably justifiable to do so in a democratic society. The way we did things 40, 50 or 60 years ago is no longer relevant. There are certain privacy issues that we no longer enjoy. It is not unique to the Cayman Islands; this is global. And so, Madam Speaker, it was in that respect that countries like the

United Kingdom as far back as 1994 by way of the Criminal Justice and Public Order Act 1994, saw fit to legislate to say that in circumstances where a person is accused of an offence or a crime and it is reasonably expected that he would say something in the face of that accusation, that if he does not say something then a court is quite within its right to draw necessary inference from that silence. This is not new; this was in 1994. That's what the law is.

So, Madam Speaker, if a—

**The Speaker:** Order please.

**Hon. Samuel W. Bulgin:** If a person is seen at a crime scene, the scene of a murder or something, and the police have reason to suspect that he is involved, and the police say to him, *What are you doing here?* And he failed to mention anything at all at that stage, and it turns out later that there is other evidence which implicates him in that, then if he seeks to rely on some question or some fact later on in his trial as part of his defence, the court is saying that as a jury (or as a court, for that matter), you ought to ask yourself, *Why did he not say anything at the time? Was it because he had no explanation? Or is it because his explanation could not stand up to questioning?*

If a person is killed, or raped, or something, and a person is apprehended who has scratch marks, bite marks, et cetera, and the police, in questioning, asks him to account for those bit marks on his hand but he chooses to remain silent, and later on at his trial he proffers some sort of explanation, from 1994 legislation put in place by the United Kingdom says that [under] those circumstances the court can be directed to say you can draw certain inference from his failure to account when first asked about the presence of those bite marks.

It sounds quite sensible to us.

*[Inaudible interjection]*

**Hon. Samuel W. Bulgin:** So, Madam Speaker, this position that we are putting forward here is a subject of celebrated cases from the European Court of Human Rights, Strasbourg; celebrated cases from the United Kingdom Court of Appeal. It has been adjudicated on. The Law is quite clear on it. It is nothing new. But, Madam Speaker, even though the UK has moved on since 1994, we here, or some of us, are seeking to cling to that sort of anachronism. Not eroding anybody's right. We are bringing those rights in line to reflect contemporary society, contemporary thinking, contemporary standards. That is what the legislation is seeking to do Madam Speaker.

The Court of Appeal in the United Kingdom, the Court in Strasbourg, has opined that the right to silence could not of itself prevent the silence of the accused in cases which clearly called for an explanation by that accused person being taken into account

in assessing the persuasiveness of the prosecution's evidence. That is what the law is.

How we further safeguard those rights, Madam Speaker, is that the Court has to give proper directions. The idea is that you don't want to be seen to allow an accused person to drive coaches and horses through the law, but in the same breath, you don't want to be eroding or whittling away people's rights. What we are really looking for is a balance in exercise in all of this which is consistent with living in a democracy.

So, Madam Speaker, you will find that a Court will not convict a person on his mere silence. There has to be some other evidence. So it is not as simple as saying that someone points in a person's face and says, "You broke into my home" and the person failed to answer, and that in itself justifies a conviction. No, there must be some other thing that connects that person or causes you to want to connect him to that incident. And then you take all of that and you have the confluence of circumstances which then points to that person and then which requires, or demands that one would have expected an explanation or some comment. And if that is not forthcoming, then the Court says in those circumstances the Court can properly draw an appropriate inference from the failure to mention anything.

Madam Speaker, I will be circulating a committee stage amendment which at the appropriate stage I intend to move to make it quite clear that a person cannot be convicted based on silence alone. I just want to put that beyond doubt, so I put it in legislation consistent with what I just said a while ago. The truth is, Madam Speaker, that as an attorney I understand the anxiety generated by the provision. But we need to understand that this is not something novel. It is not new. It is not unique to the Cayman Islands. It has been subjected to intense scrutiny at the highest level of our court system; both at the Privy Council level in the United Kingdom and at the European Court of Human Rights in Strasbourg, and has withstood the test of time.

I think, Madam Speaker, bearing in mind all that is happening is that we must now bring our legislation in line to reflect contemporary standard and contemporary thinking. Madam Speaker, I commend the Bill to honourable Members of this House and look forward to the debate.

Thank you.

**The Speaker:** Thank you, Second [Official] Member.

We are coming up to the hour of 4.30. I need a motion to continue or to adjourn.

Minister for Health.

## ADJOURNMENT

**Hon. J. Mark P. Scotland:** Madam Speaker, I so move that we adjourn this honourable House until 10 o'clock on Monday morning.

**The Speaker:** The question is that this honourable House do adjourn until 10 o'clock on Monday morning.

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

**Ayes and Noes.**

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

**The Premier, Hon. W. McKeeva Bush:** Can we have a division, Madam Speaker?

*[inaudible interjections]*

**The Premier, Hon. W. McKeeva Bush:** Alden's saying he wants to go on . . .

**Mr. Alden M. McLaughlin, Jr.:** Yes, of course I do.

*[inaudible interjections]*

**The Speaker:** Can we have the division please?

*[Inaudible interjections]*

**The Clerk:**

### Division No. 16/10-11

**Ayes: 8**

Hon. W. McKeeva Bush  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden  
Capt A. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour  
Mr. Moses I. Kirkconnell

**Noes: 2**

Hon. D. Kurt Tibbetts  
\*Mr. A. M. McLaughlin, Jr.

**\*Mr. Alden M. McLaughlin, Jr.:** No, we must carry on the country's work.

**The Premier, Hon. W. McKeeva Bush:** Alden, you can give CNS (Cayman News Service) your notes before you say it you know, because they are going to carry it anyway. All that you want to say they are going to carry it. Even more! Give it all to them. I want to see what you have to say before you say it.

**The Speaker:** Order please.

The result of the Division – Ayes: 8 and 2 Noes.

The House is accordingly adjourned until 10 o'clock on Monday morning. And I hope that we keep the good spirits up that we have ended on this afternoon.

**At 4.29 pm the House stood adjourned until 10.00 am Monday, 13 September 2010.**



**OFFICIAL HANSARD REPORT**  
**MONDAY**  
**13 SEPTEMBER 2010**  
**10.51 AM**  
*Fourth Sitting*

**The Speaker:** I will ask the Deputy Speaker, the Third Elected Member for West Bay, to say Prayers.

### PRAYERS

**Hon. Cline A. Glidden:** Let us pray.

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

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

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

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

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

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

#### Apologies

**The Speaker:** I have a number of apologies this morning.

The Deputy Premier is still absent because of [attending a Commonwealth Parliamentary Conference off Island.]

The Third Elected Member for George Town is away on personal business. He is escorting his son to university.

The First Elected Member for Cayman Brac and Little Cayman is absent. Weather conditions are not favourable for flying at this time.

The Member for North Side is absent. He is on personal business abroad.

The Member for East End who was here earlier this morning has had to leave. There's a medical emergency in Miami he has to attend to immediately.

I think those are all. Thank you.

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

**The Speaker:** I have no notice of statements by Honourable Members and Ministers of the Cabinet at this time, although there is one statement that will be made later on. I have given permission for that to be made later on in the day, possibly.

### GOVERNMENT BUSINESS

#### BILLS

#### Police Bill, 2010

*(Continuation of debate thereon)*

**The Speaker:** When we adjourned on Friday, the Police Bill was being debated and we will continue the debate at this time.

Does any other Member wish to speak?  
Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you, Madam Speaker.

Madam Speaker, the Honourable Second Official Member introduced the Bill on Friday afternoon. First of all, let me say that the several meetings that we had in the committee room prior to this Bill coming to the Floor of this honourable House, I believe were productive meetings. And the highlighted copy with the changes that have been made to the Police Law, which this Bill is seeking to repeal and replace, shows proof that this has been the case.

Madam Speaker, there are many good provisions in this new Bill and, perhaps as has been said before, we didn't expect such a fairly huge Bill to be

one that would satisfy everybody when it came to the honourable Legislative Assembly.

Now, Madam Speaker, as part of our duty, the Opposition is going to outline some of the main concerns that we have, notwithstanding the fact that many of our comments during those meetings in committee have been taken on board.

With your permission, Madam Speaker, I'm going to go through the sections which we have some difficulties with.

First of all, Madam Speaker, when we look at [clause] 5 of the Bill, [the] [clause] reads: "**The Service shall be employed in the Islands for the maintenance and enforcement of law and order, the preservation of the peace, the protection of life and property, the prevention and detection of crime and apprehension of offenders, and shall be entitled in the performance of its duties to carry arms**".

Subsection (2) reads: "**Notwithstanding the generality of subsection (1), arms shall not be carried except with the authority of the Commissioner given under and in accordance with the general or special directions of the Governor.**" And, Madam Speaker, it is not that there is any beef with that. However, [clause] 5 provides for the right of police officers to carry arms, but it does not expressly provide for the use of arms. And while the answer to that may be that it is implied, Madam Speaker, we really ask the question: Should this not be spelled out? Because if you take everything literally, Madam Speaker, the right to carry arms does not necessarily give any terms and conditions under which those bearing arms can actually use them.

Perhaps the Honourable Second Official Member will give us some comment on that which is not only satisfactory, but perhaps gives us more comfort.

[Clause] 6, Madam Speaker, says: "**The Commissioner shall have the command, superintendence and direction of the Service . . .**" and he may also make appointments and promotions of police officers.

Madam Speaker, we had a long discussion on this. And after discussion with my colleagues we wondered if this power might not be better served with a police commission, such as in the way that we have done for judges and members of Government's legal services. The question is whether it is the best idea to repose such authority, and, indeed, such power, in one individual. It has nothing to do with who the Commissioner is today; we are simply speaking to the post.

Now, perhaps the Honourable Second Official Member can satisfy this circumstance, but we certainly would like to hear comments as to, if this is the better scenario to be looking at, why so? Why so? And what would be the disadvantages of having a police commission that would deal with these matters?

[Clause] 32, Madam Speaker, as I move along, with your permission . . . Again, I presume you would allow me to read those sections which I believe are necessary to read from.

[Clause] 32, subsection (1) reads: "**A police officer may take the photographs, descriptions, measurements, fingerprints, palmprints, footprints or other physical specimens of any persons who have been present at the scene of a crime for purposes of elimination only and subject to such conditions as may be prescribed.**"

Subsection (2) reads: "**Any fingerprints, palmprints or footprints taken pursuant to the provisions of this section shall be recorded . . .**"

Subsection (3) reads: "**Where a person refuses to submit to the taking of any means of identification authorised to be taken under subsection (1), that person commits an offence . . .**"

So, Madam Speaker, [clause] 32 can be seen to be very worrying because it permits a police officer to take a photograph, fingerprints, palmprints, footprints or other physical specimens of anyone who has been present on a crime scene for purposes of elimination only. But this could easily mean that if anyone happens upon a crime scene they can be subjected to the full range of identification methods by the police. And both [clause] 32 and [clause] 33 refer to physical specimens. That is the terminology—"physical specimens".

Now, there is no definition of "physical specimens." Are physical specimens different from intimate specimens and non-intimate specimens? Madam Speaker, "intimate specimens" is defined in the Bill. So is "non-intimate specimens." But when we speak to "physical specimens" I believe there should be some clarity, whether intimate and non-intimate specimens are included in physical specimens, or whether they are not included, because without reading the definition of both intimate and non-intimate specimens, if we combined those two they really go (should I say) all the way. And you wonder whether someone happening on a crime scene should be subjected to such a situation. So, Madam Speaker, we want to seek clarity with that.

Madam Speaker, [clause] [42], subsection (5) reads: "**In this section 'the relevant person' means (a) if the police officer proposes to search a person, that person; and (b) if he proposes to search a vehicle or anything in or on a vehicle, the person in charge of the vehicle. (6) Where a police officer has reasonable suspicion to search a vehicle that is unattended, he may break and enter that vehicle.**"

And it goes on to say, Madam Speaker, [in subsection (7)]: "**On completing a search of an unattended vehicle or anything in or on such a vehicle in the exercise of any such power as is mentioned in subsections (2) and (6), a police officer shall leave a notice- (a) stating that he has searched it; (b) giving the name of the police sta-**

tion to which he is attached; and (c) stating the effect of section 43(8)”

Madam Speaker, [clause 42(8)] **“The police officer shall leave the notice inside the vehicle unless it is not reasonably practicable to do so without damaging the vehicle.”** But, Madam Speaker, subsection (6) says, **“Where a police officer has reasonable suspicion to search a vehicle that is unattended, he may break and enter that vehicle.”**

Now, again, up until that point in time when, if he has to, he breaks into the vehicle, we understand that there may be extreme cases of that nature. But it does not say who is responsible if nothing is found but the vehicle has been damaged; nor does it appear to impose any duty on the police officer to secure that vehicle after he has broken into and searched it and found nothing. So, Madam Speaker, while—

**The Speaker:** Excuse me please, Honourable Leader of the Opposition, the cell phones are disturbing the recording of the speech being made.

Please put them away. Thank you.

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Yes, Madam Speaker.

**The Speaker:** Please proceed.

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you.

So, you see, Madam Speaker, the way this section seems to be worded, it allows for the circumstances under which (to me, somehow) Cabinet then becomes what I term an optional consultative body. And I just don't think that this can be right. I'm referring to [clause] 49, Madam Speaker.

Madam Speaker, I believe (I mentioned it in our other discussions when we had committee on it) that Cabinet must play a key role in these decisions, and, more so, particularly in light of our new Constitution. You see, Madam Speaker, there may be situations where it is deemed or determined that it is not practical for Cabinet to be consulted, and originally when we discussed it when we spoke to the fact that the Commissioner has to consult with the National Hazard Management Executive.

Now, the National Hazard Management Executive, as it is constituted now, includes the Honourable Premier and the Leader of the Opposition. But, Madam Speaker, I still hold the view that if we can go so far as to say that the Commissioner has to consult with the National Hazard Management Executive . . . Now, one might say that if the Premier is aware and if the Leader of the Opposition is aware, then the onus comes on those two individuals to notify all the rest of the Elected Members because basically those two individuals would represent just about all of the elected Members. But, maybe not; we don't know what the situation will be.

The truth is, Madam Speaker, if a meeting of the National Hazard Management Executive is being held then, certainly, I have to take the view now after looking at this again that they can also meet with the Cabinet to ensure that Cabinet's input is given prior to the decision.

Madam Speaker, I have to say this (and I don't know who will agree or disagree with me), but history has told me that there have been times and circumstances where the Cabinet of the country has been sidelined when decisions of this nature have been made. And I don't think that that bodes well for our country. That is my view, Madam Speaker.

As I said, I remember the discussions. And when we got to the point of saying that the Premier and the Leader of the Opposition were part of the National Hazard Management Executive that sort of satisfied the situation then and there. But, Madam Speaker, when I read this and thought about it again, I had to take the position that I believed Cabinet must be consulted, as far as National Hazard Management Executive.

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** As far as/as much as—same thing!

Now, Madam Speaker, the [clause] which says that permission has to be sought from the Governor . . . you see, Madam Speaker, where it reads: “And with the written permission of the Governor” the Commissioner can impose a curfew. That “Governor” is not the “Governor in Cabinet.” Therefore, that doesn't cover it. And perhaps what it should simply say is *the Governor in Cabinet*. Then that may satisfy the situation, because it means that it is not the Governor himself, it means that after consulting with National Hazard Management Executive and seeking the written permission of the Governor in Cabinet. That, to me, more than implies . . . in fact, that would make it very clear that the Governor would not act solo, but the Governor would convene Cabinet or round robin Cabinet with regard to a decision.

So, I believe that is a better answer. It doesn't even appear to sideline the Cabinet. And if I offend the Honourable Second Official Member or the Honourable First Official Member, I can only say to them that this is a thought that came after all of the discussions. But I believe it is fair to make the point.

Madam Speaker, I now move on to [clause] 59 subsection (1), which reads: **“Where a police officer has reasonable grounds for suspecting that any offence which is not an arrestable offence. . .”** Now, Madam Speaker, the operative phrase here is **“which is not an arrestable offence”** [that] **“has been committed or attempted, or is being committed or attempted, he may arrest the relevant person if it appears to him that service of a summons is impracticable or inappropriate because any of the general arrest conditions is satisfied.”**

Madam Speaker, really (though for the love of me, it may be simple to those who drafted it or it may be simple for those who introduced it), I have to be honest with you, it's befuddling to me because if it permits a police officer under any conditions to arrest a person on suspicion that they have committed a not arrestable offence, how can you arrest the person?

I know what the rest of it reads. I know what it reads afterwards. But it says clearly that if the suspicion is not of an offence that is arrestable. So, if I cannot arrest you for that offence how can I arrest you? That one really has to be explained—and explained very well—because there is a big block somewhere between my two ears with regard to understanding that.

Now, Madam Speaker, we come down to another one which is very similar to the Cabinet issue. Part VI, Madam Speaker; "Discipline".

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Sorry?

*[inaudible interjection]*

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** In a second, Madam Speaker.

I have it dog eared here. Part VI "Discipline", page 83 of the Bill itself. Or [clause] 95.

Madam Speaker, again, after meeting in committee, after long discussions and after, again, extended consultation . . . when I look at this Bill as it is drafted, there is still something in me which tells me that I am not quite satisfied as much as there has been an exhaustive attempt to outline this Part VI, "Discipline", and how it will work all the way through.

Madam Speaker, I still believe that discipline issues, particularly alleged serious breaches of discipline, need to be dealt with by a tribunal, not the Commissioner sitting alone. Now, unless I've read this wrong, and unless all of the discussions which took place prior to this have confused my mind on the matter, I don't believe that I changed my view about breaches of discipline being dealt with by a tribunal. And the only subsection . . . and there's not even . . . well, the only [clause] in Part 6 that I see an advisory committee is in [clause] 101, subsection (4).

But I need to read subsection (3) prior to that [which reads]: "**A police officer upon whom the Commissioner has imposed any punishment other than reduction in rank or discharge may appeal in the manner provided in this section to the Chief Officer or the Portfolio of Internal and External Affairs against either the finding or the punishment or both.**"

I remember the discussions now as I read this again. Madam Speaker, "(4) **There shall be an Appeals Advisory Panel comprised of (a) the Chief Officer of the Portfolio of Internal and External Af-**

**fairs; [IEA], (b) a justice of the peace; and (c) a person with past experience in the uniform services of the Islands who shall advise the Governor or the Deputy Governor, as the case might be, in relation to the appeals for offences of discipline."**

Madam Speaker, initially it may appear that that recourse is reasonable, because if I understand it now, the appeal is to the Governor—the Governor, the Governor. If I understand it now, that's how it works. And the initial thought . . . I want to go through this carefully because I might convince myself different while I'm doing it. The initial thought was [that] the Governor hires the Commissioner of Police, the Governor has, if not daily, regular interaction with the Commissioner of Police because His Excellency the Governor is in charge, by way of operational matters, that the Commissioner only has to report to him.

In that regard the Commissioner is not responsible to anybody else because the Governor is Her Majesty's representative and Internal and External Affairs and defence is a matter not for the political arm of Government, which is fine. There is no argument with that. But you see, Madam Speaker, what is not practical now is the Commissioner deciding on a person's fate in the police force. And I'm first of all outlining what obtains presently.

If the Commissioner decides that a person should be dismissed from the force, for instance, that person's only recourse is to His Excellency the Governor. Now for the Governor to decide, in practical terms the Deputy Governor gets involved and perhaps his office does the ground work and then sends the stuff up to His Excellency and he looks at both sides of the coin and then he makes a decision.

But you see, Madam Speaker, in my view it is unfair for His Excellency to be placed in such a position, because if he does not have confidence in his Commissioner then he made a mistake hiring him, first of all, and, secondly, he should get rid of him. So he has to have confidence in him. It is extremely difficult, in my view, for the Governor to be placed in a position where he may possibly go against what the Commissioner has decided. And that is very possible depending on the circumstance.

My view is that while there is not a question in my mind about whether the Governor will be as fair as he possibly can, or, for that matter, whether the Commissioner has been as fair as he possibly can be given all the circumstances, that's how they view it within their purview.

Madam Speaker, some of these instances decide a person's future. Some of these instances will actually decide whether a person continues to succeed in life or not, because once you are branded like that, where else do you go? For instance, dismissal from the Royal Cayman Islands Police Force! Dismissal from anywhere makes you have a problem getting another job. But when you are dismissed from the Royal Cayman Islands Police Force, and that is known, it's going to be extremely difficult for you to



walk and hold your head high—even if it is a mistake. And these things can happen; innocent people have died.

So, you see, Madam Speaker, I am really just trying to cover all the bases to ensure that the end result of the process by which discipline is meted out, and the recourse which an individual may have, if he or she feels that they have been unjustly treated, that process is the best possible for the best results. And I'm not trying to take either side, because if an offence has been committed and it deserves for someone to be dismissed, so be it! I'm not questioning that.

But, you see, Madam Speaker, I would even go so far as to say that both you and I know (I wouldn't just say that I know) that there will be instances where someone, for instance, with senior rank may well have a bias against an individual, and in his or her mind the best thing to do is to get rid of that individual because that individual may be a thorn to them, whereas the individual may not necessarily have done anything warranting dismissal or anything near to that. And then the whole chain of command up is possibly skewed because of what is seen to be an inherent trust. That is, if I am the Commissioner and you are my senior officer and you have come to me with a case, then, while I will listen to what the accused person has to say in a disciplinary matter, it is most difficult for me to not have regard for your seniority and such the like. And that goes right on up to the top, hence the need that I see for an unbiased, no attachment, group of individuals who can objectively examine all the facts.

Madam Speaker, once the decision has been made, once it puts a problem into the circumstance . . . because if the Commissioner has the opportunity to make that decision then, in my view, it immediately puts the accused at a disadvantage. That's a personal view of mine. And, again, this may well be, as I said, like the other case I argued before when I looked at this again, but I have to speak what I believe to be something that is fair and ask if it is at all possible for this process to be looked at again.

The appealing stage of things is one matter but, Madam Speaker, we have instituted a similar system, as I said before, when it comes to matters being decided on in the judicial services. So, why not look at the same, or look at similar. And it need not be anything that causes for a fancy office to be occupied full time or anything like that. It just needs for members to be appointed and for them to meet and hear whenever necessary.

So, Madam Speaker, I would hope that we could have a look at that. I have to tell you now, because of being off Island our numbers are extremely dwindled, nevertheless—and I'm sure my colleague behind me will support me in this—while we want our best to be in unison with this new Police Bill, if the points that have been raised, which I consider to be fair, are not properly explained away or not paid attention to, then even if it's the lone voice in the wilder-

ness I am certainly going to make my own decision and will be able to explain to everybody why, and it will have to be like that.

Now, Madam Speaker, the next one (which perhaps is the thorniest of all issues) is one which has certainly given rise to concern for most of us. The Honourable Attorney General has proposed a committee stage amendment which on the surface could well appear to satisfy the situation. But there are what I want to term some structural difficulties which we need to speak to.

Madam Speaker, this is all to do with the right to silence. There are those of us who hold the view, especially my colleague, the Third Elected Member for George Town, who, himself being in the legal profession, has long held the view that this right to silence and attempts to give more advantage to the side of the prosecution from time to time is one which seems to be eroding that age old principle of an accused's right to silence.

Madam Speaker, in presenting the Police Bill on Friday afternoon the Honourable Second Official Member said [that] we cannot remain stuck in the past. And he also said that we need to tweak tradition to bring it to modern times. He said the position had changed in the UK in 1994 and we should follow suit.

Madam Speaker, the provisions contained in the Police Bill could well allow the court to draw adverse inferences from an accused's failure to assist the police with their case by remaining silent. And we believe that this is a fundamental departure from the common law position. Certainly, it is based on the UK Criminal Justice and Public Order Act 1994, but it is worth noting that that statute has been the subject of much criticism and concern in the UK.

Now, Madam Speaker before I go any further, with your permission I would like to read from a copy of a letter sent to the Honourable Solicitor General of the Cayman Islands on 11 April by the Cayman Islands Criminal Defence Bar Association (CICDBA). And if you have need to, I certainly am quite happy to table it because it is simply stating their position; whichever you wish.

**The Speaker:** I think we will table it, and I would also like a copy while you are reading from it.

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you, Madam Speaker. I will do so.

*[pause]*

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Madam Speaker, forgive me, while that's being done (so you will have it), if you don't mind, we could pause.

**The Speaker:** I appreciate that.

I would like to take this time actually to remind Members of the House of section 39 of the Standing

Orders of this Legislative Assembly. There is a decorum which is necessary when debate is being conducted in this House and I would appreciate if all Members would follow those rules.

Thank you.

[pause]

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

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you, Madam Speaker.

Madam Speaker, I am presuming that a copy has been tabled.

[inaudible interjection]

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you, Madam Speaker. That has now been done.

**The Speaker:** So ordered.

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Thank you.

Madam Speaker, this letter, while there has been response since that . . . the reason why I am reading this letter is because it speaks specifically to the adverse inference provisions of the Police Bill 2010. And that is exactly the [clause] that I am speaking to now, [clause] 147, the right to silence which surrounds the same issue. The letter reads:

“Dear Solicitor General,

“Re: Police Bill, 2010

“We write in response to your email dated 6<sup>th</sup> April 6, 2010. Please find below our comments in relation to the adverse inference provisions of the Police Bill 2010.

“In our submission, there are significant practical obstacles to the introduction of such proposals in this jurisdiction.

“Firstly, legal aid is not available to suspects until they are charged and taken to court and therefore it is not available to persons at the time of their arrest, detention, or interview at the police station. It follows that unless an attorney is prepared to act on a *pro-bono* basis or the detained person can afford to pay an attorney’s fee, the suspect will not receive independent legal advice on the implications of his failure to answer questions at the time he is asked to do so by the police. We submit that it would be manifestly unfair for a tribunal of fact to be entitled to draw an adverse inference of guilt from a suspects [sic] failure to answer questions without said suspect

**having had the benefit of legal advice about the implications of his silence.” . . .**

So, Madam Speaker, quickly, in summary, they are saying that notwithstanding what the Bill seeks, because no legal aid can be granted until a person is charged, if the person does not have the benefit of legal aid and cannot afford an attorney, then that person really has no advice during his arrest, interview, or otherwise until he is actually charged; and then, perhaps an application for legal aid, and perhaps, again, it being granted.

So throughout the entire process, before that point the person, out of ignorance possibly, could well conduct him or herself in such a manner that would allow during subsequent parts of the process with regard to any trial or anything like that for adverse inference to be drawn.

Madam Speaker, the committee stage amendment which the Honourable Attorney General has circulated says that the Bill is to be amended in clause 152 by inserting after subclause (6) the following: A new subclause (7) which reads, “**A person shall not have the proceedings against him transferred to the Grand Court for trial, have a case to answer or be convicted of an offence (a) solely; or (b) mainly, on an inference drawn from such a failure or refusal as is mentioned in 148(2), 149(3), 150(2), or 151(2).**”

But, Madam Speaker, the question is: Does that committee stage amendment satisfy this question?

They go on, Madam Speaker, in their letter to say: “**Whilst no objection could be taken to the jury being entitled to draw an adverse inference after the suspect had the opportunity to take free and independent legal advice, this would require the reform of the legal aid system so that each and every accused is entitled (and is made aware of his entitlement), to free legal advice prior to any questions being asked of him. The Cayman Islands Criminal Defence Bar Association (CICDBA) notes the considerable cost implications for the already stretched legal aid budget in the Cayman Islands. In addition, there is only a small and limited pool of criminal legal aid attorneys on the Islands, none of whom are based in Cayman Brac or Little Cayman. There would therefore be a further practical difficulty of ensuring that there was an attorney not only able and willing to take such work but also who was available at any given time. For this reason alone, [the CICDBA] submits that the proposal is unworkable.**

“A further problem would arise if the attorney present at interview was required to give evidence at the trial (covering the advice given to the defendant at the police station) in order to avoid the adverse inference being drawn against his client. This situation frequently occurs in England and Wales but in that jurisdiction the solicitor at the police station is distinct from the Barrister at

trial. [And here] **In the Cayman Islands, the attorney who had appeared at the police station would most likely also be the trial attorney and so would potentially be forced to become a witness in his or her own case and thus may find himself unable to continue to act as the trial attorney.** [That, Madam Speaker, simply relates to the conflict that it would create.] **We have not been able to conduct research into the use of the adverse inference in other common law jurisdictions which have a fused profession but strongly urge that such research is conducted by the government.**

**“Another difficulty arises in relation to (lack of) pre-interview disclosure. In order for the suspect to make an informed decision in relation to his curtailed right to silence and any adverse inferences which might later be drawn, he must be entitled to know the nature of the case against him. Currently, although some interviewing officers do provide some information before any consultation and interview takes place, this is generally oral and limited in scope and detail. More frequently it is the practice of RCIPS officers to provide no information whatsoever (and, in extreme cases, positively to assert that the attorney has no role to play in the interview, is merely a ‘silent witness’, and will be ejected if they attempt to speak).**

**“The CICDBA repeats the longstanding request that police interviews are tape-recorded and, . . .”** Madam Speaker, I do wish to comment on that because of a recent report from the Commissioner of Police, that if that is not taking place now, it is certainly intended for that to be taking place very shortly. **“. . . in addition to the above, [they believe] that protocols and a framework for pre-interview disclosure and re-training of police officers would be essential prerequisites to any adverse inference legislation.**

**“Finally, [Madam Speaker, they say,] it is submitted that such an adverse inference would require the amendment of the Constitution—that is the new Constitution—since the provisions of the Police Bill 2010 as currently drafted would be in conflict with section 5(3) of the Constitution 2009, which states: “Any person who is arrested or detained” [sic] I suspect that should be “detained” “has the right to remain silent and shall be informed promptly, in a language that he or she understands, of the reason for his or her arrest or detention.”**

And they say, Madam Speaker, **“In summary, further detailed international research is required and careful thought must be applied to the Legal Aid Law, RCIPS standing orders and the Constitution before the Police Bill 2010 can safely proceed any further.**

**“We hope the above comments are helpful. Please contact us if we can be of further assistance.”**

Madam Speaker, that referral to our Constitution . . . [pause]

**The Speaker:** A small interruption: The Constitution does say “detained”.

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Yes Ma’am.

**The Speaker:** “Was arrested or detained”.

**Hon. D. Kurt Tibbetts (Leader of the Opposition):** Right.

Now where that reads, **“any person who is arrested or detained has the right to remain silent and shall be informed promptly, in a language that he or she understands of the reason for his or her arrest and detention.”**

Madam Speaker, the Constitution itself in this regard simply says that the person has the right to remain silent.

Now, the Constitution does not say that given certain circumstances if you do remain silent then adverse inference can be drawn. And I believe that that is the question at hand with regard to the possible conflict of what the Constitution says and what this Bill says.

Now I suppose one can argue the spirit of it. But, Madam Speaker, when we were drafting this Constitution, certainly what obtains in the UK obtained there for several years, and I would have thought that if what is proposed in our Constitution was counter to what obtains there, that they would have said, *This doesn’t sound so right to us.* And not a word like that was said. And I do believe that I was there throughout the whole depth and breadth of the constitutional talks here and there.

Madam Speaker, I am not a lawyer, and I don’t even profess that it would have been one of my aspirations. Perhaps the Honourable Second Official Member might well be able to justify that, but on the face of it seems to me like there is certainly a conflict with regard to how the Constitution reads.

Madam Speaker, before I close I just want to follow some notes which were prepared by my colleague, the lawyer, who is not here. But he has asked me to air these views, and they might add weight to the consideration of the Government side bringing this Bill. And with your permission I will just follow these notes, Madam Speaker.

Madam Speaker, the provisions contained in the Police Bill will allow the court to draw adverse inferences from an accused’s failure to assist the police with their case by remaining silent. This is a fundamental departure from the common law position and is based on the UK criminal Justice and Public Order Act of 1994. And, as I mentioned before, it is worth noting that the statute has been the subject of much criticism and concern in the United Kingdom.

An accused's right to silence is what British Judge Lord Sankey described as the "Golden Thread." He said, and I quote: "**Throughout the web of the English criminal law one golden thread is always to be seen—that is the duty of the prosecution to prove the prisoner's guilt.**" The right to silence is an important aspect of that golden thread.

*Blackstone* has the following to say about the right to silence, and I quote: "An accused person in a criminal trial has traditionally been accorded a right to silence, sometimes termed as a privilege against self incrimination. The right embraces the idea that the accused is under no legal obligation to assist the police with their enquiries, and is not a compellable witness at trial."

"At common law it is supplemented by a further right. The failure to assist the police or to give evidence at trial is not evidence against the accused with the result that it is wrong to invite a jury to draw adverse inferences from silence."

The effect of the provisions in the Police Bill that relate to the drawing of adverse inferences is this: The accused can still choose to remain silent during questioning or at trial, but the supplementary right to be free from adverse inference is removed and replaced by these provisions which specify the circumstances in which proper inferences may be drawn against him. And this could very well lead to serious consequences.

*Phipson on Evidence* observes that, and I quote: "The compulsion which induces the individual to speak could be the prospect of punishment whether by way of a separate criminal offence or contempt of court. But there are other incentives to break one's silence, such as the prospect of adverse inferences otherwise being drawn at trial or the silence being the subject of adverse judicial comment.

"The drawing of adverse inferences from the accused failure to testify or answer particular questions also puts pressure on him to break his silence or else make the prosecution's case stronger.

"The Common Law has recognised that no individual, let alone a suspect, could be compelled on pain of sanction to answer police questions."

Now, Madam Speaker, before going aside, while the UK has had similar provisions operating for the past decade and a half, there are significant practical obstacles to introducing the adverse inferences provision to Common Law.

Firstly, as I mentioned before, legal aid is not available to suspects until they are charged and taken to court. And this means, as I've said before, that persons arrested or detained or interviewed at the police station may have adverse inferences drawn from their failure to answer questions without having had the benefit of independent legal advice as to the consequences of remaining silent.

Another potential problem, Madam Speaker, is what happens when an attorney who is present, and I mentioned that one before, *who is present* at the

interview may be called as a witness in the case in order to avoid adverse inference being drawn against his client.

So, Madam Speaker, those points that I have raised certainly give some cause for concern regarding the [clause] on right to silence, particularly about the adverse inference.

Now, I think . . . I shouldn't say I think, Madam Speaker, I *understand* the Government's position on it. And if one were simply to look at it from that point of view the Government's case could be said to be reasonable. But when we examine the other side of the coin, you then raise the question, well, if the individual involved is a perpetrator of bad deeds, you don't want to give them any advantage, you want to give them a disadvantage, and you want to give the Crown the best advantage that they can have. But you see there is a premise under which the entire judicial system operates and that is that a person is presumed innocent until otherwise proven to be guilty. So, it's a very thin line as to what is right and what is not right with regard to law and what should be allowed and what shouldn't be allowed.

I do believe that the two main difficulties in all that we talked about, while it may not seem—or obviously it does not seem—to be a difficulty to the Government bringing the Bill is the constitutional matter, and the question of how do you satisfy the situation of an individual being able to have access to legal advice before being charged. I believe those two points are perhaps the stickiest of all, even though we might speak to many others.

Madam Speaker, we have raised the majority of the issues that we have with this Bill and I certainly look forward to the Honourable Second Official Member addressing the concerns that we have raised. I sincerely hope that we can arrive at a position which allows for us to get a unanimous vote on the Bill. And I don't think for a minute that it would be that the official arm of Government is not interested in satisfying the circumstance. I want them to know, Madam Speaker, that while those meetings we had in committee did not perhaps prove totally satisfactory to them, that it really has saved a lot of time, because a lot of the issues that we discussed and came to grips with, and some of the issues people like myself did not have a very clear understanding of, now we have clear understanding and we can move forward with those. So even though we didn't catch them all and get total agreement with everything, I think we did well with that.

Madam Speaker, there is a small issue which I consider to be very important, and it is all about clarity. We are now dealing with the Police Bill, and this has all to do with the police. And I see nothing in the Bill that speaks to this issue. I don't even know what the whole truth is about the issue. But very recently there has been a lot of talk, and individuals amongst us in here in these Chambers have had calls querying this issue of lie detector tests being conducted on po-

lice officers. I don't know what the situation is, I don't know what the truth of it is, and I don't know why. But certainly, I believe we all need to have a clear understanding of that situation. If it is not cleared up, I'm sure the rumours will abound all the more and the concerns will get raised out of proportion. I do hope that we are able to get some response from that.

Madam Speaker, I want to thank you for allowing me to present the Opposition's position in the manner in which I have. I do trust that the Government will be able to satisfy the queries so we may be able to move forward. I certainly will have no difficulty with either the Honourable First or Second Official Member, if they wish to discuss the matter during your call for lunch, if there are any other matters which they would wish to clarify with me.

Thank you very much, Madam Speaker.

**The Speaker:** I think this is an opportune time to take the lunch break to give the Honourable Second Official Member some time to work through some of this, and at the same time other Members who might wish to speak will have time to prepare.

We will suspend until the hour of 2 o'clock.

I would also like to meet with a committee of the whole House at 4.30 this afternoon.

**Proceedings suspended at 12.16 pm**

**Proceedings resumed at 3.00 pm**

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

## READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

### Apology

**The Speaker:** I must apologise, I neglected this morning to offer apologies from the Honourable Minister for Education who is also absent from the Islands on an important family matter.

Can we proceed with the debate now on the Police Bill?

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

First Official Member.

## SECOND READING

### Police Bill, 2010

*(Continuation of debate thereon)*

**Deputy Governor, Hon. Donovan W. F. Ebanks:**  
Thank you, Madam Speaker.

Madam Speaker, this is obviously a significant and much needed piece of legislation that aims to provide the RCIPS with some more modern and more effective legislative tools with which to carry out the responsibilities that we entrusted them with.

As the mover mentioned, it has been quite some time in gestation and, not surprisingly, it will not meet everyone's ideal expectations. I think we do, however, Madam Speaker, have a worthwhile Bill and I certainly would wish to thank all Members of this honourable House who took up the invitation to meet and discuss the provisions of it in various draft forms with the Honourable Attorney General and his staff. The Solicitor General, I think, filled in on one occasion and certainly the staff from the Legal Drafting Office.

While we can extend those opportunities, it is really the extent to which Members take them up and actively participate that they prove worthwhile in terms of us getting a bill that hopefully can meet the desires and expectations of this House.

Earlier, Madam Speaker, the Leader of the Opposition in his remarks touched on a couple of areas. I propose to offer some response in two of those areas in particular. In clause 49 which relates to the Commissioner being able to impose a curfew, we certainly have in the past six years since our experience with Ivan, just about six years ago this weekend, come to develop a greater appreciation of the merits of being able, from time to time under certain circumstances, to impose a curfew in the interests of not just law and order but also in the interests of public safety when the safest place for people to be is in their homes.

Clause 49 in its current wording had a short phrase that obviously got the attention of the Leader of the Opposition. And that was that in the envisaged consultative arrangement it used the term "and where practical Cabinet" and didn't, as such, while it made it, as it were, mandatory for consultation with the National Hazard Management Executive (NHME), the consultation with the Cabinet was worded "as where practical." Madam Speaker, this clause 49 specifically deals with imposing curfews where there's a received threat of a tropical storm or hurricane, and where there's a potential effect that public safety and public order could be jeopardised.

I'm conscious that in recent weeks we've all been watching the storms generated in the Atlantic, west of Africa, moving westerly and, fortunately, more often to the northerly component, northwesterly across the Atlantic. And while those systems generally afford reasonable notice and are subject to very reliable predictions, I think at the time that this clause was framed we were more conscious of the type of behaviour that one sees with late season storms, particularly those that form in the southern south-western Caribbean. And hurricane Paloma two years ago was a classic example of the unpredictability and the limited timescale that one can have to respond.

While the National Hazard Management Executive is perhaps a compact version of all of the key components of our public administration in Governor, Premier, Leader of the Opposition, certain Official Members and the Commissioner of Police, there certainly wasn't any effort to suggest that Cabinet was in any way inferior to this National Hazard Management Executive, which, by the way, the Governor chairs. It is made up of the Premier, Leader of the Opposition, Honourable Attorney General, Commissioner of Police, Financial Secretary, representative of the National Hazard Management, Cayman Islands, and myself, and the Chief Officer of the Portfolio of Internal and External Affairs as well.

However, in light of the concerns that have been raised I think we can come up with a slight change in that clause that will make it clear that there will be consultation with both the National Hazard Management Executive and the Cabinet. But also, perhaps I would suggest to make the onus for that consultation clearly with the Governor within whose remit is the authority to convene both of these bodies, and who would be the person expected to give the written permission to the Commissioner to impose a curfew.

So, in the middle part of clause 49(1) where it currently reads: “. . . **there are reasonable grounds to believe that in the interest of public safety or public order it is necessary so to do, the Commissioner may, after consultation with the “National Hazard Management Executive” and, where practical, Cabinet, and with the written permission of the Governor, impose a curfew** - ” We would wish to suggest that that could be amended to say that the Commissioner may request and the Governor may, after consultation with the National Hazard Management Executive and the Cabinet, grant written permission to the Commissioner to impose a curfew.

I think that wording, Madam Speaker, makes it clear that it is the Governor who would be expected, or is required, to consult the National Hazard Management Executive and the Cabinet prior to granting the written permission to the Commissioner to impose the curfew. And so it will be proposed to move an amendment to that section during the committee stage.

Madam Speaker, I will next turn to [Part] VI of the [Bill] and it begins with clause 94, which deals with discipline.

The Leader of the Opposition gave a reasonable overview of what currently pertains and what is being proposed. And I would just like to expand on that slightly to say that this Bill really envisages, unlike the old legislation, that any Member of the RCIPS, from Commissioner to Constable, can potentially run afoul of proper discipline. And so the provisions, unlike the old law, to discipline commence from the Commissioner down.

The old law . . . I simply assume that if you were the top person in charge of enforcing the law

that you never did anything wrong yourself. And fundamentally, while there was a mechanism for . . . Let me back up a bit and say that the current legislation vests in the Governor the authority to appoint commissioners, deputy commissioners, and assistant commissioners, and vest in the Commissioner the authority to appoint all other officers. The authority of the Governor to appoint commissioners is provided in the Public Service Management Law, and the authority for the Commissioner to appoint all other officers is provided in the current Police Law. Neither of those, in exercising their authority, has to take input from any advisory body.

With regard to disciplinary matters, I said there were no provisions, really, for discipline of commissioners. The disciplining of police officers below the rank of commissioner was wholly with the Commissioner with an appeal provision to the Governor in respect of decisions involving reduction in rank or dismissal.

While the appointing arrangements are being proposed to be changed under this new Bill, the matters relating to discipline of officers and their rights to appeal have been substantially amended, and we think improved. It was one of the fundamental provisions that we established in the Public Service Management Law, that all public officers should have some right to appeal decisions that negatively affect them, and that appeal should not simply go to the authority that had made the earlier decision—as, in fact, was the norm prior to the 2005 Public Service Management Law, where the Public Service Commission advised on all disciplinary matters, and if you wished to appeal your appeal had to go back to the Public Service Commission that had been the body that gave initial advice to the Governor.

And so we have sought to do a number of things to provide the right to appeal for all officers and we made a distinction in terms of offences where the most serious offences of reduction in rank and dismissal are treated in one way, or by one appellate body, and the less serious decisions are also entertained, though not necessarily treated, by the same appellate body.

So, starting with commissioners there is the right for them to appeal any disciplinary decision by the Governor which involves reduction in rank or dismissal to the Grand Court

In the case of officers from the rank of Inspector to Chief Superintendent, they have a right to appeal any decision by the Commissioner which involves reduction in rank or dismissal to the Governor. Officers below the rank of Inspector, namely from Constable to Sergeant, have the right to appeal any decision involving reduction in rank or dismissal to the Deputy Governor.

In considering those appeals, we have introduced an Appeals Advisory Panel that would advise the appellate body, either the Deputy Governor or the Governor, on the appropriate consideration of the ap-

peal. It doesn't mean that the appellate body is bound to take the advice; but we think it is a fundamental jurors' role that we wanted to introduce so that as the Member (the Leader of the Opposition who spoke this morning) alluded to, the relationship, for example, between the Governor and Commissioner which, of necessity, must be a fairly close and regular relationship, shouldn't lead anyone to feel that because of that relationship the Governor would be duty bound to honour the decision or uphold the decision that the Commissioner has made.

This Advisory Panel, Madam Speaker, would be comprised of a Justice of the Peace, an individual with experience in a uniform organisation, and the Chief Officer of the Portfolio of Internal and External Affairs. And, that Advisory Panel would advise on any appeals relating to reduction in rank or dismissal, whether they are going to the Governor (in the case of officers from Inspector to Chief Superintendent), or whether they are going to the Deputy Governor (in the case of Officer, Constable or Sergeant).

In addition, for disciplinary matters that attract lesser penalties, the decisions of the Commissioner of Police would be appealable to the Chief Officer of the Portfolio of Internal and External Affairs. This is essentially consistent with the same principle that applies under the Public Service Management Law where a chief officer who delegates authority to a head of department to carry out various functions can in turn then serve as an appellate body in respect of how those functions are discharged, provided, of course, that the delegation has not in any way mandated in the consultation of the Chief Officer. And in this case there's no such linkage of the Chief Officer to the actions of the Commissioner. So the Chief Officer is an eligible and, we think, an appropriate individual to serve as the appellate body in respect of less serious disciplinary decisions.

Madam Speaker, it is acknowledged that this suite of changes does not provide an advisory function across the entire board of decision-making or the entire field of decisions and, in such, in particular it does not provide for any advisory function in respect of appointments, promotions, and indeed engagements or initial employment. So, in that regard it does not come up to the level that one would typically expect, had we gone the route of establishing a Police Service Commission, that we would have expected to be the remit of that Commission.

It does not mean, by any means, that that is not a direction that eventually it may be appropriate for us to go. But we think in the meantime that this suite of improvements are both extremely significant and that they will, we believe, add much to the stability and the confidence within the organisation and that officers can feel that they will be fairly and justly treated in the event that they are considered to have offended against the disciplinary requirements of the organisation.

So, I would urge Members to consider, perhaps, how much has been done, and not necessarily the additional component that perhaps could be done and may well need to be done some time in the future. I think this makes a substantial and adequate first step for us in terms of bringing the basic arrangements within the organisation in line with what's simply good HR practice in bringing them more consistent with what pertains elsewhere in the public service.

Madam Speaker, I will defer to my learned colleague's address some of the legal issues that were also raised. I simply subscribe to the notion that we should all behave ourselves and speak the truth cost it what it will. So I won't get into that part of the issue.

I would like to thank the Honourable Attorney General in that capacity and the Solicitor General, the staff of the Legal Drafting Office, in particular, Ms. Michelle Daley, who has been gracing us with her presence for all of the many hours of hard work that went into getting this Bill in this form to be able to present it to this House. And I would also like to thank the Commissioner of Police, in particular, Deputy Commissioner, Mr. Anthony Ennis, who is also here, for their major contributions and their willingness and keenness to see us move this legislation forward.

It has been a lot of work and I'm confident that we will see the benefits of it once we get it enacted. So, I certainly want to commend it to all honourable Members and [to] thank those who, hopefully by not having spoken yet, have implied their support.

Thank you.

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

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

Madam Speaker, I believe, as mentioned by the First Official Member, that a lot of comments raised by the Leader of the Opposition will be addressed by the Second Official Member. But, that said, I believe it is important that I mention that I, along with many of my colleagues, had the opportunity for discussion with the Opposition back and forth and were able to share our concerns and able to work and iron out a lot of those comments.

I think, just as raised by the Leader of the Opposition, without doubt, we would have walked away in one way, shape, or another, during those discussions with some of our concerns. We were all given opportunity to express those concerns and many of those things were actually amended, if you like, on the Floor.

Madam Speaker, I believe that as we talk about this Bill and hear some of the comments, [we should] not detract from those comments the concerns raised. I've had my concerns as well. And as was just mentioned, I'm very confident the Second

Official Member will address some of those concerns. Hopefully, he will not only clarify things for Members of this House, but for many persons out there in the general public.

Madam Speaker, in brief, I rise because when it comes to the Police Bill and the amendments and changes that we are actually making, I believe it is important that we don't lose sight of the forest for the trees. The situation in the country today is a grave one when it comes to the issue of crime. I recall sitting on the talk show, and the Second Elected Member for Bodden Town raised this concern just a few days ago.

Madam Speaker, that concern was about Mrs. Estella Scott. I remember while I was on the talk show when all of us . . . this entire country was frozen, Madam Speaker. We couldn't believe what we were hearing. We couldn't believe the photographs we were seeing. And that is just one story, Madam Speaker. But to talk about it, the whole country was in a grip of fear; a matter that women were afraid to leave their offices and walk to their cars.

It is now that again. Just a few days ago we heard of a young man 21-years of age shot down in the streets; almost to the point that the country is almost arguably becoming somewhat desensitised [because of its] frequency.

I believe, Madam Speaker, that to ensure we don't lose track of the forest for the trees it is important that we recognise that amendments, insofar as this Bill is concerned, are about all of us collectively—not just in the police, but collectively as a country—doing what we can do to ensure that we can fight crime. If we take ourselves back, Madam Speaker, just a while ago, even insofar as that heinous crime, the murder of Estella Scott, and ask ourselves which one of us in this country would have had a problem breaking a car window to have gotten a piece of evidence or to have prevented that heinous crime from actually taking place, how many would not have done it?

Would we be having that discussion at that time? No, Madam Speaker, we wouldn't. And at the end of the day behind all of these pens and [pieces of] paper and ink, Madam Speaker, we are doing these things to ensure that we can solve the crime, and hopefully in some way, shape, or another, prevent those crimes from happening.

Behind all of these discussions there are lives we are talking about. There are persons who while we slept, as graphic as it sounds, Madam Speaker, were dragged through the dykes, raped and burned. That, Madam Speaker, is what we are talking about. Crime! So it is an issue that we are going to do what we can do reasonably to ensure that we can prevent, and that we can deal with the issue of crime, and to snuff it out in this country. It's always a matter, Madam Speaker, of striking a balance and ensuring that rights are not infringed. And that balance is important and we've had it in many conversations. I've said it before: *Can you*

*always cut it and cut it just right?* Madam Speaker, that is questionable.

I've had my concerns as well because I want to ensure that there is not going to be any police force—this one or any one anywhere else—that is going to be able to abuse its powers or the court's. The systems have to work right, Madam Speaker.

But I rise simply to make sure that we as a country are not going to lose track of why we come with these amendments. It is very easy to get into *amendment this*, and *amendment that*, and *this particular provision*, and lose track of it. There are people who have lost their lives! And that means, Madam Speaker, mothers, fathers, uncles, sisters, brothers, suffer today because of that loss. And not only them; society as a whole suffers because of that loss. Therefore, we have an obligation in this country to do something about it, and this Bill carries us one step closer to that.

So that we do not lose track, Madam Speaker, let us always—and I encourage everyone in this Parliament and everyone out there in the listening audience in the country—remember it is about . . . yes, a balance. But it is about ensuring that the Cayman Islands is the right place to raise a family, the right place to retire. There is no institution to which crime is beneficial, Madam Speaker. We have to do what we can do reasonably to snuff it out.

And I pray to God that this one, this particular law, the changes will hopefully help in many ways to keep the systems that we have, the police and the courts [in a much more] organised fashion, and also carry us a step closer insofar as preventing some of those crimes that unfortunately have been committed that are too late, nothing we can do about, but hopefully from today on, get that much closer to preventing and dealing with those crimes that have been committed.

With that, Madam Speaker, that is my very succinct and, hopefully somewhat beneficial, contribution to this debate. And I would ask the Second Official Member to address some of those concerns that were raised by the Leader of the Opposition, and raised by myself, and one or two of my colleagues as well, for the benefit of ourselves and for the public.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Fourth Elected Member for George Town.

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

If not, I call on the mover of the Bill to conclude the debate.

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

Madam Speaker, let me begin by thanking honourable Members for their very helpful, insightful contribution to the Bill. I take on board the comments



raised. They have been extremely helpful in assisting us to focus our minds on some of the very important provisions of this Bill as, indeed, all the provisions are.

Madam Speaker, I must thank also my colleague, the Honourable First Official Member for dealing with some of the concerns raised by the Honourable Leader of the Opposition. I will attempt to address the others.

He, in particular, raised the issue of clause 5 which deals with the right to carry arms by members of the RCIP, and questioned whether it wouldn't be helpful to also have the legislation explicitly provided that there's also the right to use those arms. And the simple answer is that it would be helpful. Certainly, it would add more clarity to it. But from where we sit we think the answer is that it is inherent in the right to carry those arms that there's a right to use the arms.

The police officers have been issued with these firearms, for example, with a view to not just being symbolic, but to use them in circumstances where it is perfectly lawful to do so, be that whether it is in respect of self-defence or in defence of another person's life, and so on. It has been done in the past and it is inherent in the way the section is currently crafted that the police do enjoy the right to use those arms in appropriate circumstances consistent, of course, with the surrounding or the prevailing factual situation, and to guide by their training that they would have received on how to deploy these arms

So, Madam Speaker, the answer is that it wouldn't have hurt to have this section expressly say so, but we are also persuaded that in its current form the section does in fact allow and provide for the use of those arms in appropriate circumstances.

Madam Speaker, the honourable Member also raised some questions or observations (I might put) about the elimination of identification evidence which is to be found in clause 32 of the Bill, and the absence of a definition of "physical specimen." He raises that in the context of a person who (to use his expression) happens upon a crime scene and could easily be subjected to a request for a range of specimen to be taken.

Madam Speaker, the way this works is that it would be difficult to have a prescriptive definition of physical specimen. The expression straddles intimate and non-intimate samples, but, more importantly, it is in the context in which it is used in [clause] 32. It is concentrated mostly in respect of fingerprints and photographs and all of these sorts of things.

But there are circumstances in which one could easily see where intimate samples would be required. And I give an example: You might have a rape scene, and there might be someone who is found there, a male person, and the police might have reason to want to eliminate that person. Body fluid might have been found at the scene. And, in order to satisfy the police where there is obviously not a lead, that certain person should be eliminated. It is conceivable that there might be a request for body fluid from

that person and that would be regarded, Madam Speaker, as some sort of intimate sample. It could be a hair, for example, that the police might want to pluck from somebody to just make sure that hair found at the crime scene is really not that person's own.

So, it is true that there is no definition of "physical specimen." But, Madam Speaker, that is deliberate, because it is difficult to be overly prescriptive in terms of what would be covered in the scenario that I outlined. So we do take the observation on board and hope that the explanation helps.

Madam Speaker, he also mentioned about clauses 40 to 42, as they relate to instances where the police might be able to damage a vehicle or something to retrieve an item, or to see whether there is contraband contained in that vehicle. And he raised the question, in those circumstances, what if nothing is found? Who bears the responsibility for repairing the vehicle? The short answer to that, Madam Speaker, is that the police do undertake the repairs in those circumstances. It happens now [that] if the police, acting on information, kick someone's door in and nothing is found and no one is found whom or which they were looking for, the police do in fact undertake the repairs. So—

*[inaudible interjection]*

**Hon. Samuel W. Bulgin:** Thanks.

—they do, Madam Speaker. But we do have a provision for and we are working on a lot of regulations. So, if it will help to underpin that responsibility we will be happy to put that in regulation. We certainly will do that.

Madam Speaker, in clause 49 the query has been addressed by my colleague in respect of the remit to impose curfew and the scope of the consultation that should be taken.

He mentioned about clause 59, *which is not an arrestable offence*, and how can you be arrested. The truth is, Madam Speaker, all that provision is really saying is that even though it is a non-arrestable offence there might very well be circumstances that render it impracticable, or not possible to serve a summons on someone. You can have a minor transgression, for example, at the airport; someone who is about to leave and it might very well not be an arrestable offence, but in those circumstances it is not going to be possible for the police to take names and addresses and sign a Justice of the Peace swearing-in information, obtain a summons and so on. There's nothing . . .

I think the point I'm making here, Madam Speaker, is that there is really nothing frightening about the provision in its current wording. The standard procedure still is that for non-arrestable offences the police do obtain summonses to serve an accused person. But there are occasions when it is not practicable to do so. And in those limited circumstances the police would exercise the right of arrest and, of

course, that would follow very speedily, I would imagine, by the appropriate bail conditions being set for those persons.

Madam Speaker, he also (quite understandably again) canvassed the issue of . . . that's more than *canvassed*. In fairness to him, [he] raised concerns about clause 147 and the additional clause that goes along with that, and the *right to silence* as it is commonly termed.

Madam Speaker, in my presentation of the Bill, when I introduced it I attempted to outline and clarify the fact that the right to silence has been regarded traditionally as almost sacrosanct. It goes without saying. Just about everybody knows that there is a right to remain silent. The 2009 Constitution has codified that position and confirmed that there is such a right. And the provision proposed here does not in any way seek to detract from that right. It is not in any way repealing or attempting to repeal it; it could not, in any event, repeal the provision in the Constitution. And so there is no issue of the abolition of the right to silence as we know it.

But, all the literature that we have seen, all the cases that we have read that have dealt with this issue, including a number of them that have gone to the Court of Human Rights in Strasbourg, have made it quite clear that it is not so much about abolishing or abrogating from the right to silence. It has to do with the right of the court to comment on the silence. That's what it is. It is removing that restriction that the court had in commenting and the reason for the silence.

And what the Law is saying, what the Learned have said, what the Judges have said, is that every fact in a trial—everything—the jury, the court have a right to comment on to determine how those fact situations came about. What gave rise to them? Are they reasonable in coming to their determination? And the fact that a defendant or an accused person remains silent should be one of those factors that the jury can take into account. What is the reason for the silence? Is it because there was no explanation? Or is it because there is no explanation that could reasonably withstand scrutiny? That's what the court is commenting on; not the fact that the person has the right to remain silent. That remains.

But what is the reason for you remaining silent? Is it because your attorney told you that? Or is it because you have no reasonable logical explanation for advancing an explanation for why you were found at a crime scene?

Why do you have blood under your fingernails? Why do you have blood spatters on your shirt? Why didn't you, when the police spoke to you initially, when you were first asked . . . why couldn't you have proffered an explanation then?

Madam Speaker, it goes a bit further than that. The mere fact that the person chooses to remain silent in and of itself does not trigger the comment or the drawing of an adverse inference. The drawing of

the inference or the comment thereon on the silence is only triggered if, when the person was first asked, he or she chose to remain silent and then later on in the trial seeks to proffer an explanation.

So, if he remained silent when the police interviewed him initially and he does not then seek to rely on something, some explanation later on in his trial, the comment is not triggered, the adverse inference doctrine is not triggered. It is only relevant if, having remained silent when you were initially asked about your presence or the presence of objects in your possession and so on, or marks on you and you say nothing, but six months later at the trial you then seek to give as part of your defence the reason for the marks or the object or your presence . . . that is how the comment on your silence is triggered.

So, it is not an automatic thing. And it is not every silence that is going to trigger a comment. The judge will have to be extremely scrupulous in directing the jury (although it is a matter for them) about whether the explanation for the silence was reasonable in the circumstances.

The other point which needs to be made quite clear, Madam Speaker—because I think there is a lot of anxiety about that—is whether the mere fact that a person clammed up, didn't say anything, and that in itself can lead to a conviction, you can be found guilty. The simple answer is, *No, you cannot*. The Crown has to prove its case.

The burden of proof is always on the Crown. This is not going to change that. The Crown will have to satisfy the Court about the legal and evidential burden. So the prosecution and the Court can't say, *Well ah ha! We have nothing except your silence and we think in those circumstances that that is enough to warrant a conviction*.

It doesn't work like that, Madam Speaker. The Crown still has to discharge that burden of proof, that heavy burden that it carries which is called the "evidential and the legal burden." Well, it starts both ways, *evidential* and then leads to *legal burden* to satisfy the Court beyond reasonable doubt. All that will happen, Madam Speaker, is that in that set of factual circumstances which propels the tribunal to the fact that you are guilty, they are also entitled to take into account the fact that there was no reasonable explanation or no explanation at all. That is just one additional factor that is going to be taken into account in determining whether the Crown or the prosecution has satisfied the burden of proof.

So, I want to make it quite clear that there is no possibility of a person being convicted merely because that person clams up and refuses to speak to the police or refuses to account for anything. It doesn't happen that way. Legally it can't happen. It cannot happen. So any suggestion to that effect will need to be dispelled. The person's civil liberties, and so on, are taken care of.

Madam Speaker, in driving home the point about the safeguards, we will note in the Bill that there

is now a requirement to record interviews; tape record it or video. So, that cuts down on the possibility of potential miscarriages of justice. So even when a person now makes an initial statement somewhere, [he was] picked up at a particular scene and he says something to the police where there was the benefit of a tape recorder or a video recorder, once it gets to the police station the usual protocol now applies. Which is, that the person will have to be cautioned and it is usually words to the effect that "You have a right to remain silent."

You do not have to say anything. But it may harm your defense if you do not mention, when questioned, something that you later rely on in court. That is how, in effect, the caution would work. And having done all of that, they would then proceed to do the interview and have it recorded. That also is another built-in safeguard, Madam Speaker, in how the process works.

Madam Speaker, in clauses 150(5) and 151(4) the Bill provides that the court cannot use the adverse inference in circumstances where the person did not have access to legal advice. Cannot! The Law expressly provides that. So, that again, Madam Speaker, is an additional safeguard I mention, and explain to you that you might have instances where the person is picked up on the road somewhere and he might give an initial reaction when asked by police. Now, once he gets to the police station all the protocol collapse into place. Caution—recorded interview, tape recorded or otherwise. And so all of those built in provisions there serve to ensure that the person's civil liberties are protected, ring-fenced and remain as we know it, in order to ensure fairness of the procedure.

Madam Speaker, it is not entirely correct to say that what this provision is doing is giving the prosecution an advantage. It doesn't do that. It certainly does not do that. What it does, Madam Speaker, is that it introduces commonsense into the system.

I am reminded, Madam Speaker, when the debate took place in 1994 in the UK, one honourable Member quoted the Lord Chief Justice at the time. He confirmed that our proposals were absolutely right (that is the Chief Justice), and he said, "I do not think the proposed measures are unfair. On the contrary, I think they introduce an element of commonsense and realism which has been sadly lacking hitherto." That was the position adumbrated by the Chief Justice at the time when the matter was being introduced in the United Kingdom back in 1994.

Another Chief Justice had a similar view when the proposal was introduced five years earlier in Northern Ireland; that it was bringing commonsense to the whole thing about how these things happen.

One of the explanations used during the debate was, as it is now, if a person is stopped on the road and is accused of driving under the suspicion of alcohol (DUI), the Law provides that that person shall provide a sample of urine. So one can always argue that there a person has been required by law to in-

criminate himself, because you really have to now prove almost a negative, to say that you didn't consume alcohol. But the Law provides, as is now, that you must provide a sample of urine. And, if you don't, you can be charged—invariably will be charged—and the penalty is the same as if you were tested positive.

This adverse inference provision does not charge you for anything. Failure to mention anything, you are not charged for it. So the right against self incrimination is still in existence. But inroads have been made into it by legislation. And the classic example is an accused person being forced to provide samples to demonstrate that they are free of alcohol in their system whilst driving.

Madam Speaker, like anything else, the provision is new and it is understandable that it will provide some degree of consternation. That is not unreasonable. People are accustomed to a particular way of thinking. In most societies people are wedded to traditions and sometimes it is difficult to explain why changes are necessary, especially when it has the potential of making inroads into long-held rights. But part of the Government's remit is also to protect civil liberties. So it is this very Chamber that is charged also with that responsibility of making sure that civil liberties are protected.

And, Madam Speaker, if we err, as is human to do, there's a court. And if we're uncomfortable or aggrieved by what transpired here, we have the benefit of going to Her Majesty's Privy Council. And if we are not happy with that, as has happened before, we take the long trek to Strasbourg.

In this particular case this issue has gone to Strasbourg on many, many occasions and the consensus is that it is quite in order to have such a provision in domestic legislation. It is not taking away the right to "remain silent"; it is simply allowing the court, be it judge alone or jury, to examine the reason for the person remaining silent. That's what it does. It says, *Look at the circumstances*. He says, *I was frightened; I was exhausted; I was confused*; whatever the explanation that person gives for not mentioning the fact when he was first asked by the police, this Law will now say to the court, *You have a right to examine those reasons that have been advanced to see whether it is plausible*. That's all that the Law does.

And if the court is satisfied that the explanation is plausible, then that's the end of the matter. If the explanation is found wanting, then the court can go on to draw proper inference from that silence.

I hope, Madam Speaker that I have explained as best as I could the object of the particular provision. It's not the silence, it's the reason for the silence that the court is examining: Was it a good reason? Was it a plausible reason? Was it justifiable? And so that is it.

Madam Speaker, the issue of legal aid and availability of counsel. I did mention that the Law provides that the inference would not be triggered in cir-

cumstances where a person is being interviewed at the police station does have the right to legal advice.

The attorneys for the Criminal Defence Bar Association raised the potential problem of one of them having to play a dual role in giving initial advice at the police station and then might be required to give evidence on behalf of the accused person as to what transpired during those interviews.

That is something that we will have to meet with them to address, Madam Speaker, in terms of . . . Well, I shouldn't say *we have to meet with them*. That's something that they will need to work out in terms of protocol, assuming that, for example, it is affirmed. But the truth is that it is quite unlikely that we will run into that sort of difficulty because once counsel is operating on the basis that I might be the trial attorney, then the truth is that more than likely, arrangements will be made for some other attorney to deal with the issue initially. But the—

*[inaudible interjection]*

**Hon. Samuel W. Bulgin:** Well, that's true.

But the truth is, Madam Speaker, it has happened in the United Kingdom, and over a period of time that was addressed going forward.

On the mention about lack of pre-interview disclosure and so on, again, we accept that it is quite important that before a person is going to be interviewed that he should have all the available information in front of him which tells him clearly what the nature of the offence is and so on. That can take many forms: it can be by way of written statement from the police or it can be by just the police orally saying to him, "*These are the allegations*" provided that it is sufficient to let him know what is being alleged.

That said, we recognise that it is quite in order to have a proper system in place which provides consistency in terms of disclosure to the defence. It is only fair that they be provided with all of these relevant materials in order to inform before they go forward.

So, as we speak, the Solicitor General and her team are looking at mechanisms that will ensure that the system for disclosure is adequate and fair. I think we have gone a long way. As far as I am aware we don't have many concerns these days. But it is only fair that the system be underpinned by legislation which provides certainty in how it is dealt with. So we take their views on board in that respect, Madam Speaker, and we intend to address the concerns. It is not an unfair observation on their part.

Madam Speaker, it is only left for me to again thank all honourable Members for their support. And, I would like to thank (as the Honourable Deputy Governor [First Official Member] did) those who have worked very hard on this very long exercise: the Deputy Commissioner, Mr. Ennis; Miss Michelle Daley from the Legislative Drafting Department; Miss Neblett, in initial stages; Mr. Franz Manderson; various

Commissioners of Police, and the Deputy Governor, Madam Speaker, who wouldn't have mentioned himself, but he played a significant role as well in moving this forward. Many thanks to all those concerned.

I commend the Bill, Madam Speaker, to this honourable House. It is something that will assist the police in its crime-fighting capabilities and we just need to look at some of these newspapers and listen to some of people's comments on the electronic media asking what the legislators are doing. They are looking to us for help; they are looking to us for leadership, and I think this Bill, Madam Speaker, whilst it is not the panacea to the problems that we are facing, it certainly goes a long way in addressing some of the concerns.

I do thank you.

**The Speaker:** Thank you, Second Official Member.

The question is that the Bill shortly entitled, The Police Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Police Bill, 2010, given a second reading.**

**The Speaker:** The House will now go into Committee to consider the Bills.

**House in Committee at 4.15 pm**

## **COMMITTEE ON BILLS**

**The Chairman:** Please be seated. The House is now in Committee.

With leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bills and read the clauses?

### **Immigration (Amendment) (No.2) Bill, 2010**

**The Clerk:** Clause 1 Short Title

**The Chairman:** The question is that clause 1 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 1 passed.**

**The Clerk:**

- Clause 2 Amendment of section 2 of the Immigration Law (2009 Revision)- definitions
- Clause 3 Amendment of section 15 – appeals from the decisions of Boards and Chief Immigration Officer
- Clause 4 Amendment to section 30 – persons legally an ordinary resident in the island for at least eight years

**The Chairman:** The question is that clauses 2, 3 and 4 do stand part of the Bill.

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

**Agreed: Clauses 2 through 4 passed.**

**The Clerk:** Clause 5 Insertion of section 37C – Certificate for Specialist Caregivers

**The Chairman:** The question is that clause 5 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clause 5 passed.**

**The Clerk:** A Bill for a Law to amend the Immigration Law (2009 Revision) to exempt from the term limit provisions of the Law persons who are employed to care for handicapped persons, elderly persons, and sick persons; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### **Insurance Bill, 2010**

**The Clerk:**

- Clause 1 Short Title and commencement
- Clause 2 Interpretation

**The Chairman:** The question is that clauses 1 and 2 do stand part of the Bill. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:**

- Clause 3 Requirement for licence
- Clause 4 Licences
- Clause 5 Validity of transactions by unlicensed persons
- Clause 6 Requirement for an insurance manager
- Clause 7 Licence renewal fees

**The Chairman:** The question is that clauses 3, 4, 5, 6 and 7 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 3 through 7 passed.**

**The Clerk:**

- Clause 8 Continuing obligations
- Clause 9 Returns required of insurer
- Clause 10 Returns of insurance broker and insurance manager
- Clause 11 Returns required of insurance agent

**The Chairman:** The question is that clauses 8, 9, 10 and 11 do stand part of the Bill.

**The Premier, Hon. W. McKeeva Bush:** Madam Chairman, in clauses 8 and 9 I wish to address a few matters.

The Member for North Side is not here today, but [there] were some issues in the Insurance Bill in his debate, and I promised him I would address them so that it goes into the record, Madam Chairman.

Madam Chairman, the first issue that the Member for North Side wanted an explanation for is why the Monetary Authority has the discretion in the Bill to waive or exempt an insurance company from producing financial reports or audited accounts. In most instances, Madam Chairman, where it is provided in the Bill the use of the terms "except where approved by the Authority," gives CIMA (Cayman Islands Monetary Authority) the discretion to give a waiver or an extension of time for submission of required reports beyond the six-month deadline allotted in the Law or to consider any exceptional circumstances which may prohibit full compliance with CIMA regulations.

For example, under a controllership the controller, Madam Chairman, is expected to provide for a

full financial investigation report so the requirement for an audit in addition to a full financial investigation report is a needless expense. There are many other circumstances including runoffs where CIMA may see fit to waive the requirements of an audit to protect the financial status of policyholders.

This power, Madam Chairman, is discretionary, only to be used in exceptional circumstances. And it has never been used in our domestic market before.

The matter of a waiver of the general requirements to produce audited financial statements first appears in clause 8(4)(b) where reference is then made to clauses 9(1)(a)(c). The possibility of a waiver merely applies to a Class B insurer that is established as a segregated portfolio company under Part 14 of the Companies Law. This clause gives CIMA the ability to exercise its discretion in dealing with each individual segregated cell as opposed to the entire segregated portfolio company.

Madam Chairman, this recognises that a segregated cell is established as a separate legal entity from the entire segregated portfolio under the Companies Law. And, from a practical point of view, it prevents overall noncompliance of the entire segregated portfolio company in circumstances where an individual segregated cell is unable to comply with the Law.

Now, under clause 9(3)(a) another provision is made to exempt some of the three categories of Class B insurers from submitting a solvency certificate. In this instance it is only applicable to those who do not write long-term business. Therefore, CIMA, out of necessity, requires the power to be able to waive the requirement under clause 9(1)(c). The procedures for waivers and extensions will be addressed in CIMA's rule on prudential reports, statistical returns, and financial information.

The Member for North Side did raise the other matter of "under insurance"—one which is a vexing one for many of us and has been for several of us as legislators for some time. Mr. Miller wanted for there to either be in the Insurance Law or regulations something to cover the issue of "under insurance" because he does not believe that insurance companies (he said) have a leg to stand on in respect of this issue.

The Member for North Side believes that whatever you have contracted and paid to insure your house for, that is what your pay-out should be against. And that is no different than how we feel, and what we have been saying for many years now, particularly since [Hurricane] Ivan when so many houses were damaged. But even before that, this problem where the insurance companies use this term of "under insurance" is something that has been around and is something that has been raised and questions asked about it.

Our Government recognises the importance of the issue and would like to state that the issue of "under insurance" is part of a bigger issue, many more issues, Madam Chairman, in regard to the insurance

and the local market; a bigger issue of the poor market conduct practices in general. And this also includes selling policies that are not needed, denying legitimate claims, under-valuing claims and any other matters relating to professional market conduct. And there is some of that, as I said, that we recognise.

CIMA (which is the regulating body) has assured us that they will recommend suggestions to rectify these matters either in the regulations, now to come under this Law, or under a rule to be issued by CIMA. I hope it comes in the regulations and then it will have some legal backing other than a rule. However, I will also point out that clauses 30 and 33 of this proposed Law, this new Insurance Law, also provide new provisions with respect to the requirement for arbitration in a dispute or the settlement of an insurance claim.

So, to an extent, the Bill sets the framework for this discussion and we will have this discussion because, as I said, far too many people, I think did not get a fair shake, in particular after Ivan's destruction on these Islands.

The Member for North Side also spoke about a Private Member's Motion that earlier this year he had asked Government to do a comparison of insurance costs in the region, in countries with similar risk exposure. That task is not yet complete, Madam Chairman. But as soon as it is completed the results will be made known to the Legislative Assembly. As I said, Madam Chairman, I know the Member is not here but these are valid matters which needed clarity to them.

Thank you very much.

**The Chairman:** [All right].

The question is that clauses 8, 9, 10 and 11 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Clauses 8 through 11 passed.**

**The Chairman:** We will suspend Committee proceedings and resume the House so that we can move the motion to continue past the hour of 4.30 pm.

**House resumed at 4.30 pm**

**The Speaker:** Please be seated. The House will now resume.

We have now arrived at the hour of 4.30 pm. The business of the House will be concluded for today. Can we have a motion for adjournment please?

*[inaudible interjection]*

**The Speaker:** I had given permission earlier for a statement to be made by the Premier. We will take that before the adjournment.

## STATEMENT ON ADJOURNMENT

### Parliamentary Question on Collection of Duty Deferrals

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker. I have two short statements to make.

Madam Speaker, this statement is in respect to a Parliamentary Question that was answered last week on the subject matter of Government's collection of duty deferrals.

The question was asked by the Third Elected Member for George Town. During that Question Time he made the unfortunate and inflammatory remark that he noted that the developer of the Ritz Carlton Hotel and Condos ceased to make scheduled payments to Government at a time that coincided with the timing of the last general election held in May 2009.

**The Speaker:** Excuse me, Honourable Premier. I think we need [a] motion to continue because we want this recorded as a part of the House business for the day.

**The Premier, Hon. W. McKeeva Bush:** Yes.

**The Speaker:** Can we have the motion to continue please?

### Suspension of Standing 10(2)

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I move that Standing Order 10(2) be suspended to allow the proceedings of the House to continue beyond the hour of 4.30 pm.

**The Speaker:** The question is that Standing Order 10(2) be suspended to allow the House to continue after the hour of 4.30 pm.

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

**Ayes.**

**The Speaker:** The Ayes have it. The House will continue.

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

**The Speaker:** Please resume, Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I feel it is important to make a statement setting the record straight. Confusion and negative as-

persions do not help any of us during these challenging times.

To begin with, the duty deferrals relating to the construction of the Ritz Carlton Resort were originally granted at the outset of the project in 1997. They were renegotiated in 2005 after Hurricane Ivan, and Cabinet agreed a payment schedule for the duty deferral by means of quarterly payments over a seven-year period.

The first important point to make is that the subject matter of the Parliamentary Question involves the payment of a duty deferral not, Madam Speaker—I repeat, *not*—a write-off of duty.

I am informed that during the last administration a request was made to the then Government—of which the Third Elected Member for George Town was a part—to consider a restructuring of these payments. In response to this request the developer was instructed that the proper approach was to make a formal application in writing, which occurred in September 2009.

As is normal, while the request was under consideration, the payments on the previous agreement were suspended pending the outcome of the request. As of today, the discussions are ongoing and, as a result, there is no default or any issue with the payments save the resolution of the request for restructuring.

I wish to make it abundantly clear to this honourable House that the developer has not had any discussion in respect of the restructuring request with any elected Members of the Government or the supporting Backbench Members of the Legislative Assembly. Applications for relief or restructuring of various duties and other payments are a regular occurrence. As I previously stated in the case of this request, it will be brought to Cabinet once the discussions with the developer are finalised, and those discussions do not involve the elected Government nor any of its supporting Backbench Members of the Legislative Assembly. It is expected that the matter will be brought to Cabinet this month (September).

The Government recognises the tremendous value and importance of the building of the Ritz Carlton project to the economy of the Cayman Islands. Today we also are acutely aware of the need to generate revenue for Government and the balance between encouraging growth and collecting revenue is one we must manage carefully. Countries all over our region and in the international arena are offering substantial incentives to draw investment and support projects to attract investment in times when people are very scared to invest their money.

Madam Speaker, I wish to accentuate the positive rather than muddle in the negative. The positives on this matter are:

- The developer has offered in its latest correspondence to pay interest on the amount owed to Government as a reasonable position arising from its

restructuring request, whereas, before, the payments were interest free.

- The developer has paid 11 of the scheduled 23 quarterly payments with great regularity.

- The discussions have been at arms length and have been carried out in a professional manner in the complete absence of any political influence, and the request is for a longer period of payment of the amount owed to Government, which is absolutely more positive than a request for non-payment or a waiver.

The Third Elected Member for George Town, as usual, tried to point fingers at my administration, and he did succeed to an extent, which led certain members of the public to question what my administration was doing in respect of this matter, particularly on the blogs—his favourite! My administration's view is that we must assist investment to flow into these Islands, but we nonetheless understand fully that Government and the public's revenue cannot be given away without appropriate benefits accruing to our local economy and our people.

While the Third [Elected] Member for George Town tried to link the developer with my administration, if anyone reads the latter part of my answer to the Parliamentary Question on this subject matter, it should be very clear that the developer, between May 2005 and May 2009, had a tremendous contact with the PPM Administration, as they gave millions of dollars in the form of duty waivers to that same developer—duty waivers, not deferrals—which is a complete loss of revenue as compared to the milder duty deferral that my administration offered.

That means that the developer will not have to pay anything at all on his new development under the terms negotiated with the PPM when they were the Government.

Madam Speaker, I assure this honourable House that the amount owed to Government will be paid. The request made by the developer is one for a longer period of payment, not for a write-off for the amount owed to Government. And I have instructed the Financial Secretary to complete the negotiations and restart the collection of the payments from the developer with interest, subject, of course, to Cabinet's approval to do so given the material amount involved.

Thank you very much, Madam Speaker.

### **Cayman Islands Named Top Specialised Financial Centre**

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, the second statement is a short, but positive, statement about our Islands' financial services industry.

The Cayman Islands, not surprisingly, Madam Speaker, have been named as the top Specialised Financial Services Centre by the *Banker* for the second year running.

Madam Speaker, this leading banking and finance magazine recently released its 2010 international financial centre rankings. The Cayman Islands were awarded first place by an increased margin over other jurisdictions, such as Bermuda, Cyprus, Gibraltar, Guernsey, Jersey, Malta, and Monaco.

The *Banker's* rankings of international financial centres focused on the level of international business and the value offered to institutions seeking to expand their overseas operations.

The Cayman Islands Monetary Authority has reported that the Cayman Islands still maintain US\$1.795 trillion in deposits and interbank bookings and remains the world's largest domicile for hedge funds, healthcare insurance captives and catastrophe bond transactions.

I would also like to inform this honourable House of other significant upcoming activities happening in the financial services sector. In addition to being recognised as a top international financial centre, the Cayman Islands will become Chair to the Caribbean Financial Action Task Force in November this year, at which time we will host the Annual Plenary Meeting.

The Cayman Islands is also a member of the OECD (Organization for Economic Co-operation and Development) Global Forum Steering Group whose principal role is concerned with global standards for tax transparency. I will lead a high level delegation to Singapore later this month to attend the OECD's Global Forum Meeting.

The Cayman Islands recently signed its 20<sup>th</sup> Tax Information Exchange Agreement (TIEA) with Mexico.

Madam Speaker, all of the proceedings place the Cayman Islands in good international standing and in an excellent position to keep the Cayman Islands as a leading international financial centre.

I wish to thank our private sector partners for this tremendous achievement, and I will encourage them to remain with Government's assistance, the world's leading international financial services centre.

Some issues still exist, some more serious than others. The Government will address Immigration matters to give certainty to the industry. We will, as soon as possible in turning around the economic conditions hopefully in the new budget next year, start cutting the cost to the industry and, of course, other areas.

Madam Speaker, I do thank you for your indulgence.

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

## **ADJOURNMENT**

**The Speaker:** Can we have a motion now for the adjournment, please?



**The Premier, Hon. W. McKeever Bush:** Madam Speaker, we propose to adjourn this honourable House until 10 am on Wednesday, next.

**The Speaker:** The question is that this honourable House do adjourn until Wednesday at 10 am.

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

**Ayes.**

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

The House is adjourned until 10 am on Wednesday.

I would remind Members, please, that I would like to meet the Committee of the whole House immediately after, for a few minutes.

**At 4.43 pm the House stood adjourned until 10 am, Wednesday, 15 September 2010.**



**OFFICIAL HANSARD REPORT**  
**WEDNESDAY**  
**15 SEPTEMBER**  
**10.43 AM**  
*Fifth Sitting*

**The Speaker:** I will ask the Fourth Elected Member for George Town to say Prayers.

uty Premier; and the Minister of Education who is arriving late.

**PRAYERS**

**Mr. Ellio A. Solomon:** Let us pray.

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

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

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

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

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

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

**Apologies**

**The Speaker:** Just a continuation of apologies for the absence of several persons: The Elected Member for North Side; the Elected Member for East End; Third Elected Member for George Town; Honourable Dep-

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

**The Speaker:** Honourable Premier.

**Home Security for PPM Elected Members**

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

Madam Speaker, there have been a number of questions posed to Members of the Legislative Assembly and to myself, as Premier, concerning the cost of security incurred by the previous Administration.

Madam Speaker, there have been many misleading statements made publicly by Members of this House regarding the security that has been recommended, and some of it implemented, for the Premier. Information gleaned from documents provided by the Cabinet Office showed that although some Members already had security systems in their homes, new systems were installed in their homes. And those who did not have a security system, it was installed for them.

The Cabinet Office provided the members of my Cabinet with a list of current and some former PPM Members (that is, the last Government) of the House that the then Administration provided and paid for their home security.

Madam Speaker, this document, which is on the Table of the House in the form of a question, includes the Honourable Leader of the Opposition, for \$4,814.69; MLA, Alden McLaughlin, \$4,832; MLA, Arden McLean, \$6,570.72; former Speaker, Edna Moyle, \$4,508.03; Charles Clifford (now a defeated Member, not a Member of this House), \$7,591.67; and Osbourne Bodden (former Member for Bodden Town), \$6,426.67.

Madam Speaker, the only Member who did not take the security offer to him is the Second Elected Member for Bodden Town, Mr. Anthony Eden.

Madam Speaker, those costs do not include the ongoing cost of monitoring the security of their homes, which continued until April 2009, one month prior to the general elections. I should say, Madam Speaker, that none of this was made known to me as the then Leader of the Opposition, nor to any Finance Committee, nor to the press.

And, certainly, I can say that no offer was ever made to me for security. But that was not strange to me, Madam Speaker. I was the outside child.

Thank you.

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

I've given permission for a statement to be made by the Minister [of Education].

Minister of Education.

### **Construction Manager Tender Award for New High Schools**

**Hon. Rolston M. Anglin:** Madam Speaker, by way of my continuing practice of keeping this honourable House informed of developments in relation to the new high school projects, I would like to advise that an award of the new schools tender has been made to a company comprising McAlpine (Cayman) Limited, DECCO Limited and Arch & Godfrey (Cayman) Limited.

The successful bidder for the provision of construction management services at the Clifton Hunter and John Gray campuses was selected following a competitive tender process. Last Friday the Central Tenders Committee (CTC) approved the Ministry's recommendation to award the tendered amount of CI\$2,269,472. With their approval comes the acknowledgement that the successful bid represents best value for the Cayman Islands Government.

The Ministry's evaluation committee received and evaluated a total of five separate bids. As I had previously advised in a press release announcing re-tendering of these projects, the new construction management services tender was adjusted to account for the re-phasing of the projects and, thus, the requirements for construction management services has been awarded accordingly.

The Tender's scope of work provides for the completion of the Clifton Hunter first and then an initial focus of work on the John Gray High School on particular buildings which educators have prioritised. Madam Speaker, this is a critical step forward in this Ministry's overall strategy for the recommencement and completion of the new schools project.

Once a contract is duly executed, the construction manager will assume responsibility for supervising the trade contractors on the day to day construction activities on both sites which will, at that point, be increased to levels necessary to complete the projects.

Madam Speaker, while this award has significant implications for the completion of the new high schools, it also has further far-reaching and positive implication for the local construction industry. Firstly, I am pleased to note that the company which emerged as the successful bidder is a local company. This will ensure that the money generated through this work will support our local economy.

Also, Madam Speaker, at a time when the local industry has been hard hit by the recession, this award will stimulate the local construction industry as contracts will be let for various works. Unlike my

predecessor who did nothing to ensure that local contractors benefitted for the millions upon millions of dollars that followed the original contract award, for the two new high schools, this administration has ensured that local contractors will benefit from the opportunities provided to find employment.

It is my Ministry's intention to subcontract as many small construction packages as possible with the aim of maximising opportunity for the local contractors. I have also instructed my Ministry's project management team to ensure that bidding companies must provide their proposed worker list and that points be awarded based on the percentage of Caymanians. We will monitor these lists on a weekly basis for any company winning work on these two projects.

Madam Speaker, while we await the full scale recommencement of work on the new high schools under the new construction manager I am pleased to advise this honourable House that many small contractors have already benefitted from my Ministry's new approach to the completion of the new schools.

As Members will be aware, since January of this year some interim works have been undertaken at the school campus sites. This work was necessary and critical to preserve warranties, protect existing interior work and to make conditions safe, all with a goal to mitigating costs going forward.

Under the Ministry's direction, a range of small concrete and site works were bid and awarded to many small, local contractors. Madam Speaker, it is anticipated that the construction manager will be fully mobilised within the next 30 days. I will continue to keep this honourable House informed of progress.

Thank you, Madam Speaker.

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

The House will now go into Committee to finish the Committee stage of the Bills.

### **House in Committee at 10.54 am**

## **COMMITTEE ON BILLS**

**The Chairman:** The House is now in Committee. Please be seated.

With leave of the House may I assume that as usual we authorize the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Would the Clerk please state the Bill and read the clauses?

### **Insurance Bill, 2010**

*(Continuation of Committee thereon)*

**The Clerk:**

Clause 12 Shares not to be issued or transferred without Authority's approval

Clause 13 Insurance broker or insurance manager to carry professional indemnity insurance

Clause 14 Power of attorney, agency agreement, guarantee or indemnity insurance

Clause 15 Trust funds

**The Chairman:** The question is that clauses 12 through 15 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 12 through 15 passed.**

**The Chairman:**

Clause 16 Separate accounts for long term and general business

Clause 17 Further provisions relating to long term business accounts

Clause 18 Dispensations to broke business from unlicensed insurers

Clause 19 Regulation of agreements between insurance brokers and insurers

**The Chairman:** The question is that clauses 16 through 19 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 16 through 19 passed.**

**The Clerk:**

Clause 20 Duties of auditor

Clause 21 Insurance managers

Clause 22 Duties of the Authority

Clause 23 Directions by the Authority

**The Chairman:** The question is that clauses 20 through 23 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 20 through 23 passed.**

**The Chairman:**

Clause 24 Powers of the Authority

Clause 25 Avoidance of confusion of names

Clause 26 Preservation of assets, etc.

Clause 27 Authority may attend winding up proceedings

**The Chairman:** The question is that clauses 24 through 27 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 24 through 27 passed.**

**The Clerk:**

Clause 28 Surrender of licence

Clause 29 How benefits of insurance policies should inure

Clause 30 Effect of payment of proceeds

Clause 31 Portfolio transfer

Clause 32 Jurisdiction relating to domestic business

**The Chairman:** The question is that clauses 28 through 32 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 28 through 32 passed.**

**The Clerk:**

Clause 33 Arbitration

Clause 34 Appeals

Clause 35 Application, etc.

Clause 36 Use of the word "insurance", etc.

**The Chairman:** The question is that clauses 33 through 36 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 33 through 36 passed.**

**The Clerk:**

Clause 37 False or misleading information

Clause 38 Misleading representations

Clause 39 Liabilities of directors etc., where the offence is committed by a corporation

Clause 40 Regulations

**The Chairman:** The question is that clauses 37 through 40 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 37 through 40 passed.**

**The Chairman:** I would like to pause at this time. I'm sorry I didn't realise it when I left the room so quickly to recognise the visiting delegation from Jamaica who is paying a courtesy call.

We do welcome you to our Islands and to our Parliament.

**The Clerk:**

Clause 41 Repeal  
Clause 42 Savings, transitional and consequential provisions

**The Chairman:** The question is that clauses 41 through 42 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 41 through 42 passed.**

**The Clerk:** SCHEDULE - Savings, transitional and consequential provisions.

**The Chairman:** The question is that the Schedule stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Schedule passed.**

**The Clerk:** A Bill for a law to revise the regulation of the insurance industry in the Cayman Islands; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

## **Protection from Domestic Violence Bill, 2010**

**The Clerk:** The Protection from Domestic Violence Bill, 2010.

Clause 1 Short title  
Clause 2 Interpretation  
Clause 3 Commission of domestic violence

**The Chairman:** The question is that clauses 1 through 3 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 3 passed.**

**The Clerk:**

Clause 4 Power of court to grant a protection order, an occupation order or a tenancy order  
Clause 5 Application for a protection order  
Clause 6 Terms of protection order

**The Chairman:** The question is that clauses 4 through 6 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 4 through 6 passed.**

**The Clerk:**

Clause 7 Matters to be considered  
Clause 8 Interim orders  
Clause 9 Application by respondent for discharge of a protection order

**The Chairman:** The question is that clauses 7 through 9 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 7 through 9 passed.**

**The Clerk:**

Clause 10 Application for an occupation order  
Clause 11 Ex parte application for an occupation order

Clause 12 Variation or discharge of an occupation order

Clause 13 Procedure relating to occupation orders

**The Chairman:** The question is that clauses 10 through 13 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 10 through 13 passed.**

**The Clerk:**

Clause 14 Application for a tenancy order

Clause 15 Ex parte tenancy order

Clause 16 Prescribed person shall become a tenant

Clause 17 Revesting order

Clause 18 Notice of tenancy order

**The Chairman:** The question is that clauses 14 through 18 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 14 through 18 passed.**

**The Clerk:**

Clause 19 Maintenance order

Clause 20 Order granting use of furniture etc.

Clause 21 Ouster order

**The Chairman:** The question is that clauses 19 through 21 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 19 through 21 passed.**

**The Clerk:**

Clause 22 Breach of a protection, occupation, tenancy or ancillary order

Clause 23 Powers of arrest

Clause 24 Bail

**The Chairman:** The question is that clauses 22 through 24 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 22 through 24 passed.**

**The Clerk:**

Clause 25 Property ownership

Clause 26 Protection of charge

Clause 27 Conduct of proceedings

Clause 28 Restriction on publication of proceedings

**The Chairman:** The question is that clauses 25 through 28 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 25 through 28 passed.**

**The Clerk:**

Clause 29 Standard of proof

Clause 30 Orders by consent

Clause 31 Treatment programme

**The Chairman:** The question is that clauses 29 through 31 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 29 through 31 passed.**

**The Clerk:**

Clause 32 Appeals

Clause 33 Rules

Clause 34 Repeal of the Summary Jurisdiction (Domestic Violence) Law (1998 Revision)

Clause 35 Savings and transitional provisions

**The Chairman:** The question is that clauses 32 through 35 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 32 through 35 passed.**

**The Clerk:** A Bill for a Law to provide protection in cases involving domestic violence; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

### **Health Insurance (Amendment) Bill, 2010**

**The Clerk:** The Health Insurance (Amendment) Bill, 2010.

- Clause 1 Short title and commencement
- Clause 2 Amendment of section 2 of the Health Insurance Law (2005 Revision) - definitions
- Clause 3 Amendment of section 4 - restriction on issue of health insurance
- Clause 4 Amendment of section 5 - compulsory health insurance

**The Chairman:** The question is that clauses 1 through 4 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it

**Clauses 1 through 4 passed.**

**The Clerk:**

- Clause 5 Amendment of section 7 - payment of premium
- Clause 6 Repeal and substitution of section 8 - premium of spouse and children
- Clause 7 Amendment of section 9 - unlawful deductions by employer
- Clause 8 Amendment of section 11 - duty of employer to provide information to employee

**The Chairman:** The question is that clauses 5 through 8 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it

**Clauses 5 through 8 passed.**

**The Clerk:**

- Clause 9 Amendment of section 12 - recovery of damages from employer in default
- Clause 10 Repeal and substitution of section 13 - voluntary health insurance
- Clause 11 Amendment of section 14 - reporting to the Commission
- Clause 12 Amendment of section 15 - termination of contract

**The Chairman:** The question is that clauses 9 through 12 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it

**Clauses 9 through 12 passed.**

**The Clerk:**

- Clause 13 Insertion of section 15A - prohibition against reduction of level of benefits
- Clause 14 Amendment of section 16 - false declarations, etc.
- Clause 15 Amendment of section 17 - liability of officers of corporate bodies
- Clause 16 Amendment of section 18 - filing of medical fees

**The Chairman:** The question is that clauses 13 through 16 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it

**Clauses 13 through 16 passed.**

**The Clerk:**

- Clause 17 Amendment of section 21 - approved insurer shall pay benefit directly to health provider
- Clause 18 Amendment of section 23 - appeals
- Clause 19 Repeal and substitution of section 24 - administrative fines
- Clause 20 Insertion of section 24A - restitution

**The Chairman:** The question is that clauses 17 through 20 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it



**Clauses 17 through 20 passed.**

**The Clerk:** A Bill for a Law to amend the Health Insurance Law (2005 Revision) to make further provision in respect of the imposition of administrative fines; to improve the administration of the law; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.****Court of Appeal (Amendment) Bill, 2010**

**The Clerk:** The Court of Appeal (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment of section 28 of the Court of Appeal Law (2006 Revision) - appeal by Attorney General or complainant
Clause 3	Amendment of principal Law to substitute the office of Director of Public Prosecutions for the office of Attorney General
Clause 4	Savings and transitional provisions

**The Chairman:** The question is that clauses 1 through 4 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 4 passed**

**The Clerk:** A Bill for a Law to amend the Court of Appeal Law (2006 Revision) in order to provide for an appeal from the decision of the Grand Court to acquit where a no case submission is upheld or where the case is withdrawn from the jury; the institution of criminal appeals by the Director of Public Prosecutions rather than by the Attorney General; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**The Title passed.****Police Bill, 2010**

**The Clerk:** The Police Bill, 2010

Clause 1 Short title

**The Chairman:** The question is that clause 1 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 1 passed.**

**The Clerk:** Clause 2. Interpretation.

**The Chairman:** There is an amendment.  
Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Thank you, Madam Chair.

In accordance with the provisions of Standing Order 52(1) and (2) I beg to move the following amendment to the Police Bill 2010, that the Bill be amended as follows: in Clause 2 by deleting the definition of "uniform services" and substituting the following: "uniform services" means the Royal Cayman Islands Police Service, Immigration Department, Customs Department, Fire Service or Prison Services; and".

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If no Member wishes to speak, the question is that the amendment stands part of clause 2.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Amendment passed.**

**The Chairman:** The question is that clause 2, as amended, do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 2 as amended passed.**

**The Clerk:**

Clause 3 Previous Force continued  
 Clause 4 Constitution  
 Clause 5 Functions of the Service  
 Clause 6 General powers of Commissioner  
 Clause 7 Administration of the Service

**The Chairman:** The question is that clauses 3 through 7 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 3 through 7 passed.**

**The Clerk:**

Clause 8 Appointments, etc.  
 Clause 9 Enlistments  
 Clause 10 Declaration and other requirements on enlistment  
 Clause 11 Identity card

**The Chairman:** The question is that clauses 8 through 11 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 8 through 11 passed.**

**The Clerk:**

Clause 12 Liability to serve  
 Clause 13 Police officers not to engage in other employment or in political activities  
 Clause 14 Police Association continued  
 Clause 15 Resignations

**The Chairman:** The question is that clauses 12 through 15 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 12 through 15 passed.**

**The Clerk:**

Clause 16 Discharge  
 Clause 17 Police officer ceasing to belong to the Service to hand over public property in his charge  
 Clause 18 Status of police officers

Clause 19 Police officers performing duties of higher rank

**The Chairman:** The question is that clauses 16 through 19 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 16 through 19 passed.**

**The Clerk:**

Clause 20 Special contracts of enlistment  
 Clause 21 Retirement and pensions  
 Clause 22 Medical privileges  
 Clause 23 Special pensions in the event of death or incapacity attributable to performance of duty

**The Chairman:** The question is that clauses 20 through 23 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 20 through 23 passed.**

**The Clerk:**

Clause 24 Police officers' funeral expenses  
 Clause 25 General powers  
 Clause 26 Power of police officer to lay and exhibit complaints, etc.  
 Clause 27 Police officers not liable for acts done under warrant  
 Clause 28 Power to inspect licences or permits

**The Chairman:** The question is that clauses 24 through 28 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 24 through 28 passed.**

**The Clerk:**

Clause 29 Duty to keep order in public places  
 Clause 30 Power to require names and addresses  
 Clause 31 Power to record identification  
 Clause 32 Elimination identification evidence

**The Chairman:** The question is that clauses 29 through 32 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 29 through 32 passed.**

**The Clerk:**

Clause 33	Destruction of records of identification
Clause 34	Fingerprints
Clause 35	Footprints and impressions of foot-wear
Clause 36	Intimate samples

**The Chairman:** The question is that clauses 33 through 36 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 33 through 36 passed.**

**The Clerk:**

Clause 37	Other samples
Clause 38	Photographs
Clause 39	Use of fingerprints and other samples
Clause 40	Testing for presence of controlled drugs

**The Chairman:** The question is that clauses 37 through 40 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 37 through 40 passed.**

**The Clerk:**

Clause 41	Power of police officer to stop and search persons, vehicles, etc.
Clause 42	Provisions relating to search under section 41 and other powers
Clause 43	Duty to make records concerning searches
Clause 44	Search warrant safeguards

**The Chairman:** The question is that clauses 41 through 44 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 41 through 44 passed.**

**The Clerk:**

Clause 45	Power of Justice of the Peace to authorise entry and search of premises
Clause 46	Special provisions as to access to excluded material
Clause 47	Road barriers
Clause 48	Road checks

**The Chairman:** The question is that clauses 45 through 48 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 45 through 48 passed.**

**The Clerk:**

Clause 49	Cordons and curfews
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**The Chairman:** We have an amendment to clause 49, Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Thank you, Madam Chair.

In accordance with Standing Order 52 (1) and (2) I move the following amendment. It is in respect of clause 49 by deleting subclause (1) and substituting the following:

“(1) Where it appears to the Commissioner that, having regard to –

(a) an immediate threat to any of the Islands of a tropical storm, hurricane or other serious hazard; or

(b) the effect on any of the Islands of any tropical storm, hurricane or other serious hazard, there are reasonable grounds to believe that in the interest of public safety or public order it is necessary so to do, the Commissioner may, with the written permission of the Governor after the Governor has consulted with the “National Hazard Management Executive” and the Cabinet, impose a curfew –

(i) throughout the Islands;

(ii) on any of the islands; or

(iii) in respect of any district or place within any district on any of the Islands, between such hours as may be specified, requiring persons within

that island, district or place to remain within their premises during the hours so specified unless otherwise authorised in writing by a police officer who is in charge of enforcing the said curfew.”

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If no Member wishes to speak, the question is that the amendment stand part of the clause. All those in favour, please say Aye. Those against, No.

**Ayes.**

**The Chairman:** The Ayes have it.

**Amendment passed.**

**The Chairman:** The question is that clause 49, as amended, do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 49 as amended passed.**

**The Clerk:**

Clause 50 Power to stop, search and arrest during a cordon and curfew  
 Clause 51 Penalties for contravention of section 49  
 Clause 52 Power of police officer to enter and break into premises in case of fire, etc.

**The Chairman:** The question is that clauses 50 through 52 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 50 through 52 passed.**

**The Clerk:**

Clause 53 General power of seizure, etc.  
 Clause 54 Extension of powers of seizure to computer and electronic information  
 Clause 55 Access and copying  
 Clause 56 Retention

**The Chairman:** The question is that clauses 53 through 56 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 53 through 56 passed.**

**The Clerk:**

Clause 57 Meaning of “items subject to legal privilege”  
 Clause 58 Meaning of “excluded material”  
 Clause 59 General arrest conditions  
 Clause 60 Powers of arrest

**The Chairman:** The question is that clauses 57 through 60 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 57 through 60 passed.**

**The Clerk:**

Clause 61 Entry for the purpose of arrest, etc.  
 Clause 62 Information to be given on arrest  
 Clause 63 Right to have someone informed when arrested  
 Clause 64 Access to legal advice  
 Clause 65 Detention of persons arrested without warrant

**The Chairman:** The question is that clauses 61 through 65 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 61 through 65 passed.**

**The Clerk:**

Clause 66 Arrest by private citizen  
 Clause 67 Arrest elsewhere than at a police station  
 Clause 68 Voluntary attendance at the police station  
 Clause 69 Custody officers

**The Chairman:** The question is that clauses 66 through 69 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 66 through 69 passed.**

**The Clerk:**

Clause 70	Responsibilities in relation to persons detained
Clause 71	Searches of detained persons
Clause 72	Searches and examination to ascertain identity
Clause 73	Intimate searches

**The Chairman:** The question is that clauses 70 through 73 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 70 through 73 passed.**

**The Clerk:**

Clause 74	X-rays and ultrasound scans
Clause 75	Search upon arrest outside of police station
Clause 76	Tape recording of interviews
Clause 77	Visual recording of interviews

**The Chairman:** The question is that clauses 74 through 77 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 74 through 77 passed.**

**The Clerk:**

Clause 78	Rebailing
Clause 79	Power of arrest for failure to answer to police bail
Clause 80	Arrest for further offence
Clause 81	Guidance
Clause 82	Information to be sent to the Director of Public Prosecution for a determination

**The Chairman:** The question is that clauses 78 through 82 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 78 through 82 passed.**

**The Clerk:**

Clause 83	Definition of police property
Clause 84	Perishable property
Clause 85	Court exhibits
Clause 86	Lost property to be surrendered to the police

**The Chairman:** The question is that clauses 83 through 86 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 83 through 86 passed.**

**The Clerk:**

Clause 87	Lost property to be restored
Clause 88	Lost property remaining unclaimed
Clause 89	Sale by auction of police property
Clause 90	Sale of police property bars further claims

**The Chairman:** The question is that clauses 87 through 90 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 87 through 90 passed.**

**The Clerk:**

Clause 91	Welfare Fund continued
Clause 92	Custody and application of Welfare Fund
Clause 93	Voluntary contributions to Welfare Fund

**The Chairman:** The question is that clauses 91 through 93 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 91 through 93 passed.**

**The Clerk:**

Clause 94	Suspension or interdiction of police officers
Clause 95	Interdiction of police officers
Clause 96	Serious offences by police officers
Clause 97	Offences against discipline

**The Chairman:** The question is that clauses 94 through 97 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 94 through 97 passed.**

**The Clerk:**

Clause 98	Power to arrest police officers
Clause 99	Trial and punishment of offences against discipline for police officers other than the Commissioner, Deputy Commissioner and Assistant Commissioner
Clause 100	Trial and punishment of offences against discipline for the Commissioner, Deputy Commissioner and Assistant Commissioner
Clause 101	Appeals

**The Chairman:** The question is that clauses 98 through 101 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 98 through 101 passed.**

**The Clerk:**

Clause 102	Power to summon witnesses
Clause 103	Procedure in cases of grave or repeated offences
Clause 104	Discharge or reduction in rank of police officers convicted by a court
Clause 105	Admonishment and reprimand

**The Chairman:** The question is that clauses 102 through 105 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 102 through 105 passed.**

**The Clerk:**

Clause 106	Fines recoverable by stoppage of pay
Clause 107	Loss or damage to arms or equipment to be made good by stoppage of pay
Clause 108	Pay not to accrue during absence without leave or imprisonment

**The Chairman:** The question is that clauses 106 through 108 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 106 through 108 passed.**

**The Clerk:**

Clause 109	Establishment of the Authority
Clause 110	Functions of the Authority
Clause 111	Independence of the Authority
Clause 112	Investigation by the Authority

**The Chairman:** The question is that clauses 109 through 112 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 109 through 112 passed.**

**The Clerk:**

Clause 113	Complaints
Clause 114	Duty of police officer to preserve evidence
Clause 115	Informal resolution or referral of complaints
Clause 116	Formal resolution of complaints

**The Chairman:** The question is that clauses 113 through 116 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 113 through 116 passed.**

**The Clerk:**

Clause 117	Withdrawal of complaints
Clause 118	Final investigation report
Clause 119	Powers and duties of Commissioner in relation to final investigation report
Clause 120	Privilege and secrecy

Clause 121 Offences and penalties under Part VII

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

**The Chairman:** The question is that clauses 117 through 121 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 117 through 121 passed.**

**The Clerk:**

Clause 122 Unlawful possession of articles supplied to police officers

Clause 123 Penalty for assaulting, obstructing a police officer, et al.

Clause 124 Penalty for making false report of commission of offence, etc.

**The Chairman:** The question is that clauses 122 through 124 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 122 through 124 passed.**

**The Clerk:**

Clause 125 Penalty for causing disaffection, etc.

Clause 126 Penalty for disorderly conduct in police station, etc.

Clause 127 Power to prosecute under other laws unaffected

**The Chairman:** The question is that clauses 125 through 127 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 125 through 127 passed.**

**The Clerk:**

Clause 128 Special Constabulary continued

Clause 129 Composition of Special Constabulary

Clause 130 Commissioner to command Special Constabulary

Clause 131 Declaration on appointment

**The Chairman:** The question is that clauses 128 through 131 do stand part of the Bill.

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 128 through 131 passed.**

**The Clerk:**

Clause 132 Certificate of identity

Clause 133 Training and duties

Clause 134 Calling out for service

Clause 135 Powers, privileges and protection of special constables

**The Chairman:** The question is that clauses 132 through 135 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 132 through 135 passed.**

**The Clerk:**

Clause 136 Pay and allowances, etc.

Clause 137 Clothing and equipment

Clause 138 Offences against discipline by a special constable

**The Chairman:** The question is that clauses 136 through 138 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 136 through 138 passed.**

**The Clerk:**

Clause 139 Trial and penalties for offences against discipline by a special constable

Clause 140 Illness, injury or death

Clause 141 Termination of appointment

**The Chairman:** The question is that clauses 139 through 141 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 139 through 141 passed.****The Clerk:**

Clause 142	Special duty and fees chargeable
Clause 143	Compensation for damage
Clause 144	Police clearance certificate
Clause 145	Police Legal Protection Fund

**The Chairman:** The question is that clauses 142 through 145 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 142 through 145 passed.****The Clerk:**

Clause 146	Regulations
Clause 147	Right to silence
Clause 148	Effect of accused's failure to mention facts when questioned or charged
Clause 149	Effect of accused's silence at trial

**The Chairman:** The question is that clauses 146 through 149 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 146 through 149 passed.****The Clerk:**

Clause 150	Effect of accused's failure or refusal to account for objects, substances or marks
Clause 151	Effect of accused's failure or refusal to account for presence at a particular place

**The Chairman:** The question is that clauses 150 and 151 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 150 and 151 passed.****The Clerk:**

Clause 152	Interpretation of certain references in sections 148, 149, 150 and 151.
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**The Chairman:** There is notice of an amendment to clause 152.

Honourable Second Official Member responsible for Legal Affairs.

**Hon. Samuel W. Bulgin:** Thank you, Madam Chair.

In accordance with Standing Order 52(1) and (2) I beg to move an amendment to the Police Bill 2010, that the Bill be amended in clause 152 by inserting after subclause (6) the following –

“(7) A person shall not have the proceedings against him transferred to the Grand Court for trial, have a case to answer or be convicted of an offence –

(a) solely; or

(b) mainly,

on an inference drawn from such a failure or refusal as is mentioned in section 148(2), 149(3), 150(2) or 151(2).”

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

If no Member wishes to speak, the question is that the amendment stands part of the clause.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Amendment passed.**

**The Chairman:** The question is that clause 152, as amended, do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clause 152 as amended passed.****The Clerk:**

Clause 153	Power of police officer to use reasonable force
Clause 154	Use of force in making arrest, etc.
Clause 155	Repeal of Police Law
Clause 156	Savings

**The Chairman:** The question is that clauses 153 through 156 do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 153 through 156 passed.**



**The Clerk:**

Schedule 1 - Oath or affirmation and identity card  
Schedule 2 - Identification Evidence Forms  
Schedule 3 - Special procedure for access  
Schedule 4 - Police Public Complaints Authority

**The Chairman:** The question is that the Schedules do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Schedules 1 through 4 passed.**

**The Clerk:** A Bill for a Law to repeal and replace the Police Law (2006 Revision); and to make provision for matters connected therewith.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**The Chairman:** The question now is that the Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**House resumed at 11.50 am**

**The Speaker:** The House is resumed. Please be seated.

I am going to call for a suspension of the House at this time until 2.00 pm.

**Proceedings suspended at 11:51 am**

**Proceedings resumed at 2:55 pm**

**The Speaker:** Please be seated.

When we took the break, we had just concluded the Committee on Bills on the Order Paper, and we had returned to the House. We'll now . . .  
Madam Clerk.

**REPORTS ON BILLS****Immigration (Amendment) (No. 2) Bill, 2010**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I have to report that a Bill entitled The Immigration (Amendment) (No. 2) Bill, 2010, was considered by a Committee of the whole House and passed without amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Insurance Bill, 2010**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I have to report that a Bill entitled The Insurance Bill, 2010, was considered by a Committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

**Protection from Domestic Violence Bill, 2010**

**The Speaker:** [Honourable Minister of Community Affairs, Gender and Housing].

**Hon. Michael T. Adam:** I have to report that a Bill entitled The Protection from Domestic Violence Bill, 2010, was considered by a Committee of the whole House and approved without amendment.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Health Insurance (Amendment) Bill, 2010**

**The Speaker:** Honourable Minister for Health, [Environment, Youth, Sports and Culture].

**Hon. J. Mark P. Scotland:** Madam Speaker, I have to report that a Bill entitled The Health Insurance (Amendment) Bill, 2010, was considered by a Committee of the whole House and approved without amendment.

**The Speaker:** The Bill has been duly reported and is set down for a third reading.

**Court of Appeal (Amendment) Bill, 2010**

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Madam Speaker, I have to report that a Bill entitled The Court of Appeal (Amendment) Bill, 2010, was considered by a Committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

### **Police Bill, 2010**

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Madam Speaker, I beg to report that a Bill entitled The Police Bill, 2010, was considered by a Committee of the whole House and passed with three amendments.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

## **THIRD READINGS**

### **Immigration (Amendment) (No. 2) Bill, 2010**

**The Clerk:** The Immigration (Amendment) (No. 2) Bill, 2010. Third Reading.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I move that The Immigration (Amendment) (No. 2) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The Immigration (Amendment) (No. 2) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: The Immigration (Amendment) (No.2) Bill, 2010 given a third reading and passed.**

### **Insurance Bill, 2010**

**The Clerk:** The Insurance Bill, 2010. Third Reading.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

I move that The Insurance Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled, The Insurance Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: The Insurance Bill, 2010, given a third reading and passed.**

### **Protection from Domestic Violence Bill, 2010**

**The Clerk:** The Protection from Domestic Violence Bill, 2010. Third Reading.

**The Speaker:** Honourable Minister of Community Affairs, Gender and Housing.

**Hon. Michael T. Adam:** Thank you, Madam Speaker.

I beg to move that a Bill entitled The Protection from Domestic Violence Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill entitled The Protection from Domestic Violence Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: The Protection from Domestic Violence Bill, 2010, given a third reading and passed.**

### **Health Insurance (Amendment) Bill, 2010**

**The Clerk:** The Health Insurance (Amendment) Bill, 2010. Third Reading.

**The Speaker:** Honourable Minister of Health, [Environment, Youth, Sports and Culture]

**Hon. J. Mark P. Scotland:** I beg to move that a Bill shortly entitled The Health Insurance (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled The Health Insurance (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: The Health Insurance (Amendment) Bill, 2010, given a third reading and passed.**

**Court of Appeal (Amendment) Bill, 2010**

**The Clerk:** The Court of Appeal (Amendment) Bill, 2010. Third Reading.

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** I beg to move that a Bill shortly entitled The Court of Appeal (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled The Court of Appeal (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: The Court of Appeal (Amendment) Bill, 2010, given a third reading and passed.**

**Police Bill, 2010**

**The Clerk:** The Police Bill, 2010. Third Reading.

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** I beg to move that a Bill shortly entitled The Police Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that a Bill shortly entitled The Police Bill, 2010, be given a third reading and passed.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: The Police Bill, 2010 given a third reading and passed.**

**MOTIONS**

**GOVERNMENT MOTIONS**

**Government Motion No. 6/2010-11—The Public Management and Finance Law (2005 Revision) Issuance of a Deed of Indemnity to the Board of Directors of Cayman Islands National Insurance Company Limited**

**The Speaker:** Honourable Minister of Health, Environment, Youth, Sports and Culture.

**Hon. J. Mark P. Scotland:** I beg to move Government Motion No. 6/2010-11—The Public Management and Finance Law (2005 Revision) Issuance of a Deed of Indemnity to the Board of Directors of Cayman Islands National Insurance Company Limited.

**WHEREAS the Governor in Cabinet is desirous of issuing a Deed of Indemnity guarding against the potential liability of members of the Board of the Cayman Islands National Insurance Company Limited;**

**AND WHEREAS section 8 of the Public Management and Finance Law (2005 Revision) provides that, as a general rule, no guarantee may be given by or on behalf of the Government unless it has been authorised by a resolution of the Legislative Assembly;**

**BE IT NOW THEREFORE RESOLVED THAT the Legislative Assembly hereby authorises the issuance, to members of the Board of Directors of Cayman Islands National Insurance Company Limited, of a Deed of Indemnity guarding against the potential liability of members of the Board of Directors of Cayman Islands National Insurance Company Limited.**

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

Does the Honourable Minister wish to speak thereto?

**Hon. J. Mark P. Scotland:** Thank you, Madam Speaker.

I rise briefly to speak to Government Motion No. 6/2010-11 seeking a deed of indemnity for the Board of Directors of CINICO.

Pursuant to the Articles of Association of the Cayman Islands National Insurance Company (CINICO), there is an allowance for its Board of Directors to be indemnified. This is achieved by the issuance of a deed of indemnity to the Board. This is the first request for such an issuance of a deed of indemnity for CINICO, however, it is not the first instance whereby Government has indemnified the Board of Directors of a Government-owned company, as in the case, for example, of Cayman Airways Limited.

Section 8 of the Public Management and Finance Law (2005 Revision) states that “**Except as provided in section 13, no guarantee may be given by or on behalf of the government unless it has been authorised by resolution of the Legislative Assembly.**”

An indemnity, such as the one being proposed in this Motion, is a form of guarantee. Accordingly, it requires the approval of this honourable House in order for it to be issued.

The proposed deed of indemnity is between the Governor, acting for an on behalf of the Govern-

ment of the Cayman Islands, and the Board of Directors of CINICO. The Government of the Cayman Islands, as we all know, is the sole shareholder of the company. The deed provides that the Government will indemnify the directors individually and collectively from and against all actions, proceedings, costs, charges, losses, damages and expenses, which the directors may incur or sustain by reason of any acts done in the execution of his or her duty as a director of the company, except any actions, proceedings, costs, charges, losses, damages, and expenses which a director may incur or sustain by or through his or her own willful neglect, default or gross negligence.<sup>1</sup>

The deed of indemnity is effective from the date of the director's appointment and remains in effect until the director is removal or resignation.

Madam Speaker, this Motion is of importance to permit the Board of Directors of CINICO to function with the same level of protection that boards of other government-owned companies have received. Typically, such matters would be covered by the company itself obtaining directors' liability insurance for its board of directors. But, in an effort to deliver a national health insurance scheme in the most cost-effective manner, such an approach was not deemed practical. A deed of indemnity from Government continues to be the preferred and most efficient means to provide directors some level of protection.

Madam Speaker, as we all know, CINICO continues to play a critical and crucial role in health care provision in the Cayman Islands as one of its major roles fulfills the mandate that all residents of the Cayman Islands are required to have health insurance. The proper management of the company by the Board of Directors is essential. In turn, the Board of Directors must have some level of protection from personal financial risks that may arise from decisions taken in the management of the company. The deed of indemnity that is provided gives such a level of protection.

I would also like the entire Board of Directors to know that the Government appreciates their willingness to serve and thanks them for their continued commitment.

And, finally, Madam Speaker, I just want to commend this Motion to this honourable House and ask Members to give it their support.

Thank you.

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

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

If not, I call on the mover of the Motion to conclude the debate.

**Hon. J. Mark P. Scotland:** Madam Speaker, I just wish to thank Members for their tacit support of the Motion.

**The Speaker:** The question is: BE IT NOW THEREFORE RESOLVED THAT the Legislative Assembly hereby authorises the issuance, to members of the Board of Directors of Cayman Islands National Insurance Company Limited, of a Deed of Indemnity guarding against the potential liability of members of the Board of Directors of Cayman Islands National Insurance Company Limited.

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

**Ayes.**

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

**Agreed: Government Motion No. 6/2010-11 passed.**

## OTHER BUSINESS

### PRIVATE MEMBERS' MOTIONS

#### Private Member's Motion No. 2/10-11—Caymanian Only Positions

*(Continuation of debate thereon)*

**The Speaker:** When we concluded the last sitting with this Private Member's Motion, I think the Third Elected Member for George Town was debating.

Does any other Member wish to speak?  
[pause]

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Thank you, Madam Speaker.

I want to be brief on this Motion before the House today. But I first want to begin by congratulating the Fourth Elected Member for George Town, and the seconder, for raising this discussion.

Over the years, Madam Speaker, I have watched Government and been involved from the Backbench to the Front Bench as a Minister, firstly, in Council and then in Cabinet, [and] this whole matter of training of Caymanians has dogged every government.

I remember the first motion that I brought to this honourable House in regard to an apprenticeship system in the country. And we talked and went here

<sup>1</sup> See Appendix 1 of Government Motion 6/2010-2011, posted on the Legislative Assembly website at [www.legislativeassembly.ky](http://www.legislativeassembly.ky)

[and] there . . . the truth is, at the time the establishment did not support that. And we managed to get a labour law passed which was tremendous ground made, Madam Speaker, because we really had the old Masters and Servants legislation from the 1800s which, as I said, was exactly what it was—the Masters and Servants legislation, held over from the days of slavery.

But that legislation, that motion, brought forward the Labour Law. And that was not, lest people think that we have nothing . . . well, they should really check what we had. It was a tremendous fight to get that to move forward to try to get to a point where some semblance of understanding in the country had to come forth, that people needed to be trained much more than the few scholarships that were given at the time.

At that time, Madam Speaker, very few were given from the various companies in this country; very, very few. I do know that the Banker's Association, I think, was giving one at the time and Government was giving very few.

But, in those days the fight [was] by me and Mr. Miller and then came Mr. Roy Bodden. I had their assistance, but we could never get to the point where the country could frame training programmes, as such. We never seemed to get to that point. Apprenticeship systems did not really get anywhere.

On top of that, Madam Speaker, the fact was that all this time there was a building of this feeling of entitlement by our people. And what we heard was, *I am Caymanian, so I must get the job*. I mean, that was existing when I came here in the early 1980s and existed to a lesser extent, but it was growing, the feelings were growing from the time I was a teenager, and probably before that.

Madam Speaker, the matter of training and jobs for Caymanians has not gone away. It says something about us as a country, because we have not, it seems, cared to acknowledge just how much and how far we have come. And, at the same time, administration after administration failed to put in wholesome full programmes (if I could put it that way) that might have done what was necessary.

I do believe that when we decided on the Immigration Bill—because we found ourselves in that particular situation, where we had so many people. In fact, the present Leader of the Opposition said at that time in 2001, while he was still the Leader of Government Business, that we had over 14,000 people that needed to be put right. And I am quoting exactly from the *Hansard*, Madam Speaker.

And we decided to take the bull by the horns and we had to fix that situation as best as possible. Perhaps we didn't fix it as best as possible because people still gripe today. But if you ask any person about any issue around the country, and you hear young people probably from high school to adulthood, saying that opportunities for Caymanians are not there. And that is their concern.

Madam Speaker, this has to be the concern of our Government in more ways than one. But from that legislation in 2003, my contention is that the country made it possible through that legislation to give people certainty in their lives, and provided the means for the removal over a staged period of time of the so-called glass ceiling in this country.

Well, we passed the legislation, but the administration changed. And what happened was that amendment after amendment made for worsening conditions of certainty for people with the rollover and in the matter of permanent residency, business staffing and key persons. And all those things that we should by now have been moving forward with a much better system we have not.

All the while the entitlement expectation has been growing with probably more people still saying—particularly now that we have this bad economy and the tremendous economic chaos that exists in the world—more and more people will pull in the direction where they will say that Caymanians are not given a fair shake.

I am debating in this sense because I listened to what the Third Elected Member for George Town, and to a lesser degree, what the Leader of the Opposition had to say in their debates.

Madam Speaker, we cannot continue to build up the expectations when they cannot be reached. I think that is what the Motion is trying to do. It is trying to get us to a point where we put ourselves past all of that and have something firm and sure that we can look back to and say, *This is the programme, this is what you apply for; this is what you do*. I believe that is where it will go. It will take some study, as has been said. But it is absolutely wrong for anyone in this country to make the points that somehow we have totally been left behind. That is what is causing far too much problem in this country.

Yes, there are far too many people who did not get the promotion they should have gotten. I can look back at my time, Madam Speaker, in growing up, and from where I came from. I can say there are people who are willing to keep you back, even when you are trained. The truth is, firstly, they told parents that children had to get educated. And then when they got educated, and we are doing more and more of that, still they tell you that you need this experience. And we do know that that is what counts.

So, Madam Speaker, there are people who have been left behind who could have been trained, could have gotten promotions, but somehow that glass ceiling was not removed. And somehow the legislation which we passed in 2003 did not work and we feel is not working. Now we have a total immigration regime, as far as I am concerned, that needs a lot of improvement to it or else it is going to be our undoing. That can be rectified. The legislation can be rectified. In that legislation we must rectify that problem where the upward mobility and so-called glass ceiling is dealt with.

Madam Speaker, I would have given the world . . . I look back on my time as a teenager in trying to get a high school education. We know what the system was in this country where only special families got, had that ability to get to the high school. They created a system which was called the Secondary Modern School. And that is where some of us were thrown.

People like me were thrown out at nearly 14, and did not get that chance. And while I campaigned for the social development of this country, one of my main things was that we must get our people trained and educated. And that is why the first day . . . and this is probably the first time I am saying so, Madam Speaker. Maybe I did, if you search the *Hansards* of [my] 27 years.

The very first motion that I sat down—and Jim Lawrence (now deceased) said, *This is where you go if you want to get your aims and objectives. This is what you have to do.* And I then brought that motion for training for apprenticeship systems, and for new labour legislation to get rid of the Masters and Servants Law. That was my attempt from then. We still have not succeeded, but we have come a long way. And that is what I want to say to this honourable House, that we have come a long way.

As I said, back then Government probably gave 12 scholarships, if that, per year. And if you check back from the National Team's election, from then, more and more scholarships were given. But more so during the administration from November 2001 to May 2005, which I led. And I stand here without fear of contradiction. There were 1,100 plus scholarships for that last year, the last budget of that administration, between local scholarships and overseas scholarships.

Now, in this heightened and dire financial struggle where we have had to cut back in my administration, we are 916 for the 2010/11 budget: For overseas scholarships, 320; local scholarships, 596. So we have 916, and we are still working with students. That is one aspect we did not cut back on, Madam Speaker. And I believe that this total that I am giving . . . there is still more to add to it.

On top of that, Madam Speaker, we have granted the most tourism scholarships ever; that's 19. But let's look at how many people have been trained from, say, 2008/09.

We had 802 in 2008/9; 2009/10, 1,024; and 916 to count so far for 2010/11. There are still 81 scholarship applications outstanding. So, as I said, that 916 will certainly rise to above 1,000.

The Department of Tourism Apprenticeship Programme now offers also 30, 40 scholarships.

The Ministry of Tourism scholarships varies from 8 scholarships in 2008, to 12 scholarships in 2009; in 2010, 19 scholarships, or a total of 95 young people.

There are also scholarships offered by the Water Authority, National Gallery and UCCI. Several, I would think, probably in the hundreds at UCCI.

The private sector scholarships, Madam Speaker, are not where I would want them to be, but let me tell this House that they are much further than they were when I was a Member of this House. As I said, the Banker's Association was giving one. And maybe . . . I am trying to remember. Probably it was Cable & Wireless that did a tremendous amount of training back then.

Mind you, I will say this publicly, I virtually had to threaten some of the private sectors by saying that if they did not give scholarships they would not get work permits. And that is how I managed to get ahead as the Minister of Labour; not that I had a willing public to deal with. In fact, some of the people who were getting scholarships were cussing us. That hasn't changed either, Madam Speaker. They cuss you today too.

Madam Speaker, right now there are some 36 organisations existing and some private sector programmes offer more than one scholarship. There are a number of in-house training programmes existing. As I said, that is a huge improvement because back 15 or 20-odd years ago Cable & Wireless trained many Caymanians who today own their own businesses. In fact, the Deputy Speaker just echoed what I was thinking—him too. A lot of Caymanians benefited.

There has been tremendous improvement, Madam Speaker. Therefore, when people get up to make the country believe that nothing is happening in training, and that we are dead, I do not think that is what the Motion is saying. The Motion is saying there has to be improvement and the Member wants the Government to move forward on it. He has every right to do that, and, certainly, we support that, as you will see we will pass the Motion.

But, let us not over . . . well, build such a strong Opposition case that all we are doing is building a case of that entitlement perhaps where we cannot reach. That is what we have to worry about. The biggest problem that we have right now is turning the economy around to make sure that people are employed because if we do not get people employed, there will be no upward mobility. There will be no jobs. There will continue to be jobs lost.

So, when the Third Elected Member for George Town and the Leader of the Opposition talk about the immigration problem, they need to deal with that issue most carefully. Do not get up and ask about who is going to be Caymanian, because they know they were the culprits who nearly ruined this country with the hateful talk that went on about foreigners versus Caymanians. And if we are not old enough to have learned the damage that that does, and gotten past that at this point in our lives, then I don't know what is going to happen to our children and grandchildren.

The Motion is supported by Government. We believe that we need to do what the Motion says. Let us not make the world believe that we have not done anything, because even to the last administration did some things. But they did more to hurt than they did to help. And, as far as our immigration regime, now we are stuck with an immigration regime that has to be changed. It is outmoded, it is not working for us, we have to spend more and more on it, we have to put more human resources to it. Probably the whole matter of Immigration, how we deal with work permits, has to be changed. And I will probably be saying that tonight when I meet the public.

But I get worried when we stand in this public forum as leaders to make the world believe that it is falling apart, nothing is happening and so young people get fed up, they give up their dream and they turn on the country. In other words, Madam Speaker, we turn on ourselves and then we hurt the very thing that we love the most.

I issue that warning bell in this House today; let us be careful of the growing expectations, that we can fulfill them and that we do the right things to fulfill them. In this case, jobs are needed, training is needed, [and] upward mobility is needed. Yes! And we are going to do it. We are going to make one of the strongest efforts that anyone is going to see, because I do believe that the Minister of Education is moving in that direction with his plans for employment. Not necessarily the ILO (International Labour Organisation) way, but practical solutions to our problems; not ILO's, but our solutions to meet our industry's needs, the financial industry and the various other industries that spring up in this country, right down to construction. I do believe that is the direction the Minister is moving in.

So, again, let us not make the world believe that we have such a huge problem that we cannot work with people, that we do not need people, and that we can do everything ourselves, because that is not possible. And I repeat, 31,000 people—Caymanians—will not give us the standard of living that we have, where we moved from a fireplace to electrical stoves; from a cardboard fan to air-conditioning; from a donkey and a bicycle to some of the best vehicles in the world and, dare I say, too many?

And, Madam Speaker, we need to give account and take account of all of those things. Let us not destroy what we have to build a case in over-nationalism. Over-nationalism has gotten no one anywhere that I can think about. They destroyed what they had. All we need to do is look around us and just think where some of those islands went when they had the world in their hands: they were on top of the world. Cayman benefitted because they failed. We do not want any other country benefitting because we make the same mistakes.

Thank you. And again, I congratulate the Fourth Elected Member for George Town in bringing this to the forefront, again.

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

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

If not, I call on the mover of the Motion to exercise his right of reply. Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

I wish first of all to start by thanking the Minister of Education for supporting the Motion and for the many comments he made which, amongst other things, I believe shed some light and elucidated the matter as well.

Of course, I would like to thank the Honourable Premier for the support and kind comments by him just a few seconds ago.

Madam Speaker, in wrapping up the debate I want to comment very quickly on some of the comments raised by the Leader of the Opposition. I start by making it abundantly clear that I believe a lot of those comments, the questions and concerns that he raised are meritorious. and I would not want anything I say to lend the impression that I walk away feeling otherwise.

Madam Speaker, I think that the Member would have raised issues for example, such as not wanting to lend the impression that the Cayman Islands and the people in terms of our competitiveness, . . . and, amongst other things, I believe I captured it somewhat, but I definitely want to do it now in terms of the closing.

Madam Speaker, I strongly believe and have confidence . . . not because I have heard about it, or not because I have read about it, but because I have seen it, I have witnessed it in terms of the Caymanian spirit, the Caymanian tenacity, Madam Speaker, and our ability to compete. And not only compete on this turf, but I have seen so many of our Caymanian people travel overseas on foreign soil, go to those colleges, go to those universities, and not only do well, but in many instances, if not most, come out on top of their class. I think there are a lot of those shining examples which I wouldn't even start to name.

Let that be one small submission of the evidence that we have in the Cayman Islands, the ability to do well, to compete with anything the world has to offer.

Therefore, I want to say that even as I heard the Honourable Premier talking about the issue of the Labour Law and the challenges it faced when it was first introduced, Madam Speaker, I think we can put that into historical context and ask ourselves, *In the future 10 years from now, 15 years from now, how would we view this Motion.* It goes to show you the

challenges that you have any time that you are going to do something, that in one way shape or another implements that change, especially if it is going to be something, arguably, as sensitive as this, when persons feel out of a natural anxiety that they may lose something because of this particular Motion or because of a particular Law.

But, Madam Speaker, if we ask ourselves today how many of us in this honourable House or in the general public could even see the Cayman Islands without the Labour Law. We came here, we found it, and it only seems reasonable that you would have what we term today as the Labour Law.

Madam Speaker, definitely, Caymanians are competitive. But we have an obligation at the same time to make sure that we are going to do what we can, just as the Premier mentioned earlier on. Just to make sure that we are providing opportunities for our people.

When I talk about someone travelling overseas and getting himself educated, competing on foreign turf, doing very well, Madam Speaker . . . it is one thing to arm your people with skills, but you also have to complement that with opportunities. Skill without opportunity does not go very far.

I would like to reiterate for the benefit—because I have received some of the commentaries that are perhaps being perpetrated one way or another by the media, wittingly or otherwise. But, Madam Speaker, I think this Motion would lose its significance if persons are going to take a knee jerk reaction to believe that this is a motion meant to divide. This is not about foreign nationals versus locals, Madam Speaker; furthest from it.

I have stressed before that I believe that any legislator worth his or her *soil* is going to appreciate, Madam Speaker, the fact that you have to be able in every way shape or another foster a harmonious society. If the Cayman Islands is going to be a place to raise your family, the place to retire, it has to be a peaceful society. Not only in talking about lower crime, but in terms of peace to be able to say you have persons who can come here and feel welcomed.

Madam Speaker, that is not only in terms of having a very comfortable relaxed and open immigration policy. That is also about making sure that the indigenous people, the established (or however one wants to term it) are also comfortable feeling, not that something is given to them, not that they are just entitled to it, and are going to get it whether they work for it or not, but Madam Speaker, that they sit there knowing that when they have competed, when they have done their time, when they have armed themselves with the skills, that the opportunity to grasp that opportunity, what truly belongs to them, that it is there.

So, Madam Speaker, as I mentioned in my opening remarks, it is fundamental that we be able to provide those opportunities. I reiterate again that even insofar as what we have changed in regards to our Constitution with a Bill of Rights, we have to not just

think presently, we have to think about the future and what it means.

Every country . . . if you look even at the United Kingdom we have seen, for example, that they needed to take funds out because there was training that had to take place. They were anticipating the barrage of various legal challenges that they were going to have to face. And, Madam Speaker, to use an analogy, if we want to catch a train, we cannot stand up and hold our arms out; we have to start running ahead of time.

Therefore, with the Constitution, even insofar as the Bill of Rights, amongst other challenges, I would submit to this honourable House that one of the challenges that is going to come is insofar as saying what particular jobs can this individual or that individual get or not get. It is almost by convention or just simply that we accept it that certain positions right now within the civil service are the remit of Caymanians.

As I mentioned earlier on, I think in the Constitution it is defined insofar as the First Official Member being the Deputy Governor, it is constitutionally protected. I talked about the fact that MLAs, Madam Speaker, who find themselves in the driver's seat, it is said that you must be Caymanian to have it.

I mentioned earlier on that we find ourselves in that position. In the same way we have an obligation to ensure—insofar as the public service and in many instances statutory authorities, and even the private sector—that specific jobs will be earmarked for Caymanians.

As I also mentioned before, it does not mean that you will not necessarily have under some extenuating circumstances provisions that may allow for someone else to hold those positions if there is a shortage? Madam Speaker, I believe that that would only be reasonable.

Will it perhaps be a circumstance where in certain areas whether it is a long line of our young attorneys that are lined up to be articulated who are having so much difficulties and challenges that they will have a chance that perhaps some sort of quota may be set? Again, Madam Speaker, I believe that would only be reasonable.

Likewise, what is also reasonable is that we take every step today, not waiting until 2012 or somewhere in the near future when the challenges come; but it is a matter of asking ourselves what jobs, if any . . . because there will be a committee to consider it. They may come back with recommendations that the Government accepts completely, or they may come back with recommendations that the Government accepts in part, or they may not come back with recommendations at all. But when they come back with those recommendations, Madam Speaker, I hope that there has been consideration to say, should the Chief Immigration Officer be a Caymanian? Should the Collector of Customs be a Caymanian? Should the person who is searching your bags at the airport be a



Caymanian? Should it be the person who is dipping up your freshwater reserves, Madam Speaker? Should they be a Caymanian? Those are the questions we are asking the committee to investigate and make their recommendations.

One of the things also raised by the Member there from the Opposition was the issue in terms of Caymanian and who is a Caymanian. Madam Speaker, I can tell you that when I was given the privilege to attend the last and final round of the Constitution, one of the things we were debating about was in terms of actually putting a definition of "Caymanian" into the Constitution. It is not there today, Madam Speaker, but we do still have an Immigration Law which defines Caymanian.

Again, I think without trying to suggest any demerits at all, Madam Speaker, it is something that the committee would have to consider; someone who is, for instance, on permanent residency; someone who is of Caymanian status, that elevation process. I think one of the things the Member mentioned was someone who is married to a Caymanian and, therefore, by natural progress, would they not eventually become Caymanian. Madam Speaker, all of those things I believe, again, it is only reasonable that it would have to be considered. And it is for that reason that I say that all of us should come together collectively to ensure that we can take a very good look at this.

As I have stated before, I do not believe there is anyone in this honourable House who does not want to do everything reasonable to ensure that this country progresses and that its people progress along with it. I have discussed it with the Minister responsible for Labour and Education and suggested again perhaps that a Member of the Opposition should also be on this committee in terms of looking at this particular issue.

So, without belabouring the point, Madam Speaker, I just want to mention again, thanks to all of my honourable colleagues who, from what I have gathered so far, are willing to support the Motion. I believe that when the Leader of the Opposition and the Third Elected Member [for George Town] stood (even though he is unfortunately not here today) I definitely got the sense, if not expressly stated, that they were going to support the Motion as well.

With that, Madam Speaker, I would like to thank you for giving me an opportunity to present this Motion here. I kindly ask all of my colleagues once again to lend their support to this Motion.

Thank you.

**The Speaker:** Thank you, Fourth Elected Member for George Town.

The question is: "BE IT RESOLVED THAT the Government consider establishing a Committee to recommend categories of positions or types of employment that should be designated as "Caymanian only."

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

**Ayes.**

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

**Mr. Ellio A. Solomon:** Madam Speaker, can I kindly ask for a division please?

**The Speaker:** Madam Clerk.

**The Clerk:**

**Division No. 17/2010-11**

**Ayes: 9**

**Noes: 0**

Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour  
Hon. D. Kurt Tibbetts  
Mr. Moses I. Kirkconnell  
Mr. Anthony S. Eden

**The Speaker:** The result of the division is Ayes: 9 and Noes: 0.

**Agreed: Private Member's Motion No. 2/10-11 Caymanian Only Positions passed.**

**Private Member's Motion No. 3/10-11—Pension Deductions**

**The Speaker:** The Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** I rise to move Private Member's Motion No. 3/10-11, standing in my name:

**BE IT RESOLVED THAT the Government considers amending the necessary legislation so as to allow Caymanians to make a one-time withdrawal of up to CI\$35,000 from their pension for the sole purpose of providing a deposit to a local financial institution towards the purchase of either a parcel of land, or the construction of a new home or an existing residence or apartment in the Cayman Islands.**

**The Speaker:** Is there a seconder for this Motion?  
Third Elected Member for Bodden Town.

**Mr. Dwayne S. Seymour:** Madam Speaker, I beg to second the Motion.

**The Speaker:** The Motion has been moved and seconded. Does the mover wish to speak thereto?

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Yes, Madam Speaker, thank you very much.

Madam Speaker, on this Motion insofar as the pensions, asking for the possibility that the Government would consider amending the legislation to allow for a one-time withdrawal for up to \$35,000 from their pensions to purchase either a piece of land, a home or the construction of a home.

Without a doubt, when we talk about a lot of these issues, pensions being no different, I think there is always going to be certain immediate feelings (and I cannot describe it other than that, "feelings") that we get in terms of what is good, what is bad, what is right, wrong, what is indifferent. And I would hope, amongst other things, that insofar as this particular Motion that on a long-term basis that we would be able to take a very good and careful look at our pension system and actually be able to understand carefully what is taking place and see if there are needs insofar as changes.

I will mention very quickly that I know that even in terms of the Mercer Report, March 26, 2007, a significant number of recommendations have been made, many of which stand waiting in terms of being implemented. I know that in my discussions with the current Minister responsible for Labour and Pensions, I believe that some of those areas will be addressed.

But, Madam Speaker, when we talk about pensions, specifically about someone owning a home, I wish to just quickly mention—I don't believe it needs too much emphasis or too much underscoring—how important it is for us to ensure that someone has the ability to own their own home. Home ownership is fundamental. And whether you are reading about what has happened in Singapore, Canada, United Kingdom, United States, all of the experts are going to tell you that home ownership is extremely important. It is amongst one of those areas that allow you to feel that you are a part of the society; that you own something. And that in itself is a comfortable feeling.

I recall reading some of the literature that had been written in Singapore, and they talked about prior to the pensions being invested, and in terms of a person actually owning their own home, when they had riots there was no hesitation in turning over the scooters, turning over the cars, the writing on the wall, the graffiti, all that vandalism that took place. And immediately, Madam Speaker, once persons were allowed to engage in that investment, pensions or otherwise, and to own their own homes, how things were different.

When they did have uprising, when they did have challenges, you did not get that sort of vandalism. Just perhaps one illustration of how important it is that we actually are able to say that we own our own homes.

Believe it or not, Madam Speaker, I am of the belief that the young man or the young woman who chooses something as simple as to graffiti a wall is probably not going to do so if it is his father's property,

or if it belongs to an uncle. So that ownership is very important.

As we talk about pensions, I believe that when we start to take a closer look we have to ask ourselves what is the fundamental purpose insofar as those pensions are concerned. We will make general statements to the effect that the reason we have pensions is because we are saving to ensure that when someone reaches a particular age they can retire. And we leave it in those sorts of generalities. And yet, if the question was asked today of a number of persons in the Cayman Islands as to how much funds they will need when they reach 60 or 65 to retire, I would dare say that many of us would be challenged to answer that question: How much funds am I going to need to retire?

The Mercer Report addresses that area: How much are you going to need to retire?

Madam Speaker, when we talk about pensions, we talk about retirement. It is a matter that the assumption automatically goes that technically whatever you are making before you retire is ideal in terms of what you should be making when you retire. But at the minimum, they set a benchmark in that Mercer Report that says ideally you should be making around \$30,000 per year insofar as your retirement.

What does that mean, Madam Speaker? It means that the individual who now reaches retirement age at 60, assuming they stop working, is expected to live between 10, 15, 20 years. Probably to about 80, especially with all of the advancements we make in medicine. Twenty years at \$30,000.

We can say then that you probably need in the region of \$600,000 in order to retire. That is a very large amount of money. And just doing simple math, taking out the whole issue of inflation and the additional interest, what does a young man or young woman make between the ages of 18 and 42? If you give the best case scenario in terms of pension, because right now under our pension system once the individual makes about \$60,000 you don't have to make any additional contributions. You just stop at that \$250 for the employer and \$250 for the employee; \$500

And the situation is, Madam Speaker, that if you gave a young man or young woman a \$60,000-plus job at the age of 18, and they worked for the next 42 years before retiring, interest and inflation, balancing it out, leaving it out for a second, Madam Speaker, you end up with about \$250,000 in your account. That is a reality.

So, when you just look at that math and ask yourself if on one hand the report is saying that you are going to need about \$600,000 and just from the rough calculation, as two-dimensional as it may be, you are going to have \$200,000. I say then you are falling short in terms of what you are going to need to retire. So, if we have a gap, Madam Speaker, of \$200,000 to \$400,000 in terms of what someone has

in the pension, I think the answer is obvious that we have to do something to bridge it.

One of the things that the Mercer Report calls for is to say we need to make sure, 1) it is asking that you increase the rate in terms of the payments from 10 per cent to 12 per cent. It is also asking for additional voluntary contributions to be made. The bottom line of it is that even as it exists, and I would argue even with the 12 per cent, you are not going to have sufficient funds that you need in order to retire.

I think the amount of interest it says it generally has gained is in the region of about 6.67 per cent; one per cent of that going in terms of administrative costs.

So, Madam Speaker, I fundamentally believe that when we actually look holistically at what it is we are trying to do for our people, there are three fundamental things that we need when a person is going to retire. We want to make sure that persons are going to have good health. That also includes having good healthcare. We want to make sure they are going to have certain skills and stuff that they are going to need with respect to survival. And, also, Madam Speaker, that they are going to have the shelter they need.

Again, the Mercer Report will indicate that 39 per cent . . . and I honestly believe, Madam Speaker, that that is somewhat of a sparing number, but 39 per cent of the monies are going to go towards shelter. I think that depends on what sort of lifestyle you are living. But 39 per cent of the average person's income is actually going to be expended on shelter.

Just to give a scenario: I know someone in the range of about 52 years of age, who has all sorts of difficulties and challenges in owning his own home. He rents an apartment. He stays with the wife and actually has one of the children living with him. Madam Speaker, right now if that situation is allowed to continue it means that in eight years that individual will reach retirement. And it means that that individual will be dependent on family members and the State because he simply does not own a home. He is renting.

Madam Speaker, it is challenging in terms of trying to identify it. It is a matter of saying, right now, if you have someone who has a health issue . . . and this is not something new, Madam Speaker. I will stress that as well. Other countries, even the United States to which we always look to, allow persons to withdraw their pensions for a myriad of different reasons. Some of those are even to cover expenses for apartments. This particular Motion is not calling for that; this is in terms of being able to make an investment insofar as home ownership.

But, Madam Speaker, let us ask ourselves and get to a commonsense position. If someone is working right now and has reached a position where he finds out that he has a particular illness (stomach or otherwise) and the doctor says he has a year to live if he does not get an operation, versus if he gets the

operation then he could probably live a normal life. Just on that logic, Madam Speaker, as an example, are we saying that if we have money put away in the piggybank that we are not going to spend the \$30,000 to get the operation? That the person should be encouraged to just continue to save? No, Madam Speaker! I think that commonsense says to us that we have an obligation to make sure that the person can take care of their illness so they can live a normal life. And they will then continue to make their pension contribution because of that operation, not the other way around.

So, Madam Speaker, I hope that it should not be difficult for anyone in this country to see the importance of being able to give our young Caymanians, middle-age, whatever age, the opportunity for land, house, whether they buy it or build it. For a myriad of reasons, on a daily basis those three items are becoming more and more out of the grasp of Caymanians.

Having the opportunity to work along with the Minister responsible for housing . . . Madam Speaker, you will recall that years ago when a typical Caymanian could walk and go to a Mr. So-and-so and there was a piece of land that was for sale, whether \$25,000 or \$30,000, and they could perhaps put down a deposit of \$1,000 and they could make a monthly payment insofar as ownership was concerned. Those days in large part are gone. Today you have to go to a financial institution and when you go to that financial institution it is attempting to manage their risk. There is nothing wrong with that. They are doing their part; they are trying to manage their risk. And in managing their risk, they are saying to the people of this country, *You need to come with a larger deposit. Why? They are managing their risk.*

If they can shrink the mortgage down from 25 years to 20, from 20 to 15, and 15 to 10, then they will do that as well, because they are attempting to manage their risk. But in managing their risk, they are making that home ownership, that landownership slip farther and farther away from our Caymanian people. And we all have an obligation in one way shape or another to help bring that a little bit closer to them.

There are persons, particularly at this time, who are having extreme difficulties. I think one of the issues raised while I was on the talk show in discussing this issue, a lady called and talked about the possibility of being able to even pay off arrears. Madam Speaker, I think all of that . . . I would hope the Government, despite the fact that it is not specifically called for in the Motion, will consider that as well.

Earnestly, as I said, Madam Speaker, I think there needs to be a very careful look at the whole issue of pensions and whether it is really going to be sustainable. I have always been a strong advocate that as much as possible we need to work towards investing a significant portion of those pensions here in this country and to be able to ensure ownership in other areas as well. Even when we talk about the Wa-

ter Authority, et cetera . . . I stated this during the campaign in 2009 and I will state it again today. We should have the pleasure to know that when we turn the tap on that our pension is ownership in that particular company. And, therefore, as we use it, we are also making a little bit of money for ourselves.

Without a doubt, I would hope that at a minimum we all understand and appreciate the need for home ownership. We should be able to walk away with a very clear picture, as two-dimensional as the math may be, that the amount of monies coming in right now—and bear in mind that our pensions started in 1996—are insufficient insofar as someone being able to retire. So, to be able to do anything at this point in time to aid someone in terms of owning their own home, I think it is a very good move. It is something that we have to do.

I would like to stress, Madam Speaker that it says up to \$35,000. I think one of the things we have heard people saying is that someone may not even have \$35,000 in their pension. Madam Speaker, you have a myriad of possibilities and permutations that can take place.

For example, you could have an individual or a couple who want to purchase a home for \$300,000. If they need a 10 per cent deposit for the \$300,000, then what they are asking for is a \$30,000 deposit. Under that scenario you could have one individual taking \$15,000 and the other taking \$15,000, or whatever permutation you like. One take \$20,000, one take \$10,000. The permutations go on for quite some time, Madam Speaker. But the bottom line is that it does not necessarily mean that the person has to have \$35,000-plus, or the individual has to take as much as \$35,000 out of his pension.

Fundamentally, I believe, Madam Speaker that many persons I have spoken to since this Motion made it out into the public arena, support the Motion, particularly because of the timing.

Right now there are extreme difficulties out there; but at the same time, there are opportunities. Right now we have construction workers that are unemployed. We have what we would term a buyer's market in that the prices for the houses are very, very low, and insofar as the construction workers, they are unemployed. If one was going to build a home, right now is the perfect time to do so. The cost of labour is low. And I am pretty sure that right now even Government would probably be more than happy to engage in some concessions in terms of some of those materials. So, now is the perfect time to buy or to build a home. It is the perfect time to be able to give our people an opportunity for ownership.

I believe one other natural challenge that comes out of this is the question of *are there other programmes that we can utilise as well, rather than perhaps having to go to the pensions*. Madam Speaker, the Government offers a series of programmes. There is the GGHAM programme, there is the construction of affordable homes, and all of those,

without a doubt, serve their purpose. Let there be no doubt about that.

But, fundamentally I can tell you that just like the National Assessment of Living Conditions Report indicates, which was done under the previous administration, the people of the Cayman Islands want to have the opportunity to know that they can do for themselves; not that they are dependent on the Government. They want to have that. That is Caymanian pride, Madam Speaker, to be able to know that they have gone into their own savings and that the home that they are about to turn the key to open the door belongs to them. They went into their own savings and did not necessarily have to come to the political Joe and ask him to do them a favour and try to help them out so that they could get some scheme that the Government has to offer to build their home. That is the Caymanian pride, Madam Speaker, and that is what our people want. That is first and foremost.

That said, Madam Speaker, if it is the people of this country that we are trying to help, I have to say that as a whole we have to do something about Government. We have to do something about the spending that takes place in Government. All of these programmes are not free!

It is easy to say, *Have them go to the GGHAM programme, have them go to the Affordable Housing programme*. We are talking about millions and millions of dollars. So, the Government has to get up and at a minimum they have a contingent liability. A contingent liability, saying that they have now secured up to \$21 million, that they have \$21 million that they have to make sure they have access to at any time in case there is default on mortgages. Any prudent person would do so, even though you may think in your heart of hearts that it is not required, that is what mathematically and prudently you have to do as a business owner and as a prudent Government. That is the contingent liability.

Madam Speaker, of all the programmes, I am talking about social services, as an example. Madam Speaker, we continue to fork out millions and millions of dollars every year. How many \$15 million, \$16 million and \$20 million do we have to spend? When at the end of the day all people are asking for is for the Government to be innovative and to find a way to be able to help them to bridge that gap that I talked about earlier on, to help them to be able to say, *Just help me in this particular case to allow me to be able to use my savings*.

Which calls me to the point of stressing, as I have stressed so many times before, that even as we look at the pensions and we talk about the young man or the young woman who even if they are 18 years of age and work for the next 42 years will probably have a quarter-plus million dollars in their account—still short of what they need to retire—Madam Speaker, to add insult to injury at this particular juncture . . . what do they have to see? They look into their pension account and see the money dwindling.

Madam Speaker, we have people putting \$6,000 in their account for the year, and by the end of the year it's already down to \$4,000. We have had major stocks that persons would have considered to be gold stocks, *Guaranteed, you can't lose on this one*. The AIG (American International Group), which was \$1,900-plus per share, that went to \$8.00 per share. That's the horrific sight that has faced the pension-payers of this country watching their money dwindle. And many of them looked at that pension and said, *If I could only rescue it, I would*; but they watch it dwindle, Madam Speaker. That is the reality of the situation. Are we not going to do something to help them?

I mentioned earlier on about voluntary contributions. Again, something the Mercer Report called for on March 26, 2007. What can we do about voluntary contributions? Why are persons not putting additional monies into their pensions? If you knew you had \$500, \$1,000 or \$20,000 right now with a team of experts out there that would do nothing else but invest your money and try to give you the highest return possible, why are we not putting our money into pensions? A fundamental reason is that we do not have access to it.

So, I would rather take \$5,000, put it on Ameritrade and try to do a little juggling myself and make 2 per cent or 3 per cent, rather than give it to the professionals.

Madam Speaker, I submit the entire issue of pensions has to be carefully looked at. We have to ask ourselves if that system needs some tweaking, some reformation that will allow it to work for the pension persons in this country, the ones who when they reach the age of 60, we are saying we want to make sure they are provided for. My humble submission now is that that is not the case.

Blessed is the person who was perhaps aged 18 in 1996. The reality of the situation right now is that there are people who have already reached retirement age and the sad situation . . . I get the calls. I am sure other Members in this honourable House get the calls. And those calls are, *Here I am. I am 60-plus years of age, and I am not even given a chance to work. Nobody wants me to work anymore*.

Do you know what that reminds me of? That reminds me of the stories we used to read years ago when the Indians took someone who reached a certain age and put them under a tree with a knife in their hand to defend themselves. That was it; exiled, pushed aside. That is what is happening to our elderly people right now. And I submit, Madam Speaker, if we do not reform what we have as a pension today—and we have the opportunity to do it—if we do not do that, Madam Speaker, we are going to be doing nothing different with our elderly people, whether it is 5 years, 20 or 42 years from now, insofar as retirement.

Again, Madam Speaker, the opportunity to be able to invest the money. I have fundamental problems with the fact that our pensions right now, and 70

per cent for those persons below 40 in terms of high risk, are being invested in other countries to be able to build somebody's infrastructure. There may be someone who takes issue and asks: *Should we be able to invest our monies for somebody to actually be able to build a home?* I can guarantee you, go and check some of those funds; go and check some of those stocks that you are investing in. It is probably a company in the United States which, amongst other things, is using the same funds to help build an infrastructure in the United States, whether it is water, other utilities or even homes.

So, we cannot do it here, but we can do it in the United States, or in the United Kingdom, or we can do it in Asia. Madam Speaker that is some backward thinking. We have an obligation to do just like our forefathers did, and that is to make sure that we send as much of our money as possible back home so that we can build a stronger Cayman for our people. And, amongst other things, that is what this Motion starts to do. It starts to look, not coming down here with some large comprehensive approach that is going to be bogged down.

When we heard the Premier talk earlier about the difficulties in passing something as [commonsensical] as a Labour Law, not to be bogged down by a committee, Madam Speaker, for another 10 or 11 years and nothing happens. One, the people of this country need help and they need the help today! Not 10, not 15, not 20 years from now, because if they do not get the help today, they are not going to be around at 60 or 65.

It is what a lot of people say to me, and it is what I agree with. It is what the Mercer Report agrees with and anyone who takes the time out to read it and does the math is going to see the exact same thing. So now, Madam Speaker, in a positive way, we have a perfect storm. We have a perfect storm in terms of low interest rates. Therefore, if you wanted to borrow, now is the perfect time to borrow because the interest rates are low. This is a perfect storm. Low interest rates; perfect time to borrow! Anyone will tell you that. *Half-day school on Friday* would tell you that. Perfect time to borrow! Same time, lowest prices, perhaps, you are going to get in terms of the real estate market if you want to buy land, you want to buy a house, now is a good time to do it. Perfect!

Construction market: If you want to construct it, low cost because a lot of our people are unemployed. Again, Madam Speaker, in a very positive way, [it is] the perfect storm, the perfect opportunity to ensure that our people have access to their funds so that they can utilise them to be able to own their homes.

Madam Speaker, just to touch again very briefly on this issue about the Government: I cannot stress enough, Madam Speaker. Again, I grapple with it, because I believe that it is very much common-sense that just about whatever the Government does is very, very costly. Earlier, while speaking with one of

the Official Members, he talked about why it takes so long for the Government to get anything done; and why it costs so much to get something in Government done. That's the way it is.

In the private sector you get natural efficiencies. Do you realise that right now for us to get up and do something in housing or something here in the health services or in education, or in this particular case, the pension, just here alone we are probably going to spend potentially, up to 15 Members spending up to two hours debating one issue. That would not happen in the private sector.

Naturally, without belabouring that, there are inefficiencies that exist. And even as we talk about programmes for housing, whether it is the Affordable Housing or GGHAM, you would have minimum, just to give you a very brief summary. Not all involved.

Just on that, Madam Speaker, you would have to engage the National Housing Development Trust, which includes, among other things, a board. Treasury would get involved. Risk Management would get involved. The Ministry would get involved. The Attorney General would have to get involved. The Auditor General would have to get involved. The Internal Audit would have to get involved. The Legislative Assembly would have to get involved. And 80 per cent of all of what you were trying to do for the people is being eaten up by administrative costs. And, in the meantime, the horse is starving waiting for the grass to grow.

Right now, Madam Speaker, there are people who are losing their funds in the pension. And they are not asking the Government to tax them \$10 million more at the pump to help them, or to raise fees in any other area to help them, they are simply saying, *Give me access to what I have saved. Give me access to the monies I have saved to acquire something that I am going to need; something that you say I need in order to make sure that I can retire.* Because, Madam Speaker, if they do not have a home they are either going to have to find on today's prices, \$1,500 per month . . . goodness gracious, what is it going to be 10, 15, 20 or 42 years from now for the 18-year-old. I can guarantee the rent price will not be \$1,500. I can guarantee you that the lowest price for a house would not be \$250,000. It is going to be a lot more, Madam Speaker.

Even if we wanted to use today's prices, if they do not have \$1,500 per month, minimum, to pay the rent, and the \$300 or \$400 to pay the electricity, and the \$200 to pay the water, and the list goes on, those persons are going to be a drain on their family members of which all the reports, including the National Assessment of Living Conditions (NALC), say they do not want to be. And, as good commonsense and Caymanian pride would tell us, they also do not want to have to come to a politician or any institution within the Government to ask for that money. They are asking for just what good Caymanians would want—give me access to the money that I have saved

so that I can build a home for myself and for my family.

Madam Speaker, it is not a case where you would build or buy a home today and it is a perishable good that is going to deteriorate in 10 years. The very house that I was born in 41 years ago that was there before I was born, is still there. So these houses that they are going to build will provide opportunities for them in the longevity. In the long term those houses are still going to be there. And, Madam Speaker, if we walk away with nothing else, other than knowing that we have provided the people of our country with an opportunity to be able to reach that mark of 60 with their own home, in full ownership or as close to possible, I think we have accomplished a lot.

When we start to look at all of these issues, Madam Speaker, it starts to highlight to us how important it is. Fundamentally, I believe that politics is about looking after the family unit. How am I, what am I doing at the end of the day to ensure that I can strengthen that family unit? How can I make it stronger? How am I providing them with opportunities to better themselves to live? And that includes retirement. How am I doing that? Those are the fundamental questions.

So, when we start to look at this issue of housing, it means that we can turn our attention tomorrow to some of the other areas that we know we are going to need. Areas, such as drinking water, and what that is going to cost; transportation, home insurance, and the long list continues. Any prudent Government is going to look at that.

So, Madam Speaker, I obviously laid out an overview. I look forward to hearing the comments, questions or concerns that would be raised by any Member of the House. I will do my endeavour best to address those concerns in my wrapping up.

With that, I thank you very much.

**The Speaker:** Thank you, Fourth Elected Member for George Town.

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

Third Elected Member for Bodden Town.

**Mr. Dwayne S. Seymour:** Thank you, Madam Speaker.

I rise to give a small contribution on Private Member's Motion No. 3/2010-11. As the seconder of this Motion, first I would like to say how proud I am of my colleague, the Fourth Elected Member for George Town for bringing such a [motion] to assist people of the Cayman Islands who we so dearly love and care about.

When the Fourth Elected Member for George Town came to me with this, we had some long meetings and I felt so positive after our meetings about the opportunity that we were creating for Caymanians.

As I speak to the people of the Cayman Islands, I can only say that I remember about 10 years ago my own personal experience of going to the bank at the time, my wife and I, with no loans, no great expenses, no credit cards, or even a checkbook, and we were trying to get a loan for a house. Just under a 1300 square foot house we were trying to get at the time for about \$104,000. We waited and waited only for the bank to come back and say that we could only get \$98,000, because we didn't have enough savings. So, we see the challenges, Madam Speaker.

With today's market the way it is, we are saying the time is now.

Madam Speaker, allow me to ask: Are we still in the times when some have the mentality to say keep them renting, keep them asking for permission, keep them poor without hope, let them sell their own lands while we gobble it up and build rental properties and rent it back to them? Where do we want our social growth to go? Social growth, meaning one generation doing better than the other.

Madam Speaker, I draw your attention to a couple of points of interest—

**The Speaker:** Third Elected Member for Bodden Town, we need a motion to suspend Standing Order 10(2) to go beyond the hour of 4.30.

Honourable Minister of Education.

#### **Suspension of Standing Order 10(2)**

**Hon. Rolston M. Anglin:** Madam Speaker, I beg to suspend Standing Order 10(2) to allow the business of the House to continue beyond the normal hour of interruption, 4.30 pm, and until we finish the business on the Order Paper and the addendum Order Paper.

**The Speaker:** The question is that we suspend Standing Order 10(2) to allow the business of the House to continue beyond the normal hour of interruption, 4.30 pm, and until we finish the business on the Order Paper and the addendum Order Paper.

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

**Ayes.**

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

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

**The Speaker:** Third Elected Member for Bodden Town, continuing.

**Mr. Dwayne S. Seymour:** Thank you again, Madam Speaker.

I read with interest, as we debate this pension motion, a couple's experience in renting in the US. They were paying \$1,500 per month, and when they got their own home, the same size, it was the same

price they were paying in mortgage, \$1,500 per month.

One of the advantages of owning a home is that once an owner, always an owner. A first home often leads to a better second home. Long term home ownership can provide beneficial retirement security through the growth of equity. Home ownership can be the strongest anchor in your life. Coming home after a hard day's work to your own place brings a peace of mind that is not there if you rent. There is no landlord knocking at your door with complaint, real or imagined. You are in more control over your environment in making a statement with your choice of decoration and landscaping, [which] can bring real peace of mind. No longer will you need to seek out your landlord if you are unhappy with the colour of your walls in your family room. You just simply change it.

Madam Speaker, your children (if you have them) will enjoy the benefits of stability. Their surroundings are not uprooted every year or two moving around while renting. And they will not have to worry about changing schools or making new friends. You can better plan for the future if you own your own home, because that aspect of living is taken care of and fits into your budget.

Madam Speaker, there are many financial and personal reasons why you should own your own home rather than rent. The obvious reason includes pride of ownership, building your own equity instead of someone else's, no more landlords. One of the most overlooked reasons for owning a home is the freedom you get once you have achieved this major goal in life. Many first time home buyers find that once they have bought a house many other aspects of their personal lives seem to fall in place.

The security and peace of mind that comes with home ownership is a great accomplishment in many people's lives. And once they have overcome that obstacle they find that other goals they have set out to achieve become much easier to attain. Madam Speaker, there is a great sense of belonging to the community once you own a home. You begin to feel more attached to the area and its people. You will find yourself more involved with community events, what is happening with the schools, roads and shopping centres in your area. Some new home owners find themselves getting even involved in local politics in order to create a better surrounding, which is something that renters seldom do.

Madam Speaker, home ownership is a strong anchor for your life. You have something that represents a strong commitment and sense of stability. Again, the aspect of freedom comes up. You won't have to worry about a landlord telling you it is time for you to move. Your children won't have to worry about whether they will have to change schools. And you are blessed with the ability to plan for the future.

Madam Speaker, by owning your own home, you will find yourself in more control of your immediate surroundings. You can change things and decorate

things in your taste. You are not limited to the standards of the landlord. You do not have to seek someone's approval if you decide to remodel or alter something. The home truly is your castle.

If you have children you will find that they feel more secure when coming home to a house not owned by someone else. There are no worries that they will be suddenly forced to change schools and re-establish their lives at the decision of someone else. You can also get to know your neighbours and if they have children, lifelong friendships can be formed because everyone knows that they will be around each other for years and years.

Madam Speaker, one other aspect that cannot be overlooked is the pride that you feel when you own your own home. You have proven to yourself that you can achieve monumental goals and can give your family the security needed to move forward in life. Once you have built up equity in your first home, you can leverage your equity to purchase an even nicer home later on.

Madam Speaker, as I extrapolate from President Ronald Reagan's speech in 1984 in Berlin, I hope that the relevance is realised, and I quote: ". . . **Today I say: As long as this gate is closed, as long as this scar of a wall is permitted to stand, it is not the German question alone that remains open, but the question of freedom for all mankind.**"

**"We welcome change and openness; for we believe that freedom and security go together."**

**"The German question [or, the Caymanian question] is open as long as the Brandenburg Gate is closed. [Today I say that] . . ." As long as the gate is closed [for the opportunity of owning a home] as long as this scar of a wall is permitted to stand, it is not the German question alone that remains open, but the question of freedom for all mankind."**

And I quote: **"As I looked out a moment ago from the Reichstag, that embodiment of German unity, I noticed words crudely spray-painted upon the wall, perhaps by a young Berliner."**

**"This wall will fall."**

[And I hope, Madam Speaker that this barrier will fall in home ownership.]

**"Beliefs become reality."**

**"Yes, across Europe, this wall will fall. For it cannot withstand faith; it cannot withstand truth. The wall cannot withstand freedom."**

**"The Totalitarian world produces backwardness because it does such violence to the spirit thwarting the human impulse to create, to enjoy, to worship."**

**"General Secretary Gorbachev, if you seek peace, if you seek prosperity for the Soviet Union and Eastern Europe, if you seek liberalization: Come here to this gate! Mr. Gorbachev, open this gate! Mr. Gorbachev, tear down this wall!"** End quote.

In closing, I say today, let us tear down the barriers of owning your own home that our Caymanians so deserve. Madam Speaker, I think this is one of the ways we can achieve that. We hear the old adage, "Mother may have, father may have, but blessed is the child that has his own".

Madam Speaker, I thank you for allowing me to give my short comments, and I call on all of the Legislative Assembly to support this Motion. Thank you.

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

Honourable Minister of Education, you almost lost that chance.

**Hon. Rolston M. Anglin:** Madam Speaker, I thank you for ensuring that I did not lose that chance because it is important that on all Private Member's Motions the Government articulate its position to the House to ensure that a way forward is established.

Madam Speaker, this Motion is certainly one that has elicited much discussion from the wider community. The fact of the matter is, Motions should. By nature, a lot of Motions will. So, I believe that the previous two Motions moved by the Fourth Elected Member for George Town and seconded by the Third Member for [Bodden Town] have both done that. Causing us as a community to reflect and debate is something that is very positive and healthy.

I must say, though, that we live in a time in which quality of debate within the public domain has really taken a retrograde step in the country and that is sad to see. The public are often very quick to jump up and criticise the 15 members who [are] sent to this House and to tear down their own elected representatives. As I continue to follow the discussion and dialogue on some of the blogs that are in our community, as a legislator, I am disheartened. In 2010 we still fail miserably as a community to be mature and to debate maturely. We still tear down personalities and we still look at issues based on personalities, not taking a big step back and looking at the merit or demerit of the issue before us.

I said that as an aside, Madam Speaker, because anyone who has listened to me over these few years that I have been elected knows that that is something I feel strongly about—we, as a people, moving forward collectively and becoming more mature as a community, because we need to. A lot is at stake in every point in history. I laugh when I hear people saying that these are serious times. Which generation never lived through serious times? I dare us to find a decade in the history of mankind that did not present serious issues globally, regionally and specific to their country that were not serious in nature, and did not pose challenges.

That said, Madam Speaker, we must soldier on as a community. And, certainly, we who are legis-



lators for this brief moment in time that we call political terms must soldier on, must do our work and not get discouraged. And so, for those newer Members here, I encourage them. And I am proud that despite a lot of the furore that some people have tried to create over this Motion as it relates to earmarking certain jobs for Caymanians, these two Members have not buckled, backed down, but from what I have seen, have become more resolute and more determined to try to create good; to try to do good. That is what we campaign on; the basis that we are going to come to this Legislative Assembly and try doing good. I believe the spirit of this Motion has the potential to do good.

The Third Elected Member for Bodden Town said that he was going to offer some remarks. I won't repeat the way in which he described his remarks, because as I listened to him, I encourage him to always remember that if he is going to be short—like I usually am—to simply say that he is going to offer brief remarks. But I congratulate him on his debate because certainly the quality of his debate and the points that he brought forward are most relevant to this matter that we are debating.

I know that I like to offer my history lessons. I crave the indulgence of my colleagues for about two minutes. Gone are the days that you lived with your parents on some family homestead, [where] each child [would] get that little piece of that family homestead. You lived in the main house, your parents' house; you start your house; you get a foundation; you save and run up some blocks; you save and get the belting; you save, you get the roof; and you move forward in that way.

The community has changed completely. And so there might be some of us who will say those were the good old days. What I can say is that they are a distant memory in this country. From what I can see, I do not envision those days and that way in which people acquired homes coming back.

So, if we accept that as a fact, and we look at the community and we listen carefully to our constituents, we know that there is an issue with access to capital for home ownership. So, if there is an issue with access to capital for home ownership, how do we as legislators try to assist?

The Cayman Islands Development Bank has tried to assist. But the reality is that that is Government. That is central Government funding. Having it placed in a wholly owned government entity for onward lending to the public. So, that is not a model that is sustainable and will fill the housing needs of this community. The country certainly does not have any other legitimate means from a central government perspective to fill the housing needs.

*[Hon. Cline A. Glidden, Jr., in the Chair]*

**Hon. Rolston M. Anglin:** Mr. Speaker, you know, the public . . . and I have rarely taken this opportunity, but often times when the public listens to us, they must

really think that something has gone on for one Member to turn midstream from "Madam Speaker" to "Mr. Speaker." But here in the Legislative Assembly, the Speaker too has to have a break. So it is obvious, now that the Deputy Speaker, Mr. Speaker, is in the Chair.

So, Mr. Speaker, we do not have that capacity as a government. In fact, if you look across the globe, no country can boast of a central government that is able to fill the national needs for housing. So, Cayman is not alone in that. That is a global phenomenon. That is just the reality about the way in which our world is organised and works.

Given that as a second fact, what can we legislators of the Legislative Assembly of the Cayman Islands do to try to assist with this whole vexing issue of access to capital for many of our citizens to enjoy what is the bedrock of any stable and successful community, home ownership, real property ownership; having that all-important stake in the community to build your life and your family around?

This Motion calls for Government to consider making legislative change that would allow persons who have up to or in excess of \$35,000 in their pension account to be able to withdraw those funds and place them in a financial institution for the purpose of direct investment in real property, land, apartment, townhome, condominium, private home ownership. I believe, generally speaking, that the vast majority of people within the community support this Motion. I think that like all communities, we have so many people who are hardworking, dependable, but simply due to their family income cannot get access to that all important credit, that mortgage from a lending institution. Either they cannot come up with the up front investment required, and/or do not have the income earning capacity to meet the all important credit calculations, the ratio in terms of debt repayment to income that the banks and other lending institutions use as part of their screening process to approve persons for a mortgage.

The argument that would be made is do we try to build a community around home ownership, or do we continue this trend that has grown tremendously over the last three decades in the country, in particular the last two and a half, of persons going out and renting property.

We know that there are currently substantial amounts of monies paid out by Social Services for either rent assistance, which would be temporary in nature, or the more permanent type of rental assistance which typically, as I understand it, goes to older persons, seniors, who themselves do not have a home, do not have a relative to live with, but are indigent.

Do we want to create that possibility that they can get and enjoy home ownership now? Do we create that opportunity now to try to ensure that families get access to home ownership and all of the benefits that flow from that as it relates to family stability, sta-

bility in the community and the positive outcomes it has on marital lives and children?

Or, do we continue down the model we have created where we say to people, *No. By law we are going to force you to save because once you reach the age of retirement or permanent disability we want you to have X amount put aside so that you can take care of yourself. But, oh, by the way, a substantial amount of that may go to rental costs because you have never been able to afford home ownership throughout your life.*

How confident are we, as a Legislative Assembly, that given the current model and given the current cost of living for families in this country, that the average person is going to successfully reach the end of their work life and have enough money to be able to survive independently of the Government?

*[Hon. Mary J. Lawrence, Speaker, in the Chair]*

**Hon. Rolston M. Anglin:** If we look at the current trends, I think it is clear that there will be more people than we probably would like to admit who will have reached the end of their normal working life and if they do not have a home and a mortgage paid off, that they are going to struggle to make ends meet on their pension. So, this whole notion that financial assistance, persons being deemed indigent, is going to go away, is one that I do not believe is realistic. Certainly, those numbers should reduce in the future and the amounts that Government has to fund should reduce. But, Madam Speaker, I do not believe any of us as Members of this honourable House ought to kid ourselves that the National Pensions Law is the cure-all and that these problems are going to go away.

I have spoken at length with the mover of the Motion about the whole reform and restructuring that is currently entrain within the Ministry as it relates to pensions, in particular the whole issue of the investment guidelines contained within the Regulations to the National Pensions Law. So, I am confident in saying that the spirit of the mover and seconder of the Motion, the spirit of the Motion, is to ensure that we put in place a reliable mechanism upon which persons in our community can get easier access to real property ownership, whether it be land or a home.

So, in rising to accept the Motion on behalf of Government, I want to alert the House that we are going to engage in a short, concise consultative exercise along with the major stakeholders in this whole debate including, obviously, the public, to explore the Motion and any other options that might be available to us that will achieve the spirit of this Motion which is to get a substantial increase in access to capital for home ownership in the Cayman Islands.

Madam Speaker, as we move through that exercise . . . and, of course, the position of the Government is that the exercise will naturally include Members of the House and certainly the mover and seconder of the Motion will be front and centre of that

exercise, because this is their Motion; they know what they are trying to achieve. The House understands, certainly the Government understands what they are trying to achieve. And they need to be very comfortable in the process and the outcome to ensure that whatever shape this takes in the end is one that they are satisfied with.

Madam Speaker, the exercise that I envision happening would involve the Fourth Elected Member for George Town, the Third Elected Member for Bodden Town, a Member from the Opposition; someone from the Ministry, someone from National Pensions Board, someone from the pension industry and probably one or two persons from the community, lay persons who will look at this, get an update on where we are with the reform on pensions, where we are on pension regulations and the investment guidelines; inform where we are at, at present, to ensure that it is moving in the direction that would support this Motion. And, certainly, Madam Speaker, be able to at that point make a recommendation back to the Ministry as to exactly how the construct of the legislation ought to look to achieve the spirit of this Motion.

I applaud the mover and seconder because this is a very timely Motion. Access to capital for housing has been a longstanding, vexing issue in the community. I see this as holding some of the greatest potential to achieving home ownership than any direct government initiative. That is not to try to in any way diminish the current initiatives of the current Minister of Housing. But I am one who firmly believes that the more access you give to private persons to choose where they want to live, the better the outcome overall for the community.

So, Madam Speaker, the Government is in lock step on that point. I believe that this Motion and the outcomes of those discussions which will then inform the Ministry as to where we go with legislative drafting instructions, and what a final Bill coming back to this House would look like, I believe bodes well. I think the community ought to be proud that these two first-time legislators have grabbed the bull by the horns, taken on vexing issues, longstanding issues, issues that would elicit criticism.

But, as I opened by saying, they are strong and they have held the course. That is one of the most important qualities you must have as a legislator, because the criticism will come. The naysayers will come. But at the end of the day, if you are moving in the right direction for the right reason, good will come of it. And I believe that a lot of good is going to come of this Motion. We need to ensure greater access to capital.

One of the potential outcomes that certainly . . . and this is by no means to try to determine or steer outcomes, but I know as we speak and as people listen and try to report what we say in this Legislative Assembly . . . I have been here long enough to understand that we need to sometimes give an example or

two just so that, purposely or not, what we say is not taken out of context.

By way of an example, I could see a model emerging where in the investment guidelines we could stipulate that direct funding from pension plan providers be made available to local banks and earmarked for the purpose of real property acquisition, whether it is for land, a townhome or a home. I believe if we are going to be creative in this time and be willing to put in the hard work, have the difficult conversations, have the debate backward and forward and then come up with the best possible outcome, I think there are a number of ways in which the spirit of this Motion can come to fruition.

As I said, I look forward to the small working group being put together. As Minister, I am going to put together a term of reference. Certainly, it is my intention, as I said earlier, that the work has to be done, and it has to be done quickly. This cannot be a process that is drawn out month after month after month. In my mind, there are a number of very simple conversations—some of them difficult, but relatively simple in nature—that need to be had and some debate backwards and forwards ensuring that whatever the outcome, it is brought to the public as the process unfolds so that we can get back to this Legislative Assembly with something that is supported by the community, but is going to provide the great benefit that this Motion seeks, which is increased access to capital for real estate acquisition by Caymanians in this community.

Madam Speaker, with those few remarks, I commend this Motion to all honourable Members of this House. I also say to the naysayers out there that hopefully we are all big enough to listen to all sides, and certainly give this process a chance. Give your input. Free democratic societies mean that everybody must have their input. Take advantage, have your input, but, certainly, we need to draw this process to a conclusion and come back to this House with a Bill that will have to be then publicly debated, and certainly, nothing is going to happen in this regard without that public debate and public forum debate that is crucial.

Thank you.

**The Speaker:** Thank you, Minister for Education.

Does any other Member wish to speak?  
Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Madam Speaker, first of all, let me say that the Opposition is comforted in the approach that has been outlined by the Minister responding on behalf of Government.

Based on what the Minister just said, Madam Speaker, it allows us the latitude to look with a different view of the Motion and not limit ourselves to having to deal with it with the specific wording there.

While we understand and agree totally with the desired outcome, we have some difficulties if the Government were to simply consider alone having these one-time deductions being allowed to be taken out of pension funds—end of story—towards home ownership.

I will not be repetitive, Madam Speaker, especially not this time of the evening, but what the mover and seconder have spoken about with regard to home ownership and the value of family, the stability in a society, all of those things are spot on. History has proven it in every developed society in the world. Cayman is no different. And we know that, and we accept that.

Madam Speaker, since the Minister spoke, I just wanted to speak to what I saw. I will not go into all the details now because I do not think I need to. I want to go into just a few of the obstacles I saw if we simply limit the thought to this, and, hence, the reason why we are in total agreement, not for something long and drawn out, but for a proper assessment to be made to see how best to achieve what is being sought.

Madam Speaker, the way the Motion is worded, one could not exclude the public service from the Motion. It does not exclude public servants, and the Public Service Pension Fund. Now, if we look at the Public Service Pension Fund we know already the level of underfunding it has. We know that! That is not the debate now, but that is a fact. We also know very clearly that (I can't remember the date) the Public Service Pension Fund has transitioned from simply collecting the pension, and the general revenue of the country was paying out pensions to pensioners. The Public Service Pension Fund is now bearing the full brunt of paying all pension payments to pensioners on a monthly basis.

So, if we were to imagine a fairly large number of civil servants, whether they were in the defined benefits scheme, or the defined contribution scheme, being able to access up to \$35,000 for a mortgage . . . and I am using only hypothetical figures here because I do not know what the numbers would be. But let us say that that number was 1,000. Immediately, we are looking at \$35 million. And anyone involved with any knowledge of the Public Service Pension Fund would tell you that if that fund were robbed, so to speak, of \$35 million (I don't mean stolen! I just use the term there) within any period of time that is not a very, very long, long period of time, that fund would be in real dire straights, which means that you risk the ability to pay the pensioners, and you risk the future ability to pay those who become pensionable. That is a reality, if I use that one for an example.

Madam Speaker, I used that example simply to say that while everyone agrees with the objective, we have to look very carefully. And I do agree with the Minister, we have to look innovatively at what are the best ways and means. And I noticed the Minister . . . and have known him long enough since he has been

here. I watched him carefully walk the chalk-line in the Government's response to make sure that he satisfied what needed to be satisfied, but at the same time, he did not come out to give a specific commitment, which limited itself to the scope of the words. Madam Speaker, I do not say that to criticise; in fact, for a change, I say that as a compliment because I knew when he was doing what he was doing, that he also knew that I knew what he was doing, which is fine; which is wonderful!

So, he was smart enough to put us in the position where, because he knew that in concept there is absolutely no disagreement with the desired end result, but we saw some specific difficulties if we were limiting ourselves to simply dealing with the Motion as it was put forward.

Madam Speaker, I understand the mover of the Motion not having a very keen desire for a committee. But, the Minister has given his commitment that once a group is put together there will be swift terms of reference, swift action and come back. And I totally agree with and appreciate that.

While the Opposition is the Opposition, and the Government is the Government, and the Opposition has a specific role to play, I do not think this is one of those motions that we want to go down the road to try to show why the motion should not be supported. I think the fact that the Minister, answering on behalf of the Government, who will direct the actions to be taken from the consideration of the Motion, has allowed us to have a slightly different view from what our original thinking was when, as I said, we saw some difficulties with the Motion.

Madam Speaker, the mover of the Motion mentioned contingent liabilities of the Government with the GGHAM programme; some \$21 million and the fact that mathematics dictated that any smart business person, or anyone else for that matter, would want to ensure that because that is a contingent liability that they had \$21 million at all times to be able to pay it off if anything were to happen.

Madam Speaker, I cannot agree with that, because nowhere in the world, when you speak to a contingent liability, does anyone use the total contingent liability as a base to say that you have to have all of that on hand at all times. London, UK, has contingent liabilities with Overseas Territories. And, while they worry about it, they certainly do not have all of the funds that they are liable for, for the Overseas Territories, put aside, not to be used by anything else.

Besides that, Madam Speaker, when we look at a programme such as the GGHAM, if we look at the rate in which there are foreclosures or delinquencies, the rate, unless something dramatic has happened within a few short months, is not a rate that gives one the need to have a tremendous worry in regard to Government being liable to pay. That will only happen on foreclosures, and only if, on foreclosure, the institution does not realise the debt. But while I accept in principle that the Government does not wish to be put

in a position where the Government takes on the contingent liability of all of its citizens who need that gap filled, I just wanted to make sure that we gave our views on that.

The Minister of Education is quite right. There is no country in the world in which Government itself has the ability to provide all the answers to ensure all of its citizens have their own homes. So it always is a challenge.

So, to use the Motion to say that we are going to pursue another avenue to provide more capital to individual aspiring homeowners, is fine, Madam Speaker. That's wonderful. I believe that it is safe to say that that is the objective of the Motion, and I am sure the mover, in his winding up, will explain whichever way he thinks. I am going by what the Minister has said, responding on behalf of Government.

Madam Speaker, another point I wish to make which, again, I think is very critical in this whole process is when I was discussing the Motion prior to the resumption of the Legislative Assembly with the mover, I said this and I say it again: The legislation that we have now, Madam Speaker, is by no means fitting for the times. Whatever suited when it was made—and I was here when it was done—certainly, when you look at it now, we see where there are tremendous disadvantages even to the fund administrators in today's world and in today's market because of what the Law prescribes and restricts them to by way of how they can invest the pension funds. They are actually sometimes limited to investing it in what they know is going to be a loser because certain percentages have to be invested in certain things—certainly, not locally. So, that in itself needs to be examined too.

That 2007 Mercer Report . . . I had glanced at that, but I had not had a good look at it. The fact is that I only had about 10 minutes to scour through it again today, and I have not had a good look at it again, but there are some very interesting findings in that report. While nowhere did I see specifically in that report where it says that the route we should be going is allowing people to take monies out, for instance, for home ownership, what it did speak to was looking at various avenues for people to [be able to] have access. But it is something that we have to look at carefully.

When the National Pensions Law was started, you had people in the working world who were from all working ages. So you will have had some, when the Law started, who were very young into the working world and who will enjoy the benefit of their entire working life with pension contributions. You have some who are further along, who will enjoy it less. And you have some who were further along yet who will enjoy it even less. You have some people who were over 50 at the time.

I remember especially in the public service, there were people on contract and then when the Public Service Pension Law came into being, those people only had perhaps two, three or four years of

their working life before they retired to continue working, so they went on to the defined contribution scheme and by the time they retired and went to see what the pension was like, Madam Speaker . . . I remember a teacher coming to me laughing, but crying deep down, and showing me that her pension cheque was going to be \$62.14 every month.

So, whenever it starts, Madam Speaker, until you get a long period of time of the pension actually working, you are going to have varying levels of beneficiaries simply because of their ages when it started. And that is something that only time will balance out.

Again, where we have to question when we look for pension deductions, someone who is over 50 now, wanting to access this . . . what is that going to do if \$35,000 is taken out of his or her pension fund at this time? What is that going to do for them and leave them with at age 60 collecting a pension?

A lot of things have to be looked at, Madam Speaker, because when it comes to mortgages, there are certain ages, certain age-brackets of people who would benefit more from any scheme similar to what is being proposed in the Motion.

When we look at a one-time withdrawal of up to \$35,000 from their pension for the sole purpose of providing a deposit to a local financial institution towards the purchase of either a parcel of land or the construction of a new home, or an existing residence or an apartment in the Cayman Islands, are we all speaking about first-time homeowners? We are not sure of that the way it is worded.

Are we saying that if somebody already has a home that it is in their best interests, no matter what their age is to be able to access their pension fund to be able to buy another apartment, piece of land or to buy another new home? Sometimes, if you are looking to rent, that is fine; but if you are going to have another mortgage and run the risk of not having rental continual . . . there are varying circumstances that need to be examined so that whatever you do has to be streamlined.

Madam Speaker, as I mentioned before, I think we have to extremely careful that it is not available to all ages, because it is just difficult to see where one will benefit more in such a scenario.

The other points I was going to raise . . . as I said, I do not think it is necessary to take that line, given the Government's response. But I only wanted to point out some specific situations which we saw as possible difficulties with regard to limiting our thoughts to actually simply creating a system which would do what the wording of the Motion asks.

Madam Speaker, I say this again: The review of the Pension Law, not just the Pension Law, because the critical areas are in the regulations. Or should I say, some of the critical areas are in the regulations? So that review is absolutely necessary. The Minister has given that commitment. But I think that we need to have that as part and parcel of providing

the solution the mover and seconder are seeking through the avenue they have brought in this Motion.

So, Madam Speaker, as the Minister responding for Government has spoken, the spirit and intent of the Motion is not something that we have any difficulties with. And what he proposes to do by way of acting on the Motion is also something that we do not have a problem with. So, we are now able to say that we will await this group being formed. We certainly would be happy to propose a Member from the Opposition to be a part of it, and to participate in it in such a way where the mover and seconder can be able to come back by way of recommendations and the Government can go through the process of looking to find meaningful and continuing solutions.

The final point I wish to make, Madam Speaker, is that when we look at this matter we also have to have serious consideration [because] if this is going to happen on an ongoing basis, any pension fund, whether Public Service Pension Fund or any other local fund, that is being administered for employees locally, any one of them, you would have to look very carefully at if people have disability. Even though each one has only one shot at it, if people have disability on an ongoing basis, would that cause the fund to not be sustainable?

You also have to look at pensioners who exist. And you cannot take an action to assist one group that is now participating and risk the security of those who are actually drawing pensions or who are close to drawing pensions. You have to ensure that everything is sustainable. That is one of the worries that we had. And I am sure that everyone would want to consider that to ensure that whatever actions are taken do not risk the sustainability of the funds that we speak to.

So, Madam Speaker, the Opposition will look forward to seeing exactly how the Government is going to move forward. And, based on the Minister's commitment to move in the direction as he has said, I think that we will be able to agree with moving in that direction and also we would be very grateful to participate in the process as we move along.

Thank you, Madam Speaker.

**The Speaker:** Thank you, Honourable Leader of the Opposition.

Does any other Member wish to speak?

[pause] Does any other Member wish to speak?

[pause] Does any other Member wish to speak?

[pause]

If not, I call on the mover of the Motion to conclude the debate.

Fourth Elected Member for George Town.

**Mr. Ellio A. Solomon:** Thank you, Madam Speaker.

First of all, I wish to thank my colleague, the Third Elected Member for Bodden Town, for his support of the Motion. I think he talked about the fact that as I was discussing this motion with him that we had a significant degree of discussion, I think not only in

terms of our own personal experiences, but also trying our best to work through some of the relevant facts and figures and other information to bring a motion to this honourable House.

I also want to thank the Minister of Education who also has responsibility for pensions, for his expressed support.

I think when the Minister mentioned, as reiterated by the Leader of the Opposition, that insofar as this particular Motion there has to be some degree of flexibility insofar as considerations that will be made, I wish to stress that I have stated that on numerous occasions. I mentioned that on the talk shows, I even had the opportunity in a conversation earlier on with the Leader of the Opposition to that same effect.

So, I don't think that we necessarily have to belabour that point. I do not believe it is too far out of the reach of anyone in this honourable House to appreciate that this particular motion, like any, when the Government goes and considers it, it may come back with some modification. But, what should not be lost is this fact: For a long time there have been things that needed to be done in the country. And I speak from personal experience insofar as the many people I see on a daily basis who are suffering that need assistance. Changes that were earmarked, as I mentioned, even in the Report from 26 March 2007, that had to be done, should have been done, that have not been done.

So I am quite happy to nevertheless take the opportunity today to put a stake in the ground and say that this Motion is not going to sit around for another year, two years, three years, hoping to get it just perfect and just right. It is a situation that people need access to their funds to be able to own their own homes to get the ownership. And the country, I am sure, Madam Speaker, could also use a degree of stimulation. Desperately so! So, even when we talk about wording it. If we were to word the Motion, for example, on a point of providing capital for home ownership, we could probably make the same argument if the Motion had come worded as such.

I think that what is important is that we flag it in terms of, definitely, what is the spirit of this particular Motion? What is the spirit and intention? And I think that the Minister, as with my statements prior to, exercises and shows that we are willing to be able to understand it. Naturally, there would have to be certain processes and methodologies put in place and those considerations may in some areas give more than we intended, and in some areas we may have to compromise. So, I am willing to accept that.

The Leader of the Opposition talked about the contingent liability. Madam Speaker, I am going to frankly be perfectly honest here that insofar as our pension is concerned, I think it is important that we recognise that the people of this country have lost . . . I think the general number is 35 per cent of their pensions because of the way things are invested and because of the difficult times that we have experienced

in this downturn in the economy. So, it would be very difficult to do something insofar as investing in your own home and not end up with a situation that is better than that.

I think the Leader of the Opposition also asked a question in terms of was it just for first time home owners, or was it a matter regardless of age, and I think stressing that, perhaps, it should not be for all of the various ages. Madam Speaker, I believe that this particular Motion should not necessarily just be for first time home owners. I believe that there should be a situation where, perhaps, like everything else, you may seek to prioritise. But I do not think it necessarily should be limited. There are perhaps persons out there right now insofar as retirement age, that giving them the ability to build a little home that they can rent goes a long way to ensure their ability to retire. So, I don't necessarily believe it should be limited. I would hope that with all of this committee . . . and I want to thank the Minister for ensuring that it is not going to take forever, because I think this need to happen very, very quickly, Madam Speaker. That is not to say that it should not be done right. But it has to happen very quickly.

I mentioned to the Leader of the Opposition on an off conversation . . . for example, I remember when the Freedom of Information Motion was brought in October of 1999. This country did not get a Freedom of Information Law until 2009—10 years later! And, Madam Speaker, anyone in this honourable House that thinks that I am going to be here and I have a chance to influence it in any way at all in terms of the people of this country getting access to their funds, and that I am going to sit here anywhere near 10 years, is making a sad mistake.

We are in a position, Madam Speaker, that people need help. And, as I stated before, they need it today. So I am glad for the commitment of the Minister because I am willing to work with the committee, but let all of those committee members know—present, future or whatever it is—that we have to get it done, and we have to get it done quickly!

Madam Speaker, I now have to very quickly comment on the Leader of the Opposition insofar as some of the statements he made. I think it is important that . . . when I heard the Leader of the Opposition, I must express my disappointment to some degree. I brought three motions to this honourable House, and I thank all Members of this House for supporting number 1, number 2, and here we are with number 3. I know the Third Elected Member for George Town who sits on the Opposition Bench, who is not here today, took opposition to this particular Motion. I am very confident that they received the same commentary from the general public that I received and that is that in large part, Madam Speaker, the people of this country want to see this Motion succeed, and they want to be able to have access to their funds, because they need the funds and also because they believe that it is right that they have access to those

funds because they also accept that it is going to aid them at the end of the day in terms of their retirement.

But I am just going to mention this so that the Leader of the Opposition does not miss it, and so that no other member of the general public, that I cannot help but notice the little politics he uses. Because, you see, let me give you an example: I sat during my discussion on my delivery and talked about the fact that we have to be innovative. But the Leader of the Opposition did not comment on that. No, he commented on when the Minister of Education mentioned innovation.

[Inaudible interjection]

**Mr. Ellio A. Solomon:** No.

You see, Madam Speaker, it just goes to show the sadness that we have in the country where politics has to entwine itself into everything. And because I am now another Member for the district of George Town who is in competition to him, Madam Speaker . . . ‘Don’t compliment that young man’. No, no, no, no, no. I never heard one single thing to come out and say, *I want to commend the Member for George Town for what he is doing*. No!

[Laughter]

**Mr. Ellio A. Solomon:** And now he is over there laughing at that, Madam Speaker. He is in agreement. That’s why he is laughing.

So, at the end of the day, the only time he heard the word “innovation” was when the Minister of Education mentioned it.

I am sure if the Member was not living in Bodden Town, and running in George Town, but had moved to West Bay, he would not have complemented the Minister either!

[Laughter]

**Mr. Ellio A. Solomon:** But, you see, Madam Speaker, I have to highlight it because I want the Leader of the Opposition to know that those little politics do not miss me. He is no smarter than I am. No, no, I picked in the same cerebral garden that he went picking in too. And I picked a big one! Madam Speaker, at the end of the day, those are the sorts of politics, and I highlight it for Members in this honourable House, who I am sure caught it, and for the public. That is constant politics.

I was hoping, Madam Speaker—and I do not want anyone to understand—that this Motion would go just as fluid, just as smooth, just as well as the other two motions went. But, you know, I will have to stick with what the country song says, “Two Out of Three Ain’t Bad.”

At the end of the day, in terms of this contingent liability, I stated when I stood earlier on, that a contingent liability—which the Member should know, because I think they are all partly responsible for all of

this Public Management and Finance Law which, amongst other things causes us today significant cost and grief! Madam Speaker, when we talk about this accrual system, there is a mathematical figure that goes somewhere that says “don’t forget this \$21 million.” And I know the Minister of Education is an accountant too, but nobody is telling me that!

As my good friend would say, *I went to school a half day on Fridays too*. I know that! It has to be there. It has to be reflected. That is the mathematics I am talking about.

So, Madam Speaker, in terms of the Mercer Report, the Leader of the Opposition also mentioned that it says other things and that it did not necessarily specifically talk about housing, but it did talk about the fact of using it perhaps in other ways. Madam Speaker, I agree. It does not necessarily stress housing. It talks about utilising it in other ways and, as I mentioned during my delivery, it is a matter that even the United States, to which many of us look up to in some regard on many instances, as perhaps some light in the darkness somewhere, always perhaps questionable, Madam Speaker, they allow withdrawals from their 401’s insofar as even paying an expense for an apartment. That is not what this Motion is asking for.

This Motion, Madam Speaker, I tried specifically to make sure it was going to be narrow. So, at the end of the day no one was going to be able to run around and be able to say, *Look, they just want to take people out and spend their money foolishly*. No, Madam Speaker, that the money that we could all hold our heads up with confidence and say, *Whatever funds are taken out, we are advancing the stead of the Caymanians in this country*.

So, I do not have to echo it, Madam Speaker, because I stated it. And with all due respect, I believe if anything today, the Minister of Education is echoing what I have stated from the beginning, that there has to be consideration in terms of how we are going to do this. No one is going to take it just strictly on what is in that Motion. We have to take it now and have all of the deliberations and discussions and make sure that all of those factors are going to be put into consideration before the final product comes here to this honourable House to be passed by changes in legislation or otherwise. I think the Leader of the Opposition knows that. But, again, as I have stated, politics always plays a role.

So, Madam Speaker, I do not believe there are any other issues to address insofar as this. The one in terms of ages, Madam Speaker, I am going to perhaps throw the words of the Leader of the Opposition back at him. I think when it comes to ages we would be foolish to be able to say at this point in time that there is not a possible permutation that may exist out there of which an elderly person may actually be able to use his funds. There may be someone right now with X amount of funds in his pension, and he only needs \$7,000 more, as an example, to finish pay-

ing off that mortgage. Seven thousand dollars away from home ownership, but they are leaving their job next month.

So, we may perhaps be very foolish to say we are not going to allow them to withdraw \$7,000 to have complete ownership of their home, pay off their mortgage so that now they have passed the line of 60 years of age in a month and they are about to retire that they can now say they own their full home.

So, again, to turn that on the flip side, Madam Speaker, I think that it nothing different. There are a myriad of permutations. And even when we sit here with the committee, that the Minister of Education talked about, whether that is one week, six months or six years, I doubt you are going to get it perfect then either. Which is why I want to say to this honourable House, and to the people of this country who I know need the help, I am going to do my best to ensure that this is not going to sit up in parliament or up inside of the Government wheels turning for months and months. No, Madam Speaker; It has to happen, and it has to happen very, very quickly. The people need the money and this economy needs the money. People need homes and there are construction workers, as an example, who need work.

Madam Speaker, the Leader of the Opposition talked about the pension situation in the Government. Madam Speaker, as much as I would prefer to do it, the Leader of the Opposition talked about this pension situation with the Government. Madam Speaker, I do not know if people read the Mercer Report or read the pension reports coming out that say, even in the last one, I think I saw, 2007 or 2009, saying that even if called upon right now they could meet their debt obligations. And for anyone to suggest that \$35 million is going to bankrupt the piggy . . . although I do not agree with the scenario that he gave, that 1,000 people are going to draw \$35,000 . . . but even if it was on that extreme scenario, Madam Speaker, will \$35 million bankrupt anybody? No, Madam Speaker.

Even if I stepped outside of Government, one pension provider in this country alone, Madam Speaker, is managing \$220 million. Two hundred and twenty million dollars! And if you took \$35 million out of that, if they are getting 1 per cent and they are getting \$2.2 million . . . if you took \$35 million out of that, Madam Speaker, you have not reduced the amount of money they are going to make by any significant amount. No huge large amount.

So, Madam Speaker, I am sure that there is going to be a myriad of various obstacles that will come up. So I say to all of my colleagues who will support it, and the Opposition if they so choose, Madam Speaker, I know that whether it is going to be those persons out there who will try to lobby everyone, because nobody out there, whether it be pension provider or otherwise, who wants to lose a dollar to try to slow it down so that the people of this country cannot get their money, they are going to hear from me about it, Madam Speaker, because it has to happen.

Since 1996 in terms of the pension, I applaud all those persons involved in starting the pension because the whole idea of working and saving for your retirement is a good thing. But one thing I think we have reached consensus on is that that situation is not good enough. As I have stated already, and I will reiterate, if you even started working from 18 with maximum salary contribution and saved every single penny, for the next 42 years you are not going to have enough money to retire. So something has to be done, Madam Speaker, and that is what this Motion does.

It does not come perfect. And when we have the committee it is not going to be perfect. But what is going to be perfect is that someone has what it takes to come here and do something about it.

Again, I wish to thank the Minister of Education [for] accepting this Motion on behalf of the Government. And I want to thank my colleague from Bodden Town for having confidence in the Motion and in me. And, equally and most important, Madam Speaker, having confidence in the people of this country that they, if given the opportunity, can and will spend their money wisely and that we will aid persons.

I therefore hope that when the Leader of the Opposition said he would support it, that he will. And I hope he does not take the banter back and forth too personally, Madam Speaker, because I recognised what he was doing and I thought it was necessary for me to point it out. So—

*[Inaudible interjection]*

**Mr. Ellio A. Solomon:** Madam Speaker, the Member says that I pointed out something that he was not aware of. That is my pleasure.

*[Laughter]*

**Mr. Ellio A. Solomon:** That is why I am here!

*[Laughter]*

**Mr. Ellio A. Solomon:** Madam Speaker, it shows you why we need change. We need some new faces. We need some new blood so that we can point out things that were not noticed before.

*[Laughter]*

**Mr. Ellio A. Solomon:** Madam Speaker—

**The Speaker:** We are not on the subject of elections and who is elected; the people have chosen. Please conclude. We are running late and we have four Bills left to do.

**Mr. Ellio A. Solomon:** Madam Speaker, well advised. Madam Speaker, thank you very much, again, for allowing us the opportunity to present this Motion. I



thank all of my honourable colleagues, and I thank the Opposition in advance for their support of the Motion.

**The Speaker:** The question is: BE IT RESOLVED THAT the Government considers amending the necessary legislation so as to allow Caymanians to make a one-time withdrawal of up to CI\$35,000 from their pension for the sole purpose of providing a deposit to a local financial institution towards the purchase of either a parcel of land, or the construction of a new home or an existing residence or apartment in the Cayman Islands.

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

**Ayes.**

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

**Mr. Ellio A. Solomon:** Madam Speaker, if I could call for a division please.

**The Speaker:** Madam Clerk.

**The Clerk:**

#### Division No. 18/2010-11

**Ayes: 9**

**Noes: 0**

Hon. W. McKeever Bush  
Hon. Rolston M. Anglin  
Hon. Michael T. Adam  
Hon. J. Mark P. Scotland  
Hon. Cline A. Glidden  
Capt. Eugene Ebanks  
Mr. Ellio A. Solomon  
Mr. Dwayne S. Seymour  
Mr. Anthony S. Eden

**The Speaker:** The result of the division – Ayes: 9 and Noes: 0.

**Agreed: Private Member's No. 3/10-11 Pensions Deductions passed.**

**The Speaker:** We are going to move on to the Addendum Order Paper, with the new Bills which have to be considered today.

## GOVERNMENT BUSINESS

### BILLS

#### Suspension of Standing Orders 45 and 46(1) & (2)

**The Premier, Hon. W. McKeever Bush:** Madam Speaker.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** I beg to move the suspension of Standing Order 45 and 46(1) and (2) to enable the Bills on the Addendum Order paper to be read a first time.

**The Speaker:** The question is that Standing Order 45 and 46(1) and (2) be suspended to enable the Bills on the Addendum Order paper to be read a first time.

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

**Ayes.**

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

**Agreed: Standing Orders 45 and 46(1) and (2) suspended.**

#### Trust (Amendment) Bill, 2010 (Withdrawn)

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, on the Order Paper, we will not be taking The Trust (Amendment) Bill, 2010, at this evening's sitting.

**The Speaker:** Are you withdrawing the Bill?

**The Premier, Hon. W. McKeever Bush:** Yes, Madam Speaker. I am therefore moving the withdrawal of the Bill from the Order Paper.

**The Speaker:** The question is that the Trust (Amendment) Bill, 2010, be withdrawn from the Order Paper.

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

**Ayes.**

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

**Agreed: The Trust (Amendment) Bill, 2010 withdrawn.**

## FIRST READINGS

#### Companies (Amendment) Bill, 2010

**The Clerk:** The Companies (Amendment) Bill, 2010.

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

#### Partnership (Amendment) Bill, 2010

**The Clerk:** The Partnership (Amendment) Bill, 2010.

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

**Exempted Limited Partnership (Amendment) Bill, 2010**

**The Clerk:** The Exempted Limited Partnership (Amendment) Bill, 2010.

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

**Public Service Management (Amendment) (No. 2) Bill, 2010**

**The Clerk:** The Public Service Management (Amendment) (No. 2) Bill, 2010.

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

**The Clerk:** Suspension of Standing Order 46(4) to enable the Bills on the Addendum Order Paper to be read a second time.

**The Speaker:** Sorry, the last Bill you called is not on the Business Paper.

**The Premier, Hon. W. McKeewa Bush:** Madam Speaker, the Bills are the Companies (Amendment) Bill, the Partnership (Amendment) Bill, the Exempted Limited Partnership (Amendment) Bill, the Public Service Management (Amendment) Bill.

Those are the four Bills, Madam Speaker.

**The Speaker:** Just a minute.

Okay, yes. They took off the Trust (Amendment) Bill.

**The Premier, Hon. W. McKeewa Bush:** Four.

The Companies (Amendment) Bill, the Partnership (Amendment) Bill, the Exempted Limited Partnership (Amendment) Bill, the Public Service Management (Amendment) Bill.

*[Inaudible interjection]*

**The Premier, Hon. W. McKeewa Bush:** Yes, it is.

**The Speaker:** That was circulated just a while ago.

*[Inaudible interjections]*

**The Speaker:** Sorry.  
Honourable Premier?

**Suspension of Standing Order 46(4)**

**The Premier, Hon. W. McKeewa Bush:** I beg to move that Standing Order 46(4) be suspended to enable the Bills on the Addendum Order Paper to be read a second time, without The Trust (Amendment) Bill.

**The Speaker:** The question is that Standing Order 46(4) be suspended to enable the Bills on the [Addendum] Order Paper to be read a second time.

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

**Ayes.**

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

**Agreed: Standing Order 46(4) suspended.**

**SECOND READINGS**

**Companies (Amendment) Bill, 2010**

**The Clerk:** The Companies (Amendment) Bill, 2010, second reading.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeewa Bush:** Thank you, Madam Speaker.

I should say that these Bills are being moved because of the OECD (Organisation for Economic Co-operation and Development) Global Forum Meeting which will be held in Singapore in less than two weeks' time. That is, the three Bills dealing with the companies, partnerships and exempted limited partnerships. The Public Service Management (Amendment) Bill is consequential to the Police Bill.

Madam Speaker, I beg to move [the Second Reading] of the Companies (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

Honourable Premier.

**The Premier, Hon. W. McKeewa Bush:** Thank you, Madam Speaker.

By way of background, this Bill seeks to amend the Companies Law (2010 Revision) in order to provide for a retention period for books of account. By way of background, the Companies Law (2010 Revision) is the governing legislation for the incorporation, management and administration of companies and associations providing protection of members of these companies and associations, and the winding up of these companies and associations in the Cayman Islands.

In its current form, the Companies Law (2010 Revision) does not explicitly provide a minimum period for the retention of books of accounts. This legislation is necessary to provide for companies and associations to retain books of account for a minimum period of five years.

I will now turn to the detailed provisions in the Bill before the House.

Clause 2 of the Bill seeks to amend section 59 of the principal Law providing for all books of account

to be retained for a minimum period of five years after they are prepared. And it also provides for the creation of a penalty where a company contravenes these requirements.

So, Madam Speaker, I urge Members to support the necessary amendment to the Companies Law.

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

If not, I call on the Honourable Premier to wind up the debate.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, just to thank Members for their support.

**The Speaker:** The question is that the Companies (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Companies (Amendment) Bill, 2010, given a second reading.**

#### **Partnership (Amendment) Bill, 2010**

**The Clerk:** The Partnership (Amendment) Bill, 2010, second reading.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** I beg to move The Partnership (Amendment) Bill, 2010.

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

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

This Bill seeks to amend the Partnership Law (2002 Revision) in order to provide for the retention of books of accounts of a partnership and for a minimum retention period for these documents.

By way of background, the Partnership Law (2002 Revision) is the governing legislation for establishing the relation of partners to persons dealing with them, relations of partners one to another and the dissolution of a partnership and its consequences in the Cayman Islands.

In its current form, the Partnership Law (2002 Revision) does not specifically provide for books of accounts to be kept by partners, nor does it provide a retention period for those documents. This legislation

is necessary to provide for partners to keep books of accounts. And these books are to be retained for a minimum period of five years.

Clause 2 of the Bill seeks to repeal and substitute a new section 28 of the principal Law which will preserve the provisions of the original section 28 and impose obligations on a partner other than a limited partner to cause proper books of account to be kept and to be retained for a minimum of five years from the date on which they are prepared.

It also provides for an administrative penalty where a partner contravenes these obligations.

Clause 3 gives the Governor in Cabinet the power to make regulations for the better carrying out of this Law.

Thank you, Madam Speaker.

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

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

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, just to thank the House.

**The Speaker:** The question is that the Partnership (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Partnership (Amendment) Bill, 2010, given a second reading.**

#### **Exempted Limited Partnership (Amendment) Bill, 2010**

**The Clerk:** The Exempted Limited Partnership (Amendment) Bill, 2010, second reading.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** I beg to move the second reading of The Exempted Limited Partnership (Amendment) Bill, 2010.

**The Speaker:** The Bill has been duly moved.  
Does the Member wish to speak thereto?

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker.

This Bill seeks to amend the Exempted Limited Partnership Law (2007 Revision) to provide for the retention of books of account of an exempted limited partnership for a minimum period.

The Exempted Limited Partnership Law (2007 Revision) is the governing legislation for the establishment, registration and dissolution of limited partnership interests in these Islands. In its current form, the Exempted Limited Partnership Law does not explicitly provide for books of account to be kept, or a minimum period for the retention of these documents. This legislation is necessary to provide for general partners to keep books of account and these books are to be retained for a minimum period of five years.

Clause 2 of the Bill seeks to repeal and substitute section 12 of the principal Law to preserve the provisions in the original section 12 and also impose obligations on a general partner to cause proper books of account to be kept and to be retained for a minimum of five years from the date on which they are prepared.

A general partner who contravenes any of the obligations will be liable to an administrative penalty of \$5,000 for non-compliance.

I want to urge Members to support [this Bill] and thank you, Madam Speaker, for allowing us to move these Bills in this urgent manner as we stand.

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

Honourable Leader of the Opposition.

**Hon. D. Kurt Tibbetts, Leader of the Opposition:** Thank you, Madam Speaker.

Just for the record, as has been explained to us, we understand the rationale behind the three amending Bills, the Exempted Limited Partnership (Amendment) Bill, the Partnership (Amendment) Bill and the Companies (Amendment) Bill. I think the amendments are very similar in each of the Bills.

We just want for the record to state that we are working on the assumption that relevant industry has been consulted and that dialogue has taken place, and that whatever recommendations have been made have been taken on board, once they were reasonable.

**The Speaker:** Thank you, Honourable Leader of the Opposition.

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

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

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, the Member can be assured, as is always, that the Government does not move on this kind of legislation—I mean, this legislation as well as, for instance the recent one which was complained about the other day—without talking about those Bills; the parameters of those Bills, the need for those Bills, and have our Legislative Committee from the Financial

Services Council go through the Bills. They did in this instance and we are advised and supported in this regard.

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

The question is that the Exempted Limited Partnership (Amendment) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Exempted Limited Partnership (Amendment) Bill, 2010, given second reading.**

**Public Service Management (Amendment) (No. 2) Bill, 2010**

**The Clerk:** The Public Service Management (Amendment) (No. 2) Bill, 2010.

**The Speaker:** Honourable Second Official Member.

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

I beg to move the second reading of a Bill entitled A Bill for a Law to amend the Public Service Management Law (2007 Revision) to repeal section 48 which provides for the appointment and dismissal of police officers; and for incidental and connected purposes.

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

**Hon. Samuel W. Bulgin:** Briefly, Madam Speaker, thank you.

This is a tidying up exercise in the sense that the Police Bill, having been passed today, and all appointments for police officers are now streamlined in that Law, there is really no need for anyone to now resort to section 48 of the Public Service Management Law to ascertain anything about the appointment of the Commissioner, Deputy Commissioner, and Assistant Commissioner of Police, which is under the Public Service Management Law.

Accordingly, Madam Speaker, this Bill will amend in section 6(8) that provision by deleting the words where they appear in section 48 and substituting the words “with section 8 of the Police Law, 2010.”

Madam Speaker, clause 3 of the Bill provides that the Public Service Management Law (2007 Revision) is amended by repealing section 48.

That is the object of this Bill, and I would ask honourable Members for their support.

**The Speaker:** Thank you, Honourable Second Official Member.

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

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

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

I wish to express my thanks to honourable Members for their support.

**The Speaker:** The question is that the Public Service Management (Amendment) (No. 2) Bill, 2010, be given a second reading.

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

**Ayes.**

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

**Agreed: The Public Service Management (Amendment) (No. 2) Bill, 2010, given a second reading.**

**House in Committee at 6.14 pm**

## COMMITTEE ON BILLS

**The Chairman:** The House is now in Committee. Please be seated.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Second Official Member to correct minor errors and suchlike in these Bills?

Will the Clerk please read the title of the Bills and state the clauses?

### Companies (Amendment) Bill, 2010

**The Clerk:** The Companies (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Amendment of section 59 of the Companies Law (2010 Revision) - accounts and audits

**The Chairman:** The question is that clauses 1 and 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Companies Law (2010 revision) to provide a minimum period for the retention of books of account; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

### Partnership (Amendment) Bill, 2010

**The Chairman:** The Partnership (Amendment) Bill, 2010.

Clause 1	Short title
Clause 2	Repeal and substitution of section 28 of the Partnership Law (2002 Revision) - duties of partners to render accounts, etc.
Clause 3	Amendment of section 56 of the Partnership Law (2002 Revision) - Regulations

**The Chairman:** The question is that clauses 1 through 3 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a Law to amend the Partnership Law (2002 revision) to provide for the retention of books of account for a minimum period; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**Exempted Limited Partnership (Amendment) Bill, 2010**

**The Clerk:** The Exempted Limited Partnership (Amendment) Bill, 2010.

Clause 1 Short title

Clause 2 Repeal and substitution of section 12 of the Exempted Limited Partnership Law (2007 Revision) - right to account

**The Chairman:** The question is that clauses 1 and 2 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Exempted Limited Partnership Law (2007 Revision) to provide for the retention of books of account for a minimum period; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**Public Service Management (Amendment) (No. 2) Bill, 2010**

**The Clerk:** Public Service Management (Amendment) (No. 2) Bill, 2010.

Clause 1 Short title and commencement

Clause 2 Amendment of section 6 of the Public Service Management Law (2007 Revision)—personnel authorities of Governor

Clause 3 Repeal of section 48 of the Public Service Management Law (2007 Revision)—appointment and dismissal of police officers

**The Chairman:** The question is that clauses 1 through 3 stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Clauses 1 through 3 passed.**

**The Clerk:** A Bill for a Law to amend the Public Service Management Law (2007 Revision) to repeal section 48 which provides for the appointment and dismissal of police officers; and for incidental and connected purposes.

**The Chairman:** The question is that the Title do stand part of the Bill.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Title passed.**

**The Chairman:** The question now is that the Bills be reported to the House.

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

**Ayes.**

**The Chairman:** The Ayes have it.

**Agreed: Bills to be reported to the House.**

**House resumed at 6:19 pm**

**REPORTS ON BILLS**

**The Speaker:** The House will now resume.

Please be seated.

**Companies (Amendment) Bill, 2010**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I have to report that a Bill entitled The Companies (Amendment) Bill, 2010, was examined in a Committee of the whole House [and passed] without amendment.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Partnership (Amendment) Bill, 2010**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, I have to report that a Bill entitled The Partnership (Amendment) Bill, 2010, was examined in a Committee of the whole House [and passed] without amendment.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Exempted Limited Partnership (Amendment) Bill, 2010**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Madam Speaker, I have to report that a Bill entitled The Exempted Limited Partnership (Amendment) Bill, 2010, was examined in a Committee of the whole House [and passed] without amendment.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Public Service Management (Amendment) (No. 2) Bill, 2010**

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** Madam Speaker, I beg to report that a Bill entitled The Public Service Management (Amendment) (No. 2) Bill, 2010, was considered by a Committee of the whole House and passed without amendment.

**The Speaker:** The Bill has been duly reported and is set down for Third Reading.

**Suspension of Standing Order 47**

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** Thank you, Madam Speaker,

We ask for the suspension of Standing Order 47 to enable the Bills on the Addendum Order Paper to be read a third time.

**The Speaker:** The question is that Standing Order 47 be suspended to enable the Bills on the Addendum Order Paper to be read a third time.

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

**Ayes.**

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

**Agreed: Standing Order 47 suspended**

**THIRD READINGS****Companies (Amendment) Bill, 2010**

**The Clerk:** The Companies (Amendment) Bill, 2010

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** I move that the Bill entitled The Companies (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled The Companies (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Companies (Amendment) Bill, 2010, given a third reading and passed.**

**Partnership (Amendment) Bill, 2010**

**The Clerk:** The Partnership (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** I move that the Bill entitled The Partnership (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled The Partnership (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Partnership (Amendment) Bill, 2010, given a third reading and passed.**

**Exempted Limited Partnership (Amendment) Bill, 2010**

**The Clerk:** The Exempted Limited Partnership (Amendment) Bill, 2010.

**The Speaker:** Honourable Premier.

**The Premier, Hon. W. McKeever Bush:** I move that the Bill entitled The Exempted Limited Partnership (Amendment) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled The Exempted Limited Partnership (Amendment) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Exempted Limited Partnership (Amendment) Bill, 2010, given a third reading and passed.**

**Public Service Management (Amendment) (No. 2) Bill, 2010**

**The Clerk:** The Public Service Management (Amendment) (No. 2) Bill, 2010

**The Speaker:** Honourable Second Official Member.

**Hon. Samuel W. Bulgin:** I move that the Bill entitled The Public Service Management (Amendment) (No. 2) Bill, 2010, be given a third reading and passed.

**The Speaker:** The question is that the Bill shortly entitled The Public Service Management (Amendment) (No. 2) Bill, 2010, be given a third reading and passed.

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

**Ayes.**

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

**Agreed: The Public Service Management (Amendment) (No. 2) Bill, 2010, given a third reading and passed.**

**The Speaker:** That concludes the business for today.

## **ADJOURNMENT**

**The Premier, Hon. W. McKeeva Bush:** Madam Speaker, we want to thank Members and staff, and particularly to thank you and the Clerk for working late in the evenings to enable us to get through some of the business.

Madam Speaker, I move the adjournment of this honourable House until a date to be fixed.

**The Speaker:** The question is that this honourable House do now adjourn until a date to be fixed.

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

**Ayes.**

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

**At 6.26 pm the House stood adjourned until a date to be fixed.**