



**CAYMAN ISLANDS  
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT  
ELECTRONIC VERSION**

**2016/17 SESSION**

**24 June 2016**

*Ninth Sitting of the First Meeting  
(Pages 309-352)*

**Hon Anthony S. Eden, OBE, JP, MLA,  
Deputy Speaker**

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PRESENT WERE:

**DEPUTY SPEAKER**

Hon Anthony S. Eden, OBE, JP, MLA  
Deputy Speaker of the Legislative Assembly

**MINISTERS OF THE CABINET**

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

**EX OFFICIO MEMBERS OF THE CABINET**

Hon Franz I Manderson Cert. Hon., JP	Deputy Governor, ex officio Member responsible for the Portfolio of the Civil Service
Hon Jacqueline Wilson	Acting Attorney General, Temporary ex officio Member responsible for the Portfolio of Legal Affairs

**ELECTED MEMBERS**

**GOVERNMENT BACKBENCHERS**

Mr Roy McTaggart, MLA	Second Elected Member for George Town
Mr Joseph X Hew, MLA	Sixth Elected Member for George Town

**OPPOSITION MEMBERS**

Hon. W. McKeeva Bush, OBE, JP, MLA	<i>Leader of the Opposition</i> , First Elected Member for West Bay
Mr Bernie A Bush, MLA	Third Elected Member for West Bay
Capt A Eugene Ebanks, JP, MLA	Fourth Elected Member for West Bay

**INDEPENDENT MEMBERS**

Mr Alva H Suckoo, MLA	Fourth Elected Member for Bodden Town
Mr Winston C Connolly, Jr, MLA	Fifth Elected Member for George Town
Mr D Ezzard Miller, MLA	Elected Member for North Side
Mr V Arden McLean, JP, MLA	Elected Member for East End

**OFFICIAL HANSARD REPORT  
THRONE SPEECH AND BUDGET ADDRESS  
FIRST MEETING OF THE 2016/17 SESSION  
FRIDAY  
24 JUNE 2016  
2:40 PM  
Ninth Sitting**

*[Hon. Anthony S. Eden, Deputy Speaker, presiding]*

**The Deputy Speaker:** I call on the Honourable Minister of Financial Services to read the Prayers.

### PRAYERS

**Hon. G. Wayne Panton, Minister of Financial Services, Commerce and Environment:** Let us pray.

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

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

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

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

**The Deputy Speaker:** Please be seated.

### ADMINISTRATION OF OATHS OR AFFIRMATIONS

**The Deputy Speaker:** None.

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

#### APOLOGY

**The Deputy Speaker:** I have apologies from Madam Speaker.

### PRESENTATION OF PETITIONS

**The Deputy Speaker:** None.

### PRESENTATION OF PAPERS AND OF REPORTS

#### REPORT OF THE STANDING FINANCE COMMITTEE ON THE APPROPRIATION (JULY 2016 TO DECEMBER 2017) BILL, 2016

**The Deputy Speaker:** Honourable Minister of Finance and Economic Development, Chairman of the Standing Finance Committee.

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

I beg to lay on the Table of this honourable House, the Report of the Standing Finance Committee on The Appropriation (July 2016 to December 2017) Bill, 2016.

**The Deputy Speaker:** So ordered.

Does the Honourable Minister wish to speak thereto?

**Hon. Marco S. Archer:** Mr. Speaker, In accordance with Standing Order 64(7), the Standing Finance Committee agreed that I submit to this honourable House the report of the Committee on the Appropriation Bill for Government's 2016/17 fiscal period.

The Committee first met on 14 June, and met for seven days subsequent to that, with the last Meeting being this morning to approve the report which I just tabled.

The Committee considered the Schedule to the Bill and approved the various appropriations requested thereon without amendment to either of those appropriations. The Committee also agreed to disburse up to \$7,995,000 from the Environmental Protection Fund with respect to expenditures which are

planned to be incurred in connection with environmental matters.

Mr. Speaker, I take pleasure in reporting to this House that a Bill shortly entitled the Appropriation (July 2016 to December 2017) Bill, 2016, was considered by the Standing Finance Committee which is a Committee of the whole House, and the Bill was passed without any amendments thereto.

Thank you, sir.

**The Deputy Speaker:** Thank you.  
Madam Clerk.

**AUDITOR GENERAL REPORT ON FINANCIAL AND PERFORMANCE REPORTING – MINISTRIES, PORTFOLIOS AND OFFICES FOR THE YEARS ENDING 30TH JUNE 2013 AND 2014**

**AUDITOR GENERAL REPORT ON FINANCIAL AND PERFORMANCE REPORTING – ENTIRE PUBLIC SECTOR FOR THE YEAR ENDING 30TH JUNE 2014**

**AUDITOR GENERAL REPORT ON FINANCIAL AND PERFORMANCE REPORTING – STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES FOR THE YEARS ENDING 30 JUNE 2013 AND 2014**

**REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORTS OF THE AUDITOR GENERAL ON THE FINANCIAL AND PERFORMANCE REPORTING – MINISTRIES, PORTFOLIO AND OFFICES FOR THE YEARS ENDING 30TH JUNE 2013 AND 2014; STATUTORY AUTHORITIES AND GOVERNMENT COMPANIES FOR THE YEARS ENDING 30 JUNE 2013 AND 2014; AND THE ENTIRE PUBLIC SECTOR FOR THE YEAR ENDING 30TH JUNE 2014**

**The Deputy Speaker:** Elected Member for North Side, Chairman of the Standing Public Accounts Committee.

**Mr. D. Ezzard Miller, Elected Member for North Side:** Thank you, Mr. Speaker.

I beg to lay on the Table of this honourable House the following Auditor General's reports:

- Auditor General's Report on Financial and Performance Reporting – Ministries, Portfolios and Offices for the Years ending 30 June 2013 and 2014;
- Auditor General's Report on Financial and Performance Reporting – Entire Public Sector for the Year ending 30 June 2014;
- Auditor General's Report on Financial and Performance Reporting – Statutory Authorities and Government Companies for the Years ending 30 June 2013 and 2014; and

- Standing Public Accounts Committee Report of the Auditor General on those three Reports.

**The Deputy Speaker:** So ordered.

Does the Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.

I wanted to say that the Public Accounts Committee took the view that because those three reports were so inter-related that we did one report on the three Auditor General reports; and, to say that the Public Accounts Committee endorses the seven recommendations of the Auditor General as no evidence was uncovered during the Committee's own investigations to concerns raised by the Auditor General that did not support the seven recommendations.

The Public Accounts Committee is pleased that management has accepted the recommendations of the Auditor General and has identified the agencies responsible for implementing these recommendations. And the Public Accounts Committee is also pleased that management has placed reasonable timelines on the implementation of these recommendations and the evidence given as an update by both the Auditor General and the management indicated good progress.

Mr. Speaker, the Public Accounts Committee wishes to draw to the attention of Government, Standing Order 77(7), which reads: "**The Government Minute shall be laid on the Table of the House within three months of the laying of the report of the Committee and of the report of the Auditor General to which it relates.**"

The Public Accounts Committee expects the Government to honour the requirements of the Standing Order. The Public Accounts Committee expects that the Government Minute will show how the resources to complete the implementation of these recommendations by the Auditor General are being provided for in the 2016/17 Budget.

Thank you, Mr. Speaker.

**AUDITOR GENERAL REPORT ON GOVERNMENT PROGRAMMES SUPPORTING THOSE IN NEED – CAYMAN ISLANDS GOVERNMENT NEEDS ASSESSMENT UNIT – MAY 2015**

**REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL ON THE GOVERNMENT PROGRAMMES SUPPORTING THOSE IN NEED – MAY 2015**

**The Deputy Speaker:** Elected Member for North Side, Chairman of the Standing Public Accounts Committee.

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.

I beg to lay on the Table of this honourable House:

- Auditor General's Report on Government Programmes Supporting those in Need—C.I. Needs Assessment Unit, May 2015 ; and
- Public Accounts Committee Report on the Auditor General's Report on Programmes supporting those in Need, May 2015.

**The Deputy Speaker:** So ordered.

Does the Honourable Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes, thank you, Mr. Speaker, to say that the Public Accounts Committee agrees with the findings and recommendations of the Auditor General in this report. The Public Accounts Committee is concerned that during the public hearings and recommendations contained in the report, it was clearly demonstrated that much work needs to be done to address the concerns of the Auditor General.

The Public Accounts Committee is particularly concerned that the emphasis by the Ministry seems to be concentrating on the perceived need for substantial, almost double, additions to staff complement as a way to deliver services more efficiently and effectively.

The Public Accounts Committee would like to suggest that a major overhaul of the procedures and policies to devolve authority and reduce the bureaucratic duplication that was clearly demonstrated in the public hearings may be a better use of government resources. The Public Accounts Committee is also concerned by the absence of any deadline by management to address these recommendations.

The Public Accounts Committee would like to draw the Government's attention to recommendations 1, 2 and 5 of the report. And, Mr. Speaker, once again, the Public Accounts Committee wishes to draw to the attention of Government the need to respond to the Public Accounts Committee report in a Government Minute within the prescribed Standing Order.

Thank you, Mr. Speaker.

#### **AUDITOR GENERAL REPORT ON NATIONAL LAND DEVELOPMENT AND GOVERNMENT REAL PROPERTY – JUNE 2015**

#### **REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL ON THE NATIONAL LAND DEVELOPMENT AND GOVERNMENT REAL PROPERTY – JUNE 2015**

**The Deputy Speaker:** Elected Member for North Side, Chairman of the Standing Public Accounts Committee.

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.

I beg to lay on the Table of this honourable House:

- Auditor General's Report on National Land Development and Government Real Property, June 2015; and
- Public Accounts Committee Report on the Auditor General's Report—National Land Development and Government Real Property, June 2015.

**The Deputy Speaker:** So ordered.

Does the Honourable Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes, Mr. Speaker. Thank you.

Once again, the Public Accounts Committee agrees with the findings and recommendations of the Auditor General in this report. The Public Accounts Committee is particularly concerned with the responses from management and the unwillingness of the chief officers concerned to accept responsibility and accountability for the concerns expressed by the Auditor General in this report.

The evasive and inadequate answers given by the chief officers during the public hearings held by the Public Accounts Committee on this report is of immediate and particular concern, as it suggests a lack of preparation.

On at least two occasions, the Public Accounts Committee had evidence that did not support the answers given by the chief officers. The Public Accounts Committee notes with some disappointment that while management supported some of the recommendations of the Auditor General, no timelines were identified for completing the implementation of the recommendations. "To be determined" is not acceptable to the Public Accounts Committee as a definitive timeline for implementation.

The Public Accounts Committee is concerned with the propensity and frequency with which the chief officers shifted the responsibility and authority to address the concerns of the Auditor General to other persons or agencies. The Public Accounts Committee is further concerned with the chief officers' deliberate and persistent refusal to accept responsibility for issues which led to the Auditor General's recommendations during the public hearings. These evasive answers and shifting of blame often sailed close to contempt for the process.

The Public Accounts Committee would take the opportunity to invite the Deputy Governor to ensure that all chief officers and other civil servants who are summoned to give evidence to the Public Accounts Committee, do so with clear and concise answers while being honest and factual to demonstrate respect for the process and the Public Accounts Committee.

Again, Mr. Speaker, the Public Accounts Committee wishes to draw to the attention of the Government, the requirement of Standing Order 77(7), and the Public Accounts Committee expects a response from the Government identifying the resources

being allocated for the implementation of these recommendations and in the time required for the presentation of the Government Minute, and that is 90 days.

Thank you, Mr. Speaker.

**AUDITOR GENERAL REPORT ON MANAGEMENT OF TRAVEL AND HOSPITALITY EXPENDITURES – MAY 2014**

**REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL ON THE MANAGEMENT OF TRAVEL AND HOSPITALITY EXPENDITURES – MAY 2014**

**The Deputy Speaker:** Elected Member for North Side, Chairman of the Standing Public Accounts Committee.

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.

I beg to lay on the Table of this honourable House:

- Auditor General's Report on Management of Travel and Hospitality Expenditures, May 2014; and
- Public Accounts Committee Report of the Auditor General on the Management and Hospitality Expenditures, May 2014.

**The Deputy Speaker:** So ordered.

Does the Honourable Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes, Mr. Speaker. Thank you.

Mr. Speaker, the report of the Auditor General was carried out in Grand Cayman. The object of the audit was to determine whether in the period from 1 July 2009 to 30 June 2012 official travel and hospitality expenditures were properly managed in core government entities as defined in the Public Management and Finance Law (2012 Revision) to ensure value for money with due regard to existing risks, responsibilities and policies. The audit also considered significant transactions and their adherence to policies in the six-month period after 30 June 2012.

The Committee noted with concern that the scope of the audit carried out by the Auditor General was limited because the supporting documentation for travel and hospitality expenditures was very poor, in some cases, non-existent, and the records in the accounting system unreliable. As a result the Auditor General was not able to carry out all the audit procedures he had planned, thus limiting his ability to provide more information in his report of how these expenditures have been managed or qualified, how much of the public resources were mishandled or wasted during the period covered by the audit.

The Committee agrees with and accepts the 11 recommendations made by the Auditor General

throughout these reports and summarized in appendix 4. The Committee believes that if these recommendations are implemented timely and consistently across the entire public service, it will provide a practical and cost-effective framework for managing official travel and hospitality expenditures, thus minimizing the risk of mishandling and abuse of public resources.

The Committee further noted the response provided by the Deputy Government and acknowledged the significant efforts made by his office to address the recommendations made in this report.

While much progress has been made, the Committee noted with disappointment that recommendation number 2 regarding the development of a comprehensive hospitality policy has not been implemented as of the date of the public hearing on 25 March 2015. The Committee believes that this policy is a key recommendation of the report and should be implemented as a matter of priority. The Committee therefore urges the Deputy Governor to prepare this policy and implement it across the entire public sector.

The Committee also recommends that a further audit be undertaken either by the governments Internal Audit Unit or the Auditor General to determine if the recommendations have been fully implemented and if the policies and procedures are operating effectively, efficiently and as intended.

Again, Mr. Speaker, we draw the Government's attention to the need to respond in a Government Minute. Thank you.

**AUDITOR GENERAL REPORT ON COLLECTING GOVERNMENT REVENUES – SEPTEMBER 2015**

**REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL ON COLLECTING GOVERNMENT REVENUES - 2015**

**The Deputy Speaker:** Elected Member for North Side, Chairman of the Standing Public Accounts Committee.

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.

I beg to lay on the Table of this honourable House:

- Auditor General's Report on Collecting Government Revenues – September 2015; and
- Standing Public Accounts Committee Report on the Auditor General's Report on Collecting Government Revenues, 2015.

**The Deputy Speaker:** So ordered.

Does the Honourable Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes, Mr. Speaker. Thank you.

The Public Accounts Committee endorses the seven recommendations of the Auditor General as no evidence was uncovered during the Committee's own

investigations of the concerns raised by the Auditor General that did not support the seven recommendations.

The Public Accounts Committee is pleased that the management has accepted the recommendations of the Auditor General and has identified the agencies responsible for implementing these recommendations. The Public Accounts Committee is also pleased that management has placed reasonable timeline on the implementation of these recommendations and the evidence given as an update by both the Auditor General and management indicated good progress.

Once again, Mr. Speaker, I wish to bring to the attention of Government the necessity to respond in a Government Minute within 90 days. Thank you.

#### **AUDITOR GENERAL REPORT ON GOVERNMENT IT SECURITY – SEPTEMBER 2015**

#### **REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL ON GOVERNMENT IT SECURITIES - 2015**

**The Deputy Speaker:** Elected Member for North Side, Chairman of the Standing Public Accounts Committee.

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.

I beg to lay on the Table of this honourable House:

- Auditor General's Report on Government IT Security – September 2015; and
- Public Accounts Committee Report of the Auditor General's Report on Government IT Securities, 2015

**The Deputy Speaker:** So ordered.

Does the Honourable Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes, Mr. Speaker. Thank you.

The Public Accounts Committee agrees with and supports the recommendations of the Auditor General in his report. The Public Accounts Committee is pleased that the management has accepted the recommendations and identified the agencies responsible for implementation, as well as placed an acceptable timetable on the progress.

And once again, Mr. Speaker, we remind the Government the need to respond in a Government Minute.

Thank you.

#### **AUDITOR GENERAL REPORT ON MAJOR CAPITAL PROJECTS – BUILDING SCHOOLS – MAY 2015**

#### **REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL ON THE MAJOR CAPITAL PROJECTS: BUILDING SCHOOLS – MAY 2015**

**The Deputy Speaker:** Elected Member for North Side, Chairman of the Standing Public Accounts Committee.

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.

I beg to lay on the Table of this honourable House:

- Auditor General's Report on Major Capital Projects – Building Schools – May 2015; and
- Public Accounts Committee Report on the Auditor General's Report on the Major Capital Projects: Building Schools, May 2015.

**The Deputy Speaker:** So ordered.

Does the Honourable Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes, Mr. Speaker. Thank you.

Mr. Speaker, the audit and report of the Auditor General was carried out in Grand Cayman. The object of the audit was to determine whether the Government managed to completion of the construction of the Clifton Hunter High School and the John Grey High School and the construction of primary schools within a management framework that ensured that value for money was obtained from these public investments.

The Auditor General concluded in his report that in his opinion the Ministry of Education failed to establish the management framework to ensure that value for money was obtained and it managed the projects poorly. The Committee agrees with, and accepts the two recommendations made by the Auditor General in his report, summarised in appendix 2 to the report. The Committee urges the Government to implement the recommendations as a matter of priority, given the number of major capital projects that either have commenced or are about to be undertaken. The committee also reminds the Government of the statutory requirement for the Government Minute. Thank you.

#### **AUDITOR GENERAL REPORT ON MANAGEMENT OF THE NATION BUILDING PROGRAMME - JULY 2015**

#### **REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL ON THE MANAGEMENT**

## OF THE NATION BUILDING PROGRAMME – JULY 2015

**The Deputy Speaker:** Elected Member for North Side, Chairman of the Standing Public Accounts Committee.

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.  
I beg to lay on the Table of this honourable House:

- Auditor General's Report on Management of the Nation Building Programme - July 2015; and
- Public Accounts Committee Report on the Auditor General's Report on the Management of the Nation Building Programme, July 2015

**The Deputy Speaker:** So ordered.  
Does the Honourable Member wish to speak thereto?

**Mr. D. Ezzard Miller:** Yes, Mr. Speaker. Thank you.  
The Public Accounts Committee wishes to draw the Government's attention to the conclusions drawn by the Auditor General of his findings in the report. The Public Accounts Committee is particularly concerned that these conclusions are possible and strongly recommends that Government take the necessary steps, including the implementation of the recommendations made by the Auditor General to prevent a reoccurrence.

The Public Accounts Committee strongly supports the implementation of the recommendations contained in this report. The Public Accounts Committee is pleased with the assurance given by the Deputy Governor during the public hearings and believes that the public and Committee can take some comfort by these public and recorded commitments.

The Public Accounts Committee is also pleased that the management has committed to completing the implementation of these recommendations by July 1, 2016.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Madam Clerk.

**Mr. D. Ezzard Miller:** Mr. Speaker, I crave your indulgence.

Mr. Speaker, this is the last report. I want to thank the members of the Public Accounts Committee for their hard work and diligence. Not once did I have to cancel a meeting because we did not have a quorum. I also wish to thank the staff of the Legislative Assembly for the efforts that they put in given the shortage of resources to get these reports to a position where I could table them today.

Thank you, Mr. Speaker.

## QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

**The Deputy Speaker:** I call on the Premier for the suspension of Standing Order 23(7) and (8) and also 23(6) allowing more than three questions to be asked in the name of the same Member.

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

### SUSPENSION OF STANDING ORDER 23(6) (7) and (8)

**The Premier, Hon. Alden McLaughlin:** I beg to move the suspension of Standing Order 23(7) and (8) in order that Question Time may commence and continue beyond the hour of 11:00, and I also move the suspension of Suspension of Standing Order 23(6) in order that a Member may ask more than three questions during a sitting.

**The Deputy Speaker:** Thank you.  
The question is that Standing Order 23(6), (7) and (8) be suspended to allow questions after the hour of 11:00 am, and that a Member can ask more than three questions in one sitting.

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

**AYES.**

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

**Agreed: Standing Order 23(6), (7) and (8) suspended.**

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

### QUESTION 6: UPDATE ON THE NEW SPEARGUN LICENSING REGIME

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

**Mr. D. Ezzard Miller:** Mr. Speaker, I beg to ask to ask the Honourable Minister of Financial Services, Commerce and Environment: Can the Honourable Minister give an update on the new speargun licensing regime?

**The Deputy Speaker:** Honourable Minister of Financial Services.

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



Part 5, dealing with permits and licences of the National Conservation Law has not yet been commenced, however, the Department of Environment and the National Conservation Council have been working through the preparation of a variety of licensing directives, including those necessary to give effect to the new speargun licensing regime. The Government is aiming, or was, let's say, given the difference in time from when the answer was filed— was aiming to commence Part 5 of the law during this month. Mr. Speaker, just to add to that, we are simply awaiting the drafting of some additional recommendations, particularly dealing with the environmental impact assessments in order to allow parts 5 and 7 of the National Conservation Law to be commenced at the same time. So, I think those will be ready fairly shortly and I would imagine it would be a matter of weeks before we are considering the actual commencement of both parts 5 and 7. Thank you.

**The Deputy Speaker:** Are there any supplementary questions?

*[No audible reply]*

#### **QUESTION 7: SAND OFFSHORE AT SAND POINT**

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

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.

I beg to ask the Honourable Minister of Financial Services, Commerce and Environment: Can the Honourable Minister give an update on the plans to address the sand offshore at Sand Point?

**The Deputy Speaker:** Honourable Minister of Environment.

**Hon. G. Wayne Panton:** Thank you, Mr. Speaker.

The particular area of coastline in question has been experiencing the southward migration of a sandspit thrown up by Hurricane Ivan in 2004.

This is not the first time we have seen this happen on this particular coastline, as we also experienced a similar phenomenon after Hurricane Gilbert in 1988.

Mr. Speaker, in fact, the sandspit seen in certain 2004 aerial photography, which is available through the Lands and Survey database, reflects a remnant of the Hurricane Gilbert sandspit. The Ministry of Environment and the Department of Environment have strongly recommended against registering these new boundaries on the basis that the accretion is not the result of normal coastal processes, but rather has resulted from perturbation caused by hurricanes. And any temporary accumulation of sand at one of these coastal parcels today will migrate in a relatively short period of time. It is a widely held common practice within the Islands that coastal bounda-

ries cannot be recorded as fixed, but rather are recorded and registered as general boundaries, meaning the boundary of a coastal parcel will vary from day to day. For an in-depth discussion on the technicalities of the fixed boundaries versus general boundaries I would, of course, defer to the chief surveyor or director of Lands and Survey Department. We remain of the view that boundaries of coastal parcels should remain being recorded and registered as general boundaries. We have expressed our views on this matter to the Ministry of Lands and the director of Lands and Survey Department who is responsible it is ultimately to record and register each parcel boundary.

Thank you, sir.

**The Deputy Speaker:** Honourable Elected Member from North Side.

#### **SUPPLEMENTARY**

**Mr. D. Ezzard Miller:** Through you, Mr. Speaker, I wonder if the Minister could say if the Department of Environment and their scientific analysis of the sandspit, has given any consideration to the need to harvest the sand because of the trap that it poses on the entrance to the cove.

**The Deputy Speaker:** Honourable Minister for Commerce and Environment.

**Hon. G. Wayne Panton:** Thank you, Mr. Speaker.

Mr. Speaker, the Department of Environment has considered the issue. Of course, we have had a number of discussions on this and with the Member as well. Mr. Speaker, there is a concern, as I indicated in my initial answer, that this is part of a natural process. If there is an attempt to interfere with that natural process, there may be consequences which are negative in respect of the environment, so we would wish not to have to run the risk of those negative consequences unless it becomes absolutely necessary to do so to protect and preserve access to the cove at Rum Point. I think I have indicated to the Member in the past, that certainly the Department of Environment and the Ministry would certainly be supportive of a move to address this issue if that actually becomes a genuine threat. Thank you.

**The Deputy Speaker:** Honourable Member for North Side.

**Mr. D. Ezzard Miller:** Through you, Mr. Speaker, would the Minister consider that the entrance having been narrowed by more than one-third of the original opening, whether that indicates that there is going to be a need to harvest the sand before it blocks it off completely?

**The Deputy Speaker:** Honourable Minister of Financial Services, Commerce and Environment.

**Hon. G. Wayne Panton:** Thank you, Mr. Speaker.

Mr. Speaker, I think that is, certainly, a clear indication, that there is a natural process ongoing which may well create an obstruction in terms of access to that cove. Mr. Speaker, I am familiar with that area for decades and I know that has been over a period of time variations in the width of the entrance, or mouth of this channel. Certainly, if it gets to the point, and it certainly could do so, that the access is being restricted, then, we, as I said, support a move to address that by harvesting or dredging up some of the sand to allow continued proper access, reasonable access to that cove, sir. Thank you.

#### **QUESTION 8: SCHOLARSHIPS SPONSORED BY SEAMAN'S ASSOCIATION**

**The Deputy Speaker:** Honourable elected Member for North Side.

**Mr. D. Ezzard Miller:** Through you, Mr. Speaker, to ask the Honourable Minister of Education, Employment and Gender Affairs, can the Honourable Minister say who was awarded the scholarships sponsored by the Seaman's Association, and what specialties are the two recipients studying?

**The Deputy Speaker:** Honourable Minister of Education, Employment and Gender Affairs.

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

The answer: Three applicants applied for the Seafarer Medical Specialization Overseas Scholarships. The Association award is for two scholarships. The candidates have been interviewed for potential award but the applicants have not been advised of any final decision. Mr. Speaker, to disclose the names at this time would not be appropriate as the candidates themselves have not been told. There will be a formal announcement at the end of June 2016. The specialties of the applicants include naturopathic and western herbal medicine, family medicine, and haematology and oncology. Thank you, Mr. Speaker.

#### **QUESTION 9: ANTI-CORRUPTION COMMISSION APPOINTMENTS**

**The Deputy Speaker:** Honourable Member for North Side.

**Mr. D. Ezzard Miller:** Thank you, Mr. Speaker.

Mr. Speaker, I beg to ask the Honourable Ex-officio Member responsible for portfolio for the Civil Service: Can the Honourable Ex-officio Member say

when the two non-government members of the Anti-Corruption Commission will be appointed?

**The Deputy Speaker:** Honourable Deputy Governor.

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

Mr. Speaker, on the 1<sup>st</sup> of December 2015, Mr. Norman Bodden was appointed by Her Excellency the Governor as one of the two non-Government members of the Anti-corruption Commission for a five-year term. As Members will be aware, with the passage of the Anti-Corruption (Amendment) Bill, 2016 the composition of the Anti-Corruption Commission shall now consist of not less than five members appointed by the Governor and such members shall be, who in the opinion of the Governor are of high integrity, are able to exercise competence, diligence, and sound judgment in fulfilling their responsibilities under the law, shall be residents of the Islands, and may include retired judges of the Grand Court or the Court of Appeal, retired police officers, retired justices of the peace, or magistrates, chartered or certified accountants, attorneys-at-law of 10 or more years call, or retired attorneys-at-law, and such other persons as the Governor considers qualified to be appointed.

Mr. Speaker, Her Excellency the Governor has begun considering persons for membership on this commission and is in the process of finalising those appointments. On the 10<sup>th</sup> of June 2016, Her Excellency the Governor assented to the Anti-Corruption (Amendment) Bill, 2016 and it was scheduled to be gazetted on the 20<sup>th</sup> of June. The Commencement Order has been prepared and it is expected to be brought to Cabinet shortly. It is expected that the Anti-Corruption (Amendment) Law, 2016 will come into force on or about the 1<sup>st</sup> of July 2016, and at that time Her Excellency the Governor will make a public announcement as to the appointments of the new members of the Anti-Corruption Commission.

Thank you, sir.

#### **QUESTION 10: COMMUNITY POLICING**

**The Deputy Speaker:** Honourable Fifth Elected Member for George Town.

**Mr. Winston C. Connolly, Jr., Fifth Elected Member for George Town:** Thank you, Mr. Speaker.

Mr. Speaker, I beg to ask the Honourable Ex-officio Member responsible for the Civil Service the following question standing in my name: Can the Honourable Ex-officio Member advise what the plan for community policing is, how many community policing officers there are, and including the areas the police [cover], and approximately how many residents are covered in each area by one police officer?

**The Deputy Speaker:** Honourable Deputy Governor.

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

Mr. Speaker, I understand this question was asked and answered in the Finance Committee but I wanted to make sure it was recorded here.

The community policing strategy continues to be a key strategy for the Royal Cayman Islands Police Service (RCIPS). They are, however, understaffed in this particular area of policing, having a total of 14 neighbourhood police officers who are allocated as follows: George Town, eight officers; Bodden Town, four officers; [and] West Bay, two officers, inclusive of school resource officers assigned to the two major high schools.

The number of residents covered in each area by one police officer is as follows: George Town, 31,303 residents; Bodden Town, 12,001 residents; and West Bay, 11,911 residents.

The future plans include, subject to an increase in personnel, one neighbourhood police officer assigned—

**The Deputy Speaker:** Honourable Deputy Governor, I think the answer circulated is the wrong one. I think this is for the next one.

**The Deputy Governor, Hon. Franz I. Manderson:** Community policing?

**Mr. D. Ezzard Miller:** Yes, they got mixed up.

**The Speaker:** Sorry about that.

*[Crosstalk]*

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Speaker, should I start over, sir?

**The Deputy Speaker:** Just one second until we circulate and then you can.

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

**The Deputy Speaker:** Honourable Deputy Governor, you can continue.

**The Deputy Governor, Hon. Franz I. Manderson:** The number of residents covered in each area by one police officer is as follows: George Town, 31,303 residents; Bodden Town, 12,001 residents; and West Bay, 11,911 residents.

The future plans include, subject to an increase in personnel, one neighbourhood police officer assigned to each of the new electoral constituencies.

#### QUESTION 11: CAYMANIANS IN THE ROYAL CAYMAN ISLANDS POLICE SERVICE

**The Deputy Speaker:** Honourable Fifth Elected Member for George Town.

**Mr. Winston C. Connolly, Jr.:** Thank you, Mr. Speaker.

Mr. Speaker, I rise to beg to ask the Honourable Ex-officio Member responsible for the Civil Service the following question standing in my name. Can the Honourable Ex-officio Member say what the plan is to encourage and incentivise Caymanians to join the Royal Cayman Islands Police Service and detail career progression/succession plans and training to get officers to the higher ranks in each?

**The Deputy Speaker:** Honourable Deputy Governor.

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

The answer: The Royal Cayman Islands Police [Service] encourages and incentivises Caymanians to join the Royal Cayman Islands Police Service by undertaking a targeted recruitment campaign aimed at Caymanians and permanent residents and persons married to Caymanians only, including a robust marketing initiative. Two successful campaigns have been undertaken thus far. The first group has successfully completed their two-year probation and two officers have been selected for the RCIPS High Potential Development Scheme which is aimed at fast-tracking those two officers to inspector rank. Another recruitment process will take place within the calendar year. The Royal Cayman Islands Police Service details career progression/succession plans and training to get officers to the highest rank as described above. Also, the two new superintendents have been tasked as part of their performance objectives and development to implement and develop a mentoring programme throughout the ranks. Officers will continue to attend leadership training and overseas training on secondments.

**The Deputy Speaker:** Honourable Elected Member for East End.

#### SUPPLEMENTARY

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

Mr. Speaker, I wonder if the Deputy Governor can tell us if these plans were just recently put in place, or when they were put in place.

**The Deputy Speaker:** Honourable Deputy Governor.

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Speaker, could the Member be specific in terms of what plans he is talking about.

**The Deputy Speaker:** Honourable Member for East End.

**Mr. V. Arden McLean:** Mr. Speaker, it says the Royal Cayman Islands Police Service encourages and incentivises Caymanians to join the police force. When was that done?

**The Deputy Speaker:** Honourable Deputy Governor.

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Speaker, I am just going back in time. I don't want to give the Member inaccurate information. The programme in which to have Caymanian-only classes is something that has been going on for quite some time. However, I know in the last two years, maybe 18 months, there has been a renewed effort to get Caymanian only, or persons married to Caymanians recruitment classes, and those are the two classes that I referred to in this answer.

**The Deputy Speaker:** Honourable Elected Member for East End.

**Mr. V. Arden McLean:** Mr. Speaker, if such is the case, I wonder if he can tell us why the police force has not even responded to a young man who is finishing high school in England, was born in this country, raised in this country and expressed an interest in joining the police force and to date—this is a year ago—so that two years need to be shortened somehow. To date his parents have not even received a response.

**The Deputy Speaker:** Honourable Deputy Governor.

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Speaker, I can't answer that question, sir. I don't have any information. I have no knowledge of who the person is.

**The Deputy Speaker:** Honourable Member for East End.

**Mr. V. Arden McLean:** Mr. Speaker, can the Deputy Governor give us an undertaking that he will check it out to find out what has caused young Caymanians, who are very academically inclined, at least two who were coming out of high school and they expressed interest in joining the police force and they have since, only recently returned home, and since, gone to choose another vocation? Can he give us an undertaking to look into it since there is a big plan and drive to recruit young Caymanians?

**The Deputy Speaker:** Honourable Deputy Governor.

**The Deputy Governor, Hon. Franz I. Manderson:** Absolutely, Mr. Speaker. If the Member would share the information with me, I will be happy to look into that and to speak to the persons myself and to also investigate within RCIPS as to exactly what took place.

**The Deputy Speaker:** Honourable Elected Member for East End.

**Mr. V. Arden McLean:** Mr. Speaker, I don't know if he wants it over this mic now because you know the secret thing doesn't work too well down here.

**The Deputy Speaker:** I think he wanted you to give it to him—

**Mr. V. Arden McLean:** Secret?

**The Deputy Speaker:** Well—

*[Inaudible interjection]*

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

**The Deputy Speaker:** Thank you.  
Honourable elected Member for North Side.

**Mr. D. Ezzard Miller:** Through you, Mr. Speaker, I wonder if Honourable Deputy Governor could list the incentives that are offered for Caymanians to join. Is this something that is above and beyond the average salaries and their other benefits?

**The Deputy Speaker:** Honourable Deputy Governor.

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

We recently upgraded the salaries. The Government supported an increase in salaries for police constables so that is one incentive. I think the incentive is that we are actually targeting Caymanians. So we are running recruitment exercises where we are making it very clear that it is only Caymanians and those persons who are married to Caymanians who should be applying. So I've seen the campaign. We put pictures of our Caymanians officers on these posters. We go around to various places. The police asked their Caymanian officers to encourage other persons, their friends, the other Caymanians to come in and join RCIPS. And, like I said, we are seeing the success of that targeted campaign. I can certainly investigate further to see if there is additional incentives for Caymanians, but certainly the raise in base pay as per my understanding, was a real disincentive for Caymanians, and now that that has been raised, I expect to see further Caymanians joining the RCIPS.

**The Deputy Speaker:** I will allow two more questions.  
Honourable elected Member for North Side.

**Mr. D. Ezzard Miller:** Through you, Mr. Speaker: So, the recent salary increase offered to police was solely for Caymanians? And the second question would be is there—

*[Inaudible interjection]*

**Mr. D. Ezzard Miller:** Otherwise it is not an incentive for Caymanians.

*[Inaudible interjection]*

**Mr. D. Ezzard Miller:** Mr. Speaker, is there any consideration being given to offer incentives as some of what we may have to pay for expatriate officers, like some kind of housing allowance, or some additional training overseas as opposed to just local training, depending on their academic levels?

**The Deputy Speaker:** Honourable Deputy Governor.

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

This salary increase was across the board for all constables—sergeants, inspectors. Caymanian officers do receive various allowances, including a housing allowance. And, yes, in my substantive answer I did say that there were plans to develop Caymanians by sending them overseas on various secondments. I know that that is actively being progressed.

#### QUESTION 12: REMOVAL OF TYRES FROM LANDFILL

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

**Hon. W. McKeever Bush, Leader of the Opposition:** Thank you, Mr. Speaker.

Mr. Speaker, perhaps this question was dealt with in Finance Committee, but so that we have it on record here, since at one point we were told that they didn't have, by the councillor at least, they didn't have information. So, question 12, standing in my name: Can the Honourable Minister say (a) what is the total agreement for the removal of tyres from the George Town land fill? (b) What was the tendering process used? (c) What experience does the company who won the tender have in such projects? (d) How many companies expressed interest in the tender? (e) What time can we expect work to begin on the removal of tyres? (f) What is the intended use of the tyres upon removal, and the intended destination?

**The Deputy Speaker:** Honourable Premier.

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

Mr. Speaker, before I read the answer I should say, although that has not been asked, this was the fifth tender process that the Government went through with respect to seeking to obtain a contract for the removal and disposal of the tyres at the landfill.

Mr. Speaker, the Ministry of Health and Culture conditional tender award agreement comprises the prompt processing onsite and removal of all the

used tyres accumulated at the George Town landfill with used tyres being also brought in from the sister islands landfills. The Ministry of Health and Culture through the Department of Environmental Health conducted an opening tendering process through the Central Tenders Committee [CTC]. The Ministry of Health and Culture has issued a letter of intent to a local waste management company which has teamed up with an international company with extensive tyre recycling experience. Mr. Speaker, as I intimated in Finance Committee the winner of the tender is Island Recycling.

The Ministry of Health and Culture received in total, four tenders and one letter of submission, the latter of which expressed interest in the potential use of a tyre product. The Ministry of Health and Culture expects that an actual contract will be signed next week and the contractor will process the entire stockpile of tyres landfill in the Cayman Islands within the 12-month period. Mr. Speaker, I wish to explain that the written answer which speaks to recommendations by CTC to award the contract has been overtaken by events, and the contract itself will be signed next week.

The intended use of the processed tyres is as tyre-derived aggregate and it is intended that this product will be used on-islands by local developers who will use the TDA (as it is called) as a replacement for bringing in and using off-island aggregate in their project site works.

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

#### SUPPLEMENTARY

**Hon. W. McKeever Bush, Leader of the Opposition:** Thank you, Mr. Speaker.

Can the Minister say what was the process used? Was there a department committee that received the tenders, went through them, and then made a recommendation to Finance Committee—sorry, to Central Tenders Committee?

*[Pause]*

**The Deputy Speaker:** Honourable Premier.

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

Yes, Mr. Speaker, there was a departmental tenders committee headed up by the Director of Department of Environmental Health and they went through the tenders in the usual way and made the recommendations up to CTC.

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

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

Mr. Speaker, can the Minister say whether the company has its own equipment or are they using Government equipment?

**The Deputy Speaker:** Honourable Premier.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, they are acquiring their own equipment.

**Hon. W. McKeeva Bush, Leader of the Opposition:** So, Mr. Speaker, according to FOI, in bidding for this job . . . now, I don't know all the companies involved. You say like, five or seven? Five?—

*[Inaudible interjection]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** That's not the entire question though.

In complying with the bid document, did all the companies have to have the same criteria? In other words, did the company that got it, have to have the equipment when they bid on it, or they got the bid and then were able to take that and get their equipment?

*[Pause]*

**The Deputy Speaker:** Honourable Premier.

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

Mr. Speaker, all companies were required to demonstrate that they had the wherewithal to get the required equipment. That includes the financial wherewithal.

**The Deputy Speaker:** Madam Clerk—sorry.

**Hon. W. McKeeva Bush, Leader of the Opposition:** You say there were five companies. Mr. Speaker, did all companies produce this wherewithal to get the equipment they would need? And were they given the same criteria in regard to what Central Tenders would have wanted them to provide to prove that they could do it? Did the company receiving the bid, have the experience in the baling of tyres? I think that is the correct terminology for the work that they are going to do to remove the tyres. I think it is called "baling."

**The Speaker:** That's right.

*[Inaudible interjection]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** No, baling is correct, but I guess they are going to shred it.

*[Inaudible interjection]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** I don't know. That's the information that I have gleaned.

Anyway, those are the questions.

**The Deputy Speaker:** Mr. Premier.

*[Crosstalk]*

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, I was saying off [microphone] to the Honourable Leader of the Opposition that you don't bale tyres. The tyres are being shredded.

To try to respond to his multi-pronged question, there were four bidders, three were local and one was overseas. In addition, there was one letter of submission expressing an interest in the potential use of the tyre product, but that wasn't a proper tender. Of the four tenders received, two failed to meet the mandatory financial viability requirements and were therefore disqualified. All companies were required to meet the same criteria.

**Hon. W. McKeeva Bush, Leader of the Opposition:** So, Mr. Speaker, question (a) the company that got the tender has the capacity, experience, to shred, they have been involved in that business before? And (b) what is the value?

**The Deputy Speaker:** Mr. Premier.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, Island Recycling is an established recycling company in Cayman, a Caymanian-owned company. It is partnering with an experienced company overseas to carry out this particular project. The value of the contract is C\$1.245 million, which is based on processing an estimated 500,000 tyres that are in the stockpile. That is an estimate. No one truly knows what the number of tyres are *[sic]*.

**The Deputy Speaker:** Honourable Member, [INAUDIBLE].

**The Premier, Hon. Alden M. McLaughlin:** What the number of tyres "is". Sorry. Let me get my grammar right.

**Mr. V. Arden McLean:** Mr. Speaker, in the last answer the Premier says that the TDA is going to be used in lieu of developers bringing in aggregate. What kind of aggregate were developers given permission to bring in?

**The Deputy Speaker:** Honourable Premier.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, that is out of my league and wherewithal out of this. What I can indicate to the Member, if this helps him, CTC insisted that the company who won the con-

tract was able to show that they had, or would have, contracts locally to dispose of this TDA in an environmentally acceptable way. Otherwise, we would wind up, perhaps, with a situation where we just transfer the problem from the landfill to somewhere else. So Davenport—

*[Inaudible interjections]*

**The Premier, Hon. Alden M. McLaughlin:**—which is a major developer of many projects in Cayman and has two projects on the way, has agreed to take a significant amount of the TDA for use in their projects. And the proposed Ironwood project has also similarly agreed with Island Recycling to take a portion of the TDA. That's really all I can answer because that's all I know. I don't know about what other aggregate Government may have agreed to have developers bring in. That's beyond the scope of my knowledge and certainly beyond the scope of this question, I believe, Mr. Speaker.

**The Deputy Speaker:** Honourable Elected Member for East End.

**Mr. V. Arden McLean:** Mr. Speaker, it might be beyond the scope of the question, but it wasn't beyond the scope of the answer. The answer says that as a replacement to bringing in and using off-island aggregate in their projects site works.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** But any development in this country, there is sufficient aggregate on-island to—

*[Inaudible interjection]*

**Mr. V. Arden McLean:** I am just trying to determine, Mr. Speaker, what kind of aggregate would have to be brought in, to be used at a golf course.

**The Deputy Speaker:** Honourable Premier.

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

**The Deputy Speaker:** The Member for North Side had a question.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, I said before I started that I don't know the answer to that question.

**The Deputy Speaker:** Maybe you could give an undertaking to let them know what is proposed.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, this is way beyond the scope of my knowledge as the Minister of Health with respect to

this. I don't know what other aggregate companies have been allowed or permitted to bring in. Perhaps that question should be directed to the Minister for Planning or Lands or something, but that's way beyond the scope of this.

The point the answer is seeking to make is that this TDA will be used instead of other aggregate. That's the point.

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

**Mr. D. Ezzard Miller:** Through you, Mr. Speaker: I think the Premier referred to a number of times that the Government had tried to get rid of these tyres. If I recall the other times, the Government was asking persons to pay the Government for the tyres. What brought about the shift where we are now paying somebody to move the tyres?

**The Deputy Speaker:** Mr. Premier.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, simply because after five previous attempts, there were no takers.

**The Deputy Speaker:** Honourable Member for North Side.

**Mr. D. Ezzard Miller:** Through you, Mr. Speaker, it was my understanding that at least some, if not all of the other tenders, were rejected because they were not offering to pay enough, not that they hadn't offered to pay something. But here we are, we are turning it completely around, and now we are going to pay somebody to take them. Why didn't we just call one of the people who bid before to say, *We'll give it to you for nothing?* We would have saved \$1.2 million?

**The Deputy Speaker:** Honourable Premier.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, with respect, we did all of that. I repeat, we tried not once, not twice, not three times, not four times, but five times. So, the Government is determined to remove what is a major environmental problem and issue and to deal with it. And we have reluctantly been driven to the conclusion—after one tender, two tenders, three tenders, four tenders, five tenders of trying to persuade or to attract bidders to pay for the tyres—that that is not going to work. That is why we have gone through this process and even this process did not attract a vast number of bidders. In the end, there were only two who actually met the requirements. This is not the sort of stuff that people are falling over themselves to do, as our experience over the course of now years has demonstrated.

**The Deputy Speaker:** Honourable Member for North Side.

**Mr. D. Ezzard Miller:** Through you, Mr. Speaker, I see in the press today that Ironwood has received Planning permission without an environment assessment. Can a Minister give my constituents the assurance that these tyres will not affect the only useable water lens in the Islands which is in my constituency and the constituency of East End, over which these tyres will be used as fill?

**The Deputy Speaker:** Honourable Premier.

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

*[Pause]*

**The Premier, Hon. Alden M. McLaughlin:** Thank you, Mr. Speaker, for your indulgence.

Mr. Speaker, as part of this whole exercise, we have involved the NRA [National Roads Authority], the Department of the Environment, and the Water Authority and received the necessary assurances and guidelines with respect to where and how this TDA can be used as aggregate so as not to impact water lens. And as the Member for North Side will know very well, I have a personal vested interest in ensuring that the water lens in his constituency and East End constituency are not—

*[Inaudible interjection]*

**The Premier, Hon. Alden M. McLaughlin:** —damaged, because I do not want contaminates to water the plants on my farm, so—

*[Inaudible interjection]*

**The Premier, Hon. Alden M. McLaughlin:** —my point, Mr. Speaker, is that I would have ensured that I was satisfied that what is being done is safe and environmentally sound.

**The Deputy Speaker:** I will allow three more questions, Honourable Member from North Side, followed by the Leader of the Opposition, followed by the Member for East End.

**Mr. D. Ezzard Miller:** Through you, Mr. Speaker—could the Honourable Premier and Minister of Health, undertake to provide us with the written submissions from the Department of Environment, the Water Authority, and all those agencies that considered and certified this as being of no harm?

**The Deputy Speaker:** Honourable Premier.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, I don't know that we have those certificates, but I know the process that has been gone through. I will check. . . just one moment.

*[Pause]*

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

I have just been assured by the Deputy Chief Officer and Ministry that we do have those in writing and we can make them available to the Member for North Side—who does not appear to be listening to me right now, but I will still let him have them.

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

**Hon. W. McKeeva Bush, Leader of the Opposition:** Mr. Speaker, I crave your indulgence to deal with the criteria. I asked the question earlier and I was told that it is not about baling. But the criteria were given to the two companies, as far as I can tell on this paper, and the . . . sorry?

*[Inaudible interjection]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** Mr. Speaker, if you want to take time, I can get the—

*[Inaudible interjection]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** That's the appendix, the summary of the evaluation of used tyres tender bids.

In this criterion, it says: "Experience with similar projects." It gives them a maximum of 25 points: three or more similar projects, 25 points; two to three similar, 20 points; and one similar project, 10 points. The company stated when it stated similar projects "using" (and I am not going to call company names, unless I'm forced to, but I don't like to do that) using a certain company "that has been doing baling of used tyres and shipping from Guernsey to maintain UK will need to provide final agreement of alliance partnerships." [UNVERIFIED QUOTE] That is where I get the wording "baling" because it says here that that is the experience they had. But they seemed to have gotten the points. The other company, no specific experience, with similar projects, has stated in their tender documents. I don't know, maybe they can explain that, but if he can, I would certainly ask the Premier to get that information.

The other question, Mr. Speaker, is where it said, "maximum point on the price per ton, maximum 25 points, metric ton, MTH, lowest price MTH 25 points, all other prices flow low to high, to be awarded points on a ratio to lowest price. Company A \$189.00 metric tons, as a fixed price regardless of quantity of tyres on site. Also Government to possibly pay \$4.00 to remove tyres from site" (I guess), "bid estimate one million tyres to be processed at the landfill." [UNVERIFIED QUOTE]

So they are going to use Government site to do the processing.



“Company ‘B,’ \$2.9 million to process up to two million tyres. Company stated that this is their fixed price as they do not know the” (I guess) “actual metric ton of tyres. Even with extended time, company registered that it is a fixed cost price for up to two million tyres.” [UNVERIFIED QUOTE]

“Fixed rate does not allow for lesser quantities than two million without paying the bulk price.” They would pay also to Government the bulk price.

“Company A got for the \$189.00 per metric ton, as a fixed price, 10 points. Company B” (I guess the one that lost), “got zero points for up to two million tyres.” They got zero points. [UNVERIFIED QUOTE]

I will share this, but I suspect that the Minister will have this in his own possession. The question is: What is their experience in shredding—that they have the equipment? They say they do or are they going to get it? Do they have experience in shredding or do they have experience in baling? Because that is what this bid document says. That was their answer; they got 10 points for it. The other one got nothing.

**The Deputy Speaker:** Mr. Premier.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, if I can follow all of that, but . . .

I realise what has happened is that the Leader of the Opposition has received representations from Shamrock Heights Development and Machinery Supply, Inc., who is the only other company which actually wasn't disqualified. Since this is where we are going, let's tell the whole story.

*[Inaudible interjection]*

**The Premier, Hon. Alden M. McLaughlin:** There were five companies who initially indicated an interest. Island Recycling and Guernsey Recycling, which is the company that won the contract. Cayman Waste Solutions, a Second Chance Recycling services overseas, Shamrock Heights Development and Machinery Supply, Inc., and Ironwood Cayman Islands. Ironwood Cayman Islands submitted no bid, only a letter stating they would work with the successful company. So they weren't in the picture.

There are a range of criteria: financial viability, public liability insurance, signed tender sheet, qualification statement, experience with similar projects, and tender price. The particular criterion that the Leader of the Opposition referred to is about experience with similar projects. The successful bidder was awarded 10 of a maximum of 25 points. The unsuccessful company, Shamrock Heights Development and Machinery Supply, Inc., received no points because they submitted no information with respect to specific experience in similar projects. None!

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

**Hon. W. McKeever Bush, Leader of the Opposition:** Mr. Speaker, I am wondering whether, and I didn't do this in Finance Committee because the Minister himself wasn't here and the Councillor was totally lost, and so I didn't pursue that. But I think I should read the information that I have since names have been called. And this letter comes from the lawyer and says exactly what the situation is. And Mr. Speaker, I can get you a copy of this so that—

**The Deputy Speaker:** How long is it?

**Hon. W. McKeever Bush, Leader of the Opposition:** It is—

**The Deputy Speaker:** Because you have been going on nearly a half an hour on this one.

**Hon. W. McKeever Bush, Leader of the Opposition:** It is \$1.2 million, I mean, if you want me to sit down, I will.

*[Inaudible interjection]*

**Hon. W. McKeever Bush, Leader of the Opposition:** Mr. Speaker, it is not going to get anywhere, but I don't want the wrong impressions to be left hanging. They are with the company too, as I understand it from this letter. Both companies have an outside partner. One partner says that it has tremendous with such business; the other says that they have a baling. So I don't know how they did it. I am not a Central Tenders Committee. I don't know what they are. I don't know. But the documentation here, which what I am going to do now is to table so that Members have it. I mean, it is already voted upon, and as I said, I thought that I should ask those things because it left me wondering just what the process was. And I am going to ask the [Serjeant-at-Arms] to . . .

**The Deputy Speaker:** Okay. Do that.

**Hon. W. McKeever Bush, Leader of the Opposition:** [I can] do that and I won't take the time up, Mr. Speaker—

**The Deputy Speaker:** I appreciate that.

**Hon. W. McKeever Bush, Leader of the Opposition:**—to read it.

Yes, we won't get out of here by 4:30, I heard the Premier say.

**The Deputy Speaker:** The Member for East End had a question.

**Hon. W. McKeever Bush, Leader of the Opposition:** And, yes, to lay on the table once. . . enough copies, yes.

**The Deputy Speaker:** Member for East End.

**The Premier, Hon. Alden McLaughlin:** Mr. Speaker, just so I can say it, as the Leader of the Opposition has said, this contract has been awarded by CTC through the usual processes. This Minister, nor any other Minister, had anything to do with that, so the machinations and the decision-making of CTC is not something I can comment on.

**The Deputy Speaker:** Exactly.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Mr. Speaker, I just want to say, I wasn't pointing my finger at any Minister, but there is a department process that seems to have been very close to certain aspects of that contract when you read the documentation. So that is why I will lay it on the table.

**The Deputy Speaker:** Honourable Member for East End, last question.

**Mr. V. Arden McLean:** Mr. Speaker, the Premier said that the cost of C\$1.245 million was for 500,000 tyres.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Based on 500,000 tyres. I figured that out somewhere around C\$249 per tyre. What happens if we have more than 500,000 tyres there?

*[Crosstalk]*

**The Deputy Speaker:** Honourable Premier.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, I am advised that the contract contains provisions which allow that in the event that there are more tyres, that the company can continue to do so at a reduced rate, depending on how many more there are. In other words, the more tyres there are, the lower the per-tyre cost to the Government will be.

**Hon. W. McKeeva Bush, Leader of the Opposition:** The cost would go down if it is more?

**The Deputy Speaker:** Member for East End, final.

**Mr. V. Arden McLean:** Okay, thank you, Mr. Speaker, for your indulgence.

Mr. Speaker, 10 years ago—8 years ago—8 years ago maybe, I was told—2006, yes, 10 years ago, that there were a million tyres, estimated. I bought the shredder. That worked for five, six years.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Well, it broke down for two, three years, and it is fixed now.

*[Inaudible interjection]*

**Mr. V. Arden McLean:** Yes. And I know it is fixed now, so I don't think we got 500,000 or more out of it during that period. There is the potential that all those tyres that are buried because of the weight, they have now gone into the ground; we need them out because that is potential problems for us. There is the potential that this could increase exponentially. Seriously, we could be looking at \$2–\$3 million to rid ourselves of those tyres. Are we comfortable that that is the possibility because of the lack of counting of those tyres? And we are paying more than we collected for them. And we didn't collect for all either, because that only started recently.

*[Crosstalk]*

**The Deputy Speaker:** Honourable Premier.

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, there were previous estimates but the advice I have now is that the team is quite confidence, or fairly confident that the numbers are around that figure of 500,000. The—

*[Inaudible interjections]*

**The Premier, Hon. Alden M. McLaughlin:** Well, I'm not sure where the Member from East End, where his advice came from, I suspect I know. I am saying that—

**Hon. W. McKeeva Bush, Leader of the Opposition:** You suspect you know?

**The Premier, Hon. Alden M. McLaughlin:** I suspect that I know, but—

**Hon. W. McKeeva Bush, Leader of the Opposition:** You suspect that you know?

**The Premier, Hon. Alden M. McLaughlin:** Where his advice came from way back then.

*[Inaudible interjection]*

**The Premier, Hon. Alden M. McLaughlin:** So, I don't think there is much point in us arguing and debating because we are speculating about what the numbers are. The reality is that we have a problem with the number of tyres that are there for a whole range of reasons and this Government is taking action to get rid of that problem. It may well cost more than the C\$1.245 million. We will have to deal with that as the circumstances present themselves.

What I can say to the Member for East End and the House, generally, is that we have gotten the shredder which the Member for East End, when he was Minister, had acquired, we have got that back operational and the plan is that once this huge volume of tyres has been taken away and processed, that we won't get back in this situation again because that smaller shredder, which is a much smaller shredder, will be capable of dealing with the tyres as they come in, rather than getting—

*[Inaudible interjections]*

**The Premier, Hon. Alden M. McLaughlin:** —rather than allowing them to accumulate as they have since the year 2000.

## STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

**The Deputy Speaker:** I have been notified of two Statements.

Honourable Premier.

### REFERENDUM FOR THE LEAVE DECISION

**The Premier, Hon. Alden M. McLaughlin:** Mr. Speaker, as the House will be aware, our friends in the United Kingdom have cast their votes to leave the European Union in the referendum held yesterday.

This referendum was a question for the United Kingdom and its voters but we all expected that the impact of a decision to leave would be felt far beyond the shores of the United Kingdom and would have had political consequences within the UK. It was also expected that there would be uncertainty within financial markets. This has certainly proved to be the case with Prime Minister Cameron advising today that he will be stepping down as Prime Minister by October and a no confidence motion being brought against the Leader of the Opposition, Jeremy Corbyn. And, as we have seen, the world markets are now trying to come to grips with the implications of the referendum result. There are also other ramifications that will continue to flow from this decision in the weeks and months ahead.

Mr. Speaker, it is not clear whether the transition to a new Prime Minister will be an internal matter for the Conservative Party or whether the United Kingdom will face fresh elections in a few months. There is also the distinct likelihood of another Scottish independence referendum. Additionally, Northern Ireland, which voted to stay, will no doubt consider its options. These all point to the possibility of a breakup of the United Kingdom.

Mr. Speaker, Cayman has certainly benefited over the years from the United Kingdom's link to the European Union in tangible and intangible ways. For

example, we have been eligible for EU passports, which provide the ability to live, work and travel freely within the European Union.

Cayman and all of the Overseas Territories will need to follow closely the political and economic discussions and developments over the course of the coming days, weeks and months. Of immediate concern, though, is the question of how any new UK government will view the Overseas Territories, particularly in a new construct of a United Kingdom that is no longer united.

Over in the United States a presidential election looms with the possibility of a radically different kind of political figure becoming the leader of the most powerful nation on earth. Without question, the world is in for a period of great uncertainty over the course of the next year and perhaps beyond. There will no doubt be some stormy waters to navigate before the new reality emerges and political and economic calm returns. In this sea of uncertainty, Cayman is an increasingly attractive place to live, work, invest and do business.

Mr. Speaker, the sound financial position of the Cayman Islands Government and the growing strength of our economy make us an excellent option for businesses and investors looking for a safe haven amid the current political and economic turmoil. Even as we watch carefully the developments, we intend to seize the opportunities created by the current uncertainties to build on the economic success this Government has already achieved.

I am confident in the continued success of Cayman's economy. We have for years engaged with the world on matters relating to our financial services industry and we will continue to do so. Our voice will be heard as we have strong links with many partner jurisdictions as well as international institutions. Businesses based in the Cayman Islands will continue to benefit from that and they, like us, can remain confident in our future.

There will be much to be done as the UK and EU begin to determine a timeframe to unwind their existing relationship and work toward putting in place new arrangements for future cooperation, trade, migration, and security. Some have said this process could take as much as two years to complete and so, for us in the Cayman Islands, the full impact of the leave decision will not be immediately known, as much will depend on what new arrangements will be made between the UK and the European Union.

I expect to speak to the Minister for Overseas Territories, James Duddridge, early next week to get an indication on the immediate way forward and the perceived impact the decision will have on the Overseas Territories. In addition, I will attend the pre-JMC (that is, the Joint Ministerial Council) meeting in TCI [Turks and Caicos Islands] next month with the Overseas Territories to discuss this issue in detail.

Mr. Speaker, it is too early to make predictions or to be able to say what the full impact of the

leave decision will be. But certainly it will be profound. It will impact not just the UK and its citizens' resident there, but the Overseas Territories, Crown Dependencies, and indeed, the wider world.

I will continue to monitor developments and engage with the United Kingdom Government over the coming days, and as soon as the way ahead becomes clear, I will make a further statement.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Thank you, Mr. Premier.

Subject to you and my colleagues throwing me out on my ears, this has not surprised me. Those of us that believe in the Bible, this is no secret, all of this must come to pass. The European Union will come down to 10 nations, and as you see what has happened, this will be a snowball for the rest of those nations that pull away. All of this must come to pass before the end time. Forgive me for making that interception, but I just wanted to share. It is all there. It should be no surprise to any of us.

Honourable Minister of Education.

### PENNY PINCHING PENSIONS REPORT

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

Mr. Speaker, I rise today to make a brief Statement in relation to the Ministry and Department of Labour and Pensions fulfilling the recommendations made in 2010 by the Office of the Complaints Commissioner [OCC] in an Own Motion Investigation Report entitled "Penny Pinching Pensions." I would also have another Statement as it relates to another of its reports after this.

This report, the Penny Pinching Pensions Report, that is, contained a total of 21 recommendations which was initiated by the Complaints Commissioner, at the time, Ms. Nicola Williams. And it was her first Own Motion Investigation report which was deemed to be the most lengthy and detailed report in the history of the Office of the Complaints Commissioner at that time.

In this report, the Complaints Commissioner Williams stated that, "This Own Motion investigation was undertaken because it was one of the most pressing and obvious examples of systemic failure of a government entity, the National Pensions Office and the National Pensions Law that underpins it." [UNVERIFIED QUOTE]

The three main concerns that led the Commissioner to start this investigation were:

1. Non-compliant companies continuing to ignore the Pensions Law;
2. Whether the National Pensions Office had any real power to enforce the law;
3. The National Pensions Law not having been substantially revised since 2000.

So, in the 2010 report, the 21 recommendations made by Commissioner Williams could be grouped into the following categories: legislative changes; public education and outreach; structural changes in regards to the National Pensions Office (now known as the Department of Labour and Pensions) and the National Pensions Board; inter-agency working relationships within Government; and training.

While I do not think it is necessary to go into detail in regard to each of the 21 recommendations, I do think however that it is relevant to state that within this report the Commissioner highlighted in her findings that "the existing legislation applicable to pensions needs substantial revision, both to impose harsher penalties for non-compliance, and to close loopholes that dishonest employers take full advantage of." [UNVERIFIED QUOTE]

I therefore would like to assure the Members of this honourable House that the National Pensions (Amendment) Bill, 2016 that was unanimously passed on May 4, 2016 addressed all of the legislative recommendations contained within the Complaints Commissioner's report. The National Pensions (Amendment) Bill, 2016 reflects the recommendations contained within the Penny Pinching Pensions Report in the following ways:

- It significantly increases fines (in some cases escalating up to \$100,000) and introduces imprisonment terms for offences in order to act as a true deterrent;
- It introduces an administrative fine regime as another enforcement tool to deal with employer non-compliance;
- It increases the power of the Director, Deputy Director and designated person to have the same powers, privileges and immunities as conferred on a constable by the Police Law when performing their duties in relation to administering administrative penalties;
- It introduces a victimisation protection clause for employees who make a disclosure to the Department of Labour and Pensions in regard to an employer's non-compliance of the Law;
- It introduces more requirements for pension plans to educate and inform members, including the requirement for annual general meetings and an increase in the availability of pension statements as well as notification from the administrator if their employer becomes delinquent;
- It also improves the disclosure of information to members by introducing the requirement for pension plan administrators to provide members with details on the investment returns and expense ratios of their pension fund; increase the frequency of member statements from annually to semi-annually, and allows statements to be issued electronically with a member's consent; and increases the access

to the administrator's records on the pension plan from once a year to every six months, and establishes that the access is permitted to those persons stated in the Law.

- It clarifies the roles between the Department of Labour and Pensions and the National Pensions Board by removing the duty of the National Pensions Board to administer the Law and its regulations and highlights its duty instead to carry out its functions as an appellate body as established under the Law.

Mr. Speaker, on the 21<sup>st</sup> April 2016 the Ministry submitted its latest report to the Office of the Complaints Commission to update the Office on the progress made on the outstanding recommendations. I am pleased to report that on the 5<sup>th</sup> May 2016, the Ministry received a letter from the Acting Complaints Commissioner, Mrs. Bridgette von Gerhardt, which stated that the Office of Complaints Commissioner determined that the Ministry has complied or substantially complied with the recommendations numbered 1 to 19 and 21, and that the Office of the Complaints Commissioner withdrew recommendation number 20 based on a review of the Ministry's current processes and policies which do ensure that private sector companies awarded tenders within the Ministry are compliant with their pension contributions as well as statutory health insurance requirements.

Given that the Office of the Complaints Commissioner has now closed the matters outlined in the Penny Pinching Pensions Report, I would like to provide for the record to this honourable House the letter to the Ministry from the Office of the Complaints Commissioner stating this.

The Ministry and the Department of Labour and Pensions met with and reported to the Office of the Complaints Commissioner over the years to demonstrate that it had complied with 10 recommendations of the report; however, it was agreed by all parties that the vast majority of the outstanding recommendations were tied to revising the pension legislation. I am therefore proud, Mr. Speaker, that with the passage of the National Pensions (Amendment) Bill, 2016, the Office of the Complaints Commissioner has deemed that the Ministry and department have now successfully complied with the Office of the Complaints Commissioner and this report is now officially closed by their Office.

[Pause]

**Hon. Tara A. Rivers:** Mr. Speaker, in addition to the Statement I made on the Compliance of the Office of the Complaints Commissioner's report, the Penny Pinching Pensions, I would also like to make a brief statement in relation to the Ministry and the Department of Labour and Pensions fulfilling the recommendations made in the 2012 report by the Office of the

Complaints Commissioner in an Own Motion Investigation Report entitled "Danger, Construction at Work."

Initiated by the Complaints Commissioner at the time, Ms. Nicola Williams, this 2012 Own Motion Investigation report contains a total of 13 recommendations. (And, Mr. Speaker, there is a typo in the Statement being distributed. It is actually 13 recommendations.) The terms of reference for this report was: "An investigation into the ability for the Department of Labour and Pensions (DLP)—formerly the Department of Employment Relations—to effectively and properly oversee, inspect and ensure health and safety at work for those involved in the constructions industry, as mandated under the applicable Law and Regulations." [UNVERIFIED QUOTE]

In this report, Complaints Commissioner Williams stated that the reason for the investigation into this area was as follows:

"The construction industry is in a category of its own. It is a high-risk industry, and there is no price that can be placed on human life. Of all the work the department undertakes, any failings on their part in this area have the potential to be the most damaging to its reputation." [UNVERIFIED QUOTE]

The 13 recommendations made by Commissioner Williams can be grouped into the following categories: legislative changes; ensuring proper training and equipment is available to Labour Inspectors; structural, staffing and administrative recommendations in regard to the department and its employees; increase government inter-agency collaboration to improve the culture of compliance; and recommendations to protect construction industry employees and whistleblowers.

Mr. Speaker, over the course of the years since the publication of the report, the Ministry and department has worked in collaboration with the Office of the Complaints Commissioner in order to comply with the recommendations of the report. Again, while I do not think it is necessary to describe in detail the 13 recommendations made, I will summarize to the Members of this Honourable House that of the 13 recommendations made in the original report, only four were deemed to be outstanding as of 2016.

On the 21<sup>st</sup> April 2016, the Ministry submitted its latest report to the Office of the Complaints Commissioner to update the Office on the progress made on these outstanding recommendations. I am pleased to report that on the 20<sup>th</sup> of May 2016, the Ministry received a letter from the Acting Complaints Commissioner, Mrs. Bridgette von Gerhardt, which stated that the Office of the Complaints Commissioner determined that the Ministry has complied or substantially complied with the four outstanding recommendations and, therefore, as of that date, the file would be closed on this report.

Given that the Office of the Complaints Commissioner has now closed the matters outlined in the Danger, Construction at Work Report, I would like to provide for the record of this Honourable House the

letter to the Ministry from the Office of the Complaints Commissioner stating this.

Thank you, Mr. Speaker.

## PERSONAL EXPLANATIONS

**The Deputy Speaker:** The Honourable Leader of the Opposition is indicating that he wants to make a brief personal explanation.

### CAYMAN COMPASS EDITORIAL

**Hon. W. McKeeva Bush, Leader of the Opposition:** Thank you, Mr. Chairman. *[sic]*

Mr. Speaker, everybody is calling you “Chairman” since we just came out of Finance Committee. I am sure you will forgive us for that error.

Mr. Speaker, according to today’s *Compass* editorial, it seems the *Compass* comes to pass its editorial judgment again on our work here. Their Friday editorial speaks about speculation on slippery slopes. Mr. Speaker, the matter of how an MLA speaks in Finance Committee is predicated in what the subject is. Some of us speak with passion more than others and it is because some here get more heat than others get from constituents on matters affecting them. I have been in here for over 30 years, and I have been inundated at times with complaints from civil servants. I choose very carefully what to speak about, seek information on, or which complaint to put into the public domain. However, Mr. Speaker, we do have a constitutional responsibility in Finance Committee as we do elsewhere. The line we must walk as elected representatives when we question policy is a fine line, but it is constitutional. We can’t tell managers who to fire or hire, and we have not sought to do that. But under policy, which we spend, or pay millions of dollars to get, we can question what they do. That is not a slippery slope, whether it is my constituent or a civil servant from George Town. When a civil servant feels so aggrieved, so helpless at their personal plight, or what they see as abuse in their work environment, which they have been unable to get an understanding about, then their recourse, they feel, is to speak to the elected representative. Then we, as the elected representative, must exercise discretion about what and how we question. We do know that matters under discussion in the court cannot be discussed here or in any public arena, but our bound duty is to question civil service matters because money is being spent.

Mr. Speaker, when the accounts are not done, which the *Compass* and other media complains in their editorial about, must we not question why the accounts are held up? So, Mr. Speaker, the media have a right to complain time and time again, sometimes in caustic manner also, but elected representatives don’t have that right? Don’t we have a right to question what the total bill is for the country when there are 31 civil servants on paid leave and we don’t even know if there are criminal charges? Is that not

expenditure? When there is a case of a contracted officer being given a promotion before a Caymanian qualified is given an opportunity to apply for that position, and they can’t get help within their ranks, is it wrong for us to be told when it is brought to our attention as elected officials, why such a promotion was given?

So, the *Compass* or anyone else can say that they don’t want our Civil Service tied to particular politicians, as the Deputy Governor said the other day. I don’t want them tied to any politician and that’s why over the years I have stayed out of their affairs. So the *Compass* says it can speculate what goes on beyond closed doors; it is exactly that, Mr. Speaker, why we must ask questions. We do not want to speculate. I have learned many lessons about speculation only because I was not told the truth. And I am paying a high price because of speculation and we should not have to speculate as elected representatives in this House or in Finance Committee.

I want to say to the *Compass* Editorial Board, speculation in the agreeing to of Government’s expenditure policy is not something an elected official should have to do. When we come here to vote for a budget, we want to know, Mr. Speaker, that all channels are clear; that there are very little gaps, if any, in what we are being told about the work that our civil servants must do; and that chief officers are not treating one civil servant as a buddy and best friend and putting stumbling blocks in the career paths of qualified, willing and able Caymanians. What kind of representative, Mr. Speaker, would we be if we are complained to and cannot get redress to the problem, then to sit back and say there is a wall, so I can’t say anything? I shouldn’t ask the probing questions that enlightens the cause or action of any situation? What kind of representation would that be?

I have been very careful in my 30-odd years here and I have taken many unjustified blows because a person was put on leave and it is pounced upon and declared publically and to families, *It is McKeeva who did that*. That has gone on too long and if we don’t ask questions in Finance Committee, people will not know. Finance Committee is for that purpose of examining the Estimates and approving them as needs be. Examining, Mr. Speaker, doesn’t mean *looking at them and voting yes or no*. We are to ask questions. We must clarify and dig for more information within the rules if we are not satisfied with the answers given.

I agree with the *Compass* that it is not appropriate for Members of Finance Committee to go beyond the bounds of our system of Government, but they need to understand, and those officials in this House need to understand, that at the same time we are charged with a constitutional duty to see that policy is carried out, that expenditure is carried through as is contained in the Estimates and variations thereto are correctly explained and reported to Finance Committee. If that process is carried out fairly, then questions must be asked of the managers and over-

seers such as the Deputy Governor or the Attorney General or the Finance Committee Chairman, or Ministers, who must answer in this House of Finance Committee. The *Compass* ought not, Mr. Speaker, to report small pieces of what is said here. No newspaper should do that without giving a fair and balanced, sufficient amount of information so that the public we serve can fully understand what their representatives are doing in arenas such as our Finance Committee.

Mr. Speaker, I thank you very much in your indulgence and the House for letting me have a personal explanation of what the *Compass* wrote in their editorial.

#### Moment of interruption—4:30 pm

**The Deputy Speaker:** We have now passed the hour of 4:30. I now call for the suspension of Standing Order 10(2) that the House continues after 4:30 pm.

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

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

Mr. Speaker, I move the suspension of Standing Order 10(2) that the House may move past the hour of interruption and we will continue until about six o'clock and see where we get to today. Hopefully, we can finish up the rest of the work.

**The Deputy Speaker:** The question is that Standing Order 10(2) be suspended to enable the business of the House to continue beyond the hour of 4:30 pm.

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

#### AYES AND NOES.

**The Deputy Speaker:** The Ayes have it. The House will continue.

#### Agreed: Standing Order 10(2) Suspended.

**Hon. W. McKeeva Bush, Leader of the Opposition:** Can we take a vote, Mr. Speaker?

*[Pause]*

*[Crosstalk]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** He is?

*[Crosstalk]*

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

**The Speaker:** Thank you.

*[Laughter]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** Forget the vote check!

*[Laughter]*

**Hon. W. McKeeva Bush, Leader of the Opposition:** I withdraw my request.

*[Laughter]*

**The Deputy Speaker:** Granted.

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

## OBITUARY AND OTHER CEREMONIAL SPEECHES

**The Deputy Speaker:** There are none.

## RAISING OF MATTERS OF PRIVILEGES

**The Deputy Speaker:** There are none.

## GOVERNMENT BUSINESS

### BILLS

### THIRD READING

#### APPROPRIATION (JULY 2016 TO DECEMBER 2017) BILL, 2016

**The Deputy Speaker:** I call on the Honourable Minister of Finance.

**Hon. Marco S. Archer:** Thank you, Mr. Speaker.

Mr. Speaker, I beg to move that a Bill entitled the Appropriation (July 2016 to December 2017) Bill, 2016, be given a third reading and passed.

**The Deputy Speaker:** The question is that a Bill shortly entitled Appropriation (July 2016 to December 2017) Bill, 2016, be given a third reading and passed.

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

#### AYES.

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

**Agreed: The Appropriation (July 2016 to December 2017) Bill, 2016, was read a third time and passed.**

*[Pause]*

**Hon. Tara A. Rivers:** Sorry. Mr. Speaker, pursuant to the Statements that I just made, although the letters were attached to the Statements distributed, I just want to make sure the letters that accompany the Statements are formally tabled in the House, if that is okay with you, to make sure that we follow the procedure of tabling.

**The Deputy Speaker:** Okay. I just assumed they were attached.

**Hon. Tara A. Rivers:** Yes, sir, they are attached.

**The Deputy Speaker:** So ordered.

**Hon. Tara A. Rivers:** These are both of the Statements which are attached to both of the letters.

**The Deputy Speaker:** So ordered, Minister, to be laid on the Table of this honourable House.

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

*[Letters in regards to the Penny Pinching Pensions Report Statement were laid on the Table of the honourable House]*

## BILLS

### FIRST READINGS

#### PARLIAMENTARY PENSIONS (AMENDMENT) BILL, 2016

**The Clerk:** The Parliamentary Pensions (Amendment) Bill, 2016.

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

#### PROCEEDS OF CRIME (AMENDMENT) BILL, 2016

**The Clerk:** The Proceeds of Crime (Amendment) Bill, 2016.

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

#### PUBLIC SERVICE MANAGEMENT (AMENDMENT) BILL, 2016

**The Clerk:** The Public Service Management (Amendment) Bill, 2016.

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

#### PUBLIC SERVICE PENSIONS (AMENDMENT) BILL, 2016

**The Clerk:** The Public Service Pension (Amendment) Bill, 2016.

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

#### NON-PROFIT ORGANIZATION BILL, 2016

**The Clerk:** The Non-Profit Organization Bill, 2016.

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

#### CONFIDENTIAL INFORMATION DISCLOSURE BILL, 2016

**The Clerk:** The Confidential Information Disclosure Bill, 2016.

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

## BILL

### SECOND READING

#### PARLIAMENTARY PENSIONS (AMENDMENT) BILL, 2016

**The Deputy Speaker:** I call on the Honourable Deputy Governor.

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

Mr. Speaker, I beg to move the Second Reading of a Bill entitled Parliamentary Pensions (Amendment) Bill, 2016.

**The Deputy Speaker:** So ordered.

The Bill has been duly moved. Does the mover wish to speak thereto?

**The Deputy Governor, Hon. Franz I. Manderson:** Yes, Mr. Speaker, it is fairly straightforward amendment, so my remarks will not be that long.

Mr. Speaker, by way of background, the Parliamentary Pensions Law governs the pension benefits for Members of the Legislative Assembly and Speakers. In order to qualify for pension benefits under the Parliamentary Pensions Law, 1984, Members of the Legislative Assembly and Speakers were required to serve two full Parliamentary terms, or for periods in aggregate of not less than six years.



Mr. Speaker, via the Parliamentary Pensions Law, 2004, and carried forward to the current legislation, namely, the Parliamentary Pensions Law (2010 Revision), the qualification criteria was amended under section 20 to allow Members of the Legislative Assembly and Speakers to be eligible for a Parliamentary Pension benefit after only one full Parliamentary term.

Mr. Speaker, because the amendment to the eligibility criteria was not retroactive, there are former Members of our Parliament and Speakers who do not qualify for a Parliamentary Pension benefit. The period of service which is foreseen to be impacted by the amendment is between the 1<sup>st</sup> of October 1959, the oldest date of eligible service recognised in the original Parliamentary Pensions Law, 1984 and the 23<sup>rd</sup> of August 2004. This Bill, Mr. Speaker, seeks to bridge the gap created during the various revisions of the Parliamentary Pensions Law and allow former Members of the Legislative Assembly and Speakers otherwise ineligible to qualify for pension benefits which they would have been entitled to, had they served in more recent times.

Mr. Speaker, I now will discuss the proposed amendments to section 20 of the Public Service Pensions Law (2010 Revision).

Amendment to section 20: It is proposed that section 20 of the Parliamentary Pensions Law (2010 Revision) is amended to recognise those Members of the Legislative Assembly and Speakers who retired prior to the more generous provisions applying. To reiterate once again, the period of service which is foreseen to be impacted by the amendment is between the 1<sup>st</sup> of October 1959 and the 23<sup>rd</sup> of August 2004.

Mr. Speaker, I just want to reiterate that. I have heard all sorts of allegations on the radio and elsewhere that Members of this Parliament are voting themselves additional benefits. I want to make it very clear and say it repeatedly that that is not the case. This particular amendment is dealing with past Members of our Parliament.

Mr. Speaker, this amendment is likely to result in approximately five former Members of the Legislative Assembly and Speakers qualifying for a monthly pension benefit of \$1,000, which would be paid from the Parliamentary Pensions Plan.

Mr. Speaker, I humbly invite all Members of the honourable House to lend their support to this Bill, and in doing so, to recognise and dignify the service of our fellow Caymanians who formerly served in the House for the betterment of these Cayman Islands.

I thank you, Mr. Speaker.

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

If no other Member wishes to speak, does the mover of the Bill wish to exercise his right of reply?

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Speaker, no, sir. Just to thank all the Members for their tacit approval or support. Thank you.

**The Deputy Speaker:** The question is that a Bill shortly entitled, the Parliamentary Pensions (Amendment) Bill, 2016, be given a second reading.

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

**AYES.**

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

**Agreed: The Parliamentary Pensions (Amendment) Bill, 2016, was given a second reading.**

## **BILL**

### **SECOND READING**

#### **PROCEEDS OF CRIME (AMENDMENT) BILL, 2016**

**The Deputy Speaker:** Honourable Attorney General.

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

Mr. Speaker, I beg leave of this House to move the Second Reading of a Bill, the long title of which is, a Bill for a Law to amend the Proceeds of Crime Law (2014 Revision) to make changes necessary for compliance with the International Standards relating to the prevention of money laundering, terrorist financing and proliferation financing, and to provide for incidental and connected purposes.

**The Deputy Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

**The Attorney General, Hon. Samuel W. Bulgin:** Yes, Mr. Speaker, thank you, with your leave.

Mr. Speaker, Honourable Members will be aware the Cayman Islands recently concluded its National Risk Assessment as a precursor to the fourth round of Mutual Evaluation Review by the Caribbean Financial Action Task Force [CFATF], which is set to take place during the second quarter of 2017.

One of the revelations of the National Risk Assessment exercise was that certain provisions in a number of pieces of legislation, including the Proceeds of Crime Law, require some tweaking, Mr. Speaker, in order to ensure continued compliance with the revised 40 Financial Action Task Force recommendations. Accordingly, the Bill before this House is aimed at addressing some of the issues identified by the National Risk Assessment as it relates to the Proceeds of Crime Law.

Mr. Speaker, for completeness, I should remind this House that the coming round of mutual revelation will be based on the methodology for assessing technical compliance with the Financial Action Task

Force [FATF] 40 Recommendations and the effectiveness of anti-money laundering and combating financing of terrorism systems. Technical compliance, Mr. Speaker, contemplated that Cayman have in place laws, guidance notes, administrative systems, et cetera, that are consistent with the FATF 40 Recommendations. However, the effectiveness component of the methodology will be benchmarked against what is referred to as "11 immediate outcomes." An example, Mr. Speaker, of one such outcome is Immediate Outcome 1, which states that countries need to demonstrate that money laundering and terrorist financing risks are understood and, where appropriate, actions coordinate domestically to combat money laundering and the financing of terrorism and proliferation.

Mr. Speaker, this initiative is in train. That is, the preparation for the upcoming review is being done in coordination with the Ministry of Financial Services, and, as Members would have heard during the Budget Debate and Throne Speech contribution by the Honourable Minister of Financial Services, his Ministry is at full throttle in helping to coordinate the preparations for the review. I therefore wish to thank him, as well as the Government for the commitment in support of this initiative, Mr. Speaker. Indeed, in March of this year, the Government allocated almost \$2 million to help enhance the effectiveness of the relevant competent authorities to undertake the preparations.

Mr. Speaker, the proposed changes to the Bill, as I said, are aimed at strengthening Cayman Islands anti-money laundering framework in a way that will ensure full compliance with the 40 Recommendations. And so the changes in the Bill are as follows:

Clause 1, of course, sets out the short title.

Clause 2 seeks to amend section 2 of the Proceeds of Crime Law and inserts a definition of the phrase "relevant financial businesses" into the Law itself, Mr. Speaker. It was formerly included in the Schedule, on page 136, of the Law. This now puts it in section 2 of the law, which is the definition section.

Mr. Speaker, clause 3 amends section 4 of the principal Law so that powers, functions and duties of the Financial Reporting Authority will now also include monitoring compliance with regulations prescribing in anti-terrorism financing and proliferation financing measures. The clause allows for the Cabinet to assign the monitoring of compliance with anti-money laundering measures for relevant financial businesses and which are not currently monitored by CIMA [Cayman Islands Monetary Authority]. Those monitoring functions will be assigned by Cabinet to a public sector body, or a self-regulating body.

Clause 4, Mr. Speaker, amends section 5 of the principal Law so that the Chief Officer or the Chief Officer's designate will now become the Deputy Chairperson of the Anti-Money Laundering Steering Group. The clause also makes provision for the inclusion of the Director of Public Prosecutions (DPP) and the Chief Officer or Director of the relevant Govern-

ment department regulating compliance of designated non-financial business and professions. We are talking here, Mr. Speaker, about the Chief Officer or the Director in charge of DCI [Department of Commerce and Investment].

The clause also permits the Steering Group, Mr. Speaker, to set up committees to implement the policies of the Steering Group itself.

Mr. Speaker, clause 5 amends section 45 of the Proceeds of Crime Law so that it allows for an exemption to a restraint order, thereby enabling the relevant legal aid payments. What does that mean, Mr. Speaker? It means that where a person's assets have been restrained by the court and that person is granted legal aid for legal representation. The court may make an order that a legal aid fund be reimbursed from the assets that are being restrained.

Clause 7, this clause amends section 138 of the Proceeds of Crime Law so that the Financial Reporting Authority may, in addition to making unknown disclosures to the Cayman Islands Monetary Authority, may now also be able to make such disclosures to the Tax Information Exchange Authority where necessary.

Clause 8, Mr. Speaker, of the Bill amends section 145 of the Proceeds of Crime Law so that regulations made thereunder can increase amount for penalties that can be imposed. At the moment, Mr. Speaker, the Law provides that regulations can only contain penalty of about \$6,000. The amendment will increase that to \$250,000. So the regulations can say, for example, that the breach of a particular provision can attract a penalty of up to \$250,000.

Clause 10 of the Bill inserts a Schedule 6 into the principal Law, into the Proceeds of Crime Law, which enlists the activities fallen within the definition of "relevant financial businesses." Under modifications made, Mr. Speaker, it is designed to make the definition compatible with the 40 Recommendations of the FATF as far as reasonably practical.

Clause 11, which is the final clause I would like to speak to, inserts a provision into the Proceeds of Crime Law which brings the amendment to section 45 of the principal Law into force retroactively. And, just for clarity, Mr. Speaker, what this is saying is that where a person is being granted legal aid, and that person has assets that have been restrained, the court can make an order that the Legal Aid Fund be reimbursed out of the restrained assets. This provision is saying that the amendment will cover cases that have been dealt with prior to the amendment of this Law.

I commend this Bill to Honourable Members of this House. Thank you.

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

If no other Member wishes to speak, does the mover of the Bill wish to exercise his right of reply?

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

Thanks to Honourable Members for their support.

**The Deputy Speaker:** The question is that a Bill shortly entitled the Proceeds of Crime (Amendment) Bill, 2016, be given a second reading.

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

**AYES.**

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

**Agreed: The Proceeds of Crime (Amendment) Bill, 2016, was given a second reading.**

## BILL

### SECOND READING

#### PUBLIC SERVICE MANAGEMENT (AMENDMENT) BILL, 2016

**The Deputy Speaker:** I call on the Honourable Deputy Governor.

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

I beg to move the Second Reading of a Bill entitled the Public Service Management (Amendment) Bill, 2016.

**The Deputy Speaker:** The Bill has been duly moved.  
Does the mover wish to speak thereto?

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

Mr. Speaker, I rise to present the Public Service Management (Amendment) Bill, 2016. By way of background, the Public Service Management Law governs the Civil Service human resources matters, including terms and conditions of service and outlines the benefits available to civil servants. One such benefit is the provision of pension benefits. Mr. Speaker, the Cayman Islands Government continues to take steps to modernise its approach to Civil Service terms and conditions generally, but particularly, to public service pension benefits. The following reforms have been made:

- The introduction on the 10<sup>th</sup> of July 1980 of the defined benefit plans to permanent and pensionable employees.
- The introduction on the 1<sup>st</sup> of January 2000 of the defined contribution plan which made pensions universally available to all public servants, i.e., including those Caymanians and non-Caymanian employees who were

previously not on permanent and pensionable terms.

Mr. Speaker, a key tenet of the proposed pension reform is to increase the normal retirement age within the civil service from age 60 to age 65. Based on numerous consultation meetings held both in Grand Cayman and Cayman Brac, civil servants have expressed strong support for the opportunity to work longer, particularly, as existing staff will retain the ability to retire early if they so choose.

Mr. Speaker, this Bill therefore seeks to incorporate into amendments to the Public Service Management Law (2013 Revision), the necessary perimeter to implement and increase in the normal retirement age from age 60 to 65 for civil servants. Mr. Speaker, this change, as I've said before, has overwhelming support. But our employees, and in particular, younger employees have also expressed concerns about what impact it will have on their future promotion opportunities. Mr. Speaker, in anticipation of the law changing we have relaxed our requirements and retained a growing number of persons at or above age 60. The result is that between 2014 and 2015, the average age within the civil service has grown from 42 years to 43 years. Persons at or above age 60 now represent a little over 5 per cent of our workforce. Some 25 per cent, Mr. Speaker, of the Civil Service is between ages 50 to 59. The result, Mr. Speaker, is that we have a very seasoned and experienced workforce and I believe our work product benefits from this fact. However, we need to balance our workforce planning with creating opportunities to attract new talent and to retain talent which is high performing and ought not to be on the rise.

You will recall during Finance Committee it was agreed that succession planning must and will be an area of focus over the next five years. As such, we need to not only retain experience talent that can groom future civil service leaders, but also to create opportunities for emerging leaders to be promoted and for inspiring leaders to be hired into the civil service. As such, there have been two changes included within the amendment Bill to specifically facilitate succession planning. The first allows for Government-initiated transfers where I, as Deputy Governor and head of the Civil Service, will be able to transfer a person in a key managerial or technical role in order to facilitate a qualified Caymanian being promoted. In such circumstances, the existing manager or technocrat in a key role will still have their salary protected as the move was unilateral. It is expected that such moves will be by their nature temporary, as existing managers who are transferred should be approaching retirement or on fixed-term contracts.

We appreciate concerns that this may increase cost to the public, and, as such, the safeguards that exist in the draft law allows that only I, as head of the Civil Service, can make such a transfer. The regulations will fully specify that when making

such a transfer a person who is being disciplined for poor performance will not be eligible to benefit from such a transfer. So, Mr. Speaker, we are keen to use this tool only in very specific and necessary circumstances.

The second tool which allows succession planning, Mr. Speaker, can be initiated by employees who wish to take phased retirement. Mr. Speaker, the Civil Service is undergoing tremendous change and managers and technocrats have to facilitate this change and still maintain a challenging agenda of normal work activities.

At the leadership conference earlier this week we asked leaders across the Civil Service to make a personal commitment to driving this change and to deliver results with a sense of urgency. We may find, Mr. Speaker, that for various reasons we may have persons who are eligible to retire but are not ready to retire, perhaps for financial reasons, but who also do not desire to continue to drive such a change from a leadership role. In those cases, persons may opt to request a lesser-paying role if one is available. They may augment their take-home pay by being able to access their pensions.

It is anticipated that over time as existing contracts expire, this will be the only way the civil servants will draw both a salary and a pension at the same time. This will be allowed in the future only where the employee offers and the managers accept to move an employee to a lower paying position. When the employee initiates this request, their salary is not protected but they are allowed to access their own pension funds to make up the difference and so their salary remains.

This, Mr. Speaker, frees up roles for Caymanians to be promoted. We are currently pursuing policies to tightly manage headcount to retain persons approaching retirement age and to attract new talent to the civil service. The only way to achieve this without creating massive growth in total headcount is to be creative in the ways that we create promotional opportunities for our staff. The proposal regarding transfer is meant to allow greater framework flexibility, to both the employee and the employer to move around the civil service, particularly to facilitate succession planning and career planning for older staff.

Mr. Speaker, I know that some Honourable Members in this House may argue that the civil service should not even have a statutory retirement age for work. And I will tell you that there is some support for this, even among our own senior policy advisors. However, we believe that we have to take incremental steps to ensure that the improvements we have made since 2008 to decrease total headcount by 11 per cent within the civil service is not completely reversed in such a few short years because we have so many moving parts.

Mr. Speaker, we are still strengthening results on workforce planning, performance management and accountability and identifying ways to manage our

overall size and cost. We must be measured in our approaches at this time. Our organisation simply isn't ready to completely do away with a statutory retirement age. Having said that, the Public Service Management Law has always facilitated persons being rehired who are above retirement age. In June 2015, we had some 175 persons who were over retirement age. I expect this number to grow. We need to carefully plan for this and to mitigate other consequences, even as we seek to maximise the benefit of retaining knowledgeable staff.

Mr. Speaker, I will now go through the proposed amendments to the Public Service Management Law (2013 Revision).

Amendment to section 2, definitions and interpretations: These simply repeal some defunct references such as the "portfolio of internal and external affairs" and the "portfolio of finance and economics." Inserting a definition for "early retirement age," which preserves existing staff eligible for early retirement at age 50, but requires future hires to work until at least age 55 before being able to retire early. To insert a definition of "normal retirement age" being age 65, inserting a definition of "participant" and inserting a definition of "remuneration band".

[Clause 3,] amendment to section 9, appointment of official members, is proposed at section 9(4) of the Public Service Management Law (2013 Revision) is amended to replace references to retirement age, that is, age 60, with a reference to the normal retirement age, 65, throughout the section of the law pertaining to the employment of official members.

Clause 4, insertion of section 20A, transfer of employees to facilitate succession planning, it is proposed that the Public Service Management Law (2013 Revision) is amended by inserting after section 20, a new section called section 20A, which provides the head of the civil service with the ability to facilitate transfers between civil service entities. Currently, this can only happen for ministerial re-arrangements which normally happen after an election or by a chief officer where a transfer is within the same Ministry or portfolio.

Clause 5, amendments to section 26, procedure for appointing chief officers of ministries and portfolios, Mr. Speaker, it is proposed that section 26(3) of the Public Service Management Law (2013 Revision) is amended to replace references to "retirement age," that is, age 60, with reference to the "normal retirement age," of age 65, throughout the section of that law.

Clause 6, amendment to section 41, procedures and requirements for appointments, Mr. Speaker, it is proposed that section 41 of the Public Service Management Law (2013 Revision) is amended to address staff concerns that raising the retirement age could frustrate succession planning. This clause amends [subsection] (11) of section 41 of the law by repealing [subsection] (11), applicable to the reappointment of a person who has attained to age 60, to

instead refer to the normal retirement age, which is, 65. Allowing an appointing officer to reappoint a staff member who opts for partial retirement, which is, to retire and earn a salary and pension by taking a lesser paying job without the need to go through open recruitment. I think that is very important.

Inserting after [subsection] (14) a new [subclause] (14A), which allows the head of the civil service to initiate transfers of persons holding key managerial and technical roles where a Caymanian has been identified through succession planning to take over such roles.

Clause 7, amendment to section 42, basis of employment of staff, it is proposed that section 42 of the Public Service Management Law (2013 Revision) is amended to address the basis of employment when a person is transferred by repealing subsection (4), and replacing with text which allows a civil servant to transfer from one entity to another with uninterrupted service. As a result of the head of the civil service making the move to facilitate succession planning, to transfer person's terms and conditions are preserved versus as a result of the employee requesting to be transferred to a position of a lower salary grade in order to partially retire and claim a pension.

Once this Bill is passed, Mr. Speaker, Cabinet will issue amendments to the Personnel Regulations (2013 Revision) to give effect to the applicable amendments to the Public Service Management Law.

Mr. Speaker, I want to also advise this honourable House that I intend to bring a Committee stage amendment. We have had representations from Members of the Royal Cayman Islands Police Service (RCIPS) to say this law doesn't apply to them and they are eager for it to do so. We have had many consultations with them. We believed that we would have to bring a separate amendment under the Police Law, but our clever Attorney General has come up with a way of doing that with an amendment to this law here. So, we will put that forward and we have spoken to the members of the RCIPS and they are very happy that this is being done now as opposed to later.

Mr. Speaker, this is an important step for all of us in the civil service and the RCIPS, that an increase in the retirement age could positively impact talent management and morale within the civil service. It is also recognised that this honourable House recently passed a Bill to amend the National Pensions Law (2012 Revision) to raise the retirement age in the private sector. So, it is important that we are all, both public sector and private sector, playing by the same rules. That was a mandate given to us by our elected leaders.

Mr. Speaker, I commend this Bill to this honourable House and humbly invite all Members to lend their support and in doing so, to further strengthen the engagement and morale of civil servants who will now have the opportunity to work longer and provide for their families, all, for the betterment of the people of the Cayman Islands. I thank you.

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

If no other Member wishes to speak, does the mover of the Bill wish to exercise his right of reply?

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Speaker, only to thank Members for their support. Thank you.

**The Deputy Speaker:** The question is that a Bill shortly entitled, the Public Service Management (Amendment) Bill, 2016, be given a second reading.

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

**AYES.**

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

**Agreed: The Public Service Management (Amendment) Bill, 2016, given a second reading.**

## BILL

### SECOND READING

#### PUBLIC SERVICE PENSIONS (AMENDMENT) BILL, 2016

**The Deputy Speaker:** I call on the Honourable Deputy Governor.

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Speaker, I beg to move the Second Reading of a Bill entitled the Public Service Pensions (Amendment) Bill, 2016.

**The Deputy Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

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

Mr. Speaker, I rise to present the Public Service Pensions (Amendment) Bill, 2016. By way of background, the Public Service Pensions Law (2013 Revision) governs all aspects of the administration of pension benefits due to public servants enrolled in the Public Service Pensions Plan. Mr. Speaker, as a result of increases in life expectancy, not only in the Cayman Islands, but globally, it is only logical that a citizen of these Cayman Islands should be afforded the opportunity to have longer working lives. It is noteworthy that the retirement age in most other jurisdictions, including the UK, has been increased beyond the age of 60 for many years now.

A national initiative to increase the normal retirement age is currently underway and the retirement age has already been increased to age 65 for private sector pension plans governed under the National Pensions Law. This initiative, Mr. Speaker, is

consistent with Recommendation 49 of the Ernst and Young Report, entitled Project Future, which recommended that Government explore the impact of raising the retirement age for Government workers to 65.

Mr. Speaker, the portfolio of the Civil Service and the Public Service Pensions Board have collaborated to educate the public service on the issues of extending the retirement age to 65 as well as to gauge the acceptability of such a proposal. During a six-week intensive information campaign, face-to-face meetings were held to solicit feedback from existing employees. These sessions targeted the civil service overall, but also focused on key audiences including Members of the Cayman Islands Civil Service Association of persons who were at or approaching the current retirement age, teachers ranging from Clifton Hunter High School to North Side to John Gray High School in George Town, managers and general staff in our sister islands, hourly paid staff, HR professionals, heads of departments, and chief officers. In total, more than 400—400—public servants participated in these voluntary workshops. In addition, the portfolio of the civil service has facilitated private advisors, such as Mr. Ralph Lewis, to come into the civil service and provide financial management advice to staff, for how best to prepare for retirement at all stages of their working life. The response to this campaign was overwhelming, Mr. Speaker, in favour of the proposed increase. If there was a key concern that was expressed, it was, *How soon can we make this happen?*

Mr. Speaker, I am so pleased to stand in this Honourable House to recommend the passage of legislation that will allow our employees who are high performing to continue to work, to continue to save towards their retirement, to continue to be productive members of the Caymanian society, to continue to serve in key roles and to more consistently facilitate succession planning with the additional support they will be provided centrally over the coming years.

Mr. Speaker, it is intended that the amendment would not only allow for public servants currently enrolled in the Public Service Pensions Plan to ably serve these Cayman Islands in gainful employment for a longer period of time, but it would also allow them the opportunity to increase the value of their pension account providing for greater financial stability in retirement. It is one of the issues that I am sure all of us in this House hear is, *I want to retire, but I can't because my pension is too low*. So this move of allowing people to continue to work, to continue to contribute to their pension allows them to retire with a higher pension pay-out.

Whereas, this pension reform will have only a small impact on the financial state of the Public Service Pensions Plan in the short term as the majority of the current past service liability relates to persons who are already retired, the past service liability of the defined benefit part of the plan can decrease as more defined benefit participants exercise the option to work longer and deter retirement beyond age 60. The

impact, while small, was estimated to be as much as \$30 million savings to the Plan if all persons opted to work until age 65.

Now we know, Mr. Speaker, that we will not get 100 per cent universal take-up, that is, not all persons will choose to work until 65, but many will. We are seeing this already, even before the law is changed, Mr. Speaker. At the urging of Honourable Members of this Parliament, and our own employees, the number of persons who continue to work beyond age 60 is only continuing to grow within the civil service. As of June 2015, just over 5 per cent of the civil service was age 60 or older. For the persons who reached age 60 in 2014 and 2015, we had 90 per cent and 81 per cent, respectively, who opted to continue working. I ought to add, Mr. Speaker, that even with the amendments to our laws, our existing employees will retain the choice to retire at the current eligibility dates which began as early as age 50. What they gain is the right to work longer if they so choose.

As I shared, Mr. Speaker, even without being compelled, most persons choose to work longer. However, for persons employed after this law changes, the earliest they may retire is at age 55. For persons who leave the Civil Service and then return, their date for being eligible to retire and claim their pension will be governed by the break in service rules. If they were under the civil service for a period of four more years, or for a period which was longer, where they were previously employed within the civil service, they will be treated like new employees and are only eligible for early retirement at age 55.

As I stated, Mr. Speaker, most of our employees are choosing to stay with us when they approach age 60; however, while persons are currently working longer, our existing pension laws does not allow them to accrue further savings at age 60 or the pension fund to achieve any benefits from them remaining active employees. This will change with the amendments to the law. For the first time these changes will allow persons who are under the proposed retirement age, which is under 65, to re-enter a defined contribution pension plan receiving a 12-month pension contribution and to suspend the receipt of their existing pension payment. This will allow persons who are under age 65 and still working, to continue to accrue retirement savings.

So, Mr. Speaker, there are persons right now in the civil service who are age 62. They have received their pension, they are continuing to work, but they cannot afford to retire because their monthly pension is not enough to keep them. What this will allow those persons to do is to come back to us and say, *I would now like to re-enter the pensions plan*. Their salaries would then return to what they were before. They will then be allowed to continue to pay back into their pension plan and then over the next few years their pension will build up and, hopefully, at age 65 they will be able to retire. So we have worked very hard to ensure that we are treating all of our em-

ployees as fairly as possible and we are driving the right behaviours.

Mr. Speaker, as you know and, I think, all in here knows that there are many misconceptions about public service pensions. There is a belief that all public servants have a huge nest egg in their public service pension. The reality is that pensions only became universal within the civil service in 2000, or 16 years ago. As such, for many persons, their savings remain quite modest. There is a feeling that all public servants are on the defined benefits pension. The reality is that less than 16 per cent of the entire public service is on a defined benefit plan. There is 84 per cent on a defined contribution plan that only began 16 years ago. There is a feeling that persons who are on defined pension plans only have to work for a brief period and then they get to live like kings and queens. Mr. Speaker, that too is false. Of the 876 active defined participants across the entire public service, approximately 30 or so of them are on plans that require them . . . Mr. Speaker, I want to make that very clear—30 are on plans that require them to work 33 and one-third years in order to maximise their pensions. The vast majority, including myself, who are on the defined benefit participant, have to work for the public service their entire career of 40 years in order to attain the maximum benefit. That is the vast majority of the civil service. They have to work 40 years in order to attain their maximum pension benefit.

As such, Mr. Speaker, the changes proposed benefits everyone. It benefits staff by allowing persons to save more money towards their ultimate retirement. It benefits civil servants by allowing greater retention of highly knowledgeable and experienced staff. It benefits the Public Service Pensions Plan by requiring persons who are still working to cease drawing their pension and thereby to reduce the demand on the fund and enhance the opportunities for the fund to be invested and to achieve investment returns, and it benefits the Cayman Islands by allowing citizens to work longer and to save longer so that they may live in dignity during their retirement and reduce the demands on younger generations to support them. With an ageing population, this is of critical public importance.

So, Mr. Speaker, I would just briefly go through the proposed amendments.

Clause 1 provides for the short title of the Bill.

Clause 2 amends section 3 of the Public Service Pensions Law to redefine the terms “early retirement” and to define “salary grade” in order to bring them in line with changes being made to the Public Service Management Law, which I just spoke to.

Clause 3 repeals and replaces section 23 of the Public Service Pensions Law, 2013, to provide the guidelines and criteria for phased retirement as well as to allow persons receiving a pension benefit to opt to re-join the Public Service Pensions Plan in the defined contribution part of the plan through re-employment or continued employment in the public

service, depending on salary grade. A person under age 65 who obtains a contract renewal on the same or higher grade, that they had prior to their retirement, will be offered contracts that require them to resume contributions toward retirement and to cease drawing their pension.

Clause 4 amends section 38 of the Public Service Pensions Law (2013 Revision) to allow persons in the defined benefit part of the plan to attain maximum pension eligibility up to age 65.

Mr. Speaker, once this Bill is passed this amendment will be augmented through regulations to follow.

So, Mr. Speaker, I humbly commend this Bill to all Members of this Honourable House and ask that they will lend their support to this Bill. In doing so, increase the retirement age for persons employed in the public sector to age 65, affording public servants of these beloved Cayman Islands, the opportunity to enjoy longer working lives and increase financial security in retirement in keeping with this national initiative. I thank you, Mr. Speaker.

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

I acknowledge the honourable Member for North Side.

**Mr. D. Ezzard Miller, Elected Member for North Side:** Thank you, Mr. Speaker.

Mr. Speaker, at the risk of crossing that line in the sand and politicising the civil service, I have but one question to ask: Why are we treating the civil service worse than the Public Pensions Plan by not using the same language that was so important for the Public Pensions Plan that was used here at the last Meeting to define retirement age?

Thank you, Mr. Speaker.

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

If no other Member wishes to speak, does the mover of the Bill wish to exercise his right of reply?

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

The Member for North Side did ask a question which I had alluded to in my opening remarks in that we don't believe that the civil service is actually ready to move through that open door yet. So we will move things along in a structured way.

I thank all Members for their support.

**The Deputy Speaker:** The question is that a Bill shortly entitled the Public Service Pensions (Amendment) Bill, 2016, be given a second reading.

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

**AYES.**

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

**Agreed: The Public Service Pensions (Amendment) Bill, 2016, was given a second reading.**

## BILL

### SECOND READING

#### NON-PROFIT ORGANIZATION BILL, 2016

**The Deputy Speaker:** I call on the Honourable Minister for Financial Services.

#### **Withdrawal of Bill** *[Standing Order 58]*

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

Mr. Speaker, I beg to move a motion under Standing Order 58 to withdraw this Bill, to bring it back for a subsequent Meeting and have it placed on the Order Paper, sir. The reason for that, sir, is simply that we think we need additional time to ensure that we have proper public consultation and any necessary amendments which may flow from that.

Thank you, sir.

**The Deputy Speaker:** The question is that this Bill be withdrawn.

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

**AYES.**

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

**Agreed: The Non-Profit Organization Bill, 2016, withdrawn.**

## BILL

### SECOND READING

#### CONFIDENTIAL INFORMATION DISCLOSURE BILL, 2016

**The Deputy Speaker:** Honourable Minister of Finance. Am I correct? Or, is it Minister of Financial Services?

**Hon. G. Wayne Panton:** Financial Services. Thank you very much, Mr. Speaker.

Mr. Speaker, I beg to move the Second Reading of a Bill with the long title, A Bill for a law to repeal the Confidential Relationships (Preservation) Law (2015 Revision); to provide for the circumstances under which confidential information may be disclosed; and to provide for incidental and connected purposes.

**The Deputy Speaker:** The Bill has been duly moved. Does the mover wish to speak thereto?

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

Mr. Speaker, I am pleased to present this Bill on behalf of the Government which seeks to provide a law to repeal and replace the Confidential Relationships (Preservation) Law (2015 Revision), currently. And, Mr. Speaker, to also revise the circumstances with which a person may be required or authorised to disclose confidential information without the express consent of the person to whom the duty of confidentiality is owed. Further, to clarify the local competent authorities to whom information can be disclosed and in what circumstances, and finally, to remove the current criminal sanction for breach of disclosure of confidential information while maintaining the common law civil liability.

Mr. Speaker, the Confidential Relationships (Preservation) Law has certainly served its purposes. From the time of its original enactment it was a good law with good intentions, but over time, and particularly in recent years, it has become very clear that, in particular, the provisions dealing with criminal sanction in respect of the unauthorised disclose of confidential information has brought negative publicity, confusion, and really unwarranted criticism to the jurisdiction. Various international standard setters, Mr. Speaker, a number of the non-governmental organisations that speak on issues relevant to financial services, and in some cases, the media, both locally and internationally, often either misinterpret what the Confidential Relationships (Preservation) Law actually provides. Or in some cases, they deliberately paint a distorted picture of this legislation, as legislation which enables activities to be carried out for illicit purposes. Nothing is really in fact further from the truth, Mr. Speaker. But those are the types of issues that we have dealt with in relation to this particular piece of legislation.

As an example, Mr. Speaker, we have had the Organization for Economic Cooperation and Development, commonly known as OECD, issue a report which was entitled, "Tax Co-operation 2009: Towards a Level Playing Field", and that provides with respect to the Confidential Relationships (Preservation) Law that the Cayman Islands have, or they refer to the report, as "Bank Secrecy Reinforced by Statute."

More recently, Mr. Speaker, as another example, we have had a 2015 report from the Tax Justice Network and the report was their Financial Secrecy Index, which specifically referred to the Confidential Relationships (Preservation) Law as a contributing factor in its rating of the Cayman Islands as the world's fifth most secretive jurisdiction. Mr. Speaker, if one was to do a comparative analysis of the provisions of this jurisdiction and the provisions which exist in law here, which deal with transparency in the list which the Tax Justice Network was considering the



list of jurisdictions, one could never conclude that the Cayman Islands was the fifth most secretive jurisdiction, not from an objective perspective, but simply because the Confidential Relationships (Preservation) Law exists and it has a provision that has a criminal sanction to the disclosure of confidential information, they reached a conclusion that this somehow elevates very substantially the Cayman Islands secrecy rating. So, Mr. Speaker, that is very unfortunate, unjustified, but those are the types of background issues which explain why we are proceeding with bringing this Bill to repeal the existing law and to replace it with the new provisions in this new law, a new Bill for a law to be called the Confidential Information Disclosure Law, 2016.

Mr. Speaker, as stated earlier, the main provisions of the Bill that distinguish it from the existing law, are provisions that implement or enable the following:

The Bill seeks to, firstly, revise the circumstances in which a person may be required or authorised to disclose confidential information without the expressed consent of the person to whom the duty of confidentiality is owed. Secondly, it seeks to clarify the local competent authorities to whom information can be disclosed to and in what circumstances; and, thirdly, Mr. Speaker, as I said earlier, to remove this current criminal sanction. But importantly, it retains the common law civil liability. And on that point, Mr. Speaker, there are a number of our competitor jurisdictions that actually rely only on the common law civil liability for the improper disclosure of confidential information. So, we are not putting ourselves at a disadvantage in adopting this position.

Mr. Speaker, it is anticipated that this Bill will continue very effectively to protect confidential information that exists in the Cayman Islands or which is brought to the Cayman Islands. It is also believed that the passage of this Bill will enhance the profile and record of transparency of the Cayman Islands by clarifying one of the core objectives of the Confidential Relationships (Preservation) Law, which is to specifically provide local competent authorities gateways to access information and that, Mr. Speaker, is a very vital point which is missed and misunderstood very often by international commentators, and on some occasions, by local commentators.

Mr. Speaker, the Bill is arranged into six clauses: -

Clause 1 sets out the short title and commencement of the Bill.

Clause 2 makes provision for the definition of certain words used in the Bill.

Clause 3 makes provision for the circumstances where confidential information may be disclosed by a person who owes a duty of confidentiality without that person incurring civil liability.

Clause 4 makes provision for the application to the Court for directions in proceedings where confidential information is required to be given in evidence.

Clause 5 makes provision for rules to be made by the Rules Committee of the Grand Court regarding the procedure to be followed where an application is made under this law.

Clause 6, Mr. Speaker, repeals the Confidential Relationships (Preservation) Law (2015 Revision).

Mr. Speaker, many of the things that I have outlined here exist in the current law. We are. . .

*[Inaudible interjection]*

**Hon. G. Wayne Panton:** Mr. Speaker, just for clarity a point made by one of the Members, as I said earlier, the existing Confidential Relationships (Preservation) Law has a provision for a criminal sanction for the unauthorised disclosure of confidential information. The Member has asked why the law doesn't specify some other provision for a breach. What the law does, Mr. Speaker, is it provides that there is a common law duty for the unauthorised disclosure of confidential information and that is the civil liability which is being referred to in the law. So, if there is a breach of confidential information through an unauthorised disclosure and the person to whom the duty is owed suffers damages, they can certainly claim compensation from the person who unlawfully disclosed that information by pursuing an action under this common law provision. And that is the basis of the civil liability rule.

All we are proposing to do with this Bill, in large part, is to ensure that we take out this criminal liability sanction, because that is the thing which has attracted a tremendous amount of attention. It is not something that we feel is necessary for our purposes. It has never actually been utilised. No one has ever been charged with a criminal offence under this law, in terms of unlawful disclosure of information. So, it is not something that is necessary for us and for the conduct of business in this jurisdiction. We can continue to rely on the common law provisions and civil liability sanction which exists as a result of that. And as I said earlier, sir, a number of our competitor jurisdictions actually simply rely on the common law rule. They don't have any piece of legislation which is specifically similar to our Confidential Relationships (Preservation) Law or necessarily in the form of the Bill that we are presenting here today.

So, Mr. Speaker, with that, I hope this can effectively conclude my presentation on this Bill. But I want to stress, that very careful consideration has been given to this Bill. It has been done entirely in consultation with the private sector. It is a matter which has been under discussion for a number of years because it has been recognised, Mr. Speaker, that this particular law and the criminal sanction within it attracts unwarranted attention and unfair criticism.

So, we have the complete support of industry in respect of this, Mr. Speaker. I certainly want to state and acknowledge the contributions of industry representatives in relation to this issue. I want to thank in particular the Members of the Financial Services Leg-

islative Committee, certainly, those members of staff in Ministry. There are other private sector members who have contributed and, of course, the Legal Drafting Department under the Honourable Attorney General, because it is specialised legislation and it is certainly has been the subject of lots of discussion, as I said. I want to thank them all and recognise their contribution. Obviously, we all do it to ensure that we can enhance the essential and well-respected financial services industry of the Cayman Islands, and to ensure that that continues from strength to strength.

Mr. Speaker, with that, I commend this Bill to this honourable House for passage.

Thank you very much.

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

I acknowledge the Honourable Attorney General.

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

To briefly say that in support of the Bill, I do share the observations by the Honourable Minister, especially in pointing out that the Confidential Relationships (Preservation) Law has been unfairly characterised as secrecy legislation.

Mr. Speaker, it is not a well-guarded secret that most civilized democratic countries do have in place provisions in their law that protect people's confidential information. It is a basic common law right. For example, if you do business with a bank, the bank is under an obligation to keep your business confidential, keep it private. And I think that this characterisation of . . . well, I don't know if it is a characterisation, but this deliberate attempt to conflate confidentiality with the sort of pejorative use of the term "secrecy" has always been to malign (if you will) the reputation of these Islands. And I say that, Mr. Speaker, because I am not aware—and I will challenge all international commentators to point that out to me—of one instance where there is a demonstration or a request, a legitimate request for information from the Cayman Islands, and that has been prevented by the use of any provision of the Confidential Relationships (Preservation) Law.

Quite the contrary, the Confidential Relationships (Preservation) Law is a dedicated, legislative gateway to provide information to those who have demonstrated a legitimate purpose for getting that information, be it law enforcement agency or a regulatory agency. But I am not aware of anywhere else in the world or any country in the world where anyone, whether law enforcement or otherwise, can walk into a bank and ask about the balance in anybody's account and be provided with that information. So, I am not so sure why this standard is being set, that the bar is being set differently for the Cayman Islands. And I think that has been unfair over the years to characterise us as a secrecy jurisdiction when, in fact, if you look in a

lot of countries, what they do, they don't have a piece of legislation called the Confidential Relationships (Preservation) Law, but if you look in their banking law you will see there is a provision in there which speaks to confidentiality. And the Confidential Relationships (Preservation) Law was a codification, or is a codification of the common law principle, as we know it, from way back in 1924, Mr. Speaker, of a case name *Tournier v. National Provincial [and Union] Bank [of England]* where the issue of the relationship between a banker and a client and the obligation to treat the customer's information as confidential. There was an issue and that was settled from way back then. And all that happened in the Cayman Islands is that that has been put into legislation.

The important thing to also point out is that it is a human right for a person's privacy to be respected and the Government is actively pursuing the enactment of Data Protection Law, which will help to further underpin or undergird (if you will) the privacy of persons as it relates to their personal information and so.

I think the law has run its course. I agree with the Honourable Minister that to the extent that it is a "lighting rod" for us (if you will), focusing unnecessary attention on us in a kind of very bad way. It might not be a bad thing to dispense with it and sort of streamline the language to make it quite clear that whilst we protect and jealously guard people's confidentiality and their privacy, the fact of the matter is that even with the jettison of the criminal provision of the law, there is still recourse to the court if there is a breach of this confidentiality. Hopefully, persons will see this for what it is, which is, again, a clarification (if you will) of a long outstanding recognised right of every human being to have their privacy protected.

I do thank you.

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

If no other Member wishes to speak, does the mover of the Bill wish to exercise his right of reply?

**Hon. G. Wayne Panton:** Thank you, Mr. Speaker.

Mr. Speaker, let me thank the Honourable Attorney General for the contributions he has made in respect of the presentation of this Bill. It certainly reflects the value and the content and the detail which he has provided, it certainly reflects the fact that he has been engaged on these issues. He typically represents the Government with the Caribbean Financial Action Task Force discussions and, clearly, he is very capable and suitably equipped in a most effective way. So, I thank him very much for providing the additional clarity and detail around this.

Mr. Speaker, probably at least maybe 20 years ago—let me not be unkind, let's say between 15 and 20 years ago or it might be a little bit more, I don't know—I remember a young lady at the time, Mrs. Dilbert, who I think at the time she was with the Cayman Islands Monetary Authority and she was asked to do a

presentation on the Confidential Relationships (Preservation) Law.

She started off saying: "Ladies and Gentlemen, this law should be called the Disclosure's Law because that is the reality of what it is. It provides an effective gateway, an effective framework for the disclosure of confidential information in appropriate circumstances". And, Mr. Speaker, that is where we are trying to get back to now. That is why we have proposed to set the name as the Confidential Information Disclosure Law; simply because we are trying to reflect very specifically what it is and address some of the issues and the malalignment of which both the Attorney General and myself have spoken about.

Mr. Speaker, we have engaged with, for example, the Tax Justice Network. We have now engaged with them and we are having discussions with them in terms of their next assessment of their Secrecy Index. We will certainly ensure that they have a copy of the new law placed in front of them, with the title highlighted and the fact that there is no criminal sanction any longer. So let's see how they respond in respect to that, on that occasion, sir. But, as I said, we will remain engaged and try to ensure and influence the perspective and move it from one of subjectivity and their particular agenda to one of a clear, objective assessment.

So, Mr. Speaker, with that, let me also thank all other Members of this honourable House for their support, and most certainly, my colleagues for their support in respect of this important Bill which will hopefully see us start to influence some change in perspectives on this particular issue as it relates to the Cayman Islands and our very important financial services industry. I thank you very much, sir.

**The Deputy Speaker:** The question is that a Bill shortly entitled the Confidential Information Disclosure Bill, 2016, be given a second reading.

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

**AYES.**

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

**Agreed: The Confidential Information Disclosure Bill, 2016, given a second reading.**

**The Deputy Speaker:** The House will now go into Committee to consider the Bills, and I want to take a five-minute break before we actually start the Committee.

*[Crosstalk]*

**The Deputy Speaker:** I now call on the Minister of Education (and I apologise) in regard to the Education Bill, 2016.

## BILL

### SECOND READING

#### EDUCATION BILL, 2016

*[Deferred]*

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

I rise to move a motion under the relevant Standing Order to defer the Second Reading of the Bill entitled the Education Bill, 2016, until a subsequent Meeting of this Legislative Assembly.

**The Deputy Speaker:** The question is that the Education Bill, 2016, be deferred to a subsequent Meeting of this House.

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

**AYES.**

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

**Agreed: Education Bill, 2016, deferred to a subsequent Meeting.**

**The Deputy Speaker:** Thank you. We will now take a five-minute break.

**Proceedings suspended at 6:04 pm**

**Proceedings resumed at 6:11 pm**

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

The House will now go into Committee to consider the Bills.

**House in Committee at 6:11 pm**

*[Hon. Anthony S. Eden, Chairman]*

## COMMITTEE ON BILLS

**The Chairman:** The House is now in Committee.

With the leave of the House, may I assume that, as usual, we should authorise the Honourable Attorney General to correct minor errors and such the like in these Bills?

Would the Clerk please state the Bill and read the Clauses.

### PARLIAMENTARY PENSIONS (AMENDMENT) BILL, 2016

**The Clerk:** The Parliamentary Pensions (Amendment) Bill, 2016.

Clause 1 Short title  
 Clause 2 Amendment of section 20 of the Parliamentary Pensions Law (2010 Revision) - eligibility - parliamentary pension

**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.

**Agreed: Clauses 1 and 2 passed.**

**The Clerk:** A Bill for a Law to amend the Parliamentary Pensions Law (2010 Revision) to vary the eligibility criteria for the payment of a parliamentary pension to former Members of the Legislative Assembly who are otherwise ineligible to receive the pension; and to make provision for incidental and connected matters.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**AYES.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

#### **PROCEEDS OF CRIME (AMENDMENT) BILL, 2016**

**The Clerk:** The Proceeds of Crime (Amendment) Bill, 2016.

Clause 1 Short title  
 Clause 2 Amendment of section 2 of the Proceeds of Crime Law (2014 Revision) – interpretation  
 Clause 3 Amendment of section 4 – powers, functions and duties of Financial Reporting Authority  
 Clause 4 Amendment of section 5 – Anti-Money Laundering Steering Group  
 Clause 5 Amendment of section 45 – restraint orders  
 Clause 6 Amendment of section 136 – failure to disclose  
 Clause 7 Amendment of section 138 - disclosure by the Financial Reporting Authority  
 Clause 8 Amendment of Section 145 - regulations  
 Clause 9 Amendment of Schedule 4 – regulated sector

Clause 10 Insertion of Schedule 6 – List of activities falling within the definition of “relevant financial business”  
 Clause 11 Provision for commencement of section 45 – restraint orders

**The Chairman:** The question is that clauses 1 through 11 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 11 passed.**

**The Clerk:** A Bill for a Law to amend the Proceeds of Crime Law (2014 Revision) to make changes necessary for compliance with international standards relating to the prevention of money laundering, terrorist financing and proliferation financing; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**AYES.**

**Agreed: Title passed.**

#### **PUBLIC SERVICE MANAGEMENT (AMENDMENT) BILL, 2016**

**The Clerk:** The Public Service Management (Amendment) Bill, 2016.

Clause 1 Short title and commencement  
 Clause 2 Amendment of section 2 of the Public Service Management Law (2013 Revision) - definitions and interpretation  
 Clause 3 Amendment of section 9 - appointment of Official Members  
 Clause 4 Insertion of section 20A - transfer of employees to facilitate succession planning  
 Clause 5 Amendment of section 26 - procedure for appointing chief officers of ministries and portfolios  
 Clause 6 Amendment of section 41 - procedures and requirements for appointment  
 Clause 7 Amendment of section 42 - basis of employment of staff

**The Chairman:** The question is that clauses 1 through 7 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 7 passed.**

**NEW CLAUSE 8**

**The Clerk:** New clause 8 Amendment of section 21 of the Police Law (2014 Revision).

**The Chairman:** I have received notice of the amendment and I have given the Member leave to bring the amendment.

I call on the Honourable Deputy Governor.

**The Deputy Governor, Hon. Franz I. Manderson:** In accordance with the provision of Standing Order 52(1) and (2), I, the Deputy Governor, give notice to move the following amendment to the Public Service Management (Amendment) Bill, 2016; that the Bill be amended by inserting after clause 7 the following clause:

“8. The Police Law (2014 Revision) is amended in section 21 as follows: by repealing subsection (1) and substituting the following subsection- ‘(1) A police officer who has attained the age of sixty-five years, shall be retired without prejudice and may, in special circumstances and for such temporary periods, be accepted for such service as may be fixed by contract; however, a police officer of the rank of Inspector or above [*sic*] who has attained the age of sixty years, shall be retired without prejudice unless the officer successfully completes a fitness and medical test immediately prior to attaining that age.’”;

And by repealing subsection (7) and substituting the following:

“(7) the provision of this section shall not apply to a police officer appointed prior to the date of the commencement of this Law, unless the police officer elects to have those provisions apply; and if the police officer does not so elect, on or after the date, the provision of section 20 of the Police Law (2006 Revision) will continue to apply to that police officer as if this section had not come into force.”

**The Chairman:** The amendment has been duly moved. Does any Member wish to speak thereto?

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Chairman, just to say that after we had published the amendment to the Public Service Management Law, we received representation from police officers

who wanted to also have the ability to work to age 65 and we agreed. So rather than having to wait a few more months, we have found a way where we can insert this amendment into this Bill and it will allow police officers to elect to move to age 65 if they want to, or to retire early, along the same provisions as they had before. So we are bringing the RCIPS in line with what is happening within the civil service.

**Mr. V. Arden McLean:** Mr. Chairman.

**The Chairman:** Member for East End.

**Mr. V. Arden McLean:** Mr. Chairman, I see what we are trying to do here, but which law supersedes which? Is it the Police Law or this, because the Police Law have provisions in there that are completely different from this?

**The Attorney General, Hon. Samuel W. Bulgin:** Mr. Chairman.

**The Chairman:** Honourable Attorney General?

**The Attorney General, Hon. Samuel W. Bulgin:** Just to clarify for the honourable Member: the current retirement age provision is in the Police Law. This is a Bill that is being moved in the Public Service Management Law to repeal that provision in effect in the Police Law, so when the law revision exercise is completed for the Police Law, this provision will be lifted and put in the Police Law. For example, the 2016 revision of the Police Law will contain these words, that the law is revised.

**Mr. V. Arden McLean:** Mr. Chairman . . . God forbid anyone even think I'm a lawyer or a drafter, but how can you repeal one law through another law?

*[Inaudible interjection]*

**Mr. V. Arden McLean:** It does happen?

**The Attorney General, Hon. Samuel W. Bulgin:** You can use the UK Crime and Justice Act to repeal and amend the Police and Evidence Act. That's all they do with legislation all the time. All that happens is when you do the revision you include the language in it and it reads as if it were done here.

**Mr. V. Arden McLean:** Okay. That may be so. I can't recall us ever doing it here but maybe I am mistaken in that regard. But does this have effect until that is repealed? The passage of this [Bill], will it be effective immediately in the Police Law as well?

**The Attorney General, Hon. Samuel W. Bulgin:** Once this amendment has been assented and gazetted and takes effect, the Police Law will be read accordingly.

[Inaudible interjection]

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Chairman, I am told that I may have made an error in reading the clause 8(1). If you don't mind, I will just read that again to be very certain.

**The Chairman:** Please do.

**The Deputy Governor, Hon. Franz I. Manderson:** "(1) A police officer who has attained the age of sixty-five years, shall be retired without prejudice and may, in special circumstances and for such temporary periods, be accepted for such service as may be fixed by contract; however, a police officer of the rank of Inspector or below who has attained the age of sixty years, shall be retired without prejudice unless the officer successfully completes a fitness and medical test immediately prior to attaining that age."

**Mr. V. Arden McLean:** Mr. Chairman, that is what I was going to ask about. Does it mean that over 65 years of age they can still work?

**The Chairman:** Honourable Attorney General.  
Elected Member for East End?

**Mr. V. Arden McLean:** Mr. Chairman, I don't want to create any controversy here, but I read this to say that a police officer who has attained the age of 65 years shall be retired without prejudice and *may*, in special circumstances and for such temporary periods be accepted for such service as may be fixed by contract. So, after 65 you can still work.

**The Attorney General, Hon. Samuel W. Bulgin:** They can still come back on a fixed-term contract.

**Mr. V. Arden McLean:** But at age 60, to get to 65 the police officer of the rank of inspector or below, have to pass a fitness test?

**The Attorney General, Hon. Samuel W. Bulgin:** Yes, Mr. Chairman.

**Mr. V. Arden McLean:** But at 65 you don't have to, because you did it five years ago?

**The Attorney General, Hon. Samuel W. Bulgin:** Well, I would imagine that at 65 years of age, you would come back subject to medical, but that is discretionary now. So, it would be contractual.

**Mr. V. Arden McLean:** And I don't have the benefit of the Police Law here, but what is the definition of "police officer"? Is that not below the rank of inspector?

**The Attorney General, Hon. Samuel W. Bulgin:** I'm not following you.

**Mr. V. Arden McLean:** "A police officer who has attained the age of 65 years shall be retired without prejudice and *may* . . . then further on, a police officer of the rank of inspector or below who has attained the age of 60 years *shall* be retired without prejudice unless the officer successfully completes a fitness and medical test." In that first instance where "police officer" is used, is that above inspector? Because, remember, they are gazetted officers.

**The Chairman:** Honourable Attorney General.

**The Attorney General, Hon. Samuel W. Bulgin:** We don't use that nomenclature anymore, "gazetted or non-gazetted officers." It is not used anymore. That was discontinued in the 2010 amendment. So what you now have there is inspector, and whatever it is. What that is saying there is that if you get to age 60, in order to progress to 65, if you are an inspector or below, you have to pass a fitness test, because according to the police, these are people who are mostly operational officers. And it would have been assumed that the wear and tear and all of that would have taken its toll.

**Mr. V. Arden McLean:** But do they qualify them at 65 to continue? That is precisely where I am going. Or is that just for people above inspector, because they are office or administrative, or whatever?

**The Attorney General, Hon. Samuel W. Bulgin:** I am not following you. If who is—

**Mr. V. Arden McLean:** We are defining below inspector, inspector and below because of the physical requirements upon them you said.

**The Attorney General, Hon. Samuel W. Bulgin:** That's right.

**Mr. V. Arden McLean:** I am asking what about those above inspector? Because you have chief inspector, commissioner of police, deputy which—

**The Attorney General, Hon. Samuel W. Bulgin:** That is still fits into the general term of "police officers", if that's what you're asking (if I understand you correctly).

**Mr. V. Arden McLean:** Yes. But—

**The Attorney General, Hon. Samuel W. Bulgin:** So everybody is referred to as "officer".

**Mr. V. Arden McLean:** So why are we defining inspector or below then to do it at 60?

**The Attorney General, Hon. Samuel W. Bulgin:** Because of rank. Whether you progress beyond 60 depends on a fitness test because of your rank. So, if I

understand you correctly, chief inspector, superintendent, assistant commissioner, and commissioner, does not have to do the fitness test, if that's what you are asking.

**Mr. V. Arden McLean:** They don't have to?

**The Attorney General, Hon. Samuel W. Bulgin:** The fitness.

**Mr. V. Arden McLean:** That's what I am saying.

**The Attorney General, Hon. Samuel W. Bulgin:** Yes. But we don't use the term "gazetted" or "non-gazetted" anymore. It is not in the law anymore, since 2010. That was one of the complaints that they had.

**Mr. V. Arden McLean:** But we are still differentiating between them here now too.

**The Attorney General, Hon. Samuel W. Bulgin:** In terms of rank, yes, but using different nomenclature.

**The Chairman:** The question is that the amendment stands part of the Bill.

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

**AYES.**

**The Chairman:** The Ayes have it.

**Agreed: New Clause 8 passed.**

**The Chairman:** The question is that the [new clause 8] stands part of the Bill.

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

**AYES.**

**The Chairman:** The Ayes have it.

**Agreed: New Clause 8 stands part of the Bill.**

**The Clerk:** A Bill for a Law to amend the Public Service Management Law (2013 Revision) to enable the reappointment of civil servants who have attained the age of sixty-five; to facilitate a structured approach to succession planning by the transfer of civil servants to other positions in the civil service; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**AYES.**

**The Chairman:** The Ayes have it.

**Agreed: Title passed.**

### **PUBLIC SERVICE PENSIONS (AMENDMENT) BILL, 2016**

**The Clerk:** The Public Service Pensions (Amendment) Bill, 2016

- |          |   |
|----------|---|
| Clause 1 | Short title and commencement  |
| Clause 2 | Amendment of section 3 of the Public Service Pensions Law (2013 Revision) - definitions   |
| Clause 3 | Repeal and substitution of section 23 - participation upon re-employment after retirement |
| Clause 4 | Amendment of section 38 - maximum pensions  |

**The Chairman:** The question is that clauses 1 through 4 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 4 passed.**

**The Clerk:** A Bill for a Law to amend the Public Service Pensions Law (2013 Revision) to increase the normal retirement age from sixty to sixty-five, in relation to employees in the service; and for incidental and connected purposes.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**AYES.**

**Agreed: Title passed.**

### **CONFIDENTIAL INFORMATION DISCLOSURE BILL, 2016**

**The Clerk:** The Confidential Information Disclosure Bill, 2016.

- |          |   |
|----------|---|
| Clause 1 | Short title                                     |
| Clause 2 | Interpretation                                  |
| Clause 3 | Disclosure of confidential information          |
| Clause 4 | Evidence of confidential information directions |
| Clause 5 | Rules Committee to make rules for procedure     |
| Clause 6 | Repeal  |

**The Chairman:** The question is that clauses 1 through 6 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 6 passed.**

**The Clerk:** A Bill for a Law to repeal the Confidential Relationships (Preservation) Law (2015 Revision) to provide for the circumstances under which confidential information may be disclosed; and to provide for incidental and connected purposes.

**The Chairman:** The question is that the Title stands part of the Bill.

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

**AYES.**

**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.

**Agreed: Bills to be reported to the House.**

**The Chairman:** The House will now resume.

**House resumed at 6:39 pm**

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

## **REPORT ON BILLS**

### **PARLIAMENTARY PENSIONS (AMENDMENT) BILL, 2016**

**The Deputy Speaker:** I call on the Honourable Deputy Governor.

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

I beg to report that a Bill entitled The Parliamentary Pensions (Amendment) Bill, 2016, was considered by a committee of the whole House and passed without amendment.

**The Deputy Speaker:** The Bill has been duly reported and is set down for Third Reading.

### **PROCEEDS OF CRIME (AMENDMENT) BILL, 2016**

**The Deputy Speaker:** I call on the Honourable Attorney General

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

I beg leave of the House to report that a Bill entitled The Proceeds of Crime (Amendment) Bill, 2016, was considered by a committee of the whole House and passed without amendment.

**The Deputy Speaker:** The Bill has been duly reported and is set down for Third Reading.

### **PUBLIC SERVICE MANAGEMENT (AMENDMENT) BILL, 2016**

**The Deputy Speaker:** I call on the Honourable Deputy Governor.

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

I beg to report that a Bill entitled The Public Service Management (Amendment) Bill, 2016, was considered by a committee of the whole House and passed with one amendment.

**The Deputy Speaker:** The Bill has been duly reported and is set down for Third Reading.

### **PUBLIC SERVICE PENSIONS (AMENDMENT) BILL, 2016**

**The Deputy Speaker:** I call on the Honourable Deputy Governor.

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

I beg to report that a Bill entitled The Public Service Pensions (Amendment) Bill, 2016, was considered by a committee of the whole House and passed without amendment.

**The Deputy Speaker:** The Bill has been duly reported and is set down for Third Reading.

### **CONFIDENTIAL INFORMATION DISCLOSURE BILL, 2016**

**The Deputy Speaker:** I call on the Honourable Minister of Financial Services.

**Hon. G. Wayne Panton:** Thank you, Mr. Speaker.

I am to report that a Bill entitled The Confidential Information Disclosure Bill, 2016, was considered



by a committee of the whole House and passed without amendment.

**The Deputy Speaker:** The Bill has been duly reported and is set down for Third Reading.

## BILLS

### THIRD READINGS

**The Deputy Speaker:** I call on the Honourable Deputy Premier to move the suspension of Standing Order 47 to enable the Bills to be read a third time in this sitting.

#### SUSPENSION OF STANDING ORDER 47

**Hon. Moses I. Kirkconnell, Deputy Premier:** I move the suspension of Standing Order 47 to enable the Bills to be read a third time.

**The Deputy Speaker:** The question is that Standing Order 47 be suspended to enable the Bills to be read a Third time in this sitting.

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

**AYES.**

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

**Agreed: Standing Order 47 suspended.**

#### PARLIAMENTARY PENSIONS (AMENDMENT) BILL, 2016

**The Deputy Speaker:** Honourable Deputy Governor.

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

I beg to move that a Bill entitled The Parliamentary Pensions (Amendment) Bill, 2016, be given a third reading and passed.

**The Deputy Speaker:** The question is that a Bill entitled The Parliamentary Pensions (Amendment) Bill, 2016, be given a third reading and passed.

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

**AYES.**

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

**Agreed: The Parliamentary Pensions (Amendment) Bill, 2016, given a third reading and passed.**

#### PROCEEDS OF CRIME (AMENDMENT) BILL, 2016

**The Deputy Speaker:** Honourable Attorney General

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

I beg to move that a Bill entitled The Proceeds of Crime (Amendment) Bill, 2016, be given a third reading and passed.

**The Deputy Speaker:** The question is that a Bill entitled The Proceeds of Crime (Amendment) Bill, 2016, be given a third reading and passed.

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

**AYES.**

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

**Agreed: The Proceeds of Crime (Amendment) Bill, 2016, given a third reading and passed.**

#### PUBLIC SERVICE MANAGEMENT (AMENDMENT) BILL, 2016

**The Deputy Speaker:** I call on the Honourable Deputy Governor.

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

I beg to move that a Bill entitled The Public Service Management (Amendment) Bill, 2016, be given a third reading and passed.

**The Deputy Speaker:** The question is that a Bill entitled The Public Service Management (Amendment) Bill, 2016, be given a third reading and passed.

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

**AYES.**

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

**Agreed: The Public Service Management (Amendment) Bill, 2016, given a third reading and passed.**

#### PUBLIC SERVICE PENSIONS (AMENDMENT) BILL, 2016

**The Deputy Speaker:** Honourable Deputy Governor.

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

I beg to move that a Bill entitled The Public Service Pensions (Amendment) Bill, 2016, be given a third reading and passed.

**The Deputy Speaker:** The question is that a Bill entitled The Public Service Pensions (Amendment) Bill, 2016, be given a third reading and passed.

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

**AYES.**

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

**Agreed: The Public Service Pensions (Amendment) Bill, 2016, given a third reading and passed.**

**CONFIDENTIAL INFORMATION DISCLOSURE  
BILL, 2016**

**The Deputy Speaker:** I call on the Honourable Minister of Financial Services.

**Hon. G. Wayne Panton:** Thank you, Mr. Speaker.

I move that a Bill entitled The Confidential Information Disclosure Bill, 2016, be given a third reading and passed.

**The Deputy Speaker:** The question is that The Confidential Information Disclosure Bill, 2016, be given a third reading and passed.

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

**AYES.**

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

**Agreed: The Confidential Information Disclosure Bill, 2016, given a third reading and passed.**

**MOTIONS**

**GOVERNMENT MOTIONS**

*[Deferred]*

**GOVERNMENT MOTION NO. 1/2016-2017—  
AMENDMENT TO THE DEVELOPMENT PLAN 1997  
– PROPOSED REZONING: GEORGE TOWN CENTRAL,  
BLOCK 13D PARCEL 1 AND WEST BAY BEACH SOUTH,  
BLOCK 13C PARCEL 1**

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

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

Under the relevant Standing Order I beg to move that this Government Motion be deferred and carried forward to the next Meeting.

**The Deputy Speaker:** The question is that this Government Motion be carried forward to the next Meeting

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

**AYES.**

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

**Agreed: Government Motion No. 1/2016-2017—deferred.**

**GOVERNMENT MOTION NO. 2/2016-2017—  
ISSUANCE OF A DEED OF INDEMNITY TO THE  
NEW MEMBERS OF THE BOARD OF DIRECTORS  
OF THE CAYMAN ISLANDS NATIONAL  
INSURANCE COMPANY**

**The Deputy Speaker:** Honourable Minister of Finance and Economic Development.

**Hon. Marco S. Archer:** I beg to move Government Motion No. 2/2016-2017—which is captioned the Public Management and Finance Law (2013 Revision) Issuance of a Deed of Indemnity to the New Members of the Board of Directors of the Cayman Islands National Insurance Company.

Mr. Speaker, if you would allow me, I will just read the motion:

**WHEREAS on 15 September 2010, via Government Motion 6/2010-11, the Legislative Assembly approved the issuance to existing Members of the Board of Directors of the Cayman Islands National Insurance Company (the “Board”), a Deed of Indemnity guarding against the potential liability of Members of the Board and allowing the Company to continue to trade despite the Company’s difficult financial position;**

**AND WHEREAS the same factors and concerns apply to the existing Board, the Government of the Cayman Islands (the “Government”) is therefore desirous of issuing a Deed of Indemnity to new Members of the Board (as per the attached Deed of Indemnity);**

**AND WHEREAS Section 8 of the Public Management and Finance Law (2013 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 new Members of the Board of Directors of the Cayman Islands National Insurance Company, of a Deed of Indemnity guarding against the potential liability of Members of the Board of Directors of the Cayman Islands National Insurance Company.**

**The Deputy Speaker:** The question is: BE IT NOW THEREFORE RESOLVED that the Legislative Assembly hereby authorises the issuance, to new Members of the Board of Directors of the Cayman Islands National Insurance Company, of a Deed of Indemnity guarding against the potential liability of Members of

the Board of Directors of the Cayman Islands National Insurance Company.

Does the Honourable Minister wish to speak thereto?

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

I rise to make my contribution to Government Motion 2 of 2016/17, which seeks the approval of a deed of indemnity for the new board of directors of the Cayman Islands National Insurance Company (CIN-ICO).

Pursuant to the Article of Association of CIN-ICO there is an allowance for its board of directors to be indemnified as in years past. This is achieved by issuance of a deed of indemnity to the board of directors in consideration of the fact that there is a possibility of personal financial risk against directors.

The last deed of indemnity was duly authorised by Government Motion 6 of 2010/11 and approved by the Legislative Assembly on the 15<sup>th</sup> of September 2010. Section 8 of the Public Management and Finance Law (2013 Revision) states: “**Except as provided in section 13, no guarantee may be given by or on behalf of the Government unless it has been authorised by a resolution of the Legislative Assembly.**”

An indemnity such as the one being proposed by this motion is a form of guarantee. Accordingly, it requires the approval of the Legislative Assembly in order for the deed of indemnity to be issued. The proposed deed of indemnity is between Her Excellency the Governor of the Cayman Islands on behalf of the Government of the Cayman Islands and the new members of the board of directors of CINICO.

Mr. Speaker, the Governor of the Cayman Islands is the sole shareholder of CINICO. The deed provides that the Government will indemnify the new members of the board of 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/her duty as a director of the company, except any actions, proceeding, costs, charges, losses, damages and expenses which a director may incur or sustain by or through his/her own gross negligence.

The deed of indemnity is effective from the date of the director's appointment and remains in effect until the director is either removed or resigns from the company. This motion is of critical importance to permit the new directors of CINICO to function with the same level of protection that past directors have received. A deed of indemnity from Government continues to be the preferred and most efficient means to provide directors some level of protection.

Mr. Speaker, as we all know, CINICO continues to play a critical and crucial role in the healthcare provision in the Cayman Islands as one of its major roles fulfils 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 also essential. In turn, the board of directors must have some level of protection from personal financial risk that may arise from decisions taken in the management of the company. The deed of indemnity that is sought gives such a level of protection. Accordingly, I recommend Government Motion No. 2 of 2016/17 to all honourable Members of the House and ask that they support the Motion.

Thank you, Mr. Speaker.

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

If not, does the Honourable Minister moving the Motion wish to exercise his right of reply?

**Hon. Marco S. Archer:** Thank you, Mr. Speaker, and just to thank honourable Members for their tacit support of the Motion.

**The Deputy Speaker:** The question is: BE IT NOW THEREFORE RESOLVED that the Legislative Assembly hereby authorises the issuance, to new Members of the Board of Directors of the Cayman Islands National Insurance Company, of a Deed of Indemnity guarding against the potential liability of Members of the Board of Directors of the Cayman Islands National Insurance Company.

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

**AYES.**

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

**Agreed: Government Motion No. 2 of 2016/17 passed.**

**The Deputy Speaker:** I now call on the Deputy Premier for the way forward.

**Mr. D. Ezzard Miller:** Mr. Speaker, could I crave your indulgence just to clarify one matter before the House is adjourned?

**The Deputy Speaker:** Go ahead, Member.

**Mr. D. Ezzard Miller:** The Member for East End and I have received in unmarked envelopes a petition. We know not from whence it cometh. Neither of us have ever spoken to the person who in the media has been promoting this petition, we have never discussed the petition with anyone, there is no cover letter on the petition, the petition is not in the format required by Standing Orders for any Member to act on it. So, Mr. Chairman, I just want to record that neither of us have any intention of doing anything with this.

It is a petition . . . because there is nothing we can do about it, and I don't want to leave anything unsaid about it so that somebody can say—

*[Inaudible interjection]*

**Mr. D. Ezzard Miller:** The cover page says, "Petition—Stop three changes to the National Pensions Law".

But the things that he wants to stop I support, so I guess that's why he hasn't called me. So, it's very unlikely that I would be tabling this petition anyway, but I want to just put in the record that we have no intention of doing anything with it for the reasons I stated earlier, so that nobody can claim that it was presented to the Legislative Assembly and nothing was done about it. It's not in a format that is required by Standing Orders.

Thank you, Mr. Speaker.

**The Deputy Speaker:** Duly noted, Member for North Side.

And now I call on the Honourable [Deputy] Premier for the winding-up or the deferral of the Private Members' Motions.

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

I move the adjournment of this honourable House sine die.

**The Deputy Speaker:** Elected Member for East End?

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

Mr. Speaker, there is a Private Member's Motion standing in my name and there has been no indication, despite being asked, whether or not I would accept it to another meeting. And there is no indication that my motion will be carried over to another Meeting because I do not wish for this motion to fall away. It has significant importance to this country and the future of this country with regard to access along the beaches which has been a point of contention in this country for many years, and for those rights-of-way, the indefeasible rights-of-way, particularly along Seven Mile Beach where all the development is happening, in my constituency, and throughout this entire country, Mr. Speaker. So I wish for this Motion to be debated in this Legislature in order that people understand that this session of the Legislative Assembly tried doing something about it. So I ask that if the Government is moving the adjournment of this House sine die, they need to commit to these motions that are on the Order Paper, or we do them now.

**The Deputy Speaker:** Honourable Deputy Premier.

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

The intention is that there are three motions here, which are Private Member's Motion No. 1/2016-17 brought by the Fourth Elected Member for Bodden Town, and to be seconded by the Fifth Elected Member for George Town; Private Member's Motion 2/2016-17, brought by Elected Member for East End;

and also Private Member's Motion 3/2016-17 brought by the Fourth Elected Member for Bodden Town, and your good-self, Mr. Speaker, the First Elected Member for Bodden Town. The intention is to move these to the next Meeting.

**The Deputy Speaker:** Elected Member for East End, are you comfortable with that?

**Mr. V. Arden McLean:** Mr. Speaker, I believe procedures require that a motion be moved by the Government and get an affirmative vote to move these to the next meeting. We cannot just say they are going to be moved without the approval of the House.

*[Inaudible interjections]*

**Hon. Moses I. Kirkconnell, Deputy Premier:** Mr. Speaker, I repeat again, our intention is to move these to the next meeting. I will leave this to your good-self. Whatever procedure we need to do, we are prepared to do that.

**Mr. V. Arden McLean:** Mr. Speaker, there has been on different occasion when the Government got up here and made empty promises of moving questions to the next meeting and they are still outstanding. And we have had many meetings since with this same kind of thing. Therefore, it is, in my view, a requirement for the Members of this honourable House to approve or reject moving these motions to another Meeting.

**The Deputy Speaker:** I now call on the Deputy Premier for the motion.

#### DEFERRAL OF PRIVATE MEMBERS' MOTIONS

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

I move a motion that the three Private Members' Motions that we have talked about earlier be moved to the next Meeting.

**The Deputy Speaker:** The question is that the three Private Members' Motions be carried forward to the next Meeting.

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

**AYES.**

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

**Agreed: Private Members' Motions Nos. 1/2016-17, 2/2016-17 and 3/2016-17 deferred to the next Meeting of the House.**

## ADJOURNMENT

**The Deputy Speaker:** This House now stands adjourned sine die.

*[Inaudible interjections]*

**The Deputy Speaker:** I am notified that I don't have the power to adjourn this House without a motion.

The question is that this House now stands adjourned sine die.

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

**AYES.**

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

**At 7:04 pm the House stood adjourned sine die.**

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