



**PARLIAMENT OF  
THE CAYMAN ISLANDS**

**OFFICIAL HANSARD REPORT**

**Third Meeting of the 2021/2022 Session**  
*Second Sitting*

**Thursday**  
**9 June, 2022**  
*(Pages 1 - 41)*

**Hon. W. McKeeva Bush, JP, MP,**  
**Speaker**

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PRESENT WERE:

MINISTERS OF THE CABINET

Hon. G. Wayne Panton, JP, MP	<i>Premier</i> , Minister for Sustainability and Climate Resiliency — “MSCR”
Hon. Christopher S. Saunders, MP	<i>Deputy Premier</i> , Minister for Finance and Economic Development <i>and</i> Border Control and Labour — “FEDBCL”
Hon. Juliana Y. O’Connor-Connolly, JP, MP	Minister for Education <i>and</i> District Administration and Lands — “EDAL”
Hon. Bernie A. Bush, MP	Minister for Youth, Sports, Culture and Heritage — “YSCH”
Hon. André M. Ebanks, MP	Minister for Financial Services and Commerce — “FSC” <i>and</i> Investment, Innovation and Social Development — “IISD”
Hon. Sabrina T Turner, MP	Minister for Health and Wellness <i>and</i> Home Affairs — “MOHW” and “HA”
Hon. Johany S. “Jay” Ebanks, MP	Minister for Planning, Agriculture, Housing, and Infrastructure — “PAHI”

EX OFFICIO MEMBERS OF THE CABINET

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

ELECTED MEMBERS  
GOVERNMENT BACKBENCHERS

Hon Katherine A. Ebanks-Wilks, MP	<i>Deputy Speaker</i> , Parliamentary Secretary to FSC and EDAL
Ms. Heather D. Bodden, JP, MP	Parliamentary Secretary to T&T and IISD, Elected Member for Savannah
Mr. Isaac D. Rankine, MP	Parliamentary Secretary to HAYSCH and PAHI, Elected Member for East End
Mr. Dwayne S. Seymour, JP, MP	Parliamentary Secretary to Housing, Labour, and T&T, Elected Member for Bodden Town East

OPPOSITION MEMBERS

Hon. Roy M. McTaggart, JP, MP	<i>Leader of the Opposition</i> , Elected Member for George Town East
Mr Joseph X. Hew, MP	<i>Deputy Leader of the Opposition</i> , Elected Member for George Town North
Hon. Sir Alden McLaughlin, KCMG, MBE, JP, MP	Elected Member for Red Bay
Mr. Moses I. Kirkconnell, JP, MP	Elected Member for Cayman Brac West and Little Cayman
Ms. Barbara E. Conolly, JP, MP	Elected Member for George Town South
Mr. David C. Wight, JP, MP	Elected Member for George Town West

APOLOGIES

Hon. Kenneth V. Bryan, MP	Minister for Tourism and Transport — “T and T”
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**OFFICIAL HANSARD REPORT**  
**THIRD MEETING OF THE 2021/22 SESSION**  
**THURSDAY**  
**9 JUNE, 2022**  
**10:36 AM**  
*Second Sitting*

*[Hon. W. McKeeva Bush, Speaker, presiding]*

**The Speaker:** I will call on the Member for George Town West to say prayers.

**PRAYERS**

**Mr. David C. Wight, Elected Member for George Town West:** Good morning everyone.

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; 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 Parliament, the Premier, the Leader of the Opposition, Ministers of the Cabinet, ex-officio Members and Members of the Parliament; the Chief Justice and members of the Judiciary, that we may be enabled faithfully to perform the responsible duties of our high office. All this we ask for Thy great Name's sake.*

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

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

*Amen.*

**The Speaker:** Please be seated.

Proceedings of this honourable House have now resumed.

**ADMINISTRATION OF OATHS  
OR AFFIRMATIONS**

**The Speaker:** None.

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

**The Speaker:** None.

**PRESENTATION OF PETITIONS**

**The Speaker:** None.

**PRESENTATION OF PAPERS  
AND OF REPORTS**

**SEGREGATED INSURANCE FUND  
OF THE CAYMAN ISLANDS - REPORT TO THOSE  
CHARGED WITH GOVERNANCE ON THE  
2020 AUDIT – 1 APRIL 2021**

**The Speaker:** The Honourable Minister of Health and Wellness and Home Affairs.

**Hon. Sabrina T. Turner, Minister of Health & Wellness and Home Affairs, Elected Member for Prospect:** Good morning, Mr. Speaker and thank you.

Under section 11(4) of the Health Insurance Commission Act (2016 Revision), I am pleased to lay on the Table of this honourable House, the Audited Financial Statement of the Segregated Insurance Fund of the Cayman Islands – Report to those charged with governance on the 2020 audit – 1 April 2021.

**The Speaker:** Is the Minister speaking?

**Hon. Sabrina T. Turner:** No, I will not, but thank you.

**CAYMAN ISLANDS GOVERNMENT  
UNAUDITED QUARTERLY FINANCIAL REPORT –  
THREE-MONTH PERIOD ENDED 31 MARCH 2022**

**The Speaker:** The Honourable Deputy Premier, Minister of Finance and Economic Development.

**Hon. Christopher S. Saunders, Deputy Premier, Minister of Finance & Economic Development, and Border Control & Labour, Elected Member for Bodden Town West:** Good morning, Mr. Speaker, thank you.

On behalf of the Government, Mr. Speaker, I beg to lay on the Table of the House, the Unaudited Quarterly Financial Report for the core Government of the Cayman Islands for the three-month period ended 31 March, 2022.

**The Speaker:** So ordered. Is the Minister speaking to the report?

**Hon. Christopher S. Saunders, Deputy Premier:** Briefly, Mr. Speaker.

*[Pause]*

**Hon. Christopher S. Saunders, Deputy Premier:** Mr. Speaker, on the 11<sup>th</sup> May, 2022, the Ministry of Finance and Economic Development arranged for the gazettal of the Unaudited Quarterly Financial report for Core Government of the Cayman Islands for the period ended the 31<sup>st</sup> March and this gazette was done on the 11<sup>th</sup> May which, as required, is within the six weeks after the end of the quarter results.

Mr. Speaker, since this is already in the press and we already have a lot of information out there, I will be brief with my remarks; I just want to touch on a few highlights of the report, with your permission, Mr. Speaker.

Mr. Speaker, on page seven, the statement of financial position as of the 31 March, 2022 shows that core government ended the period with \$3.1 billion in total assets and \$1 billion in total liabilities; therefore, we had a net worth of \$2.1 billion. Cash and cash equivalents, which include fixed deposit with maturity durations not exceeding 90 days, were \$228 million; and marketable securities, which are comprised of fixed deposits with maturity durations exceeding 90 days, were \$207.4 million for a total of \$535.4 million, with respect to the bank account balances.

Due to the significant cash balances on hand, Mr. Speaker, the Government continues to place funds on longer-term fixed deposits in order to maximise interest income for government. These longer term deposits are shown as marketable securities on the Statement of Financial Position, and are not included in the definition of cash and cash equivalents; that is a separate classification shown on the Statement of Financial Position, which only represents deposits that are 90 days or less to maturity.

*[Pause]*

**Hon. Christopher S. Saunders, Deputy Premier:** Mr. Speaker, on page 11, the Statement of Financial Performance for the period indicates that core Government earned total operating revenues of \$446.9 million and incurred total operating expenditures of \$225.9 million; subsequently, the resulting operating surplus for core Government was \$221 million. SAGCs suffered a collective deficit of \$5.2 million for the period and thus, the entire public sector had an operating surplus of \$215.8 million for the quarter, which was actually 11.5 per cent of our projected surplus for the period.

Mr. Speaker, in terms of revenues, these were actually \$30 million better than budget and this was largely driven by:

- Partnership fees, which was \$4.8 million ahead of expectations;
- Licence fees from mutual fund administrators, \$3.9 million better than budget;
- Private fund fees, \$3.8 million better than budget;
- Stamp duty on land transfers, \$3.2 million better than budget;
- Work permit fees, \$3.1 million better than budget; and
- Revenues with respect to exempt companies were \$1.8 million better than what we expected for the period.

Unlimited liability companies were also associated with our revenue generation—that was \$1.3 million better than budget.

Unfortunately, Mr. Speaker, while we did have some areas of Government that performed well, one particular area did not perform as well as we wanted to, and that was the Other Import Duty category which was \$7 million less than budget. In terms of total expenses, the \$225.9 million was actually \$5.6 million less than what we budgeted. While we did have some areas of overspend, particularly in personnel costs and supplies and consumables, we exceeded budget in areas where we had to pay more in terms of stipend than we budgeted for.

I just want us to make a note, Mr. Speaker, that in the areas where we were over budget, those approvals were actually obtained either by section 12—which would have been by Finance Committee; or by section 11(5), which would have been done by Cabinet although, in terms of section 11(5), these were very limited and done during the first period.

Something I want to touch on, Mr. Speaker, is that we continue our assistance to other SAGCS and during the period, I just want to make a note that we actually gave loans to Cayman Islands Airports Authority (CIAA) and the Cayman Turtle Farm of \$4.5 million apiece during that period. We think that is important because it keeps down the interest expense, and those loans were actually done, at least for the first two years, at zero per cent interest.

Wrapping up, Mr. Speaker, the overall fiscal performance reported for the period shows central government operating surplus of \$221 million, which is \$18.6 million or 9.2 per cent better than budget. The SGCS combined deficit period of \$5.2 million was a small deficit, and our entire public sector was \$215.8 million or 11.5 per cent better than what we had expected.

Our cash position remains strong, and we are trying our best as a Government to maintain a certain level of discipline, in terms of keeping expenses down, because we are aware that we have challenges happening globally and locally, and while the results for core government is actually better than what we expected, we recognise it is still early days in the year and there are still many things that can come—many things can still happen.

Just to borrow a line that I think summarises the government's position—it is a Frost poem that you would probably be familiar with Mr. Speaker, which says:

*The woods are lovely, dark and deep,  
but we have promises to keep,  
and miles to go before we sleep,  
and miles to go before we sleep.*

Mr. Speaker, I really want to thank the Premier for the position that he has taken in terms of ensuring a certain amount of frugal discipline in the process; it does help when you have the Premier also driving that discipline.

I also want to thank my other ministerial colleagues, who recognise that we still have challenges and in some cases they are now willing to forego certain expenditures if need be, to recognise that we actually hit the target and make sure that we maintain our surplus position that we budgeted for this year. We have a reputation for always having surplus positions and because of the COVID pandemic, we basically went into deficits. One of our main priorities this year, Mr. Speaker, is not to just get government finances back into a surplus position, but also do what we can to alleviate many of the challenges that our people face.

I also want to thank our Parliamentary Secretaries, Mr. Speaker. Their contribution in Caucus, and even covering for Ministers from time to time has been invaluable; it is very hard sometimes, when there is so much work to be done and you do not have enough people among which to share it, so the Parliamentary Secretaries have really gone above and beyond during this time, in terms of supporting many of the other Members of Cabinet.

I also have to thank the Governor, Mr. Speaker. In fairness to him, he has really stepped up in terms of trying to work with the government where we can keep costs down, because what we spend is one of the very few things that we really do have control of.

The Deputy Governor and the Attorney General have also done their valuable part in Cabinet in that regard, and I really want to thank them.

Mr. Speaker, this report is actually available on the government website and has already been gazetted, so if anyone has any questions or needs more detailed information, it is available there.

Thank you, Mr. Speaker.

### MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT - CAYMAN ISLANDS GOVERNMENT - 2021 ANNUAL REPORT

**The Speaker:** The Honourable Deputy Premier, Minister of Finance and Economic Development.

**Hon. Christopher S. Saunders, Deputy Premier:** Mr. Speaker, I beg to lay on the Table of this honourable House the Annual report for the Ministry of Finance and Economic Development for the year ended 31 December, 2021.

**The Speaker:** So ordered. Is the Minister speaking?

**Hon. Christopher S. Saunders, Deputy Premier:** Yes, Mr. Speaker, briefly.

Mr. Speaker, the Office of the Auditor General (OAG) issued an unqualified opinion on the Ministry's Financial Statements for the year ended 31 December, 2021, and I would be remiss if I did not use this opportunity to take a little bragging rights that, of all the Ministries, it was the first annual report that was actually completed—I am sorry guys, I am kind of competitive; thus the reason it is coming so early. I just want to make that note and touch on a few highlights of the annual report, Mr. Speaker.

First of all, on page six of the Annual Report you see that we have 157 staff, of which 138 or 80 per cent are Caymanian. I am also pleased to report that the majority of staff, 67 per cent, are female and I am conscious, Mr. Speaker, that the majority of the staff are over 46 years of age—being 49 myself, I do not feel so old being amongst them.

A couple of the highlights I want to touch on for the Ministry during the 2021 year, Mr. Speaker; a few goals that were actually achieved:

- They issued the pre-election economic and financial update—that was actually done;
- We launched the 2021 population census;
- We processed 1,284 waivers for stamp duty at a value of \$2.5 million;
- We invested government funds and earned \$2.4 million in interest;
- We supported \$500 million worth of procurement by 41 entities across the entire public sector;

- We got the Strategic Policy Statement (SPS) out in time—required, again, just three months after the election; and
- We got the budget done; and
- We are implementing a risk register tool, which forms part of the risk management framework.

The Post Office also falls under the Ministry of Finance and I am pleased to report, Mr. Speaker, that in addition to delivering 98.5 per cent of mail on time, it received the Universal Postal Union's Quality of Service Award for outstanding implementation of the Global Monitoring System Project.

On page 26 of the Annual Report, Mr. Speaker, the Statement of Equity and Executive Financial Transactions shows that on behalf of Cabinet, the Ministry collected \$49.1 million in executive revenue, which was \$11.4 million below budget. I want to pause here, Mr. Speaker, to highlight something that came in below budget. When the budget was prepared back in 2019, for the 2020 and 2021 years, it was pre-pandemic and the negative variance that we had was largely on the cruise departure and tourism accommodation tax which was collected on behalf of Cabinet; those targets were not met because of the global pandemic. I want to put that in context as it stands.

The stamp duty online fees were also \$300,000 below budget and again, it was because the online *[INAUDIBLE]* in the Caribbean exiting the market on the 31 December, 2019.

The past service pension liability payment was over budget by \$2.6 million due to the adoption of the recommended contribution rates in the 1 January 2020 pension actuarial reports; and the cost of general insurance, Mr. Speaker, was also \$1.4 million above budget due to increase in premium rates.

*[Pause]*

**Hon. Christopher S. Saunders, Deputy Premier:** That's too much information.

Yes, Mr. Speaker; overall it is a pretty good report, is a detailed report, and I would encourage everyone to take a look at it. Much work went into it and, again, it was the first one that was done—I want to put that out there.

I want to thank the Financial Secretary, Mr. Kenneth Jefferson. He is no stranger to the Members of this House—he is a decent and dedicated public servant and, honestly, Mr. Speaker, he has made my life so much easier in this role. He has a very good team that he has assembled over the years.

*[Desk thumping]*

**Hon. Christopher S. Saunders, Deputy Premier:** Anne Owens, Michael Nixon, Assistant Financial Secretary; also the Accountant General, Matthew Tibbetts;

Gloria Myles; and many of the people in the Treasury staff. I mean everyone, really good, solid—

*[Inaudible interjection]*

**Hon. Christopher S. Saunders, Deputy Premier:** No; [both] Anne Owens and Michael Nixon are Assistant Financial Secretary.

*[Inaudible interjection]*

**Hon. Christopher S. Saunders, Deputy Premier:** Yes. That is fine, but I want to thank them, Mr. Speaker.

I also I want to thank all the other Ministries' CFOs and Chief Officers because at the end of the day, Mr. Speaker, the Finance Team performs a central function and much of the work that we do could not be done without the cooperation of many of the other Portfolios and Ministries; their efforts are greatly appreciated.

There is one other thing, I really, really want to thank everyone for, Mr. Speaker. Starting this year the actual Cabinet Note on the Financial Statement have actually increased almost five-fold because now we are getting much information from many Ministries on a monthly basis. We are aware that it takes a lot of time; April was the first month that everyone successfully got it in and on time. We now look forward to start putting much of the stuff that the Ministries are doing out in the public more, so people are aware that the government is working for them.

With that Mr. Speaker, I would like to thank everyone for their cooperation throughout the year and for putting up with me, because I know I can be very difficult in this role too. I know the Honourable Leader of the Opposition knows the challenges that come with being in this role. It can be quite unpopular sometimes, but I am grateful for it.

Thank you, Mr. Speaker.

#### **AUDITORS OVERSIGHT AUTHORITY - ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**Hon. André M. Ebanks, Minister for Financial Services & Commerce and Investment, Innovation & Social Development, Elected Member for West Bay South:** Good morning, Mr. Speaker.

I rise to lay on the Table of this honourable House the Annual Report and Audited Financial Statements of the Auditors Oversight Authority for the Year Ended 31 December, 2021.

**The Speaker:** So ordered. Is the Minister speaking to the report?

**Hon. André M. Ebanks:** Very briefly, Mr. Speaker. The report in itself and the Audited Financial Statements are pretty straightforward.

My only comment is a brief word of thanks to the outgoing Chair, Mr. Mike Austin. I think anyone who has encountered or worked with Mr. Austin, under his leadership, for the last 10 years on this board, would agree that he is a kind, measured, diplomatic individual, and I would like to thank him for his dedicated service.

He is still an able mind [and] I plan to pick his brain from time to time, informally, but I do want to officially read into the record a huge thanks for his service not just on this board, but to the financial services industry over the years.

Thank you, Mr. Speaker.

### 2020 ANNUAL REPORT FOR NATIONAL ROADS AUTHORITY FOR THE 2020 FINANCIAL YEAR

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

**Hon. Johany S. Ebanks, Minister of Planning, Agriculture, Housing and Infrastructure, Elected Member for North Side:** Mr. Speaker, I would like to lay on the Table the Annual Report for the National Roads Authority (NRA) for the Financial Year 2020.

**The Speaker:** So ordered. Does the Minister wish to speak to the report?

**Hon. Johany S. Ebanks:** Briefly, sir.

Mr. Speaker, while I do not wish to speak specifically to the Authority's Annual Report that is being Tabled at this time, I do want to take this opportunity to thank the NRA's management and staff for their continuing hard work and dedication to improving the road infrastructure needs across the Cayman Islands.

Mr. Speaker, as the Minister responsible for the roads, I stand here to remind the public of the PACT Government's commitment to improve our roadways for our people and these Islands; and while we have a lot of work to do, I am hoping that residents coming from the East have experienced a difference.

We continue to humbly ask your patience as we continue to work, however, I want to remind you all that our traffic problems are everyone's business and we have to do our part of reducing the traffic—for example, if you can carpool, please do so.

I am confident that the NRA and its board will continue to make progress in the vision to enhance the quality of life, promote economic prosperity, and improve access and mobility for all residents and visitors of the Cayman Islands.

I want to thank my colleagues in the Cabinet, and the House, for your support, as we move forward.

Thank you, Mr. Speaker.

### OFFICE OF THE AUDITOR GENERAL - ANNUAL REPORT - 31 DECEMBER 2021 - PROVIDING VALUE TO THE PEOPLE OF THE CAYMAN ISLANDS (MARCH 2022)

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

**Hon. Roy M. McTaggart, Leader of the Opposition, Elected Member for George Town East:** Thank you, Mr. Speaker.

Mr. Speaker, I beg to lay on the Table of this honourable House the Annual Report of the Office of the Auditor General for the Year Ended 31 December, 2021.

**The Speaker:** So ordered. Is the Member speaking to the report?

**Hon. Roy M. McTaggart, Leader of the Opposition:** Thank you, Mr. Speaker; briefly,

Mr. Speaker, on the 18<sup>th</sup> March, 2022 the Auditor General's external auditors, Baker Tilly, issued an unqualified opinion on the Financial Statements of the Auditor General's Office.

Mr. Speaker, those financial statements indicate that the Auditor General's Office generated a small surplus of about \$586,000 and, in keeping with the Public Management and Finance Act (PMFA), that surplus will be returned to central government in this coming financial year.

That is my contribution, sir. Thank you.

### OFFICE OF THE AUDITOR GENERAL – THE IMPACT OF THE COVID-19 PANDEMIC ON GOVERNMENT FINANCES: UPDATE TO MARCH 2022 (MAY 2022)

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

**Hon. Roy M. McTaggart, Leader of the Opposition:** Thank you, Mr. Speaker.

Mr. Speaker, I beg to lay on the Table of this Honourable House a report from the Office of the Auditor General entitled: The impact of the COVID-19 pandemic on Government finances: Update to March 2022.

**The Speaker:** So ordered. Is the Member speaking to the report?

**Hon. Roy M. McTaggart, Leader of the Opposition:** Mr. Speaker, thank you very much, sir. I do have a few brief comments.

Mr. Speaker, I consider this the most comprehensive report that the Government will have with regard to the cost of the COVID pandemic directly to the central Government as well as some of the Statutory Authorities and Government Owned Companies (SAGCs).

Mr. Speaker, this really makes for interesting reading for anyone who has an interest in what the impact has been of the COVID pandemic on Government's finances. Just to highlight numbers, it shows the Government has spent well over \$200 million directly on the COVID pandemic, and it has foregone estimated revenues of over \$100 million. Total impact is well north of \$300 million. Members of Parliament, that is just over a two-year period and so, the effect has been phenomenal, certainly.

A read through of this document, Mr. Speaker, will give a lot of insight as to how Government spent the money, and an indication thereto of the continuing impacts that we continue to experience as a result of the pandemic because I know government is continuing to spend quite a bit of sums every month, and I personally see that [it] will continue for some time; it is not going to stop immediately. This is a very profound report and I commend it to all Members of this House and to the public, as well.

I would like to thank the Auditor General for the time and effort she has taken to prepare this report. The Public Accounts Committee (PAC) did not hold any public hearings on it because there is nothing, really, for us to report or examine. This is just a factual report for consideration by the public, so I commend it to all.

Thank you, Mr. Speaker.

**The Speaker:** Thank you, Honourable Member. I have not had chance to read all the reports and I would think that the Auditor General would not know of the efforts made by each of us separately, as Members working in our constituencies, and the amounts that we have given to people—thousands and thousands of dollars. That would not be reported there, but from this vantage point I want to say to Members: Thank you for your efforts, because I know.

I know, personally, what I did—me and two of my assistants at the time—not being paid by government.

The efforts we made, the amounts we have given. One of my assistants went to a house that had COVID, we did not know until two days later that three members were affected and those kinds of people do not get thanks. Our people who work with us do not get thanks or any kind of praise and acknowledgement unless it comes from us within this House; but I want to thank all of you, because I know how much members have given themselves.

When I say I know how much, I know there is much more that I do not know that they have given, but I know of the work that has been put in by Members of this House in assisting our people. It might never be acknowledged, but I do so from this vantage point. People get MBEs, people get all sorts of awards, but the people who assist us in our districts, do not get recognised; some do not get paid. At that time, only one in our offices could get paid by government because they work in the office; but loads of people work out there for

us—assisting us, helping other people—and never get acknowledged.

I want to do so from this vantage point; to thank them for all that they have done and to thank you all. All of you Members, because I know you have worked. I know. Thank you all very much.

**OFFICE OF THE AUDITOR GENERAL FINANCIAL REPORTING OF THE CAYMAN ISLANDS GOVERNMENT: GENERAL REPORT 31 DECEMBER 2020 (DECEMBER 2021)**

~And~

**REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE OFFICE OF THE AUDITOR GENERAL - FINANCIAL REPORTING OF THE CAYMAN ISLANDS GOVERNMENT GENERAL REPORT 31 DECEMBER 2020 (DECEMBER 2021)**

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

**Hon. Roy M. McTaggart, Leader of the Opposition:** Thank you, Mr. Speaker.

Mr. Speaker, I beg to lay on the Table of this honourable House a report from the Office of the Auditor General entitled Financial Reporting of the Cayman Islands Government, together with the report of the Standing Public Accounts Committee on the report of the Office of the Auditor General Financial Reporting of the Cayman Islands Government General Report 31 December 2020 - December 2021.

**The Speaker:** So ordered. Is the Member speaking to the report?

**Hon. Roy M. McTaggart, Leader of the Opposition:** Just a few brief comments, Mr. Speaker.

Mr. Speaker, this is a general purpose report from the Auditor General to the Public Accounts Committee, giving us an update of the status of audit of financial statements of all government entities for the year ended December 31, 2020.

The report does not contain any recommendations, so we did not have any public hearings with regard to it; but we did discuss it in detail over two administrative meetings. The report makes a few observations and the Public Accounts Committee added two observations of its own; so I commend both reports to this honourable House.

Thank you, sir.

**OFFICE OF THE AUDITOR GENERAL - FOLLOW-UP ON PAST PAC RECOMMENDATIONS 2022 - REPORT 1 (JANUARY 2022)**

~AND~

**REPORT OF THE STANDING PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF**



**THE OFFICE OF THE  
AUDITOR GENERAL – FOLLOW-UP ON PAST  
PAC RECOMMENDATIONS 2022 – REPORT 1  
(JANUARY 2022)**

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

**Hon. Roy M. McTaggart, Leader of the Opposition:** Thank you, Mr. Speaker.

Mr. Speaker, I beg to lay on the Table of this honourable House a report from the Office of the Auditor General - Follow-up on past PAC recommendations, 2022 - Report 1, together with the report of the Standing Public Accounts Committee on the Report of the Office of the Auditor General on Follow - up on past PAC recommendations - 2022 Report 1 (January 2022).

**The Speaker:** So ordered. Does the Member wish to speak to those reports?

**Hon. Roy M. McTaggart, Leader of the Opposition:** Briefly, Mr. Speaker.

Mr. Speaker, the Office of the Auditor General made this report to the Public Accounts Committee at its request to follow up on past recommendations made by the PAC from prior years.

The report itself considered three Auditor General's reports: One was the Government's Use of Consultants and Temporary Staff; secondly, Government's Use of Outsourced Services issued in June, 2019; and third, Fighting Corruption in the Cayman Islands - November 2019.

Mr. Speaker, [regarding] the first report I mentioned—Government's Use of Consultants and Temporary Staff - February 2018—The Public Accounts Committee considered this report and we held public hearings with regard to it. We adopted and made a few more recommendations ourselves with regard to the report, and so I commend this report to the House and to members of the public who may have an interest.

Thank you, sir.

**REPORT AND RECOMMENDATION  
OF THE MINISTER RESPONSIBLE FOR LANDS ON  
THE VESTING OF  
CROWN LAND BLOCK 13EH PARCELS 167 AND 6  
TO SEALAND ADVENTURE TOURS LTD.**

**The Speaker:** The Honourable Minister of Education, District Administration and Lands.

**Hon. Juliana Y. O'Connor-Connolly, Minister for Education and District Administration & Lands, Elected Member for Cayman Brac East:** Thank you, Mr. Speaker.

Mr. Speaker, I seek permission to lay on the Table of this honourable House, the report for the disposition of the Crown property that has been prepared in accordance with the requirements of the Governor Vesting of Lands Act (2005 Revision).

**The Speaker:** So ordered. Is the Minister speaking to the report?

**Hon. Juliana Y. O'Connor-Connolly:** Yes, thank you, Mr. Speaker.

Mr. Speaker, the Sealand Adventure Tours Limited proposed to the Government that it construct a dock on the Crown seabed in order to connect two Crown parcels—the rock outcrop island that is Block 13EH Parcel 6, and the mainland that is Block 13EH, Parcel 167. The location is by the existing George Town public boat ramp, and the dock at Whitehall Bay, next to the Catboat Club.

Mr. Speaker, this company is offering to fund and construct a concrete dock to an agreed specification which will be approximately 225 feet in length and 6 feet wide. It will retain exclusive use of approximately one-third of the docking frontage to pontoon-dock its own jet skis for commercial tour excursions, while the other two-thirds of the docking frontage will be available for non-commercial public use. The existing public dock and boat ramp are unaffected, and will therefore remain available for continued public use.

Mr. Speaker, the Cabinet considered a report on the matter, and agreed to lease to the company the footprint of Crown seabed that will be required to support the proposed new dock. The cost of the dock's construction will be several hundred thousand dollars and as such, the lease term is to be for 25 years. The annual rent under the lease is to be a nominal peppercorn, in order to reflect the public benefit of the new dock, which will be realised at nil cost to the general public; as such, the commissioning of valuation for the reports for this said leasehold vesting of Crown land is not considered appropriate, and has been waived by the Governor in Cabinet.

Mr. Speaker, the company has successfully applied to Cabinet for a coastal works permit to construct the dock. After careful analysis and consideration of the reports provided, it was resolved that Cabinet advise His Excellency the Governor to approve the vesting of the Crown land required for construction of the proposed dock by way of granting a 25-year lease to the company at a peppercorn rent.

The company will, effectively, lease back to the Crown at peppercorn rent, the approximately two-thirds of the dock frontage that will be available for non-commercial public use at all times. Maintenance of the dock, Mr. Speaker, will be the sole the responsibility of the company.

I thank you.

**REPORT AND RECOMMENDATION OF THE  
MINISTER RESPONSIBLE FOR  
LANDS ON THE VESTING OF CROWN LAND  
BLOCK 5C PARCEL 43  
TO JOHN AND SHERRIL FURNISS,  
SHERRIL E. RANSOME, OFFSITE MARKETING  
LTD. AND GLOVE HOLDINGS LTD.**

**The Speaker:** The Honourable Minister of Education, District Administration and Lands.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker.

Mr. Speaker, I seek permission to lay on the Table of this honourable House the report for the disposition of Crown property that has been prepared in accordance with the requirements of the Governor (Vesting of Lands) Act (2005 Revision).

**The Speaker:** So ordered. Is the Minister speaking to the report?

**Hon. Juliana Y. O'Connor-Connolly:** Yes, thank you, Mr. Speaker.

Mr. Speaker, three valuations have been carried out on the subject property. Each valuation report forms part of the overall report which provides a general indication of the value of the said Crown property.

Mr. Speaker, the report deals with the sale of Block 5C Parcel 43, jointly, to the owners of the four parcels that surround it. Block 5C Parcel 43 is a Crown parcel comprising of a small, undeveloped, 0.1 acre square-shaped parcel of land, located in the residential neighbourhood behind Heart of Cayman, near the Willie Farrington Drive in the district of West Bay, by the West Bay juncture.

The parcel is fully enclosed by these four undeveloped parcels, and only had pedestrian rights of access from the Willie Farrington Drive over a parcel registered to Glove Holdings Ltd. The four parcels that completely surround the subject Crown land are registered, respectively, to the following proprietors:

- John and Sherril Furniss;
- Sherril E. Ransome;
- Offsite Marketing Ltd.; and
- Glove Holdings, Ltd.

Mr. Speaker, in isolation, the parcel is far too small to enable any development and the considered view is that the land is best sold to the adjoining land-owners.

The parcel was offered for sale by public tender; Cabinet considered a report on the matter, and after careful analysis and consideration, it was resolved that Cabinet advise His Excellency the Governor to approve the vesting of the said Crown land Block 5C Parcel 43, jointly, to the four surrounding proprietors being the Furniss, Ransome, Offset Marketing Ltd., and

Glove Holdings Ltd., for a consideration of CI \$15,000 plus Stamp Duty.

Mr. Speaker, that concludes my remarks in this regard.

**CAYMAN ISLANDS GOVERNMENT -  
PORTFOLIO OF THE CIVIL SERVICE -  
2021 ANNUAL REPORT**

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

**The Deputy Governor, Hon. Franz I. Manderson, ex-officio Member responsible for the Portfolio of the Civil Service:** Mr. Speaker, thank you.

I beg to lay on the Table of this honourable House, the annual report of the Portfolio of the Civil Service (POCS) as of 31 December, 2021.

**The Speaker:** So ordered. Is the Deputy Governor speaking to the report?

**The Deputy Governor, Hon. Franz I. Manderson:** Yes, sir.

Mr. Speaker, I cannot pass up this opportunity to highlight some of the good work of the Portfolio of the Civil Service (PoCS). I also want to pause and congratulate the Deputy Premier and the Ministry of Finance for leading the way in getting their accounts done in record time; but I do want to say that the Portfolio of the Civil Service was right behind them.

I think it is a great achievement, sir, for us as a government, to be able to get our reports done to the Auditor General in record time—big thanks to the Auditor General for turning the reports around in record time. The fact that we are talking about turning reports around in record time—the fact that we are talking about getting the reports submitted early—is a real testament to the improvements that the Government and the Civil Service have made together in improving the overall quality of our financial statements.

We are no longer talking about getting them submitted on time, or about whether they are of high quality; it is now a given that they will be submitted on time. We now have a race to see who can submit them the earliest and with the best quality, and that speaks really well for the entire civil service.

I also want to join the Deputy Premier in thanking the Ministry of Finance for their leadership and the work that they have done working together with the Chief Officers and the Chief Financial Officers (CFOs) to deliver this exemplary performance; so, my thanks to all involved.

Mr. Speaker, the Portfolio of the Civil Service has three strategic areas of delivery:

- Human Resource (HR) policy;
- Public sector reform; and
- Good governance.

The Portfolio is comprised of the Office of the Deputy Governor; the Policy Support Unit; the Civil Service College; the Management Support Unit; Strategic and Corporate HR; the National Archives; the Commission Secretariat; the Internal Audit Service; the Elections Office, the Office of Education Standards, and the Passport and Corporate Services Office.

Mr. Speaker, the year began with the Elections Office delivering a free, fair, and well-run General Election. The election saw 17,387 voters cast their votes, and resulted in the Civil Service welcoming a new government. The data team within PoCS swiftly enacted post-election changes to the organisational structure, to ensure a seamless transition and to allow the new government to deliver its programme of work.

Much of 2021 saw the civil service provide normal, unfettered services to the public; however, by the end of the third quarter the Civil Service was required to swiftly shift priorities to manage the re-emergence of COVID-19 in the community, while simultaneously assisting the government with the safe implementation of the national border reopening plan.

As done in 2020, PoCS again lent its expertise and support to the CIG Programme Board in order to provide policy advice to the Cabinet and strategic leadership for TravelCayman and the National Border Reopening Programmes.

Through their work with the Programme Board, PoCS also took a leading role in providing support to the Health Services Authority (HSA), helping the Authority with process and workflow design, and the recruitment of additional staff to assist with increased demand. Additionally, PoCS contributed to the development of a National Lateral Flow Testing (LFT) Policy; created and implemented the guidelines for the deployment of lateral flow tests within civil service workplaces; and played an integral role in the procurement of the initial LFT stock.

To provide sound and clear guidance, PoCS issued the first-ever dynamic policy—the COVID-19 Policy—which allowed for online updates in real time. The policy was published to the Cayman Islands Government's (CIG) internet site of 14 September, 2021, and provides guidance on COVID-19 related issues.

Mr. Speaker, even though the pandemic diverted resources for the last quarter of the year, PoCS departments and sections still got on with business as usual in many areas. Significant work was done in 2021 to prepare for the 2022 **go-live** of the Integrated Enterprise-Wide Human Resource Management System which, when fully-implemented, will support the streamlining of processes and improved capability to support a modern HR function.

Mr. Speaker, the Civil Service College delivered multiple note-worthy programmes resulting in over 150 civil servants achieving internationally-recognised City and Guilds' ILM Qualification in Leadership and Management; 26 civil servants completed the Skills for Life Programme, and over 5000 online learning

courses were accessed and completed on the Civil Service College new learning portal, LinkedIn Learning—that is over 5000 online courses, Mr. Speaker.

To build leadership capacity now and into the future, the Civil Service College significantly expanded its programmes to offer additional ILM Leadership courses from level 2, which is pre-college level to level 7, which is post-graduate level, as well as developed online courses tied to the Government's core competencies of delivering results, working together and building capability.

In my office, my capable team led numerous cross-cutting and important initiatives on both the business-as-usual and COVID-19 fronts. Through the services of the SRU team I, along with my senior leadership team, were well-supported in delivering the Government's National Border Re-opening Programme and the National Critical Readiness, Preparedness and Response Plan.

On the business-as-usual side, the Office of the Deputy Governor's Secretarial Services continue to support the effective operation of a range of boards and committees, thus enabling the delivering key benefits to some of the most vulnerable citizens and the achievement of their good governance objectives.

Mr. Speaker, for the fifth consecutive year PoCS facilitated the delivery of the Annual Employee Engagement Survey, which in 2021 yielded responses from 3,329 civil servants or 78 per cent of the service. The engagement index, which is a measure of the average level of engagement across all civil service entities, held steady at 72 per cent.

I am pleased to report that across the service, 96 per cent of responders confirmed that they were aware of our vision to be a world class civil service; 94 per cent said they were interested in their work; 93 per cent said they have the skills to do their job effectively—I am very proud of that, Mr. Speaker—and 88 per cent of respondents reported that they are proud to be a civil servant. Again, this all makes me very proud; this level of awareness and pride among civil servants humbles me, Mr. Speaker, and makes me proud to lead a group of such engaged and willing employees.

During the year, PoCS operations teams focused on innovating ways of working. The pay and reward review was completed—this work identified three principles underpinning the CIG's reward strategy namely, that pay and rewards should be transparent, fair, and enabling.

In January 2021, the PoCS facilitated and published amendments to the Personnel Regulations. The amendments introduced a new death-in-service benefit to support bereaved families, by paying three months' salary and health insurance to the family of any civil servant who dies while still in active service.

The amendments also increased the minimum vacation entitlement to 18 days per annum up from 12 days, which benefited more than 300 civil servants who are paid on the hourly scale, by bringing their minimum

leave entitlements on par with their counterparts who are paid on the salary scale. The amendment also resulted in the adoption of changes in the salary scale affecting grades A to D by reducing the extent of the overlap within these grades, and raising the service ceiling in preparation for future adjustments to follow in the lower grades.

Also in December 2021, the PoCS team processed a one-off Honorarium for non-executive civil servants on grades E and below, valued at \$500. The Honorarium was increased to \$1,000 for civil servants working in uniformed services and other emergency operations who demonstrated their commitment to building resilience by being vaccinated ahead of the border reopening—and of course, I extend my thanks to the government for their support in paying these Honorarium to our well-deserving civil servants.

Mr. Speaker, following similar work in 2020 with smaller Statutory Authorities and Government-Owned Companies, the job evaluation teams completed the work to evaluate rules at six of the largest SAGCs, aligned to support the implementation of section 47 of the Public Authorities Law.

Work to advance the CIG's 5-year strategic plan continued in 2021. In February, the Management Support Unit (MSU) rolled out the Civil Service Customer Service Pledge, *Deliver*. This pledge spells out in practical terms, what is expected of each civil servant in order to make moments of customer service or business-as-usual, extraordinary.

In the area of governance, the Internal Audit Service underwent its first External Quality Assurance Assessment and received the highest rating achievable: General Compliance.

Mr. Speaker, the Office of Education Standards successfully launched the second cycle of the School Inspections Programme, carrying out 18 full inspections and 10 follow-through inspections.

The National Archives continue to provide public agencies with advice and guidance on general record-keeping issues, digitisation of records, and disposal schedules development, as well as they acquired additional historical collections to enhance corporate memory.

Mr. Speaker, I am pleased to report that a new Caymanian manager was recruited for the Commissions Secretariat, which supports the vital work of Cayman's independent Constitutional Commissions.

The newest addition to the Portfolio, namely the Passport and Corporate Services, made amendments to the schedule of the fees to reduce the local passport fees for persons aged 65 older in support of the National Older Persons Policy.

Mr. Speaker, for its contribution to the Civil Service and the country in managing the various challenges of 2020, the largest being the COVID-19 emergency, PoCS received international recognition when it won the prestigious People Team of the Year - Public Sector Award. This award forms part of the People

Management Award scheme hosted by the UK-based Chartered Institute of Personnel and Development (CIDP). This victory was a huge accomplishment for the PoCS team, and speaks volumes to their capabilities and drive and for that, I join the CIPD in applauding their efforts. As I said, Mr. Speaker, this is an international award, and the PoCS team was up against various companies in the UK including the National Health Service, and they came out on top.

Last words, [but] certainly not least, the PoCS Finance team again delivered an unqualified or clean audit opinion in 2021; this remarkable achievement marks almost a decade of clean audits for the Portfolio. As you and the Members of this honourable House would have heard, Mr. Speaker, PoCS again proved that it can produce exceptional results both in times of calm and crisis.

The PoCS made substantial contributions in 2021, all of which contributed to the overall success of the Civil Service, and helped move the needle in our journey to becoming a World-Class Civil service.

Mr. Speaker, my thanks to my excellent Chief-Officer, Miss Gloria McField-Nixon and her amazing team at PoCS, for another year of solid performance.

I thank you, Mr. Speaker.

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

**The Speaker:** Before we take Suspension of Standing Order 23(6), we need to suspend Standing Orders to allow questions to be asked after the hour of 11am. Honourable Premier.

### **Suspension of Standing Order 23(7) and (8)** *(To allow House to consider questions beyond 11am)*

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

Mr. Speaker, I move the [suspension of] Standing Order 23 (7) and (8), to allow the House to consider questions after the hour of 11a.m.

**The Speaker:** The question is that Standing Orders be suspended to allow questions to be asked after the hour of 11a.m.

All in favour, please say Aye; those Against, No.

**AYES.**

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

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

**The Speaker:** Now the Premier, for Suspension of Standing Order 23 (6) to allow more than three questions to be asked in the name of the same Member.

**Suspension of Standing Order 23(6)**  
(To allow more than three questions to be asked in the name of the same Member)

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

I move Suspension of Standing Order 23 (6) to allow more than three questions to be asked in the name of the same Member.

Thank you.

**The Speaker:** The question is that Standing Order 23 (6) be suspended in order to allow more than three questions to be asked in the name of the same Member. All in favour, please say Aye; those Against, No.

**AYES.**

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

**Agreed: Standing Order 23 (6) suspended.**

### QUESTION No. 1 \$400 MILLION THIRTY-YEAR BULLET BOND

**The Speaker:** The Honourable Leader of the Opposition and Member for George Town East.

**Hon. Roy M. McTaggart, Leader of the Opposition:** Thank you, Mr. Speaker.

Mr. Speaker, I rise to ask question No. 1 standing in my name; it is directed to the Honourable Deputy Premier, Minister of Finance and Economic Development.

Can the Honourable Minister confirm whether he is still pursuing the Government taking up a \$400 million 30-year bullet bond, or any type of bullet bond, and if so, does he have the approval of the Cabinet and the United Kingdom Government.

Thank you sir.

**The Speaker:** The Honourable Deputy Premier and Minister of Finance.

**Hon. Christopher S. Saunders, Deputy Premier:** Thank you, Mr. Speaker.

Mr. Speaker, the answer: The Government is not considering the pursuit of a US \$400 million bullet bond, nor is it considering executing any other type of bullet bond.

Thank you, Mr. Speaker.

### QUESTION No. 2 UPDATE ON STATUS OF EDDIE SANCHEZ MEMORIAL PARK

**The Speaker:** The Elected Member for Red Bay.

**Sir Alden McLaughlin, Elected Member for Red Bay:** Thank you, Mr. Speaker.

Mr. Speaker, I am to ask the Minister of Planning, Agriculture, Housing and Infrastructure question number 2 on the Order Paper, standing in my name, which reads as follows:

Can the honourable Minister provide an update on the status of the work on the Eddie Sanchez Memorial Park in the Red Bay and Prospect constituencies?

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

**Hon. Johany S. Ebanks:** Mr. Speaker, the Eddie Sanchez Park's walking track is complete, and the two cabanas have been re-erected following Tropical Storm (TS) Grace's damages.

As the Member is aware, a management committee was formed with community members to help ensure the park is to be developed with the community's needs in mind.

The committee, along with Public Works Department (PWD) officials, are planning further enhancements to the park. They are seeking a private sector donation to purchase top soil and plants to complete the property's landscaping beautification, [hence] the parking lot's paving works are pending subject to:

- Completion of the said landscaping;
- Mitigation of the risk of pavement damage by heavy equipment during the landscaping work.

It is our Ministry's intent to distribute available funding from the current budget allocation to parks across all districts, [as] we believe that parks are a crucial part of the community and have significant impact on children's development and the happiness of everyone in the neighbourhood.

All works are anticipated to be completed by Q4, 2022.

### QUESTION No. 3 UPDATE ON TIMETABLE FOR THE INTRODUCTION OF THE NEW CAYMAN ISLANDS' PUBLIC SCHOOLS' CURRICULUM

**The Speaker:** The Member for George Town South.

**Ms. Barbara E. Conolly, Elected Member for George Town South:** Thank you, Mr. Speaker.

Mr. Speaker, I rise to ask the Honourable Minister of Education question number 3 on the Order Paper, standing in my name:

Can the Honourable Minister provide an update on the timetable for the introduction of the new Cayman Islands National Curriculum to cover students at all levels in Cayman's public schools.

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

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker, and thanks to the honourable Member.

The answer: the Cayman Islands Primary National Curriculum was implemented in Primary School Key Stages 1 and 2 in August, 2019; [due to] COVID-19 school closures in March through June, 2020, the fluid implementation of the primary curriculum was interrupted however, implementation continued in August, 2020.

This year, the Key Stage 2 Curriculum was examined using the United Kingdom's (UK) Standardised Assessment Tools otherwise known as SATs, which are administered to students in Years 2 and 6 in the UK. This assessment will enable the Ministry and the Department of Education Services to make international comparisons of students' progress, and will also assist in identifying any gaps that exist and planning the next steps for closing them.

The school closures also impacted the planning of Key Stage 3 Curriculum which was due to be implemented in August, 2020, and the analysis of the provisions of Key Stage 4. Planning for the implementation of Key Stage 3 Curriculum continued, with the aim to have phased implementation in Year 7 in August, 2021; Year 8 in August, 2022; and Year 9 in August, 2023. Documents including Key Stage 3 Assessment Framework, Key Stage 3 Curriculum and Key Stage 3 Gap Analysis, were finalised and delivered in August, 2021.

The community spread of COVID-19 in the Cayman Islands; the crippling impact it had on the normal functioning of schools between September 2021 to present; and the global challenge to shipping which impacted the delivery of resources to support the Curriculum, significantly impacted the implementation of Key Stage 3 Curriculum at Year 7. [Nevertheless,] Key Stage 3 Curriculum in Years 7 and 8 will be fully implemented in August of this year.

It is proposed that the analysis of the provision of Key Stage 4 reconvenes in August of 2022, with a view to roll out the recommendations for any changes to the provisions in Key Stage 4 in August of next year.

Thank you, Mr. Speaker.

### Supplementaries

**The Speaker:** The Member for George Town South.

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker. Yes, I have a supplementary.

Can the Minister say how the students are progressing with the new curriculum, following its implementation in August of 2019?

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

**Hon. Juliana Y. O'Connor-Connolly:** Mr. Speaker, thanks to the Member for the supplementary.

Mr. Speaker, because it moved to the standardisation assessment that is carried out in the UK, those results will be forthcoming the end of June, and at that stage we will do a public release and would be happy to share the information thereon. We are being cautiously optimistic that COVID did not dampen the children's spirits to that extent, but in comparison to the rest of the Caribbean, we think we have a lot to be thankful for.

**The Speaker:** The Member for George Town South

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker. I have one more supplementary question.

With the rollout of Key Stages for Years 7, 8, and 9 this year, in August, 2022, will the teachers be given the training and development they need to ensure that the new Curriculum for those stages can be successfully implemented?

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

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker.

Absolutely; that is the goal. In fact, our teachers are already involved in the development. They will also, obviously, be involved in the implementation, because to proceed and excel in the world class education that all in this honourable House are seriously concerned about funding and supporting, we have to have all of the vested parties—the Education Department, the parents, and the teachers; so yes, absolutely so.

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

**Hon. Roy M. McTaggart, Leader of the Opposition:** Supplementary question for the Minister.

Having read the answer given by the Minister, it looks to me that there are four Key Stages of implementation—am I correct? Just for my understanding, then: it will be fully implemented by August, 2023. Is that correct? Okay.

**The Speaker:** Honourable Minister, do you wish to reply?

**Hon. Juliana Y. O'Connor-Connolly:** Just to confirm that his analysis is spot on.

**QUESTION No. 4**  
**UPDATE ON IMPLEMENTATION OF**  
**PLANS TO IMPROVE AND EXTEND**  
**EARLY YEARS' EDUCATION PROVISION**

**The Speaker:** The Member for George Town South.

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker.

Mr. Speaker, I rise to ask the honourable Minister of Education question number 4 on the Order Paper, standing in my name.

Can the Honourable Minister provide an update on the implementation of her plans to improve and extend Early Years education provision?

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

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker; very happy to.

The answer: All government Primary schools have reception classes and there is intent to complete a further block of classrooms for Red Bay Primary.

A draft early childhood care and education strategy has been produced and is going through the approval process. This strategy provides a plan for further development of the early childhood sector and serves three critical purposes: to introduce, embed and extend a number of initiatives aimed at improving outcomes for practitioners, children, and families.

The successful delivery of this strategy will mitigate the effects of inequality and poverty, and ensure that increasing numbers of children are ready for their educational journey and able to make an effective transition into school. The Member would be aware of the introduction of the nursery class in Cayman Brac in October, 2019, as it was done under the previous government; it is still my hope to establish nursery classes in all Government Primary Schools.

The Early Childhood Care and Education—the ECCE Unit—is undergoing a restructuring exercise with the following benefits:

- The unit will be more strategic and intentional giving greater attention to implementing a service delivery model where targeted systems are built to support the early childhood sector. The restructure will complement the achievement of the priority areas for ECCE set out in the said strategy.
- Changes to the professional development framework used by the unit, to one which delivers high-impact training through a leadership lab; the focus will be on building capacity in the centres using the each-one-teach-one concept—a new strategic approach to support teaching and learning, through the establishment of a teaching and learning cafe. This will also have an e-cafe component with videos and online suite that will minimise the number of in-person training that the unit conducts on

a yearly basis, whilst having the potential to increase access to training.

- Greater emphasis on data collection and analysis, enabling the unit to determine the strategic direction it needs, to take forecasts; develop policies and legislation, and identify future needs.
- Provision of early services in East End through such activities as Summer Smart Start—an early stimulation programme to equip parents with skills to build quality interaction and care. Additional services are being investigated for implementation at a later date.
- Provision of access to funding for our most vulnerable children to attend early years' centres through the Early Childhood Assistance Programme—ECAP—on a rolling basis.
- Collaboration of the ECCE Unit with private agencies such as the Early Childhood Association; Literacy is for Life (LIFE); Inclusion Cayman, and the Wellness Centre, to provide training for parents and caregivers.
- Developmental programmes to enhance the skills and knowledge of the ECCE practitioners.
- Collaboration with the Office of Educational Standards to develop the Early Years' inspection framework and—in the future—national benchmarks for age and stage expectations for birth to age-four groups.
- Additional support for children birth to four-years with Special Education Needs and Disabilities (known as SEN/D), such as ECAP for alternative placements; training for parents and caregivers in communication and language development, as well as other development training.

As of the 2021 school year, all ECCE centres have in place a Special Educational Needs Coordinator or a designated Special Education Lead, to support the needs for the SEN students and centres, and these staff members have access to monthly training.

The early intervention programme provides specialist support within the ECCE centres catering to children from birth to age four. Identification through assessment of children with developmental delays, and provision of treatment in the areas of occupational therapy, speech and language therapy, and other specialist needs. This occurs in the centres and also at the Early Intervention Programme (EIP) Unit. The transition unit, Mr. Speaker, provides services for children who are of compulsory school age—that is five years—who do not have the necessary readiness skills, communication, sensory and development.

As the Member would also be aware, a new National Primary Curriculum was implemented in 2019, which included the Cayman Islands statutory frame-

work for a foundation stage—that is reception. This included the introduction of [the] Early Essence tool for tracking students' progress towards early learning goals. This enables international comparison of our students' progress and identification of needs for further support on a timely basis.

All government primary schools have assistant teachers in all reception classes, to provide additional support for these younger students.

Since March, 2020, schools have focused on the health and safety of students; as the country navigated SARS-CoV-2. The 2021 school year saw our schools focusing on addressing learning loss in addition to continued focus on health and safety.

Thank you, Mr. Speaker.

### Supplementaries

**The Speaker:** The elected Member for George Town South.

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker.

In order to give all of our Caymanian children the best possible start in life, did the Minister work along with her colleague, the Minister with responsibility for Social Development, to develop and implement this strategy covering pre-birth to age five years, covering all aspects of the health, education, and social development of our children?

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

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker, and thanks to the honourable Member for George Town South.

Mr. Speaker, I am reliably informed that the Ministry of Education and Department of Education Services (DES) collaborate with a number of government agencies, including, but not limited to, the specified Ministry led capably by the Honourable Minister for West Bay South; but in addition, we also collaborate with members in the private sector so that we can have a holistic approach in dealing with this.

As the honourable Member will fully appreciate and recognise, like the slogan said many years ago, "*Tourism is Everybody's Business*", education—like-wise—is everybody's business; and I am happy to have been the Minister in both the last government and this government, where the support has been unequivocal, recognising the significance of education to our country.

**The Speaker:** The Member for George Town South

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker. I have two more supplementary questions to the Minister.

Does the Minister plan to extend and widen eligibility for financial assistance to the Early Childhood

Assistance Programme (ECAP), to ensure we support the development of young Caymanian children during the current cost of living crisis?

**The Speaker:** Minister of Education.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker and thanks to the honourable Member.

Mr. Speaker, one of the first things I did when taking on responsibility for the Ministry of Education was that I became cognizant that the ECAP had a restrictive time limit for applications and [because], like sickness, financial emergencies do not normally blow a conch shell, we took the decision, from the last government, that we would implement a rolling application process.

What that does, Mr. Speaker, is not only does it open and extend the possibility of access to the financial funding from government but it gives the ECAP unit, as well as the Ministry, an opportunity to assess the extrinsic factors, whether they are environmental, psychological, or financial and, as the Member for George Town South rightly said, we are now going through a higher inflation than was anticipated and that has given the Ministry an ability to look at it.

To date, we have not received a request for a shortage of funding in that, but I can assure the Member that I have every confidence in both sides of the House that, should that application come for an increase, we would be meeting it as we now have a rolling application process.

**The Speaker:** The Member for George Town South.

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker, I have one last supplementary question.

What action is the Ministry taking to improve standards in privately-run early years' centres where the Office of Education Standards Inspections revealed weaknesses?

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

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker, and thanks to the honourable Member for George Town South.

Again, I am reliably informed that the majority of the work that that unit does, is with the private sector. They are also inspected by the Office of Independent Standards for Education and so there is an expectation that they will continue to improve. Obviously, some of them had financial issues during COVID and we put together a committee under the last government which continued under this government, for them to access those funds.

We are fairly confident that all efforts are being done by the ECCE centres because they are satisfactory and this is the first this has happened—sorry, Mr. Speaker, when I say they are satisfactory, it is not to



me, but based on the independent assessment of the Education Standards Office.

**QUESTION No. 5  
UPDATE TO CAYMAN ISLANDS'  
SPECIAL EDUCATIONAL NEEDS  
CODE OF PRACTICE**

**The Speaker:** The elected Member for George Town South.

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker.

Mr. Speaker, I rise to ask the Honourable Minister of Education question No. 5 on the Order Paper standing in my name.

Can the Honourable Minister state whether she intends to update the Cayman Islands' Special Educational Needs Code of Practice to ensure that it meets with current best practice?

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

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker and once again thanks to the honourable Member for George Town South.

The answer: No. The current National Cayman Islands Special Education Needs Code of Practice for identification, assessment, and provision for additional learning support needs in education, known as the Code of Practice, reflects the best practices, and was recently revised and implemented in all of our schools—that is public and private schools, compulsory and pre-compulsory—in August last year.

**Supplementaries**

**The Speaker:** The Member for George Town South; supplementary question.

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker. Can the Minister say whether parents and teachers were consulted as part of that review process?

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

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker.

Mr. Speaker, again, I am reliably informed by my able Chief Officer that both public and private parents and teachers were consulted.

Mr. Speaker, I might wish to elucidate a bit so that Members would understand why the government is not going to review it—because we just did it last year and it is implemented; but the training has been provided to all schools as I said, public and private, compulsory and pre-compulsory, and that was led by the Ministry of Education.

We know, Mr. Speaker that the policy meets the international best practice by establishing a required clear, consistency of approach to meeting all additional learning support needs, including the Special Education Needs and Disabilities. It also focuses on the high quality teaching and continuum of meaningful and appropriate additional learning support to ensure that our children's additional learning support—that is the SEN—are identified as quickly as possible; that they are assessed and earlier action is taken to meet their needs.

Mr. Speaker, subject to the other supplementary, I can talk for about half an hour on this topic. I know time is of the essence, but I am happy to answer any more supplementary.

**The Speaker:** The next question please?

**QUESTION No. 6  
OFFICE OF EDUCATION STANDARDS'  
REPORT ON "LEARNING LOSS" CAUSED BY  
PANDEMIC RESTRICTIONS**

**The Speaker:** Member for George Town South.

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker.

Mr. Speaker, I rise to ask the Honourable Minister of Education question number 6 on the Order Paper standing in my name.

Can the Honourable Minister state what action has she taken, or what plans she has made in light of the serious concerns raised by the Office of Education Standards, that students across the public school system experienced "learning loss" caused by interruptions to their education as a result of the various pandemic restrictions?

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

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker.

**The Speaker:** I apologise for not catching notice of you right away.

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker and thanks to the honourable Member for George Town South.

The answer: An April 4<sup>th</sup>, 2022, an article by the international consultancy company McKinsey & Company states, "**The pandemic has taken a substantial toll on students' academic progress as well as their mental health. School systems can respond across multiple horizons to help students get back on track.**" The report goes on to say, "**On average students globally, are eight months behind where they would have been absent the pandemic.**"

Mr. Speaker, the public and private schools in the Cayman Islands identified learning loss due to

COVID. This was measured in government schools by progress texts and comparisons to previous benchmarks and expected progress at the current stage of the students' development. A number of schools have identified various ways to address the loss of their Raising Attainment Plans, their RAPs, including additional classes, increased intervention outside of class time, or pull-out sessions, where the need is more urgent. Identification of additional resources and training, in particular for reading and numeracy to help support teachers to further close these gaps for students, is also an ongoing process.

A collaborative effort between the Ministry of Education, the Department of Education Services, and schools in looking at ways to close this learning loss gap, led to an increase in hours in the curriculum for literacy and numeracy when in-person instruction resumed in August, 2021; these subjects are the building blocks for all subject areas. Principals and their staff have been collaborating with their colleagues within and across the learning communities, to share best practices and resources where possible, including, but not limited to, materials and teaching assistance.

The provision last year of laptops and associated electronic educational resources allowed our students to access remote learning while absent due to COVID-19 and have access to additional educational resources outside the regular school day.

Senior staff in the Ministry have also collaborated with regional educators and Ministries of Education to produce plans for the Caribbean region to resolve the issue of learning loss that was experienced across the region [and] globally. And, if I may interject here, Mr. Speaker, I am extremely proud of my team because other Caribbean nations have come to Cayman to ask for us to assist and give guidance on how we were able to successfully navigate through this COVID time.

*[Inaudible interjection]*

**Hon. Juliana Y. O'Connor-Connolly:** This cooperation included the sharing of best practice for the Cayman Islands, which we were happy to do with our brothers and sisters from the Caribbean. It is to be noted, Mr. Speaker, that the Cayman Islands resumed in-class instruction in August, 2020, and was one of the few Caribbean countries to be able to do so. In fact, some countries in the Caribbean, as I said, are still not completely operating within class instruction.

The Office of Education Standards noticed that schools were indeed implementing several strategies to address learning loss including:

**“Subject leaders, and the Senior Leadership Team (SLT) reported that students continue to make progress, despite minimal periodic learning loss due to enforced COVID-19 absence. Individual**

**subjects had deployed remedial activities for keeping students on track.”**—The John Gray High School thematic visit report.

**“Staff reported that despite challenges with attendance and curriculum coverage, a majority of students continued to make acceptable progress in their learning. This was, in part, due to the range of online literacy and numeracy resources that gamified learning for students. This led to increased engagement in their learning.”** —George Town Primary School thematic visit report.

**“Senior leaders and head of departments, identified areas of learning loss and ensured the curriculum coverage through several initiatives including postponing certain elements such as the science fair that enable other areas to be taught, extra lessons had to be held in the afternoon before the second run of the school buses. The school also extended the school day by one hour for a term after the students returned from lockdown to ensure curriculum coverage.”**—The Layman Scott High School thematic visit report.

**“The school utilise a variety of student performance data when conducting subject gap analysis and developing subsequent plans to fill learning gaps.”**—The Joanna Clarke Primary School thematic visit report.

Assessments conducted at the end of the current academic year, Mr. Speaker, will inform the progress made in the recovery of schools' learning loss during this academic year. This data will also serve as benchmarking for the new academic year, to inform planning and gauge further progress made by the students.

Thank you, Mr. Speaker.

### Supplementaries

**The Speaker:** The Member for George Town South.

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker; and thank the Minister for that very detailed report. Final supplementary question: Did the Ministry require additional funding to tackle this problem?

*[Pause]*

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

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker; thank you for the indulgence so I could liaise with my senior technical team from the Ministry.

Mr. Speaker, I am informed and can concur, that there was sufficient funding because, as Members would remember, when we did the budget, there were quite a number of assistant teachers who would come in and that would be the one area that would have attracted additional financial resources so that was anticipated.

*[Desk thumping]*

**Hon. Juliana Y. O'Connor-Connolly:** Subject obviously, to being able to get them hired because, like nurses, assistant teachers are in very short demand, we should be okay.

Again, I can say with confidence, when it comes to education, in the spectrum of the whole sharing-up of the economic pie, education gets its fair share, both [in] the last government and this one. Where we get some frustration is actually getting it done as fast as Ministers would want to.

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

**Hon. Roy M. McTaggart, Leader of the Opposition:** Thank you, Mr. Speaker.

Minister, one of the bullet points you mentioned [was] that last year, the provision of laptops for students and the associated electronic educational resources allowed students to access remote learning while absent due to COVID-19, and have access to additional educational resources outside the regular school time.

Can you give us a flavour for what was the experience of the implementation of that mode of teaching and instruction during that time period, and did the Ministry and/or students in the schools encounter any particular challenges adapting to that method.

**The Speaker:** Honourable Minister of Education

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker.

Mr. Speaker, I think it was nothing short of a miracle that we had the vision to acquire these laptops even before the unsolicited entrance of COVID-19. When it came, there was a perceived challenge putting it into use, but the children and the teachers had had an opportunity—in fact, teachers got theirs the year before we got the children's.

The main challenge, Mr. Speaker, and to the Honourable Leader of the Opposition, was actually for the children who did not have immediate access to internet and internet speed. Since then, the I.T. Manager, Mr. Lance has worked assiduously to ensure that for I.C.T. providers that their broadband width has been increased; and also schools, including Cayman Brac—and I can say it was not the first one but we made sure that they were included—got increased access.

Also, Members would see that there were allocations in this year's budget to continue with that programme, because I took the decision in the government at the time. The last government concluded that it was best to have the computers move with the student if we are going to be creating a world-class working labour force within the Cayman Islands.

Of course, with that, came some responsibilities: they had to take care of it, and there was a contract

that they had to sign—believe it or not, some parents did not even want to sign it, even though the computers were free. I say that to give an intimation of the challenge that we have in the Education [Ministry] to educate our children and with the fulfilment of the no-child-being-left-behind Policy.

So I would say, Mr. Speaker, that with the on-going up-close, analytical eye of the IT Programme, we are in good stead and miles ahead of the other Caribbean [nations].

I saw our good friend, the Rt. Hon. Andrew Holness, had a big foray on social media because they were able to deliver 20 laptops. We delivered over 5000 laptops in this jurisdiction, so I think it bodes well but would take this opportunity, as well, to speak directly to our parents: Children are first and foremost theirs, they are jewels from God, and each government makes its endeavour best to ensure that we provide adequate and—in the last government and this government—more than most jurisdictions, to ensure that our children can stand head and shoulders with anyone around the world. So, as we engage in this educational journey, let us keep our commitment [and] may it not be diluted by any extrinsic factor.

**QUESTION No. 7  
INVESTIGATION REGARDING  
THE LEAK OF THE OFFICE OF THE  
AUDITOR GENERAL'S REPORT ON  
THE OVERSEAS OFFICES AND  
THE DUBAI WORLD EXPO**

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

**Hon. Roy M. McTaggart, Leader of the Opposition:** Thank you, Mr. Speaker.

Mr. Speaker, I rise to ask question number 7 standing in my name. It is directed to the Honourable ex-officio Member responsible for the Portfolio of the Civil Service and reads:

Can the Honourable Deputy Governor advise:

- (a) Whether an investigation is underway regarding the leak of the Office of the Auditor General's report on the Overseas Offices and the Dubai World Expo, and if so, when does he anticipate that it will be concluded and the public updated accordingly; and
- (b) If the investigation has not started, why not, and is the government committed to completing an investigation into this matter?

Thank you.

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

**The Deputy Governor, Hon. Franz I. Manderson:** Mr. Speaker, thank you and I thank the Member for the question.

The answer: An investigation was conducted in relation to the leak of the Office of the Auditor General's report on the Overseas Offices and the Dubai World Expo. Unfortunately we were unable to identify the source of the leak.

**QUESTION No. 8  
NATIONAL HOUSING  
DEVELOPMENT TRUST'S  
TOPSOIL (OR FILL)**

**The Speaker:** Before you rise, Honourable Member...

This one has my mind boggled a bit because the question asks—and I must say it slipped me—about something that is alleged and I do not believe that it is proper. If you do not have factual base for something, it is being alleged.

If the Deputy Governor wants to answer... I still feel that this word *allegedly* being [bandied about], without the proper process being followed is, I think, in good Parliamentary terms, not correct. It is hearsay. I know there has been talk around it, but it is hearsay. Alleged, allegedly?

*[Inaudible interjection]*

**The Speaker:** Reported? Many things being reported are wrong. Only video showed afterwards that proved it; and Honourable Leader of the Opposition, you would know that too. I am a little bit put-off by the word "*alleged*". I do not think that the Standing Orders allows me, and allows that kind of latitude.

*[Inaudible interjection]*

**The Speaker:** Whether a Member is ready to respond or not, Standing Orders apply to both the Opposition and the Government—and me, too—and I am concerned about this word, *alleged*.

Now, if the Member feels that he is going to say something to enlighten the situation... and the Minister has taken no offence to it—because it certainly comes under a Ministry.

*[Inaudible interjection]*

**Hon. Juliana Y. O'Connor-Connolly:** Mr. Speaker, I am taking the liberty to rise because I see you are trying to catch my eye. I am just rising procedurally, not to substitute for the Honourable Minister but for what it is worth, I can say you are absolutely correct that if it is alleged, then it is not properly before the House, but because the Honourable Deputy Governor also has a law degree, the response that he is purporting to give will be within the ambit of it so the results will be the same.

**The Speaker:** And it is something to enlighten Members, rather than to call for Supplementaries and further

discussion—because that is what I am going to pay careful attention to. Honourable Deputy Governor.

*[Pause]*

**The Speaker:** I was going to ask him to respond without you asking the question. The Honourable Leader of the Opposition.

**Hon. Roy M. McTaggart, Leader of the Opposition:** Thank you sir. I get to that point now.

Mr. Speaker, I rise to ask question number 8 on the Order Paper standing in my name. It is directed to the Honourable Ex-Officio Member responsible for the Portfolio of the Civil Service and reads:

Can the Honourable Member:

- a. Provide the facts regarding the topsoil (or 'fill') that was the property of the National Housing Development Trust that is alleged to have been disposed of without proper process being followed;
- b. Advise whether an investigation into this matter has started and if so when will it likely be concluded; and
- c. Assure the House that the report on the investigation will be made public as soon as the investigation is completed?

Thank you sir.

**The Speaker:** Honourable Deputy Governor

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

Mr. Speaker, I can confirm that this matter is under investigation by the Anti-corruption Commission and therefore, I am unable to provide further comment.

**Hon. Roy M. McTaggart, Leader of the Opposition:** No supplementaries.

**The Speaker:** Yes, I told you I was not going to allow any.

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

**The Speaker:** The Honourable Premier.

**The Premier, Hon. G. Wayne Panton  
The UK's decision following the  
British Virgin Islands Commission of Inquiry**

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

Mr. Speaker, yesterday I was invited by the Rt. Hon. Amanda Milling, the UK Minister of State with responsibility for the Overseas Territories, to join a call with other Overseas Territory Heads of Government for an update on the UK's decision in relation to the recommendation of the British Virgin Islands Commission of Inquiry.

Prior to a decision being made by the UK, Mr. Speaker, Minister Milling consulted widely. Immediately after the publication of the BVI Commission of Inquiry Report, she travelled to the British Virgin Islands on 1<sup>st</sup> May and held a series of discussions with the then acting Premier Dr. the Honourable Natalio Wheatley and other stakeholders in the territory, including representatives from all political parties, public servants, [and] business leaders, as well as civic and community leaders.

Upon concluding her visit to the British Virgin Islands, Minister Milling issued a statement noting, **“This isn't a question of whether something should be done. It is a question of what is done. Action is needed now to: strengthen the foundations of the Territory; deliver a better public service; maintain a strong and resilient economy; and create better opportunities for the people of the BVI.”**

Mr. Speaker, this statement along with the gravity of the recommendations of the BVI Commission of Inquiry report left little doubt that action would be taken. However, Mr. Speaker, it is important to note that the government of the British Virgin Islands, took a number of unprecedented steps. Following Minister Milling's return to the UK.

On Thursday, 5<sup>th</sup> May, the BVI House of Assembly voted to revoke Andrew Fahie's Premiership after his arrest on the 29<sup>th</sup> April in Florida on drug trafficking and money laundering charges. What followed next, Mr. Speaker, was the three major political parties in the British Virgin Islands joined together to form a “National Unity Government” under newly sworn in Premier Dr. the Hon. Natalio Wheatley.

Premier Wheatley, Mr. Speaker, immediately became made a number of changes to the composition of the Cabinet and on behalf of the National Unity Government, publicly committed to reform. In a brief address. After being sworn in, Premier Weekly stated, **“Our top priority is the implementation of the recommendations of the Commission of Inquiry report within a framework of democratic governance on in close cooperation with the Governor and United Kingdom, our partners.”**

Mr. Speaker, yesterday it was announced and reiterated during the call with Minister Milling that the UK has decided to maintain the operation of the BVI Constitution, thereby continuing representative democracy through the Government of National Unity.

To be clear, Mr. Speaker, the decision at this time is not—I repeat, not—to suspend or partially suspend the BVI's Constitution.

Mr. Speaker, this decision reflects a commitment to democracy and maintaining the dignity of the people of the British Virgin Islands by allowing the Government of National Unity to pursue the implementation of the governance recommendations of the Commission of Inquiry Report.

Mr. Speaker, the government led by Premier Wheatley has again publicly indicated they are fully committed to governance improvements and in some cases, improvements beyond what was recommended by the report of the Commission of Inquiry.

While I have not had the opportunity to speak directly to Premier Wheatley about this decision, I have communicated a message that the Cayman Islands stands ready to assist his Government in achieving their governance objectives and we welcome his Government's public commitment to reform.

On behalf of the Cayman Islands Government, Mr. Speaker, I have passed on to Minister Millings our thanks for the positive, constructive and carefully considered approach taken by the UK during this process.

Mr. Speaker, in closing, we extend to the government and people of our sister Overseas Territory, the British Virgin Islands, our support and sincere best wishes as they embark on a difficult but necessary journey.

We also take this opportunity, Mr. Speaker, to remind ourselves that we must remain ever vigilant, take nothing for granted and renew our own commitment to the highest standards of governance and probity in public life.

Thank you, Mr. Speaker.

**The Speaker:** I have a statement by the Honourable Minister of Education.

### **The Minister of Education Swim Free Programme**

**Hon. Juliana Y. O'Connor-Connolly:** Thank you, Mr. Speaker for approving the statement.

Mr. Speaker, I rise to offer a statement about an extremely important programme that can help save the lives of our children.

Mr. Speaker, Swim Free is a public/private partnership programme that is fully endorsed by the Government and supported by three prominent Caymanian families: the Flowers, the Fosters, and Mr. Don Seymour.

Swim free is a curriculum-based programme that mandates lifesaving water skills for all children in Reception through Year 2 in the Cayman Islands Government education system. This programme is unique, in that it addresses the lack of access to public swimming facilities for students in our Government primary schools.

We support this programme, Mr. Speaker, because there are statistical and critical assumptions that drive our decision.

Mr. Speaker, drowning is a leading cause of accidental death for children younger than five years old, and it is proven that most drowning occur within a short distance of 10 ft. of safety. It has also been proven that organised swim lessons, reduce the likelihood of child drowning by 80 per cent.

Mr. Speaker, it is most unfortunate that our Government Primary Schools are unable to offer comprehensive swimming instructions as part of the Reception to Year 2 curriculum because of logistics and limited facilities, especially in our outer districts. As I said before Mr. Speaker, this programme is a public/private partnership between the government and the Cayman Islands' Young Men's Christian Association (YMCA) with initial financial backing from the Flowers' Sea Swim Group and other private sponsors.

A portable pool would be provided and transported by trailer to each government school campus for one month at a time. The pool, which is defined as an Independent Swimming Apparatus (ISA) is a state-of-the-art mobile swimming pool that is housed within a 40 ft. shipping container.

It is custom built by a manufacturer in the United States and features temperature control, ultraviolet light filtration, and self-cleaning pumps, along with a retractable cover to prevent unauthorised access when not in use. The unit would be enclosed by safety rails with a maximum depth of 4 ft. [and] construction of the pool will take approximately six months from a deposit being provided.

Mr. Speaker, I will now outline the Programme: For one month, each government primary school will have an ISA on campus to be used during scheduled physical education lessons. Instruction will be provided via qualified learn-to-swim coach. It is proposed that there will be a focused approach of 8-9 lessons for every Reception class through Year 2 students. The goal will be to teach our children to swim to 10 ft. because, as indicated earlier, most drownings happened within 10 ft. from the edge of the pool, canal dock or capsized vessel.

Mr. Speaker, the curriculum will be a collaboration between the Department of Educational Services' Swim Free advisors, which includes a former Cayman Islands national swim coach who has worked with the United States Olympic team. This programme has been adapted from the successful Kay's Swim early childhood programme in the United States.

Mr. Speaker, we are blessed, in that the Swim Free advisors will offer their time and expertise free of charge and as indicated, there are several, but the main three sponsors are the Foster's Group, Don Seymour and his family, and the Frank E. Flowers' family.

Mr. Speaker, they are also offering to assist the Department of Educational services staff with printed and online materials or live a similar presentations for our parents, teachers, and students, to become familiar with the programme and ensure a smooth implementation—for that, Mr. Speaker, I am truly grateful.

Fortunately, Mr. Speaker, the first round of private funding has been secured with sufficient money pledged to order the pool and to facilitate the programme for one year; because it is a new initiative, Government had not budgeted it in the last two year budget; however, there does need to be adequate buy in from both sides, and I am happy to report that that is what obtains.

It is proposed that when the new budget is drafted for 2024, the non-staff recurrent costs, estimated at this time to be \$30,000 a year, will be transferred to the Government. I believe, that is a small price to pay for saving the lives of our children. By that time, the estimated figures for maintenance, teaching tools and shipping to Cayman Brac would be firmly established. The coach and salary costs will remain with Swim Free, subject to future negotiations with the government.

Mr. Speaker, Swim Free stakeholders will continue to be involved in the advisory capacity and provide discretionary financial support as needed, to maintain the standards, or indeed, to advance the programme.

In closing, I would like to say that this is an absolutely fantastic programme that will help to build resiliency and confidence in our young people and I am sure that, in time, it can be extended to teach adults who are also quite apprehensive of water, especially when they cannot swim or swim properly.

At the end of the day, Mr. Speaker, this is a programme that can help save lives as well, both of those who are taught to swim as well as those that may be able to help, who may get themselves in difficulties. We have all grown up with different examples of people perishing in water. Mr. Speaker, I firmly believe that this programme will be of great benefit to our children, and our community and families at large.

It will help save the lives of our precious not just Caymanian souls, but residents and visitors alike in time because, once we fulfil this dream of a swim for all policy, Mr. Speaker, we are also, with an unintended consequence perhaps, creating another occupation where eventually our beaches can be like beaches and St. Pete, that we can have proper lifeguards there and will provide another source of income for Caymanians.

Thus Mr. Speaker, the Government is happy to come on board with the Flowers', Foster's, and Seymour's families in providing this very important private/public partnership. We look forward to them having a most successful gala tonight and, for all persons that the Cayman jurisdiction has been kind to, reach deep in your pockets so that we will not leave any child behind.

I thank you.

**The Speaker:** At this time, we will take the suspension for lunch and we will be back at 2 o'clock.

**Proceedings suspended at 12:42pm**

**Proceedings resumed at 6:31 pm**

**The Speaker:** Proceedings are resumed; please be seated.

The Honourable Premier.

**Suspension of Standing Order 10(2)**

*(To allow the business of the House to continue past the hour of 4:30pm)*

**The Premier, Hon. G. Wayne Panton:** Mr. Speaker thank you.

I rise to move the suspension of Standing Order 10(2) to allow the business of the House to continue as it is past the hour of 4:30pm.

**The Speaker:** The question is that Standing Orders be suspended in order to take business after the hour of 4.30pm.

All in favour, please say Aye; those Against, No.

**AYES.**

**The Speaker:** The Ayes have it. The House continues its business.

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

**PERSONAL EXPLANATIONS**

**The Speaker:** None.

**OBITUARY AND OTHER CEREMONIAL SPEECHES**

**The Speaker:** None.

**RAISING OF MATTER OF PRIVILEGES**

**The Speaker:** None.

**OTHER BUSINESS****PRIVATE MEMBERS' MOTIONS**

**Private Member's Motion No. 3/2021-2022  
Allowing Background Music in Bars on Sundays**

**The Speaker:** I recognise the Member for Red Bay.

**Hon. Sir Alden McLaughlin, Elected Member for Red Bay:** Thank you, Mr. Speaker.

Mr. Speaker, I believe it bears noting that the House has enjoyed the longest lunch break I can recall in almost 22 years here; we have been on lunch now for 4.5 hours. Mr. Speaker—

**The Speaker:** Well, everybody ought to be full now then.

**Hon. Sir Alden McLaughlin:** Mr. Speaker, I beg to move Private Member's Motion No. 3 of the 2021 2022 Session, titled "Motion on Allowing Background Music in Bars on Sundays".

**The Speaker:** So ordered. The Member needs to read the motion.

**Hon. Sir Alden McLaughlin:**

**WHEREAS the COVID-19 Pandemic has caused an economic downturn and economic hardships across the globe, including in the Cayman Islands, where the estimated contraction in Real Gross Domestic Product in 2020 was 6.7%;**

**AND WHEREAS the cost of imported goods and fuel has not only increased significantly over the past year but is expected to rise further due to the impact of the pandemic and related issues, as well as because of the Russian / Ukrainian war;**

**AND WHEREAS stand-alone bars which are Caymanian owned, like many small businesses, are still struggling to recoup the losses over the last few years of the pandemic;**

**AND WHEREAS stand-alone bars are not currently allowed under the law to play background music on Sundays;**

**AND WHEREAS Caymanian business owners of stand-alone bars are reporting a loss of business on Sundays to bars at establishments such as hotels and restaurants that are allowed under the Music and Dancing (Control) Act to have suitable background music being played;**

**BE IT THEREFORE RESOLVED that the Government consider amending the Music and Dancing (Control) Act to include licensed bars as premises that are allowed to play background music to be enjoyed by patrons on a Sunday, provided the music should not be heard outside the boundary of the establishment.**

**The Speaker:** Is there a seconder? The Member for George Town South.

*[Inaudible interjection]*

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker.

Mr. Speaker, I beg to second the motion brought by the Member for Red Bay.

**The Speaker:** Private Member's Motion No. 3 has been moved and is now open for debate. Does the Member wish to speak?

**Hon. Sir Alden McLaughlin:** Thank you, Mr. Speaker.

Fairly briefly, because I believe the Motion is self-explanatory. I would just like to take you, Mr. Speaker and the House, through the current provisions of the Music and Dancing (Control) Act (2019 Revision).

Mr. Speaker, section 3 of the Act proceeds on the premise that music and dancing are not permitted on licenced premises on Good Friday, Christmas Day or Sunday, but then in subsection 2 of the Act it goes on to provide a number of exceptions to that general rule.

So, subsection (2) of section 3 provides that **“Notwithstanding subsection (1)(c)—which is the provision barring the playing of music on good Friday Christmas day or Sunday—music may be played or dancing permitted on Sunday, Good Friday and Christmas Day at the airport or “port areas”, as defined in the Port Authority Act (1999 Revision), in order to welcome arriving passengers,— and this is the crucial bit for the purposes of this motion, Mr. Speaker— in order to welcome arriving passengers, or in a restaurant or hotel, being premises subject to this Act, provided the following conditions are observed—**

- (a) the music is not played in excess of the prescribed noise levels—of which there are none currently; and**
- (b) the time during which it is played shall be between the hours of 9.00 a.m. and 11.45p.m.”**

Mr. Speaker, because these provisions track back in previous versions of this Act, I am not sure what the rationale was at the time for not permitting music to be played in standalone bars.

I do not know what the reason was at the time but Mr. Speaker, now it is a complete incongruity because we have a situation where the bars and restaurants along the 7-Mile strip, in particular, are allowed to play music and have dancing on Good Friday, Christmas Day or Sunday but we have a situation where local bars which are all, without exception, Caymanian-owned are not allowed to have even background music on a Sunday. It is causing a great deal of loss of business to those establishments and indeed, complaints from their patrons; because, for instance, you are not allowed to have music at, say, Country and Western on a Sunday evening but you can get in your car and go on the West Bay Beach and any bar or restaurant there is able to have music.

Mr. Speaker, there is no underlying premise that I can see, for having the distinction between standalone bars and restaurants or hotels. The only one I could consider would be that the music or the noise—as some people would call it—might cause inconvenience or distress to people who are not within the establishment; but that would be the case any day

of the week, Mr. Speaker, not just Sunday. There are many people in this country who worship on days other than Sunday.

However, Mr. Speaker, I have been careful to say in the Motion that I wish the House to resolve that there is a proviso, if the Government does agree with amending the Music and Dancing (Control) Act as the Motion prays. The proviso would be that music should not be heard outside the boundary of the establishment and thus the only people who would listen, or be forced to hear the music, would be those who have voluntarily gone to that particular establishment.

Mr. Speaker, I know that there are those who have said, and will say, that they should not be there in the first place—they should go to church on Sunday; and that may be the case, Mr. Speaker, but these are licensed establishments and this is still a very free country where people are allowed to exercise free will within the law. I doubt, Mr. Speaker, that anyone who turns up at a liquor licensed establishment on a Sunday or Sunday evening had any intention of going to church in the first place, otherwise they would not have gone to the bar.

I hope that explains the rationale and objective, or the mischief, that the Motion seeks to cure, and without more I ask the House for their support of the Motion.

**The Speaker:** Does any other Member wish to speak? The Honourable Minister of Financial Services and Commerce.

**Hon. André M. Ebanks:** Thank you, Mr. Speaker.

Mr. Speaker, I rise to thank the Member for Red Bay and the Member for George Town South who seconded, for putting forward this Motion and providing the opportunity to discuss an issue that I think impacts local businesses as well as residents.

As stated in section 9 of the Plans and Estimates and Legislative Measures for 2022 and 2023, the Government identified the Music and Dancing (Control) Act as [one of] a number of pieces of legislation it is committed to modernising during this budget cycle, and I can confirm that this remains the case.

According to the figures provided by the Department of Commerce and Investment, there are currently 58 licenced standalone bars, and as pointed out, the legislation in its current form puts them at a disadvantage as compared to restaurants and hotels due to their inability to play music for their patrons on Sunday.

I was very interested in listening to the Member for Red Bay because, when this issue was first identified while we were preparing budget documents, and I examined the Music and Dancing (Control) Act, I struggled to comprehend what the rationale could have been. I drew out a few scenarios and looked at the historic revisions for the last 5 to 8 years and there has seemingly been a piecemeal approach in which this issue remained and I could not think of a logical reason why.



I was therefore very heartened to hear that it was not anything that the Government missed—that there does not seem to be any true rationale and it is some disparity that is probably a hangover. So rather than embarking on another piecemeal approach, our intention is to take a comprehensive look at the issue in a reasonable timeframe, because you have to take not only the standalone bar owners into account, but take consultation from the stakeholders.

The other missing portion in the legislation, which should probably feature in secondary legislation, is how you measure the noise to ensure it does not disturb the neighbourhood and whether there needs to be decibel levels raised in regulations so you can measure; so if the department goes out, you do not have an argument between a corresponding owner and a bar owner as to what is too loud. So those things cannot be done just sort of “off-the-cuff” by an officer. There needs to be some level of measurement and each bar should have one.

With that in mind, we are taking a comprehensive look to try to modernise other areas that surround this legislation, so that we are not here a few years later and it still has not been addressed comprehensively. In short, we are still working on the cause and we support the Motion.

Thank you, Mr. Speaker.

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

I now call on the mover for his right of reply.

**Hon. Sir Alden McLaughlin:** Thank you, Mr. Speaker.

I want to say—but I am afraid to say—thanks to the Minister for his response, and certainly thanks for saying that the government will support the Motion; but what gives me great pause is the last few sentences of the Minister’s speech.

Mr. Speaker, the Minister is new to this House but those of us who have been here for some time know that it is at least 20 years that government after government has been trying to get the administrative arm of government to find a way to measure the decibel levels of noise outside anywhere, when the fix for this particular matter is simply the insertion of standalone bars into the section, so that all liquor licensed establishments enjoy the same privileges.

There are no prescribed noise levels in Cayman—period. Right? In terms of noise as a nuisance, this applies to every day, not just Sunday; so I fear that if that approach is adopted again, we are going to continue with this disparity and inequality. The restaurants and the hotels will continue to be able to do what they are doing and have been doing, but the 58 local bars—I am surprised is not many—are going to continue to suffer the loss of business.

Now, Mr. Speaker, the reason this continued for so many years without any real fuss—and this is still

a mystery to me what has happened since this Administration took Office because it has happened since then—is that this provision was honoured more in the breach than in the observance thereof; no one paid any attention. As long as the noise was not troublesome to the neighbours and no one complained, the bars just carried on business as usual. The jukebox or DJ was playing, or however they played music on Sundays, and nobody said anything.

However, in the last few months, I am reliable told, the police were instructed to enforce this particular provision with respect to standalone bars, and police have made the rounds doing just that: warning proprietors of standalone bars not to have music played. I have actually been in an establishment when the police came in, so something has occurred—somebody, somewhere, said to the police, *you need to enforce this provision*. That is why it has become problematic now.

Mr. Speaker, it is going to continue to be a very irksome and unfair situation if this is not dealt with swiftly, particularly, as these are all Caymanian-owned establishments. Therefore, I am fearful when I hear the Minister say that this is going to require a complete overhaul of the legislation, for I know too well that he may demit office before that is completed. That is just the way these things work. Unless somebody says this matter is a real priority, it is going to join the long list of pieces of legislation that need amending or new legislation that needs to be drafted, and I know only too well that the resources of the government in relation to legal drafting are limited.

I am grateful for the indication that Government is going to support the motion, Mr. Speaker, but I am truly disappointed if the approach is going to be that which the Minister outlined, and I would urge him and the Government to give that particular aspect a rethink.

Thank you, Mr. Speaker.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED that the Government consider amending the Music and Dancing (Control) Act to include licensed bars as premises that are allowed to play background music to be enjoyed by patrons on a Sunday, provided the music should not be heard outside the boundary of the establishment.

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

**AYES.**

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

**Agreed: Private Member’s Motion No. 3/2021-2022 — Motion on Allowing Background Music in Bars on Sundays passed.**

**Private Member's Motion No. 4/2021-2022  
Increased Assistance to Caymanian  
home buyers**

**The Speaker:** The Member for George Town West.

**Mr. David C. Wight, Elected Member for George Town West:** Thank you, Mr. Speaker.

I rise to move Motion No. 4-2021/2022, entitled Increased Assistance to Caymanian Homebuyers.

**The Speaker:** Can you read the Motion, please?

**Mr. David C. Wight:**

WHEREAS the rising cost of land and homeownership has made it increasingly challenging for young Caymanians looking to build or purchase their first home;

AND WHEREAS the COVID-19 Pandemic has made obtaining a home even more difficult given the economic downturn and the disruptions to the global supply chain that has increased the cost of imported goods, including building supplies;

AND WHEREAS all the above pressures on housing cost and the cost of living, in general, has been exacerbated by the Russian/Ukrainian war, which is further driving up the cost of goods;

AND WHEREAS the USA experienced an 8.5% inflation rate in March 2022 (a 41-year high), with Cayman's domestic overall inflation rising by 7.6 % over 2021, but with the Housing & Utilities component rising by 11.5%, and expected to climb higher in 2022;

AND WHEREAS; In response to inflationary pressures, the US Federal Reserve and the Bank of England have begun increasing interest rates; thus impacting interest rates in Cayman, which will make the cost of loans and mortgages, and thus homeownership, even higher; for young Caymanians;

AND WHEREAS the Cayman Islands Government has announced a record budget surplus of some \$221M as of March 2022, which includes an effective windfall of \$18.6 M more than was initially budgeted. A windfall that should allow Government to reduce stamp duty to Caymanians in a meaningful way, especially for housing;

**BE IT THEREFORE RESOLVED** that the Government consider as a matter of urgency amending the Stamp Duty Act as follows:

**For First Time Caymanian Property/Home Buyers:**

(a) 0% duty on land-only with a value of up to CI\$200,000; and for houses, apartments, or other dwelling purchases with a market value of up to CI\$500,000, for owner-occupation; and

(b) 2% duty on the value above CI\$200,000 on land purchases; And for houses, apartments, or other dwellings purchased for owner occupation, on the value above CI\$500,000.

(c) In cases where the property is transferred to two (2) or not more than ten (10) persons who are first time Caymanian Homeowners:

i. 0% duty for bare land purchases with a market value of up to CI\$350,000 and houses, apartments, or other dwelling purchases with a market value of up to CI\$600,000, for owner-occupation; and

ii. 2% duty on the value above CI\$350,000 on raw land purchases; and for houses, apartments or other dwellings purchased for owner occupation, on the value above CI\$600,000.

**For property purchased by a Caymanian that does not fall into the 'First Time Caymanian Property/Home Buyers scheme'**

(d) 5% Stamp duty for Caymanian persons only.

**The Speaker:** Is there a seconder? The Member for George Town South.

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker.

Mr. Speaker, I beg to second the motion brought by the Member for George Town West.

**The Speaker:** The question is: BE IT THEREFORE RESOLVED that the Government consider as a matter of urgency amending the Stamp Duty Act as follows:

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For property purchased by a Caymanian that does not fall into the 'First Time Caymanian Property/Home Buyers scheme'

- (d) 5% Stamp duty for Caymanian persons only.

Does the mover wish not to speak to his motion?

**Mr. David C. Wight:** Thank you, Mr. Speaker.

I believe every Member of the House will want to vote for this Motion today, as it aims to provide practical support to Caymanians who are currently facing extraordinarily challenging financial circumstances. The unanimous approval of this Motion will be an important signal that whatever other political differences we have, Members of this House are willing to come together to push forward changes that can help to make a real difference for Caymanians who need our help.

The Motion seeks to reduce the burden of stamp duty on all Caymanians and also to provide increased assistance to Caymanians looking to buy their first home.

I will speak to the substance of the proposed changes shortly, however Mr. Speaker, I first want to put this issue in context. As the text of the Motion before the House sets out, Cayman is facing the cost of living crisis, prices are going up on just about everything we buy, we are having to pay more for the electricity we use in our homes, for the gas we put in our cars and for the groceries we buy in the stores. These are not luxuries, but represent everyday spending on those items we need just to get by. At the same time, we know wages in the wider economy are not rising at anything like the same rate, if at all; therefore, real wages are falling and incomes are getting squeezed as prices spiral.

Mr. Speaker, I am sure that, like me, every Member here today will have spoken to hard-pressed constituents who are finding it increasingly difficult to get by in these circumstances. Like me, I am sure Members across the House will have done what they can do to try to help those constituents, and I am sure we will continue to do so, as the cost of living crisis deepens in the months ahead.

Helping individual constituents in need is one of the things we do as Members of Parliament and that is a vital role Mr. Speaker; but we also have a duty to look systematically at the problems facing our people and to design and implement solutions to those problems. It is my purpose here today to encourage the

House to approve this Motion, which urges the Government to take urgent action that will at least provide some relief in the current cost of living crisis facing our people.

At this point, Mr. Speaker, I want to make one thing really clear: neither I nor any of my colleagues on the Opposition benches are seeking to lay the blame for the cost of living crisis at the door of the PACT Administration. As the text of the Motion makes clear, this is a global issue.

As the pandemic eased and economic activity rebounded, a number of inflationary pressures emerged. Demand for fuel prices rapidly increased, driving up the cost of oil and gas, which then had knock-on effects across all sectors. Prices throughout the economy began to rise. Global supply chains were disrupted and production was impacted at the same time as consumer demand strengthened, with people looking to spend money that they had saved during periods of restrictions and the stimulus cheques many had received from anxious governments, notably in the US.

Increased demand and stuttering supply began to increase the upward pressure on prices—a potentially disastrous inflationary spiral had begun. Many of those pressures in the global economy remain, and now we also have to contend with the additional issues created by the war in Ukraine. The conflict is a tragedy in human terms, and Mr. Speaker, I am sure that every Member of the House will join me in praying for a swift end to the fighting and for the return of lasting peace; but sadly, the human story of the war extends beyond those immediately caught up in the conflict.

Ukraine and Russia are both major wheat producers and exporters. The holdups to food supply as a result of the conflict are directly affecting their customers, including in some of the poorest countries of the world but also, inevitably, impacting wider global markets. Other food supplies and, of course, oil and gas markets, are also being impacted both by the conflict itself and the consequences of sanctions imposed on Russia and Belarus.

In response to these inflationary pressures, Central banks are raising interest rates; while the objective is to dampen consumer demand, the impact is directly felt as interest rate hikes push up mortgage rates and repayments are increased. A global crisis then, Mr. Speaker, but with profound impacts here in Cayman.

The latest Consumer Price Index (CPI) data released by the Economics and Statistics Office (ESO) at the end of March, showed that inflation in Cayman was running at 7.6 per cent at the end of 2021. Some of the more detailed data in the ESO's reports showed the eye-watering increases in costs that Caymanian families are facing:

- Fuel costs up by 27.6 per cent;
- Electricity by 26.5 per cent; and
- Cost of housing up by 10.7 per cent.

Mr. Speaker, the inflation numbers just mentioned were the position known to us when we drafted the Motion but, as it states, it was certainly expected that inflation was to climb even higher over 2022. So it was no surprise to learn yesterday, when we received the update from the ESO, that in March of this year the Consumer Price Index increased by 11.2 per cent in the first quarter of 2022 when compared to the same period in 2021. The release goes on to state that all 12 CPI divisions recorded increases in average prices, with the main driver being housing and utilities, which is now at 20.1 per cent.

To recap: In December 2021, the overall inflation rate was at 7.6 per cent, with the housing and utilities section standing at 11.5 per cent. A mere three months later, overall inflation moved upwards to 11.2 per cent with the housing and utilities component at 20.1 per cent. It is obvious, Mr. Speaker, that inflationary pressures have not gone away since the end of 2021 and it is worsening. All the forecasts suggest that global inflation is yet to peak and will persist for many months ahead.

That is why I have described it as a cost of living crisis, Mr. Speaker. Families across our Islands are struggling to meet these rising prices, particularly as, for example, those in our tourism industry have not seen their livelihoods fully restored as yet.

As I have said, this is not a crisis of the Government's making; no one is blaming them for the rising prices. However, they will be held to account for how they respond to the crisis that our people are facing. Government must now be looking at taking whatever measures it can to help lessen the impact of sharply rising prices and people are rightly expecting them to take action. My Motion today proposes one such action that can be taken immediately. Is it enough to deal with the cost of living crisis? Of course not, but it does provide a measure of meaningful assistance that can make a real difference.

In thinking about what measure I could bring forward to the House, Mr. Speaker, I reflected on my own experience as a Member of the last Progressive-led administration. During that administration's term, the country faced inflationary pressures and I recall the debates at Caucus over how we might respond.

The inflation we faced was nothing like the crisis this administration needs to confront. We also had the benefits of the healthy and sustained growth which our administration had enabled, that supported increased employment and income growth, thus lessening the impact of rising prices for most households; however, even then it was clear that something needed to be done. I recall the then Minister of Finance, now Leader of the Opposition, explaining to us that there are relatively few levers available to a small-island government facing imported inflation. We had already made duty reductions such as the CUC fuel duty cut that directly reduced the cost of electricity to households and businesses.

We held fast to our pledge to not increase government fees and duty, so as not to add to increase in costs, so we focused our attention on housing in part, because it was an area of particular cost pressure impacting Caymanians, but also because it was an area where we could make an immediate difference. We acted to reduce significantly the stamp duty costs that were adding to the burdens of first-time Caymanian homebuyers seeking to purchase property or land on which they could build their family a home.

At the start of 2019, the threshold for the zero rate of stamp duty was increased for Caymanians seeking to buy their first home from \$300,000 to \$400,000, and the 2 per cent stamp duty band was raised to cover properties valued between \$400,000 and \$500,000. For Caymanians looking to build their own home, the zero stamp duty threshold was raised to include land value at under \$150,000 with a corresponding increase in the 2 per cent rate for the land valued at \$150,000 to \$200,000. Mr. Speaker, the implementation of that policy initiative was one of the major successes of the last Progressives-led administration.

In all of our constituencies, there are young families who now own their own home, having benefited from the duty reductions that the Progressives-led administration put in place.

Mr. Speaker, at the election last year, the Progressives proposed a radical new approach to housing policy, bringing a new cross-government approach to the question of affordable housing. We promised to implement a new a number of further initiatives to support Caymanian families to buy their own homes, and we also recognised that there was more that we needed to do, not least to tackle the question of affordable rents. That election is over, Mr. Speaker; it now falls to the PACT Government to bring forward changes that it believes can support Caymanians in the housing market.

As ever, Mr. Speaker, in the absence so far of any meaningful proposals from the Government, we on the Opposition benches are willing to show them the way. Progressives still believe that far-reaching changes are needed to tackle both the home ownership and rental market. However, such reforms will need time, and we cannot let the great be the enemy of the good, so, faced with the immediate problem of the cost of living crisis, we need to take immediate action wherever that is possible.

My Motion, therefore, seeks to implore the Government to take such immediate action by building on the successful approach taken by the last Progressives-led government.

The four parts of the Motion propose extending the range of assistance provided through the First-time Caymanian Property Homeowners Scheme, and providing general relief to all Caymanians through a cut in the headlines Stamp duty rate they pay.

The first section in my Motion, (paragraph a), urges the Government to further raise the duty zero rate

thresholds for first time Caymanian homebuyers by \$100,000 for house purchases, and \$50,000 in respect of land purchases. The result of the change would be to exempt first time Caymanian homebuyers from paying any Stamp Duty for houses with a value up to half a million dollars.

The second provision would be to remove the top threshold for the 2 per cent to be paid on purchases where the market value exceeds the zero rate threshold cap. The result of this change would be to ensure that no first-time Caymanian home buyer pays more than 2 per cent stamp duty, whatever the price of their home. The third provision in the Motion, (paragraph c), makes the necessary corresponding adjustments to the threshold for joint buyers.

These are all important and significant concessions that the Government can make to help first time Caymanian homebuyers. They would make a real difference and, at a time of high and spiralling inflation, the measures I am proposing would be the first step in helping to bring costs under more control.

We also need to recognise that the current crisis is not just being felt by young Caymanians looking to buy or build their property. Everyone is suffering from the ravages of inflation, so there is a duty on us to consider how we might broaden the help available.

In the case of the housing market, there are particular dangers: inflation in material costs and construction impact the cost of new homes, and rising interest rates are impacting mortgage repayments. Even in Cayman, the housing market is not immune to those pressures.

A change to stamp duty to reduce costs for all, will therefore bring benefits to Caymanians and help to incentivise transactions, even when the market may grow more difficult as growth slows. The final part of my Motion, therefore, proposes that the government should consider reducing the general rate of stamp duty paid by Caymanians from 7.5 to 5 per cent. For the avoidance of doubt: The Motion makes it clear that the existing rate would continue to apply to property purchased by non-Caymanian persons.

Mr. Speaker, I accept that this is a major policy change and likely to be more controversial than the changes I am proposing in respect of first time buyers. Perhaps the most obvious objection to the proposal is the likely cost in terms of the impact on the revenues foregone by the Government, if it enacts such a policy, so let me deal with that head on, Mr. Speaker.

There are three reasons why the impact might not be as severe as it first appears:

Firstly, currently, demand for property is still strong and prices are rising. Government revenues from stamp duty will rise accordingly, as they take a fixed percentage of higher prices. Overall stamp duty receipts are therefore likely to remain buoyant.

Secondly, as the Financial Secretary told the Public Accounts Committee last week, there is, in any

case, systematic underestimating of Government revenues built into the budget making process. Not least for the reason I have just indicated, stamp duty has consistently been one of those revenue streams to outperform its expected budgeted level. Without the changes proposed in my motion, we could anticipate that it will do so again this year.

For these reasons, we might expect that Government would have room for manoeuvre without impacting its current budget; however, if the fear is that such room for manoeuvre would be more than swallowed up, then we need to look no further than the Government's own verdict on its financial performance to judge whether the changes I am proposing are affordable. This leads me to the third reason.

The Government has announced there is an \$18.6 million better-than-forecast level of surplus for the first quarter of 2022, which could be used to offset the cost of my proposal. As reflected in the text of my Motion, just last month the Minister of Finance reported the Government's financial results for the first quarter of 2022. Those results showed a surplus of \$221 million for core Government, which was some \$18.6 million better than forecast. The Minister of Finance informed us that this surplus was the result of both better than expected receipts from duties and fees; and the control on spending that he believes is being exercised by himself and his PACT colleagues.

The excess income is already in the bank, and if we take the Minister at his word, there is no reason to expect expenditure savings to disappear in a blaze of reckless spending by his ministerial colleagues. The \$18.6 million better-than forecast-levels of surplus therefore represents a windfall that could offset the cost of implementing my Motion should that prove necessary, therefore, the arguments for this Motion become overwhelming.

Mr. Speaker, no one can doubt the problems that the cost of living crisis is having, and will continue to have on Caymanian families. It is beholden on Government to do everything it can to reduce costs for Caymanians.

The proposals I have put before the House are far from a complete answer, and I will be looking to Ministers opposite to bring forward other measures that might benefit our people in the weeks ahead. However, my proposals to reduce the burdens on Caymanians created by the current stamp duty regime represent a sensible first step that the Government can and should take. The changes are practical, and they are deliverable immediately. They would help not only first time buyers, but Caymanians more generally, and the package I have put forward can be seen to be affordable, given the Government's latest view of its financial position.

On that basis, let us come together and by passing by passing this Motion demonstrate that this House is willing to respond swiftly and positively to the cost of living crisis that is facing our people; and the

House having passed it, I hope the Government will show urgency in implementing these policy changes we are asking of them.

Mr. Speaker, I commend the motion to the House and ask Honourable Members to give their unanimous support today.

Thank you, Mr. Speaker.

**The Speaker:** Does any other Member wish to speak? The honourable Deputy Premier and Minister of Finance.

**Hon. Christopher S. Saunders, Deputy Premier:** Thank you, Mr. Speaker.

As I said earlier today, when I was delivering the unaudited quarterly financial statements for the first quarter and made reference to Frost's poem:

*The woods are lovely, dark and deep,  
but we have promises to keep  
and miles to go before we sleep  
and miles to go before we sleep.*

Mr. Speaker, when this Motion first popped up and we discussed it in Caucus, I had to support the Motion as a matter of principle, Mr. Speaker, and my reasons for supporting it off the bat are two-fold:

One: Except for the last two Motions I brought when I was in the Opposition, every single Motion I brought to the House, the Government supported. So, as a matter of principle, Mr. Speaker, I have to extend the same courtesy that was given to me; and I think this may be the Member for George Town West's first Motion in Opposition. There is no way I am going to be part of someone's legislative record in this kind of environment, so I feel almost a sense [of duty] to support the Motion off the bat.

The second reason is, Mr. Speaker, as a matter of principle and maybe it was just the luck of the draw, that every single time one of my constituents needed support during the last Government, in terms of stamp duty, I always had the luck where the Member for George Town South was always Acting Finance Minister and she exercised that discretion. Even if I did not get the full amount, she always gave back something to help my constituent, and I want to publicly thank her for always:

1. taking my calls when she was Acting; and
2. going above and beyond to really help them

We do recognise that many families need help, even long before this global pandemic—so I want to go on record thanking her for that.

Mr. Speaker, the Member for George Town West referred to the promises made during the campaign. I challenge any Member of this House when it came on to stamp duty, that nobody—and someone has to come really good—had a more radical approach,

than I did. I actually campaigned, Mr. Speaker, that regardless of value, the first three properties be stamp duty free. As a matter of fact, that was one of my videos that probably had the most views, so when it comes to being radical I understand the approach, in terms of what I ran on.

What I can say, Mr. Speaker, is that since this Government taking office and [me] taking office as the Minister of Finance, who is by law the Commissioner of Stamp Duty, I can tell you that this Government has also gone above and beyond in terms of helping families. Since taking office, we have assisted 246 families to the tune of almost \$4.4 million in stamp duty already been waived. When you look at 246 applications, this is something I deal with almost on a daily basis.

*[Desk thumping]*

**Hon. Christopher S. Saunders, Deputy Premier:** Mr. Speaker, I look back at the Strategic Policy Statement that was delivered by our Honourable Premier and myself almost a year ago and, in particular, I look at Broad Outcome No. 3, the headline for which is: **“Providing solutions to improve the well-being of our people so that they can achieve their full potential.”**

While item one dealt with support the family systems and communities; item two was create safer communities, and item three was create a modern social infrastructure, the one I want to talk about Mr. Speaker, is actually item number four of Broad Outcome No. 3, with the headline, **“Provide adequate and affordable housing in our communities”**, and the four initiatives that are highlighted under that category are:

- a. Government-guaranteed home assisted mortgages;
- b. Provision of quality affordable housing;
- c. Lower cost of borrowing through CIDB programmes; and
- d. Reduced stamp duty on land for Caymanians

As I said, Mr. Speaker, accepting this Motion would not be a challenge for this Government. As a matter of fact, the Member may be happy to know that back in March of this year, the Cabinet created an inter-ministerial committee to deal with the housing issue in Cayman which is to be chaired by the Honourable Premier. It includes:

- Me as Minister of Finance (who also has responsibility for CIDB);
- The Minister of Land;
- The Minister of Housing; and also
- The Minister of Transport.

Therefore, Mr. Speaker, steps and initiatives are already on the way, and I say the Member would

be pleased that the Government would have no problem accepting this because our preliminary results in terms of the studies that we have, what he is asking for is actually less. Seriously less than what the Government will be bringing into force.

The zero per cent for \$200,000 first time [buyers:] Mr. Speaker, the government considers \$200,000 not to be enough. Again, like I said, I campaigned on the first three properties regardless of value, being stamp-duty-free, and I can tell you as the Minister of Finance that when that committee finishes its work, it is definitely going to be above the \$200,000 mark. Equally, the \$500,000 that they are talking about in property, is already going to be above that.

As a matter of fact, Mr. Speaker, the Cayman Islands Development Bank (CIDB)—which I also have constitutional responsibility for—just recently increased the limit to which you can borrow, to \$600,000. So I can say off-the-bat to the Member for George Town West, that the number we will be looking at definitely will not be lower than the \$600,000 mark. We have already recognised that and it has already been made public, so what I am saying is not new, Mr. Speaker.

Equally, Mr. Speaker, we recognise that while stamp duty is an issue, the bigger issue is not the stamp duty that they pay on the land, but the cost of the land itself and I am going to ask the Minister of Land's indulgence [to speak on] an initiative that she has been working on, which I am proud of, where Government has already purchased land and is in the process of subdividing the land.

Not to pre-empt and I do not want to take any thunder from my colleague or speak to something I do not have constitutional responsibility for, but I can say, based on the initial analysis that we have done in terms of the land that we are subdividing, I think a house lot is going to be more than a quarter acre, or at least thereabouts. *[Inaudible interjection]*

**Hon. Christopher S. Saunders, Deputy Premier:** 10,000 sq. ft.—thank you Minister—and the initial price point will easily be less than \$50,000 for that land.

These are the kind of initiatives that we are working on; and touching on the [subject of] land, while stamp duty is an issue, what we also have to recognise, is that land prices themselves are subject to the market principles of supply and demand. We recognise that the supply of land is limited. Simply put: the Cayman Islands land space is not growing, unless you want to count the landfill. So, when supply is limited and demand increases, price will increase automatically.

Mr. Speaker, I say this to say, that not only are we looking at the price of land, we are looking at the [factors] that cause the price of land; and whether we want to accept it or not, the part of this conversation that needs to happen is that we also have to look at our immigration laws and what we require.

We have a current Permanent Residency (PR) system, which is also being reviewed, especially the

point system, where it is almost mathematically impossible to qualify for PR without owning real estate. You cannot reasonably expect to have 500 to 700 people applying for PR every year and creating demand for property that is not growing, and not expect the price to go up, so we cannot look at stamp duty alone, Mr. Speaker—we always have to look at the factors that drive up the cost of land.

There is the issue of land banking, where people have bought large swaths of land to just sit on it and wait for development to reach. The more properties come off the market every year, the fewer properties are available—or the supply has been reduced within the frame and, as demand continues to increase, it continues to drive up the price, so there are many different factors. Stamp duty itself is only a symptom; the bigger issue is land prices in Cayman.

Now, we have seen other countries take a radical approach. Everyone saw what Canada did quite recently, in terms of limiting foreigners buying land. Canada is the world's second largest country by square miles, Mr. Speaker—I believe the first is Russia. If you read the Canadian news, people are ticked off because they have many Asians coming and buying property; people are going crazy and the politicians felt it was the right thing to do, to appease the crowd.

Of course, it is very easy to take an approach where you appease people very quickly, however, we in the Cayman Islands recognise that we do not have the luxury that Canada or many other countries have, so any decisions that we take as a Government have to be holistic. Mr. Speaker, I remember one of the first Bills we brought was to make changes to the immigration law [on] vaccination and the number of people who went up in arms, in terms that they felt we were targeting this or that group.

We also have to recognise that there are many people in Cayman that rely on development, so the Government will be looking at whatever we can do to actually encourage responsible and sustainable development. Equally, Mr. Speaker the Government, and all of us in this House recognise—and we have learned this from a very early age—that the three basic things that people need are food, clothing and shelter.

Now, earlier I think we got around 4.5 hours to consume as much food as we can in terms of that long lunch break so I think that for today we should be fine from a food standpoint. Clothing? We are all dressed, but when it comes to shelter, Mr. Speaker, shelter is a basic human right—housing is a basic human right; and I say that to say, that regardless of how much Government needs revenues, the stamp duty that Government can collect cannot come at the expense of denying Caymanians the right to own a place to seek shelter.

I say that to say that thus far, when I look at the number of exceptions that have been exercised by this Government and I want to add, Mr. Speaker, that in most cases we discuss even the waivers outside the normal at a Caucus level, to make sure that we do not

set a precedent. So if something is outside the boundary, we take it to the group and discuss it and every single time, Mr. Speaker, I have taken an exception to Caucus, they have all supported giving the stamp duty. Up to April of this year alone, Mr. Speaker, it is 24 different exceptions that we have approved to help Caymanian families based on the current system.

*[Inaudible interjection]*

**Hon. Christopher S. Saunders, Deputy Premier:** That is alright.

It is a no-brainer for us in terms of accepting it, but Mr. Speaker, something that we need to be conscious of, is that this Government is committed to ensuring that Caymanians get a piece of the rock but, as I said before, we have to take other factors into consideration to ensure that it is not just the stamp duty that we are waving but the cost of land itself and it is a holistic picture.

I can honestly say to the Member for George Town West that we can whole-heartedly consider this, however, we looked at it and I think you are going to be pleased with the end result because what is going to be proposed is actually—

*[Pause]*

**Hon. Christopher S. Saunders, Deputy Premier:** Sorry—thank you, Minister, for clarifying.

What will be proposed will far exceed this amount, because we recognise that this is a challenge.

Since the Minister handed me the note, I am pleased to say that the first land issue initiative that we are looking at to help Caymanians, in terms of purchasing their home, is in the district of East End where the process of subdividing the land has already started. The note that the Minister just passed to me states that those 10,000 sq. ft. house lots for our people are going to cost \$25 to \$30,000, once they meet certain criteria and this is an initiative that we intend to roll out across all three Islands, because we do recognise that our people need to own a piece of the rock and if there is one entity that can afford at this point to purchase land to make sure our people actually get the prices, it is the Peoples' money wherever possible.

I am sure you guys see the Cabinet notes that come out weekly. In just about every single one we are going through a land purchase.

Something else I want to [mention]—and I hope I do not overstep my constitutional boundaries—is the United Nations' [UN] Goals for Sustainability, one of which is to **preserve at least 30 per cent of land by 2030**.

We are not halfway there yet, but it is this Government's hope that during the term, bit by bit, we can at least get closer to the goal of ensuring that we have sufficient land set aside for our people.

Mr. Speaker, whether we want to accept it or not, next year I am 50; we can go back to what Cayman was like in the 70s, 80s and 90s, but the reality is it is the Cayman of today that we all have to live in. I do not worry about the past, I worry about the future. One of the first lessons I learned from the Member for Red Bay, very early on, he said to me, *why are you following those guys? You know there is no future in the past* and I have always remember that lesson.

Mr. Speaker, I say that because we live in a country where we always try our best to make our parents proud, but at the end of the day it is not our parents who are going to inherit what we do, but our children, and thus the reason I said in my Mother's Day message: *we should start focusing more on making our children proud than our parents, because they are the ones who are going to inherit what we do*. In the end, Mr. Speaker, we are not going to be remembered for what we inherited, but for what we leave behind.

Where this Government is concerned, what we want to leave behind is a Cayman where every Caymanian has the opportunity to live their best life, every Caymanian has opportunity to own a piece of the rock and, while we cannot guarantee equal outcome for everyone, Mr. Speaker, we can fight for equal opportunity.

Therefore, I can say to the Member for George Town West, that the committee has already started its work at an individual level. Ministry of Finance has already started its work, we are also analysing the data from the census as it comes up bit by bit and I can say that this Motion is pretty much a no brainer for the Government, simply because based on the preliminary analysis that we have right now, what is being proposed is actually going to be better.

I want to thank the Member for George Town West for bringing up this issue, and remind the Caymanian people that this is not political—it is something that we all agree with and we all support. I welcome him bringing it to the forefront, to let everyone know that every Member of this House is concerned about the cost of land and the stamp duty payable but, as I said before, housing is a basic human right and Government's finances cannot come at the expense of denying people an opportunity to own a piece of the rock and have someplace for their families to live. With that Mr. Speaker, the Government will accept the Motion.

I want to thank the Member again and I will also be more than happy to meet with him, to show him some of the work that we have done and how we came up with the initiatives that we have.

I want to really thank the board of the CIDB, Mr. Speaker, I really want to go there because the rate that CIDB has offered is 3.75 per cent fixed for the next two years, and when the FED meets next week, there is a very strong possibility that the Prime Rate is going to go up, and the rate that is being offered by CIDB right now, will actually be below the Prime Rate.

Do we have enough money to rival the mortgage portfolio of the larger banks? No; but with what



we do have, we are making the best of it, and I am hoping that many of the banks out there will sit back and say, *you know what, if we can afford to at least keep rates fit fixed at 3.75 per cent for the next two years we can offer home owners some relief and some certainty during this challenging time.* We are hoping that other banks will follow suit.

Mr. Speaker, on another issue: I mentioned my “radical idea” on the campaign trail. Something that we really have to consider is creating a capital markets in Cayman, and I have already met with the CEO of the Stock Exchange, Mr. (Marco) Archer, in terms of looking at the mechanism.

This is important, Mr. Speaker, because we have seen instances in the United States, where even when the FED Rate goes up, the mortgage rates actually decrease, the reason being that their mortgages are actually backed by their bond market—basically money from overnight. The challenge that we have here in Cayman, Mr. Speaker, is that no bank has an offering where people are putting out 10, 15, 20, 25 or 30-year deposits. So in essence, banks are taking overnight money which is liquid—cash is liquid; converting it to a 25 to 30-year mortgage, which is illiquid, and then basically taking on what they refer to as a *liquidity risk*. That risk comes at a cost and, as a result, it continues to drive up the cost of borrowing.

Now, if we can get a bond market in place, where we can have steady money and that is why some people sit down and beg for the pension money to come back because that may be a source of longer money as opposed even overnight money. Some banks may go as much as 5-years fixed, but the truth and the fact is that we do need the mechanism to start having 20, 25, 30-year fixed from that standpoint, to have some level of certainty and some level of stability in the market.

What we cannot have, Mr. Speaker, is what we are probably going to experience this year, where there is a possibility that mortgage rates will be increased by about 2 per cent—which would be a substantial amount for some families—by the time the FED have all of these different meetings to try to control United States (US) inflation.

For us to continue this as a community—it was fine when we were much smaller; but as we get bigger and the portfolio is getting bigger, we need to start looking at other mechanisms to make sure that we have longer-term money to assist our people, and that is something that we are hoping for at least. We already had initial meetings with some individuals within the financial sector to see what we can do in terms of creating this capital market that will not just allow homeowners to have longer access to long-term money, but even farmers, Mr. Speaker, in the sense that we need the kind of approach where we can make the real investments needed.

For example, you take a farmer, there is no you can lend a farmer money today, to go develop something and expect him to start paying it back in six months. The crops are not going to grow, it is just not going to be ready. You need loans where they can go at least three years with no payment, then maybe in the next two years is interest only and then five years after that, they start paying interest and principal. This is the kind of market that we will need to create if we are truly serious about creating opportunities for our people and also start limiting the shocks that we have on our local economy from outside forces.

As the Member for George Town West rightly said, the number of levers currently available to us are limited, and now it is incumbent on all of us in this House to start putting other levers in place to at least limit these shocks. We may not stop many of them, but at least to limit the shocks.

I know the Premier has been working with his Ministry, in terms of even increasing the amount of renewables that we have on Island. To be shipping off \$150 to \$200 million a year just to bring fuel in, when we should be looking at other ways to keep that money here and have some level of price stability, and certainty in the market, is one of the things that we are focusing on.

I know I kind of deviated a little bit on all of that, Mr. Speaker, but I think it was important for all the Members of this House to understand where the Government is going holistically and not just on this one issue; but on this issue, I think we are all in agreement. Again, I want to thank the Member for George Town West for bringing and highlighting, and putting it back in the public domain to remind people how important this one issue is.

With that Mr. Speaker, I want to thank you and again, let the Opposition know that this Motion will receive the unanimous support of all Members in this House. I am assuming that your colleagues also support it, but I can speak for my colleagues on this side.

Thank you. Mr. Speaker.

**The Speaker:** Does any other Member wish to speak? Does any other Member wish to speak? The Member for George Town South.

[Pause]

**Ms. Barbara E. Conolly:** Thank you, Mr. Speaker.

Mr. Speaker, I rise to give a brief contribution to the Motion brought by my colleague, the Member for George Town West, a motion that seeks to make it a bit easier for Caymanians to buy property or a home, especially young Caymanian families buying their very first home or a piece of land.

I am a mother and a grandmother and I know the impact of the rising cost of living, including housing, on my own family. Every time I fill up my car with gas, when I buy groceries, or pay for my utilities, I see it for

myself. I am also close to my constituents, and I know how hard many of our people are having it right now to make ends meet and to afford rent or a mortgage.

Mr. Speaker, I know we all understand the financial pressures facing our people. We all understand the need to provide increased assistance for Caymanians looking to buy a home or a piece of land. Home ownership is not only an aspiration for many Caymanians, but I firmly believe that home ownership helps to build and make our communities stronger. For many families, including single mothers, home ownership brings with it security for their family. When we get older, owning the roof over our heads gives us peace of mind and allows us to leave something for our children and our grandchildren.

As far back as I can remember, Mr. Speaker, I understood the importance of home ownership for Caymanians. Like many of your fathers, my own father went to sea, and sent money home to support us but also to save to start our home. That home still stands on Crew Road, Mr. Speaker, as a testament to my parents' dreams and the security that home provided to our family. As the years went by and our family grew, my parents added to their house—that was the way it was back then. Times were simpler then, Mr. Speaker. Land was plentiful, and families were able to help each other but, even with the passage of time, home ownership is still very much a part of the Caymanian dream.

This is not a politically partisan Motion, but a motion that everyone here can, and should, get behind and I am so pleased to hear the Deputy Premier say that the Government will be supporting it.

My colleague, the Member for George Town West, has done an excellent job moving the motion and outlining its rationale, as such, I do not intend to speak for long; however, I want to emphasise the point he raised that we are facing a cost of living crisis, including increased housing costs, that is expected to worsen before it gets better. There is no denying that world events have made the cost of living much worse and this has dramatically impacted the cost of home ownership.

As the Member for George Town West has said, this is not a problem caused by the Government but it is a problem that the Government needs to address. And I said earlier that I am very pleased to hear that they are addressing the issue and we are all on the same page here.

The cost of almost everything from food, fuel, utilities and housing, whether renting or buying a home, has risen far more than our wages can cope. Some in our Islands will feel the pinch of increasing cost, but will manage okay—but there are more who will feel far more than a pinch, and are struggling.

We are not alone in this Mr. Speaker; as anyone who pays attention to world news would understand, last month the UK government passed the Pound Sterling £15.3 billion package of benefits to help their citizens survive this crisis.

We are not the UK and we may not be able to do what they are doing, but we must do what we can and reducing the tax burden for Caymanians looking to purchase a home or a piece of land is within our ability and this is what this Motion is seeking to do. We are trying to recover from the pandemic as a country but the headwinds are strong and unpredictable, so our recovery will also be slow and unpredictable.

Fortunately, the economic policies and financial buffers put in place by the previous Government that I was a part of, are still benefiting the economy and our people. I remember the many times in Caucus when we discussed the importance of preparing for the next economic downturn, we did not know what it would be, when it would be, or how hard it would hit, but we knew it would come.

We had to have the country prepared fiscally and with as sound an economy as possible to allow the private sector to recover; and so Mr. Speaker, we held fast to our financial plan:

- To grow the economy;
- Create surpluses;
- Pay our way with the cash we had whilst paying down debt and taking on no new borrowing; and
- Putting aside money for the rainy day that we knew would come.

And yes, Mr. Speaker, we also did not increase government fees and duties, and reduced them where we could do so; but we did increase assistance did it despite a buoyant economy. Today's cost of living and housing crisis is also a time when we need to provide much-needed assistance to our people, so I join with my colleague to anticipate the unanimous support of this Motion.

Before sitting down, I wish to note that the crux of this motion is not new for us, as it is referenced in the Progressives' Manifesto on page 19, in a section titled, "Tackling the increase in cost of living, including options for housing."

I sincerely believe that this Motion, and the other ideas we proposed in our Manifesto, are worthy of consideration by the Government. Good ideas do not have an owner, Mr. Speaker, and so as I have said, I hope the Government will vote with us to pass this Motion, and in so doing help our people. As my colleague noted, however, much more needs to be done.

This Motion is a necessary part of the mix and so too, is creating more affordable housing. Just as we did during the last term, the Government of the day plans for the National Housing Development Trust to build more government affordable homes—but not everyone can qualify for these homes and Government can't build them fast enough to fill the need.

We must also incentivise private sector to join in this effort, and the Member for George Town North together with the Civil Service, had started to look into various options prior to the pandemic. The work, and

the report done then, are still available and I urge the Minister responsible for Housing or the Deputy Premier to seek it out, dust it off and re-start the work of the now defunct committee that was looking into affordable housing. Perhaps that report can also be a part of the discussion for your committee, Deputy Premier.

Of course, we also needed to assist Caymanians across the home and land prices spectrum to be able to afford a home. That is why we are proposing increasing the cap available for the first time Caymanian homebuyers who will pay no duty up to \$500,000 and I am so happy to know that you have increased it or you will propose increasing it to \$600,000 as well as allowing 2 per cent duty on amounts above that.

For Caymanians who do not qualify for the first time Homebuyer programmes, then the duty payable is proposed to be 5 per cent. These changes will make a significant difference, especially as the cost of land and homes are rising and many Caymanians, especially young Caymanians, are being priced out of the market. The effect of rising property prices is that, over time more Caymanians are becoming longer term renters than they are home owners.

If you agree that homeownership makes for stronger communities, then this is a trend that we must find a way to fix. This Motion is one solution to the problem, Mr. Speaker, but it is a financially meaningful one for all Caymanians.

With this short contribution, I again commend this Motion to the House and I am so happy to hear that all the Honourable Members across the Floor will be supporting it, thus improving opportunities for Caymanian homeowners.

I thank you, Mr. Speaker.

**The Speaker:** Does any other Member wish to speak? Does any other Member wish to speak? If not, I will call on the mover for his right of reply.

**Mr. David C. Wight:** Thank you, Mr. Speaker.

I want to be very brief and just thank the Deputy Premier for his contribution on the Motion.

It was encouraging, as the Member for George Town South said, to hear that we will get the support from the Government and it's also encouraging to hear that they planned with the committee that they formed to improve on our proposals.

Mr. Speaker, I want to say that when we have our Opposition Caucus, I can see the pain and the hurt in the faces of our Members, whenever we talk about the cost of living crisis that the people of Cayman are facing.

As we said, there is more to be done in other areas, but this was the first Motion that we decided we would do, just to get it going and try to give relief and release some hardship on Caymanians. I want to thank my colleagues for helping me put it together, and I know that this is not the end of what we plan because every

Caucus we have, we get together and we have tried to solve the problems we see facing the people of Cayman with this very, very important issue: the cost of living crisis.

With that, I would like to thank the House for their support—or their intended support.

Thank you.

**The Speaker:** I just want to say, for Members' information that it is about 29 years ago that the first such Motion was brought by the Government at that time and...

*[Inaudible interjection]*

**The Speaker:** Probably; but I am just so happy that we could have this kind of consensus, because if you look back [to] then, you would see the beating I took for trying to do the same thing.

The question is, BE IT THEREFORE RESOLVED that the Government consider as a matter of urgency amending the Stamp Duty Act as follows:

For First Time Caymanian Property/Home Buyers:

- (a) 0% duty on land-only with a value of up to CI\$200,000; and for houses, apartments, or other dwelling purchases with a market value of up to CI\$500,000, for owner-occupation; and
- (b) 2% duty on the value above CI\$200,000 on land purchases; And for houses, apartments, or other dwellings purchased for owner occupation, on the value above CI\$500,000.
- (c) In cases where the property is transferred to two (2) or not more than ten (10) persons who are first time Caymanian Homeowners:
  - i. 0% duty for bare land purchases with a market value of up to CI\$350,000 and houses, apartments, or other dwelling purchases with a market value of up to CI\$600,000, for owner-occupation; and
  - ii. 2% duty on the value above CI\$350,000 on raw land purchases; and for houses, apartments or other dwellings purchased for owner occupation, on the value above CI\$600,000.

For property purchased by a Caymanian that does not fall into the 'First Time Caymanian Property/Home Buyers scheme'

- (d) 5% Stamp duty for Caymanian persons only.

All those in favour please say, Aye; those Against, No.

**AYES**

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

**Agreed: Motion No 4-2021/2022— Increased Assistance to Caymanian home buyers passed.**

**The Speaker:** Before we take the vote for the adjournment, leave has been given to the Leader of the Opposition to raise a public matter.

I call on the Member for George Town East, The Honourable Leader of the Opposition. He has 20 minutes to raise the matter, and no one else speaks. A Member of Government will answer, and no one else speaks. No?

*[Crosstalk]*

**The Speaker:** Public interest, public matter. That is what my Speaker's Notes says—before we take the vote for the adjournment so... Honourable Premier.

**The Premier, Hon. G. Wayne Panton:** Mr. Speaker, Well, we know what is coming.

*[Laughter]*

**The Premier, Hon. G. Wayne Panton:** Mr. Speaker, I will rise to formally move the adjournment of this Honourable House until 10 a.m. tomorrow.

**The Speaker:** As I said, leave has been given to the Member for George Town East, the Leader of the Opposition to raise a matter which he will speak to and no one else will speak on that side and a Member of Government will answer and no one else will speak on the matter. The Leader of the Opposition.

## URGENT MATTER OF PUBLIC IMPORTANCE

**Cost of Living Crisis - Hon. Roy M. McTaggart,  
Leader of the Opposition**

**Hon. Roy M. McTaggart, Leader of the Opposition:** Thank you very much—

**The Speaker:** Twenty minutes.

**Hon. Roy M. McTaggart, Leader of the Opposition:** Mr. Speaker. You rightly say I have 20 minutes, I can promise you I will not be taking that long.

*[Inaudible interjection]*

**Hon. Roy M. McTaggart, Leader of the Opposition:** No, I do not think I will need that [long].

Mr. Speaker, I thank you for accepting my request this afternoon for permission to raise an urgent matter of public importance for which the Premier and

his Government have responsibility, and to elicit a response from a Member of the Government responsible for the matter.

Mr. Speaker, the onset of the COVID-19 pandemic of 2020 has wreaked havoc on world economies decimating many countries; 2.5 years later, the world continues to grapple with the pandemic and the economic fallout from it. In the Cayman Islands, we have seen severe impacts on our economy with the closure of our borders to tourism for many months. Collateral fallout from the pandemic has evidenced itself in the form of significant disruption to the supply chains for all sorts of raw materials and finished goods, making it harder and more expensive for economies to function efficiently—and effectively—including our own.

Now, for the past three months and continuing, the world is contending with the war in Ukraine and the impending shortages in food, particularly grain, and other raw materials, further adding to the misery—I might add, Mr. Speaker, that now the World Health Organisation is warning of serious food shortages as a result of what is taking place. The result is that all these disruptions and shortages are driving prices higher in literally every sphere of economic activity.

In the United States, where the annual inflation is reported to have been 7.04 per cent in 2021 and running at an annual rate of 8.26 per cent through the end of April 2022, it has resulted in the Federal Reserve embarking on an aggressive course of raising interest rates in an effort to curb consumer demand and bring inflation under control.

Mr. Speaker, it is worth noting that the rates of inflation that the US, and indeed the Cayman Islands, are experiencing, are the highest seen in more than 40 years. You got to go back to the late 1970s and early 1980s, to find a time when inflation was this high. Here in Cayman, nowhere is the rampant inflation more evident than at the grocery stores and at the gas pump, where prices for gasoline topped \$7 per gallon last week for the first time in our history and are likely to go substantially higher. It is not unheard of for motorists to now pay more than \$100 to fill up a car these days.

In response to the Federal Reserve's actions, local banks are also raising their interest rates for all forms of lending, making it more expensive for Caymanians to borrow and in almost all cases, extending the life of home mortgages as more of borrowers' monthly payments are going to pay interest rather than principle.

Mr. Speaker, what really brought this to a head for me, was the release yesterday of the ESO's Consumer Price Index report, January to March 2022, and the Premier's remarks made yesterday also at the RF Economic Outlook Conference (REO).

Mr. Speaker, the ESO reported that the Consumer Price Index increased by 11.2 per cent in the first quarter of 2022 when compared to the same period in

2021, and for the first time that I can recall, every division in the CPI basket showed increases in average prices.

Mr. Speaker, I think it bears repeating—because my colleague did mention it in his contribution to his Private Member's Motion that we just debated; but it bears repeating, and I will read the increases briefly here:

- Housing and utilities: The division has shown a 20.1 per cent increase as our cost of electricity had a 35 per cent increase;
- Transportation: Index for this division has increased by 15.7 per cent;
- Clothing and footwear: The division showed an 8 per cent increase as the cost of footwear and clothing purchased abroad rose by 28 per cent and, 3.8 per cent respectively;
- Furnishings and household equipment and routine household maintenance: 7.2 per cent increase in the division's index, traced mainly to household textiles, showing a 34.1 per cent increase;
- Food and non-alcoholic beverages: The division showed a 4.9 per cent increase in the average prices of meat and products, and fruit rose by 13.8 per cent and 11.9 per cent;
- Restaurants and hotels: The index for this division recorded a 4.3 per cent increase;
- Communication showed a 3.7 per cent increase, as the cost of telephone and telefax services rose by 5 per cent;
- Miscellaneous goods and services up by 2.1 per cent;
- Alcohol and beverages up by 2.1 per cent;
- Recreation and culture, up by 2 per cent;
- Education up by 1.2 per cent; and
- Health: an overall increase of 0.2 per cent — being the lowest division in the basket to show increases.

However, Mr. Speaker, all of them with that one exception, showing fairly substantial increases and Mr. Speaker, economists are telling us that inflation is not going away anytime soon. While predictions vary, it seems clear that it is unlikely that there will be any meaningful relief before the end of 2022 and possibly well into 2023. Warning bells that the US economy is likely to go into recession next year are ringing louder and louder and becoming more frequent and stagflation, first time I am hearing this in many decades, which is high inflation with low or no growth, is a growing concern—and that is a disaster for any economy.

Mr. Speaker, all these things are having a very serious impact on Caymanians who have found out very quickly that their hard-earned dollars simply do not buy what they could last year and they are struggling to cope with the reduced purchasing power of their dol-

lars: higher prices for groceries, utilities, housing, transportation and clothing. All things that we consider essential to our well-being in Cayman are the areas where the ESO report indicates the highest inflationary impact.

Our people are in a crisis.

Some of those who are hit the hardest by rising prices of essential items, Mr. Speaker, are our pensioners on fixed incomes, with little to no ability to earn additional income and are therefore largely affected by the reduction in the purchasing power of their dollar. They are hurting especially hard, and many are already starting and having to make decisions about whether to buy necessary medicines or the same types and quantities of food that they are accustomed to.

Mr. Speaker, throughout these challenges, we have yet to hear from the Government on what their thinking, is let alone what their plans are. I came to this meeting of Parliament with the full expectation that the Premier would deliver a statement to this honourable Parliament on this matter. I am disappointed that the Premier has not found it fit to do so.

Mr. Speaker, as I sat here today preparing and thinking about what could Cayman do, I identified a number of things that the Government could consider in terms of ways and means in which we could give help and render assistance to our people to help them through. I will just take a few minutes to share these with you. These are mine, my personal views and I do this from my experience and time there as a former Minister of Finance and also coming out of my background as well in financial services for all of my working life but Mr. Speaker, whatever Government is considering, I would suggest that they look at doing things that will be helpful to all citizens.

Most importantly: That everyone benefits from whatever you intend to do, in terms of giving assistance to the public. Things that you might consider are:

- A reduction in the duties on gasoline and diesel. Every family, every person, will benefit from a reduction in gasoline and diesel if we reduce the taxes, even if it is only for a short time period—say at least until the end of the year; and then see where we get to. Is inflation coming down? Is the economy continuing to expand? Evaluate it as you go along. So let us suggest that we reduce duties on gasoline and diesel through to the end of the year.
- I would highly recommend that they defer the reinstatement of pension contributions scheduled to come in at the end of June, and extend it now to the end of December. Every working person benefits from that.
- Then I would urge that you consider increases in the stipends paid to seamen, veterans and those who are totally dependent on financial assistance from Government.

- I would urge you to consider—if it isn't already happening—a cost of living increase (COLA) for all the public service.

*[Inaudible interjection]*

**Hon. Roy M. McTaggart, Leader of the Opposition:** If those talks are not happening, they certainly are going to come.

*[Inaudible interjection]*

**Hon. Roy M. McTaggart, Leader of the Opposition:** I repeat it, at the insistence of my colleague: Consider a COLA for all the public service.

Fifth, consider a continuation of the COVID stipends.

Mr. Speaker, I am not suggesting that every one of these suggestions can be implemented or accepted. I give them and I offer them to the Government as examples of what could be done and I hope that they will give them due consideration.

Mr. Speaker, I am determined not to let this session of Parliament end without hearing from the Premier, or some other Member of the Government on this matter, and therefore I conclude my presentation this evening asking:

Premier, please tell us what are your Government's thoughts and plans to provide meaningful relief from the rampant inflation and associated high cost of living that Caymanians are continuing to experience?

I thank you, Mr. Speaker

*[Desk thumping]*

**The Speaker:** The Honourable Premier.

*[Pause]*

## RESPONSE

### The Premier Hon. G. Wayne Panton

**The Premier, Hon. G. Wayne Panton:** Mr. Speaker, I only wish the Honourable Leader of the Opposition had brought a Motion to deal with this issue the way others have been.

Mr. Speaker, I found it interesting that during his term as Minister for Finance the rate of inflation was in the region of 8 per cent and nothing had been done at that time.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** But he does understand the challenges.

**The Speaker:** Are you rising on a point of order?

## Point of Elucidation

**Hon. Roy M. McTaggart, Leader of the Opposition:** Yes, sir.

**The Speaker:** What's the point of order?

**Hon. Roy M. McTaggart, Leader of the Opposition:** Mr. Speaker, I got the ESO figures right here, sir, I can share them for the benefit of the Premier and the House.

The final quarter of the year 2019, it did peak at 8.4 per cent, but dropped precipitously to 3 per cent in the quarter after in March 2020. So yes, it was rising for three quarters in 2019, but dropped precipitously down to 3 per cent in 2020

**An Hon. Member:** — and lower.

**The Speaker:** Point of explanation. Honourable Premier.

**Hon. Alden McLaughlin, Elected Member for Red Bay:** Fact checking.

**The Premier, Hon. G. Wayne Panton:** Mr. Speaker, I thank the Honourable Leader of the Opposition for clarifying exactly what the rate of inflation was at the time—and yes, as he pointed out in comments earlier today, COVID-19 has had a very significant impact on the country.

During the period of time that the country was in lockdown, there was some five point something per cent—I do not have the exact number here because, obviously, not having prior notice of it I am not prepared to respond in the same way he has been—but there was somewhere in the region of about 5.5 per cent let us say, or thereabouts, decrease in economic growth, which is a reflection of a reduction in inflation as well because, obviously, demand would have gone down. However, Mr. Speaker that has certainly changed as we moved into 2021.

The cost of goods and services has absolutely started to increase as a result of the items that have been reflected in the comments by Members on these earlier motions—the supply chain disruptions, the Ukraine war that has caused significant commodity price instability and volatility.

Mr. Speaker, before we even get to the Ukraine situation which has been relevant for the past three months or so, many of these issues existed when this government got elected. It was clear to us that we were facing a scenario of significant inequalities, and while Cayman had this perception of being opulent and prosperous and great economic growth statistics prior to 2020, we understood the issues that existed, because the people of the country told us what their concerns

were. We recognised that there were two parallel Caymans, Mr. Speaker, and we were determined to do something about it.

This Government understood from day one that there were concerns that needed to be addressed reflecting the interests of the people of this country. So Mr. Speaker, we did not wait until we had somebody tell us at a conference that cost of living was an issue or was going to be an issue.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** We did not wait for an ESO report to tell us inflation was at 11.2 per cent for the last quarter—we started taking action from the moment we got elected, Mr. Speaker.

We have taken in the region of a dozen actions so far to help the people of this country; to help some of the most vulnerable people in our society—those in the lower and middle class; our senior citizens, our students.

Mr. Speaker, I think I need to remind the Members of some of the things that we have taken but before I do that, let me just say... I know that the Honourable Leader of the Opposition absolutely understands the difficulties faced by any government in addressing inflation. We do not have a Central bank in Cayman that we can assign monetary policy to and, as he apparently noted to his colleagues in their Caucus discussions, there are very few tools available to this Government when it comes to trying to control inflation in the country.

You know that yourself, Mr. Speaker, because as they have noted themselves in their discussion on the previous Motion, it is imported.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** So there are very few things we can do from a policy perspective to have an impact on the level of inflation.

Mr. Speaker, one of the earlier motions asked us to utilise surplus funds to help fund a reduction in stamp duty—we supported that. We have been doing that, Mr. Speaker. We have been doing that, but given that we have very few tools...

The one thing we can do, Mr. Speaker, is try to find ways to help the right people. Target our limited resources where we can, to help the most amount of people and one of the things that we did, Mr. Speaker, which I think they have forgotten, but I will say it for the benefit of the Members of the Opposition and the listening public: we put in place, very early on, a programme of free school breakfasts, lunches and snacks not for only primary school, but in the high school as well. Mr. Speaker, that cost the country in the range of \$16.5 million.

Now, we have limited resources, but we recognised the challenges that our people are facing from

then; from last year, Mr. Speaker, we recognised that the supply chain disruptions were going to cause inflation to go up but of course, nobody predicted the reality of a Ukraine war—a war in Europe.

Who would have thought that that would actually occur in this day and age, Mr. Speaker, but it has and you know what, Mr. Speaker? I am very happy that my colleagues and I started doing the things that we did from then, because we started making a difference for the people of this country virtually from the moment we got into office.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** We did not wait on reports, we did not wait on somebody else to tell us. We knew we had to start making a difference for them because the Caymanians, those who were on the lesser side of the income levels were hurting already, Mr. Speaker.

That saved hundreds of dollars a month in school lunches for Caymanian families, the average family has 2-point-something children; again, I do not know the exact numbers, but it clearly has significantly helped our Caymanian families who would have difficulties finding money to take out from all the other expenses that they have, all the other increasing expenses.

Mr. Speaker, we also looked at that part of the spectrum including our seniors and we did drivers licence reductions, car licensing reductions, passport application reductions, I think we reduced those by the region of 50 per cent.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** That is significant, Mr. Speaker. We did not wait for anybody to tell us that.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** They are some of our most vulnerable people when it comes to increasing costs, because they generally have a fixed income.

Mr. Speaker, we also went on and removed the duty on certain food items and essential family items. I think there was feminine care products and—

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** Baby food and products, carriers—these types of things. All designed to help our Caymanian families Mr. Speaker, because we knew that they were already suffering and we knew that the rate of inflation was likely to continue to go up and impact them negatively.

The Minister for Education talked about it earlier today, we made a commitment to education. I know the Members in the Opposition are equally committed to education, but we stepped out there and said, *we are going to make sure that the children are fed that they have the ability to learn in school and their families can benefit from this financially.*

Mr. Speaker, of course we continued with the stipend for the displaced tourism workers. We continued with that, we have supported those members of our community who needed help. Of course, that is a continuing cost in addition to the new levels of spending that we have provided in order to help support *our* community. We also provided financial support to employees who had to quarantine, those who could not—could not spend an hour working and get paid for it. We stood up and did what we had to do to help those people, Mr. Speaker.

Now, I do not say that to say that it addresses inflation, but it certainly is a cost to the country which we were very happy to be able to incur to support those families and, unfortunately, the more we spend, the less we have to help support other areas that do relate to inflationary pressures, but we continue to try to get the balance right.

Mr. Speaker, we have also provided financial support to small and medium sized businesses. That is to help the local business owners, to help protect their assets that were deteriorating during lockdown and they could not maintain them. Mr. Speaker, we all know if a car is not driven, it starts to deteriorate generally—anything mechanical, particularly in this environment, Mr. Speaker. We provided support to help small and medium sized businesses to maintain their assets so that when tourism reopened and the economy started rolling again, they were in a position to start delivering services and participating and earning incomes and re-establishing their pride and being able to support their families not having to rely on further assistance.

Mr. Speaker, we also had a programme to support the premium insurance payments to help people maintain their health insurance. Now, Mr. Speaker, the Opposition did the same, I think, but the point is we continued programmes to help people, plus we implemented additional new programmes that had significant costs to try to help our people.

Mr. Speaker, we provided free masks, free lateral flow tests, free testing—all to help reduce the burden on our people. We reintroduced the primary school grants; [increased] them to \$2 million again because we knew, that if we helped the private schools they would be able to grant scholarships to Caymanian students helping them with their education, helping Caymanian families. Mr. Speaker, that again, is a cost which we gladly bear in order to help our people.

We increased the A-Level Scholarship funding to cover the full two years, Mr. Speaker. We increased the funding and the maximum amounts for both undergraduate and graduate scholarships.

Mr. Speaker, I am going through areas of expenditure that we have incurred to help families in this country; to help our people get an opportunity to progress, to help families with the burden of educating their children so that they have good opportunities in this country.

Mr. Speaker, we even granted visa stipends—\$1,500 I think it was, per stipend, for children to go and get their visas. We have committed funding, policy space, effort, and time with my colleague, the Minister for Housing. We have challenged him to get 100 affordable houses done. All reflecting a commitment to helping people in this country. I do not think that was even clearly reflected in the Motion that we have been discussing.

We have not laid off anybody, Mr. Speaker.

Mr. Speaker, we have cared and we understand the pain, and we understand the suffering that our people have had; and it was not just today, it was not just since the Opposition have started with their regular Caucuses, Mr. Speaker. Our people have been suffering for some time.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** And we now have been doing a number of significant things to help them. We have been doing a number of significant things to help them.

I have been telling you about what has been done, Mr. Speaker, but there are other things that we are planning to do as well.

The Honourable Leader of the Opposition has taken leave of his chair, I wish he was sitting here continuing to listen, because he is the one that asked, *what have you been doing? What are you planning to do?*

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** Well, I am very grateful to the two members of the Opposition who are still present in their seats and listening Mr. Speaker, because I want the Opposition and I want the people of the country to understand that we feel the same pain that they say that they see in the faces of their constituents.

We are all Caymanians here, Mr. Speaker and we care. I care about their constituents just as much as they care about their own too and we seek to do whatever we can to help.

Now, Mr. Speaker, I was in Parliament yesterday morning, I was not able to attend the REO conference in person, I regret that was the case, but I came through and I provided them with comments virtually. One of the things I said there was—and if the Honourable Leader of the Opposition listened to it, I presume he did, he would have heard me say—that one of the things that keeps me up at night, right now, is the cost of living that our people are facing, because we know



what the challenges are. We understand them just as well as they do, Mr. Speaker but at least we are we have been doing something for the past year.

I have articulated a variety of things that we have been doing, I have had to obviously make some quick notes, but this is a reflection of a government that cares for our people, Mr. Speaker, and we have not dillyed in taking action to help them.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** No, wherever they are, they can hear. I am sure they have the speaker on.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** Now, Mr. Speaker, I have talked in summary about a number of the things that we have done, which reflect significant commitment of resources to this issue, benefits to our people on this issue but Mr. Speaker, we have other things that we have been working on as well.

Do you really think I was going to go and give comments that I am worried about the cost of living in this country and we have not been trying to do something about it and planning to do more? I could not do that. I know exactly what the criticism would be.

Mr. Speaker, we have been looking at this issue from last year; we have been working for months now on a variety of additional initiatives that we are looking to roll out, some of them are on the cusp of being rolled out. I am talking about things like expansion of offerings by Cayman Islands National Insurance Company (CINICO)—we have talked about that publicly, there has been a press release on the discussion of that—to offer more competitive products and services across the spectrum including health and property insurance. Mr. Speaker, our aim is to try to drive down the cost of these types of contracts, these benefits that our people are going to get.

Mr. Speaker, I want to talk about another very important and significant initiative that we are on the cusp of rolling out for the people of this country.

I am talking about an initiative which will provide temporary assistance for residential electricity cost. We plan to set aside somewhere in the region of 5 to 6 million [dollars] to help families with the increase in electricity costs—

*[Desk thumping]*

**The Premier, Hon. G. Wayne Panton:** —which are due to fuel costs increases.

One thing is sure Mr. Speaker: even if we all consume the same amount of electricity, the price of fuel, the price of diesel, has gone up and that means that the cost overall, to our constituents, customers of Caribbean Utilities Company (CUC). Mr. Speaker, I

want to be very clear; I want to get right close to this microphone because I want the people of Cayman Brac to know as well—and I am getting here so I can look around at my colleague from Cayman Brac, the Minister for Education—that we have not forgotten Cayman Brac and Little Cayman.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** Mr. Speaker, I want to tell you and I want the people of Cayman to know, that we have been in discussions with the service providers to try to figure out *exactly* how we can best target the resources that we have available to *help our people* because we know the cost. We know the pain that they are going to be suffering. We have already done much, but we know it is not enough. We continue to do—we continue to help support the people of this country, Mr. Speaker.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** Mr. Speaker, the number of CUC customers that I think will be within the cohort that we will be seeking to help is in the region of over 21,000 customers.

*[Desk thumping]*

**The Premier, Hon. G. Wayne Panton:** And Mr. Speaker, based on discussions with Cayman Brac Power and Light's management—well, I am not even sure who the discussions have been with, but it relates to Cayman Brac Power and Light customers—is somewhere in the region of at least 600 of their customers that we are seeking to help that is why we are not leaving them out.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** I will tell you later. I am just saying that we are not leaving out the people of Cayman Brac. This is an attempt to help everybody as far as we can.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** Of course, and Little Cayman, too. No, we are not leaving them out—[they are our] Sister Islands. Sister Islands.

However we know, Mr. Speaker, that not everybody needs the help. You know, some of us gave constituents that we thought needed CUC vouchers Christmas presents or something and those that did not need it gave it on to friends that they knew needed it, so we know the need is there. We know the need is there, and we are not we are not ignoring those issues and I do not have to rely on anybody. This Government

does not have to rely on anybody to watch a video, listen to remarks and tell us that we need to help the people—and yes, Mr. Speaker, I will say that we have been in discussions with the Deputy Governor and there will be a COLA for civil servants.

*[Desk thumping]*

**The Premier, Hon. G. Wayne Panton:** Mr. Speaker, I know Members will recall the Honourable Deputy Governor speaking about the approach to addressing the cost of living increases for Members in the Civil Service; and I know that Members will recall that he previously advised this House, that they had done this initially in 2020, addressing issues around the upper level of the scale, and now they needed to face and address the issues with the lower levels of the scale. Mr. Speaker, I believe I am correct in saying that this is the target, this is what is being addressed now.

*[Desk thumping]*

**The Premier, Hon. G. Wayne Panton:** We will come in—

*[Desk thumping]*

**The Premier, Hon. G. Wayne Panton:** We will be able to provide more information subsequently and shortly, Mr. Speaker, but this is going to help a significant number of our middle class, Mr. Speaker. Those people who are most impacted.

Mr. Speaker, we know we have a system of revenue in this country which is regressive, in the sense that it impacts those on the lower levels of income greater than those on the higher levels of income. That is why we have, as a principle, an approach which is designed to try to help those people on the lower scales; [to] try to make sure that they are not left out and I congratulate the Deputy Governor for his perspective in making sure that that is reflected in any COLA for the Civil Service. Mr. Speaker, we know the civil service is the largest employer in Cayman.

Mr. Speaker, my colleague the Minister, in his response to the previous Motion on stamp duty scale in respect of housing noted the CIDB programme which has mortgages available at a fixed rate of 3.75 per cent. That is 25 basis points below Prime Rate right now, Mr. Speaker, and most people in Cayman cannot afford to get a mortgage at Prime—it is always Prime, plus something.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** So this programme, Mr. Speaker, will help provide real assistance to our people as well.

Mr. Speaker, one of the reasons I talked about... cost of living, and my concerns around that in

in the context of the conference yesterday morning, was to note that this Government has a policy initiative now to pursue renewable energy in the country as quickly as we can, Mr. Speaker. We adopted a National Energy Policy in 2017. We set a target of 70 per cent renewable energy by 2037—15 years from now; and Mr. Speaker we are only at 3.3 per cent, so we have to accelerate this. Not only does it need to be accelerated from an environmental perspective—I am going to be a few more minutes, Mr. Speaker. I do not want to keep Members much longer, but I think it is important to say these things.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** We are going to pursue renewable energy as quickly as possible again, not just because of the environmental benefit but, Mr. Speaker, because it will also help to lower our energy cost and it will *stabilise* our cost of energy in this country so the volatility that is brought about by extraneous geopolitical matters like wars and other conflicts, are going to impact us less Mr. Speaker, and our people are going to benefit more from that.

Mr. Speaker, I mentioned the 100 homes already. My colleague, the Deputy Premier, talked about having discussions with local banks to try to help improve lending terms. There will probably be some benefit to that and any benefit, any benefit right now—especially it does not cost us anything, Mr. Speaker—is good. So any energy that we can put into something to produce a benefit for our people, it is well-spent time and energy.

Mr. Speaker, no doubt down the road we may also have, if we continue to have relatively high inflation or high inflation and the US Federal Reserve continues to push up rates by 50-basis points as they have indicated they plan to do over the rest of this year. I think there is one meeting shortly, and then one later on in the year, so we might have as much as a 1 per cent increase. We might have a 5 per cent Prime rate, Mr. Speaker.

Something that we need to do, and an initiative that we are taking forward and will be bringing to this honourable House fairly soon is a reform of what we can generally call foreclosure provisions to again help—assist—anybody who is involved or caught in that unfortunate situation.

*[Inaudible interjection]*

**The Premier, Hon. G. Wayne Panton:** That is going to benefit these people, Mr. Speaker. The one thing that helps people in that situation is time, and the ability to have dialogue with the bank in order to help address their problems. This is going to provide both, Mr. Speaker.

We are also working with farmers to help address the food security issues and help increase local

production. We are looking to do whatever we can to help: lower the cost of food, improve our food security by sourcing from regional markets. We acted quickly, Mr. Speaker, early on in this Administration, and we have continued to act so when the Honourable Leader of the Opposition says he would like to hear what we are doing, I have told him what we have done and I have also given him a flavour of the things we are doing, Mr. Speaker.

I hope that he can appreciate—and I know he understands the challenges. We all do, we all do, Mr. Speaker. We all do. Everything, every little thing we can find to help. One of the very first things I remember, within a week or two of being in Office, the construction industry came along and said, *we are out of cement, we are going to have to lay off workers because we only have one source of cement*; so we acted to address that, Mr. Speaker.

We have done a multitude of things in a range of different areas to help the economy, to help our people—to help industries help our people; and we have done so many things to help reduce the impact directly on our Caymanian families, our people who have been relying on us, Mr. Speaker.

Mr. Speaker, I want to close in terms of the pension issue. Yes, that is obviously something that could be considered but Mr. Speaker, we have—and I am not saying this to say it will not be considered. I am just saying this to say that these are the kinds of issues that we have to balance.

We have had two years of no pension payments, we have had \$10,000 plus 25 per cent of the remainder removed by a lot of people. I think the calculations were somewhere around 400-plus million dollars that were taken out of the pension accounts by Caymanians. Yes, it did help, it has helped, and I am not second-guessing, and I am not questioning the judgment decision of the Government at that time. What has to be considered though, Mr. Speaker, is: are we creating long-term pain for our people just trying to address an issue right now in relation to the current situation with inflation when we have all these other approaches that we are utilising to try to address this.

Mr. Speaker, I think the Leader of the Opposition noted that there are a range of opinions and Mr. Speaker, I have heard opinions ranging from inflation is going to continue for a significant period of time, years perhaps. I have heard the same discussions about the potential for stagflation as occurred back in the 1970s.

Mr. Speaker, I have also heard many people talking more recently now about the potential that this may actually reverse. We may actually end up, particularly in the US, with a recession being triggered. The argument is that there are many central banks around the world who have been engaged in some degrees of tightening, so the argument is the US Federal Reserve has been a little bit late to the party, and moving a little bit too aggressively and, perhaps, that is going to trigger recession. Mr. Speaker, I say that only to say that

these are all potentials that we all have to be cognizant of when we are making decisions to try to help. We have to have these things in mind.

Mr. Speaker, I think I have clearly outlined the benefits and the resources we have applied to help the people of this country, and I hope that the Honourable Leader of the Opposition can admit that there are significant initiatives and actions that we have taken, and are about to take, as I have outlined. The people can put that in the banks, sir. We are moving forward with these proposals, these initiatives and these plans to help address this specific issue.

Thus, Mr. Speaker, I thank you, I thank the Members, my colleagues, I thought it was important to at least provide an outline of what we are doing and, Mr. Speaker, I intend to provide a more fulsome reflection of the details plus other initiatives that I have not even bothered to outline right now. There is much more that were looking to do, Mr. Speaker. We are trying to get the balance right, and we are trying to do this for the people of this country, for our families, our friends, our constituents and those of the Members of the Opposition as well.

Mr. Speaker, I thank you.

*[Desk thumping]*

## ADJOURNMENT

**The Speaker:** The question is that the honourable House do now adjourn until tomorrow, Friday, the 10<sup>th</sup> June at 10am.

All those in favour, please say, Aye; those Against, No.

**AYES.**

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

This honourable House now stands adjourned until 10am tomorrow.

**At 9.12pm the House stood adjourned until Friday, 10<sup>th</sup> June, 2022.**