



PARLIAMENT
OF THE CAYMAN ISLANDS



PARLIAMENT OF THE CAYMAN ISLANDS

OFFICIAL HANSARD REPORT

**Second Sitting of the
Fourth Meeting 2022-2023 Session**

**Thursday
8 June, 2023**
(Pages 1-43)

Hon. Katherine Ebanks-Wilks, MP
Speaker

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PRESENT WERE:

Hon. Katherine A. Ebanks-Wilks, MP
Speaker

MINISTERS OF THE CABINET

Hon. G. Wayne Panton, JP, MP	<i>Premier</i> , Minister of Sustainability & Climate Resiliency <i>and</i> Finance & Economic Development
Hon. Juliana Y. O'Connor-Connolly, JP, MP	<i>Deputy Premier</i> , Minister of Education <i>and</i> District Administration & Lands
Hon. Bernie A. Bush, MP	Minister of Youth, Sports, Culture & Heritage
Hon. André M. Ebanks, MP	Minister of Financial Services & Commerce <i>and</i> Investment, Innovation & Social Development
Hon. Sabrina T. Turner, MP	Minister of Health & Wellness <i>and</i> Home Affairs
Hon. Johany S. "Jay" Ebanks, MP	Minister of Planning, Agriculture, Housing & Infrastructure
Hon. Dwayne S. Seymour, JP, MP	Minister of Border Control & Labour

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, KC, JP	<i>Attorney General</i> , ex officio Member responsible for the Portfolio of Legal Affairs

ELECTED MEMBERS
GOVERNMENT BACKBENCHERS

Ms. Heather D. Bodden, OCI, Cert. Hon., JP, MP	Parliamentary Secretary to Tourism <i>and</i> Social Development, Elected Member for Savannah
Hon. Isaac D. Rankine, JP, MP	<i>Deputy Speaker</i> , Parliamentary Secretary to Home Affairs <i>and</i> Planning, Agriculture & Infrastructure, Elected Member for East End
Hon. W. McKeeva Bush, JP, MP	Elected Member for West Bay West

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, KC, 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, NP, MP	Elected Member for George Town South
Mr. David C. Wight, JP, MP	Elected Member for George Town West

INDEPENDENT OPPOSITION MEMBER

Mr. Christopher S. Saunders, MP	Elected Member for Bodden Town West
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ABSENT WERE:

Hon. Kenneth V. Bryan, MP	Minister of Tourism & Ports
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OFFICIAL HANSARD REPORT
FOURTH MEETING OF THE 2022/2023 SESSION
THURSDAY
8 JUNE, 2023
2.31 P.M.
Second Sitting

[Hon. Katherine Ebanks-Wilks, Speaker, presiding]

The Speaker: Good afternoon, Members. We will be graced with prayers by the Honourable Minister for Health and Wellness.

PRAYERS

Hon. Sabrina T. Turner, Minister of Health and Wellness and Home Affairs, Elected Member for Prospect: 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 Parliament 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, King Charles III; William, Prince of Wales; and all the Royal Family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Premier, the Speaker of the Parliament, the Leader of the Opposition, Ministers of the Cabinet, ex officio Members, 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 are now resumed.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

OATH OF ALLEGIANCE AND DUE EXECUTION BY MS. RESHMA SHARMA THE ACTING HONOURABLE ATTORNEY GENERAL RESPONSIBLE FOR THE PORTFOLIO OF LEGAL AFFAIRS, TO BE THE TEMPORARY EX OFFICIO MEMBER OF PARLIAMENT

The Speaker: Ms. Sharma, please stand.

The Acting Honourable Attorney General, Ms. Reshma Sharma: I, Reshma Sharma, do swear that I will be faithful and bear true allegiance to His Majesty King Charles III, his heirs and successors according to law, so help me God.

[Pause]

The Acting Honourable Attorney General, Ms. Reshma Sharma: I, Reshma Sharma, do swear that I will well and truly serve His Majesty King Charles III, his heirs and successors, and the people of the Cayman Islands in the office of ex officio Member of the Parliament, so help me God.

[Pause]

The Speaker: Thank you, Ms. Reshma Sharma. You may take your seat. We welcome you as the temporary ex officio Member to this honourable House.

Members, you may be seated.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: I would like to say briefly to all of our viewing audience and those who may have been tuned in from this morning, apologies for the late start with the audio and the visual. This is due to the fact that we had Finance Committee concluding in the Committee Room this morning.

PRESENTATION OF PETITIONS

The Speaker: None.

PRESENTATION OF PAPERS AND OF REPORTS

Report of the Standing Finance Committee on the requests to Finance Committee for Appropriation Changes Sought Under Section 12 of the Public Management and Finance Act (2020 Revision) for the Financial Year Ending 31 December, 2022 (Wednesday, 16th March, 2022)

The Speaker: The Honourable Premier.

[Pause]

The Premier, Hon. G. Wayne Panton, Minister of Sustainability & Climate Resiliency and Finance & Economic Development, Elected Member for Newlands: Madam Speaker, thank you very much.

Madam Speaker, I beg to lay on the Table of this honourable House, the Report of the Standing Finance Committee on the schedule of Appropriation changes sought under section 12 of the Public Management and Finance Act (2020 Revision), with respect to the Government's Financial Year ended 31 December, 2022.

The Speaker: Does the Honourable Premier wish to speak thereto?

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

Madam Speaker, in accordance with Standing Order 67(4), I have Tabled the Standing Finance Committee's Report on the schedule of the Appropriation changes sought under section 12 of the Public Management and Finance Act (2020 Revision), with respect to the Government's Financial Year ended 31 December, 2022.

Madam Speaker, this Report that I Tabled is in respect of a meeting of the Finance Committee held on Wednesday, 16th March, 2022. Just for clarity, I think, perhaps, there were three reports that were not done in 2022, so I will be laying those in addition to seeking to lay the reports for the current meeting, just passed, of the Finance Committee.

Madam Speaker, at that time in March 2022, the Committee scrutinised and questioned the items appearing on the previously mentioned Schedule as well as changes that were proposed to the schedule. The Committee also met today to finalise that outstanding report from March 2022, and approve the Tabling of the Report by me, as I just did.

Madam Speaker, the Committee considered the schedule of Appropriation changes put before the Committee and also considered further changes that were proposed to the schedule at that time. The Committee approved the schedule of Appropriation changes

sought under section 12 of the Public Management and Finance Act (2020 Revision) [PMFA], and it approved the further changes proposed to the schedule.

For further elucidation, Madam Speaker, the significant changes approved by the Committee at that time were:

- \$15 million of extra funding to provide a COVID-19 relief stipend to displaced tourism workers in the Cayman Islands; and
- \$5 million to provide COVID-19 relief and support to micro and small businesses; both due to the delayed return of robust tourism levels following the border reopening.

Madam Speaker, as the proceedings in Finance Committee were publicly aired and can still be viewed online, I don't think there is a need for me to express in any greater detail the items considered.

Madam Speaker, just in conclusion, the Committee agreed [to] the Report that has just been laid and that is in respect of the meeting on the 16th March, 2022, which related to consideration of a schedule of Appropriation changes sought under section 12 of the PMFA with respect to the Government's Financial Year ended 31 December, 2022.

Thank you, Madam Speaker.

Report of the Standing Finance Committee on the requests to Finance Committee for Appropriation Changes Sought Under Section 12 of the Public Management and Finance Act (2020 Revision) for the Financial Year Ending 31 December, 2022 (Friday, 10th June, 2022)

The Speaker: The Honourable Premier.

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

I rise to, with your permission, lay on the Table of this honourable House, the Report of the Standing Finance Committee on the schedule of Appropriation changes sought under section 12 of the Public Management and Finance Act (2020 Revision) with respect to the Government's Financial Year ended 31 December, 2022, as considered at a meeting held on the 10th June, 2022.

The Speaker: Does the Honourable Premier wish to speak thereto?

The Premier, Hon. G. Wayne Panton: Just briefly, Madam Speaker.

Madam Speaker, as noted earlier in respect of the previous report, this is being laid pursuant to Standing Order 67(4), and it is in relation to the Committee meeting held on Friday, 10th June, 2022; at which time

the changes were considered, as noted, to the schedule.

Madam Speaker, as a result of the meeting today, approval was given to me to finalise and Table the Report which was just done.

In summary, Madam Speaker, the highlighted areas were:

- \$5.35 million to fund the expansion plans of Cayman Islands National Insurance Company, which included the establishment of a local provider network; the expansion of current health insurance products; and expansion into property and casualty insurance;
- \$1.5 million of extra funding to provide the COVID-19 relief stipend to displaced tourism workers; and
- \$8 million to provide tertiary healthcare to indigents, seamen and veterans who were referred for treatment both overseas and locally.

Madam Speaker, as noted previously, the full extent of that meeting is still available online, so anyone with an interest can follow along.

I thank you, Madam Speaker.

Report of the Standing Finance Committee on the requests to Finance Committee for: Appropriation changes sought under Section 12 of the Public Management and Finance Act (2020 Revision) for the Year Ending 31 December, 2022 and Supplementary Appropriation Changes for The Year Ended 31 December 2021 and Supplementary Appropriation Changes for The Year Ended 31 December 2020 (Monday, 10th October, 2022)

The Speaker: The Honourable Premier.

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

I rise again to beg leave to lay on the Table of this honourable House, the Report of the Standing Finance Committee on the schedule of Appropriation changes sought pursuant to section 12 of the Public Management and Finance Act (2020 Revision) in respect of the period 31 December 2020; 31 December 2021; and 31 December, 2022; in the case of this meeting which was held on Monday, 10th October, 2022.

The Speaker: Does the Honourable Premier wish to speak thereto?

The Premier, Hon. G. Wayne Panton: Very briefly, Madam Speaker.

Madam Speaker, as noted previously, the Committee scrutinised proposed changes as reflected in the schedule of Appropriation changes sought under section 12 at that time.

Madam Speaker, there was a meeting today which finalised and authorised the filing of the Report. By way of highlight in respect of the 2020 financial year, there were changes proposed by the Committee which reflected:

- \$6.3 million to provide medical care to indigent patients;
- \$3.8 million for comprehensive health care to geriatric residents

With respect to the 2021 financial year the significant changes approved by the Committee were:

- \$18.6 million to provide tertiary healthcare to indigents, seamen and veterans who were referred for treatment locally and overseas; and
- \$18.3 million to combat the COVID-19 pandemic.

Madam Speaker, with respect to the 2022 financial year the significant changes considered and approved by the Committee at that time were:

- \$12.1 million to provide general administrative services for the public health programmes; and
- \$16.1 million to provide tertiary healthcare services to indigents, seamen and veterans who are referred for treatment locally and overseas.

Madam Speaker, as noted earlier, the YouTube coverage of that meeting is available online for Members who wish to go back and have a look at it in some detail.

I thank you very much.

Report of the Standing Finance Committee on the Appropriation changes in accordance with Section 25 of the Public Management and Finance Act (2020 revision) for the Financial Year Ending 31 December, 2022 – supplementary appropriation (January 2022 to December 2022) bill, 2023 (Wednesday, 7th June, 2023)

The Speaker: The Honourable Premier.

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

I beg to lay on the Table of this honourable House, the Report of the Standing Finance Committee on the Supplementary Appropriation (January 2022 to December 2022) Bill, 2023, which is in respect of the Government's Financial Year ended 31 December, 2022.

The Speaker: Does the Honourable Premier wish to speak thereto?

The Premier, Hon. G. Wayne Panton: Thank you, Madam Speaker; briefly.

Madam Speaker, the Committee had its first meeting on 7th June, 2023, during which, the meeting considered the requested Appropriations on the schedule to the Bill. The Committee also met subsequently, that is today, 8th June to finalise and approve this Report which was just Tabled.

Madam Speaker, the Committee considered the schedule to the Bill as filed and published, and approved the Appropriation changes requested thereon, but made two changes to the schedule to the Bill.

Madam Speaker, the items on the schedule of the Bill can be summarised as follows:

1. Actions taken by the Government to mitigate the impacts of or the effects of Covid-19 on vulnerable individuals and business entities;
2. Healthcare related items such as medical care for indigents, public health programmes, investigations and treatments; and
3. The offering of an electricity assistance programme across the Islands.

Madam Speaker, by way of highlight, the significant changes included:

- \$16.5 million of financial assistance to displaced tourism workers;
- \$8.5 million for budgetary provisions in respect of the noted electricity assistance programme to give residents across all three Islands, a fuel cost credit to help alleviate the increased price of electricity.

It was calculated at that time that it benefited over 22,000 households across all three of our Cayman Islands and it was implemented with the assistance of Caribbean Utilities Company, as well as I think, for an initial period, Cayman Brac Power and Light; and then for the remainder of the period in terms of the Sister Islands, Island Energy Limited.

Madam Speaker, there was also:

- \$5 million approved which was made available to micro and small businesses to mitigate the effects of COVID-19 on their operations;
- \$5.8 million to provide medical care to indigent patients;
- \$12.1 million made available to provide additional funding to public health programmes to combat COVID-19; and
- \$30.7 million of additional funding made available for the purpose of providing tertiary medical care at local and overseas institutions.

Again, Madam Speaker, the full details will be available, if not currently available, on YouTube for those who are interested to follow and obtain greater detail in respect of the conduct of Finance Committee.

Madam Speaker, thank you very much.

**Report of the Standing Finance
Committee on the requests to Finance Committee
for Appropriation changes sought under section
12 of the
Public Management and Finance Act
(2020 Revision) for the Financial Year
Ending 31 December, 2023
(Wednesday, 7 June, 2023)**

The Speaker: The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Thank you again, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House, the Report of the Standing Finance Committee on the requests to Finance Committee for Appropriation Changes sought under section 12 of the Public Management and Finance Act (2020 Revision) for the Financial Year ending 31 December, 2023 (Wednesday, 7 June, 2023).

The Speaker: Does the Honourable Premier wish to speak thereto?

The Premier, Hon. G. Wayne Panton: Thank you, Madam Speaker. One moment...

[Pause]

The Premier, Hon. G. Wayne Panton: Madam Speaker, as noted, the Committee met yesterday Wednesday, 7th June, at which time it scrutinised and questioned the items appearing on the previously mentioned schedule as Tabled, as well as the changes that were proposed to the schedule. The Committee also met today 8th June to finalise and approve the Tabling of the Report which was just done.

The Committee considered the schedule of Appropriation changes put before it and also considered further changes that were proposed to the schedule. The Committee approved the schedule of Appropriation changes sought under section 12 and it approved the further changes proposed to the schedule.

In terms of highlighting the most significant of those, Madam Speaker, there was:

- \$4.6 million for the purchase of land in order to facilitate the expansion of Public Beach, and further construction of buildings, infrastructure and other projects; and
- \$2.9 million as an equity investment into Cayman Airways Limited in order to fund the purchase of a third Twin Otter aircraft.

Just going back to the highlighted amount of \$4.6 million. Madam Speaker, I wish to also add by way of detail that this also included the acquisition of land around the end of The Bluff in Cayman Brac around the lighthouse.

There was, I think, approximately two acres there. Then there was another significant amount of acreage, somewhere in the region of about 85 acres, in the Peter's Cave area of The Bluff. All of which reflect a very opportune acquisition by the Government on behalf of the people of the country.

In addition, there was a \$2.5 million increase approved for the road and infrastructure upgrade for, I think it was, miscellaneous roads.

[Inaudible interjection]

The Premier, Hon. G. Wayne Panton: Yeah.

Madam Speaker, the full context of the section 12 approvals and discussions again, is available online for those who wish to follow in more detail.

Madam Speaker, thank you very much for the opportunity.

**Office of the Commissioner of Police –
Cayman Islands Government –
2022 Annual Report (April 2023)**

The Speaker: The Honourable Premier.

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

I rise to seek permission to lay on the Table of this honourable House the 2022 Annual Report of the Office of the Commissioner of Police.

The Speaker: Does the Honourable Premier wish to speak thereto?

The Premier, Hon. G. Wayne Panton: Madam Speaker, just briefly.

I am pleased, very pleased, to lay this Annual Report for the Office of the Commissioner of Police. The report goes much beyond the fiscal details outlined in the financial statements and provides much detail on the activities and accomplishments of the Royal Cayman Islands Police Service [RCIPS] for the 2022 Financial Year.

Madam Speaker, just by way of highlight of some of the key accomplishments and activities of RCIPS.

The Cayman Islands Bureau of Financial Services has assessed 152 individual disclosures submitted by the Financial Reporting Authority (FRA) making suitable recommendations for appropriate action and completing feedback forms for each. That is an increase of about 34 per cent, in terms of disclosures done compared to 2021.

The Financial Crimes Investigation Unit worked closely with the Crime Task Force and other partner agencies in securing a number of successful convictions in 2022 regarding illicit trafficking, importation of drugs, and possession of firearms and ammunition. Significant sums of money and assets were also recovered at that time. A total of 139 incidents were reported and processed by the Financial Crime Investigation Unit during 2022. That was a decrease of reported incidents when compared to 2021 by about 37.

Madam Speaker, the frontline services responded to over 35,000 calls to service in 2022, of which 3,810 were reported crimes. Those are the types of matters that are reflected in the report.

Madam Speaker, I'd just highlight one or two additional matters that I think related to incidents or issues that are very prevalent today, and I am referring, in particular, traffic accidents of which we have far too many occurring on a daily basis.

Madam Speaker, the RCIPS issued 9,308 tickets for traffic offenses. That was an increase of two per cent over 2021. There was a total of 234 arrests for DUI [driving under the influence]. That was a reduction of 18 per cent compared to 2021.

Madam Speaker, there were also recoveries and seizures in relation to drugs in 2022 which were in excess of 1,400 pounds of ganja; 25 kilograms of cocaine recovered during operations, and 30 kilograms of cocaine recovered from the beaches which is the total for all three Islands. I believe they call it "square groupers". Not a good thing that we want washing up on our beaches.

Madam Speaker, I will just commend the Report to Members of this honourable House as well as members of the public. It makes good reading and it reflects the good work that the Royal Cayman Islands Police Service has been providing, in terms of safety and security for the people of this country.

Madam Speaker, thank you.

**Ministry of District Administration
& Lands - Cayman Islands Government – Annual
Report and Financial Statements
(For the Year Ended 31 December 2021)**

The Speaker: Honourable Deputy Premier.

Hon. Juliana Y. O'Connor-Connolly, Deputy Premier, Minister of Education and District Administration and Lands, Elected Member for Cayman Brac East: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House, the Annual Report and Financial Statements for the Ministry of District Administration and Land for the year ended 31 December, 2021.

The Speaker: Does the Honourable Deputy Premier wish to speak thereto?

Hon. Juliana Y. O'Connor-Connolly, Deputy Premier: No, thank you, Madam Speaker.

**Ministry of Investment, Innovation
& Social Development – Cayman Islands
Government – Annual Report 2022**

The Speaker: The Honourable Minister of Investment, Innovation and Social Development.

Hon. André M. Ebanks, Minister of Financial Services and Commerce and Investment, Innovation and Social Development, Elected Member for West Bay South: Good afternoon, Madam Speaker.

I beg to lay on the Table of this honourable House, the Annual Report 2022 of the Ministry of Investment, Innovation and Social Development.

The Speaker: Does the Honourable Minister wish to speak thereto?

Hon. André M. Ebanks: Very briefly, Madam Speaker.

If you'd have asked me this morning, I would probably have said no, but as I looked over the report during lunch I felt moved to [speak].

The tremendous body of work that occurred during 2022 in this Ministry is worth mentioning, because I am incredibly proud of all of the officers who make up the Ministries and its Departments to have done massive projects, such as the modernisation of our Welfare Law to a modern Financial Assistance Act; the Identification Register Bill, 2022; the National ID Programme and the [Cayman Islands Identification] Card Bill, 2022—now Acts of law.

The tremendous work that I have mentioned in the House in previous years of cybersecurity [staff] who are on the front lines of keeping our IT system safe, that are probably at risk of hacking every day. The Computer Services Department that provided over 8,000 hours of service to government users to maintain their hardware and software for 4,000 PCs [personal computers]; *extraordinary*.

The work that the Business Development Centre does. We spoke about it briefly in Finance Committee yesterday when the Leader of the Opposition quite rightly asked whether the Business Asset Stipend Programme was complete. It was, and I am pretty sure that although they helped to administer \$4.3 million of that stipend programme, which was innovative and one of the first of its kind in the Cayman Islands, that office is probably just as happy to get back to its original mandate as the tourism operators were happy to get back to tourism business.

As they returned to their mandate, they had enormous impact on the community with helping micro and small businesses with programmes that they administered, in terms of learning how to raise capital. They have had entrepreneurship clubs, and business growth incubator programmes. Also, Madam Speaker,

you're pictured on page 13 as you delivered a speech on my behalf, when you were Acting, for the *Grow Your Business* Level UP programme for the businesses that already got a chance and got started but needed to learn how to grow.

The seed funding programme is another way in which they've helped to raise money for small businesses, and that work is going to continue in 2023.

I just want to say thank you to all of the officers, they're too many to name, and also thank you to my colleagues because the movement of policy and legislation would not have been done without them. Also, although he is not in the Chamber, that would include the Member for Bodden Town West to borrow his phrase to, *give Jack his jacket*, he was also part and contributed a strong contribution on the movement of the Financial Assistance Act. Also, thank you to the Deputy Governor for helping to implement and operationalise some of these programmes within the Civil Service.

There is one that I want to highlight to the Deputy Governor that we will need help with this year. It was planned in 2022 but hopefully executed [this year]; is a "Think Small First" programme in which the Business Development Centre would like the Civil Service to adopt a stance in which all civil servants and policy makers think about the impact of their policy and legislation on small and micro businesses.

I am just immensely proud as I look at this work, 2022 was a stellar year.

Thank you, Madam Speaker.

OfReg 2021 Annual Report

The Speaker: Honourable Minister of Border Control and Labour.

Hon. Dwayne S. Seymour, Minister of Border Control and Labour, Elected Member for Bodden Town East: Thank you, Madam Speaker.

I beg to lay on the Table of this honourable House, the Annual Report of the Utility Regulation and Competition Office (OfReg) for the financial period ending 31st December, 2021.

The Speaker: Does the Honourable Minister wish to speak thereto?

Hon. Dwayne S. Seymour: Madam Speaker, thank you.

Just to say on behalf of the Government, I wish to express their gratitude to the Board of Directors, especially Chairman, Mr. Rudy Ebanks; the interim Chief Executive Officer, Mr. Peter Gough; other senior management and staff for their assistance and support during the period under review.

Thank you, Madam Speaker.

**Cayman Islands Government –
2022 Portfolio Of The Civil Service
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: Thank you, Madam Speaker.

Madam Speaker, I beg to lay on the Table of this honourable House, the Annual Report for the Portfolio of the Civil Service as of 31st December, 2022.

The Speaker: Does the Honourable Deputy Governor wish to speak thereto?

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

Madam Speaker, I shall offer remarks on the Annual Report for the Portfolio of the Civil Service for the year ending 31st December, 2022.

Madam Speaker, the Portfolio of the Civil Service [PoCS] has three strategic areas of delivery: 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 Commissions Secretariat, the Internal Audit Service, the Elections Office, the Office of Education Standards, and the Passport and Corporate Service Office.

Madam Speaker, in 2022 PoCS delivered some truly outstanding results. Beginning with the introduction of the E-recruitment platform www.careers.gov.ky which went live in February modernising civil service recruitment by introducing an online application process. The new platform created a seamless user experience, allowing applicants to create a user's profile, giving them 24 hours access to view vacancies and track application processes, among other benefits.

Customer feedback which is sought automatically after the submission of every application, resulted in a customer satisfaction rating of 8.6 out of 10 immediately following launch, and we have maintained a rating of slightly over eight ever since.

Additionally, the PoCS HR data team began the roll out of the Civil Service's new Human Resource Management system, My-VISTA; providing civil servants and HR professionals with access to key information and self-service options from one convenient online platform.

With the introduction of My-VISTA, employees were able to manage leave requests, record time, and work items against government priorities and agree and document their annual objectives for the year.

For civil service recruiters, My-VISTA introduced easier access to useful information on applicants which modernised and simplified recruitment activity

while simultaneously reducing manual paper-based processes.

Between July and November 2022, the Management Support Unit (MSU) undertook important activities to refresh the Cayman Islands Government five-year strategic plan after losing some implementation time on this critical initiative due to the global pandemic. The refresh commenced with activities to determine where we are on our journey to achieving our vision to become world class, followed by ascertaining what actions are left to be completed. The outcome of this activity will shape future implementation plans and provide a revised road map to ensure that the CIG remains on track to achieve its vision.

The MSU also continued work in the area of leadership coaching by facilitating the second annual 360 Degree Leadership review and coaching exercise which brought 594 civil service leaders together with experienced coaches to discuss survey feedback and develop and implement leadership development plans.

Madam Speaker, for the sixth consecutive year PoCS facilitated the delivery of the annual Employee Engagement Survey which in 2022, yielded responses from 87 per cent of the 3,717 civil servants. The engagement index which is a measure of the average level of engagement across all civil service entities increased one per cent from 2021, rising to 73 per cent.

Madam Speaker, a score that I am particularly keen to see every year is a score in response to the statement, *'I feel proud to be a civil servant'*. In this survey, Madam Speaker, 89 per cent of respondents stated that they were proud to work for the Civil Service. This score gives me great joy and satisfaction as I am glad that so many employees share the same pride about working for the Civil Service as I do.

While pay and rewards still remain the lowest score in the survey category with a score of 41 per cent, this score has increased by 12 per cent since the inception of the survey in 2017. The state increases over the years can be accredited to a number of pay and rewards initiatives that have been implemented by PoCS. The most recent of which occurred in 2022 and featured distinct components to address the rising cost of living, facilitate pay progression for persons on salary grades E and below, and to gradually reduce the extent of overlap within salary grades. As a result of the implementation of the 2022 pay remedies, the vast majority of civil servants, approximately 94 per cent, saw a permanent increase of 4.5 per cent in their salaries. A number of honorariums were also paid during the year including three payments totalling \$450 to staff on salary grades E and below to help offset increased fuel cost. Also, a special one-time payment made in December to those employees who had already achieved the highest pay point on their respective salary grades. I wish to record my thanks to the Government for their support in these pay initiatives to our civil servants.

During the year, the Civil Service College continued to deliver multiple streams of learning, which

resulted in over 200 civil servants achieving internationally recognised City and Guilds ILM qualifications in leadership and management. Forty-five civil servants graduated with Associate degrees in Public Administration, and over 32,000 on-demand learning courses reflecting 7,000 hours of learning being accessed via LinkedIn Learning.

The Office of Education Standards (OES) continued inspecting schools across the Cayman Islands including completing 30 thematic visits and 21 full inspections. In completing their inspections, the OES noted that improvements had been implemented by school leadership in all government secondary schools; and notably, confirmed the elimination of weak ratings across all government schools. These inspection results demonstrated that Cayman is making progress in the area of primary and secondary education, which is something that many countries have struggled to achieve over the pandemic period.

In the area of governance, the Internal Audit Service continued to add value by providing almost 1,200 hours of assistant and advisory services to various government entities as well as produced 12 compliance reports, and completed a number of special investigations. When implemented, the audit recommendations stemming from the work of the IAS will ensure stronger internal controls and governance practices across the service.

In my own office, my capable team led numerous cross-cutting and important initiatives in an effort to make the lives of those we serve better. We continue to provide secretarial services that support the effective operation of a range of boards and committees such as the expungement board; helping them to achieve good governance objectives and deliver benefits to some of our most vulnerable citizens. Through the professional certification programmes also offered by the SRIU [Strategic Reforms Implementation Unit], 65 civil servants earned a combined total of 82 certifications in critical areas such as business case development, project management and change management.

Madam Speaker—and I think you share the same vision with me in terms of keeping healthy—much to my delight, the Deputy Governor's 5K Challenge returned to the annual events calendar of the Cayman Islands Government following a brief pause caused by COVID. I am very proud to say that we raised a record sum of \$96,000, which was shared equally among some very deserving charities: the Cayman Islands Cancer Society, the MS Foundation of the Cayman Islands and the Alzheimer's and Dementia Association of the Cayman Islands. Since establishing the 5K Challenge in 2014, Madam Speaker, it has raised almost a half a million dollars for various charitable organisations within the Cayman Islands.

Madam Speaker, to commemorate Her Late Majesty Queen Elizabeth's Platinum Jubilee, the Cayman Islands National Archive partnered with Parliament to develop and install a platinum jubilee exhibit.

Additionally, the National Archive collaborated with the Cabinet Office to reproduce items from historical collections in honour of Her Late Majesty Queen Elizabeth. The year 2022 also marked the 50th anniversary of the Parliament building, which led the National Archives to develop a second special exhibit during the year.

For me, Madam Speaker, 2022 was a memorable year, not only because I celebrated 10 years as Deputy Governor, but also because it was a year in which PoCS delivered world class outcomes: from the introduction of recruitment platforms which attracted over 12,000 user account registrations in the first eight months, to the marked improvement in our government schools, to our ability to quickly respond to the rising cost of living by implementing pay solutions for our staff; PoCS rose to the challenge and delivered. The year was certainly one that I am very proud of and one that if replicated in 2023 and beyond, we will see even more solutions and successes, all of which will enhance the services we provide, and make the lives of those we serve much better.

Madam Speaker, I would like to especially recognise the Chief Officer for the Portfolio of the Civil Service, Ms. Gloria McField-Nixon, her Deputy [Chief Officers] Ms. Lauren Knight and Mr. Ryan Rajkumarsingh; her CFO [Chief Financial Officer] Ms. Nadisha Walters, and the amazing team in the Portfolio of the Civil Service for their work and for delivering another solid year of outstanding performance. I would also like to thank the team in my office led by Ms. Mary Rodrigues, Ms. Jodie Scott and Mr. Matthew Hylton; also, my PA [Personal Assistant] Ms. Tenisha Ebanks for their hard work and dedication, and providing me with the necessary assistance for me to perform my duties.

Madam Speaker, I thank you.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

Question No. 27

Handover of the Mental Health facility

The Speaker: The elected Member for George Town South.

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

Madam Speaker, I rise to ask the Honourable Minister, Question No. 27 on the Order Paper, standing in my name. Question: can the Honourable Minister advise whether the Mental Health Facility is still on track to be handed over at the end of June 2023?

The Speaker: The Honourable Minister for Health and Wellness.

Hon. Sabrina T. Turner: Madam Speaker, the answer: Based on the latest update from the project managers of the Poinciana Residential Mental Health Facility located in High Rock, East End, I am pleased that the facility remains on track to be handed over at the end of June 2023.

I have shared for my colleagues in this honourable House, a picture attached to my response that reflects the progress, in photos, covering 15 months, from February 2022 to May 2023.

Supplementaries

The Speaker: Elected Member for George Town South.

Ms. Barbara E. Conolly: Thank you, Madam Speaker. I wonder if the Honourable Minister could advise when it will become operational. Do we have a timeframe for that?

The Speaker: Honourable Minister for Health and Wellness.

Hon. Sabrina T. Turner: As I have been informed, we're waiting for the hand over which is still on track, as previously stated, in June. I will inform my colleagues and you of the actual operation date as soon as it becomes available to me.

The Speaker: One minute, Honourable Member, just allow the elected Member for George Town South to continue with her questioning, and then the Leader of the Opposition.

Ms. Barbara E. Conolly: Thank you, Madam Speaker. Honourable Minister, in terms of recruiting all of the relevant staff/specialists for the facility, any idea when that will occur?

The Speaker: Honourable Minister for Health and Wellness.

Hon. Sabrina T. Turner: Madam Speaker, through you: the Ministry has identified a director for the facility and is in the final stage of completing the recruitment process, and an announcement will be made in due course once finalised. The recruitment process for other key senior management posts has also begun and it is expected that the Director will play a key role in this [process].

The Speaker: Honourable Leader of the Opposition.

Hon. Roy M. McTaggart, Leader of the Opposition, Elected Member for George Town East: No need, Ma'am; she asked the question I was going to ask.

STATEMENTS BY HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

The Speaker: I have given leave to the Honourable Premier to make a statement.

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

Madam Speaker, I rise to make a statement in accordance with section 11(6) of the Public Management and Finance Act (2020 Revision), regarding a Cabinet decision under section 11(5) of the Act, to re-allocate supplementary funding within the Ministry of Sustainability and Climate Resiliency between Equity Investments to Executive Assets. I think, Madam Speaker, by reference to that, Members will understand that this relates to a matter which was dealt with yesterday in Finance Committee in terms of the reallocation from (EI) Equity Injection to [EA] Executive Assets.

Madam Speaker, this reallocation of approved funding is to cover the costs related to the George Town landfill remediation works in relation to the ReGen project.

By way of background, Madam Speaker, and to give some context, the Ministry of Sustainability and Climate Resiliency has a management responsibility to bring the ReGen project to financial close. However, prior to 1st January, 2022, the funding for the project was managed under the Ministry of Health and Wellness, which was formerly the Ministry of Health, Environment, Culture and Housing.

Madam Speaker, in March 2021, the Cayman Islands Government under the former Ministry of Health and Environment signed a project agreement to enter into a contract with the Dart Consortium to design, build, finance, maintain and operate a new Integrated Solid Waste Management System [ISWMS] for a 25 year period. Alongside this, but in a separate and binding agreement which is the Early Works Agreement, was approval for the Dart Consortium to undertake closure and remediation work to the George Town landfill.

Madam Speaker, it may be of interest to note that this agreement is to begin to close and remediate the George Town landfill, which you will be aware is the only facility available to manage solid waste in Grand Cayman. This was entered into by the previous administration in October 2020, several months before they signed the March 2021 project agreement.

Madam Speaker, can I ask just for clarity as to whether the copy of the statement has been distributed?

The Speaker: No, I just asked for it to be distributed to Members.

The Premier, Hon. G. Wayne Panton: Thank you, Madam Speaker. Apologies, I thought they had been distributed for the benefit of Members.

Madam Speaker, let me give Members the opportunity—I am on page two of five, the beginning of the second paragraph on that page.

Madam Speaker, as Members of the House are aware the general election took place in April 2021, then in October 2021, the government announced that the responsibility for the ReGen project and the George Town landfill remediation would transition to the Ministry of Sustainability and Climate Resiliency.

Madam Speaker, the project and the details of the contract are currently still under negotiation. There are a number of aspects that are deemed to be commercially, very sensitive.

Madam Speaker, in April 2022, the Ministry of Sustainability and Climate Resiliency announced that the Cabinet had approved the continuation of negotiation discussions with the preferred Public Private Partner by way of an extension to the financial close deadline and long-stop date for the project agreement negotiations between the Cayman Islands Government and the Dart Consortium for the development of the ReGen project. The financial close is expected to occur no later than July 31, 2023. However, it is important to note that the agreement to facilitate the George Town landfill closure and remediation work is a separate agreement, and that agreement will continue regardless of the progress of the ReGen project.

Madam Speaker, when the 2022-2023 budget period was approved, an amount of CI\$21,657,088 and CI\$2,272,847 for 2022 and 2023 respectively, were allocated to the Ministry of Sustainability and Climate Resiliency, under the appropriation reference EI84, in respect of the George Town landfill remediation works which is part of the ReGen project. This approval was in line with how these costs had previously been allocated under the former Ministry.

In January 2022, Madam Speaker, the Ministry of Sustainability and Climate Resiliency began to manage these costs and have determined that the expenditure for the George Town landfill remediation works under the Early Work Agreement should have been budgeted as an Executive Asset appropriation rather than an Equity Injection.

Madam Speaker, in order to determine whether the expenditure related to the George Town landfill remediation works are to be classified as executive or entity related appropriations, consideration was given to whether the remediation works were being undertaken in order to produce entity outputs or to carry out any other activities under the Ministry's remit. The Ministry also considered the definitions of each category of asset within the Public Management and Finance Act (2020 Revision). Entity assets are defined in the PMFA as, **“all assets controlled by that entity for the purpose of producing its outputs, but does not include any assets of the core government**

declared by the Financial Secretary not to be assets of that entity or allocated or transferred by that Financial Secretary to another entity by regulations made under section 35 of this Law;”.

Madam Speaker, it was decided that the George Town landfill remediation works did not fit the definition for entity expenditure or entity assets and should therefore be classified as executive expenditure in accordance with the PMFA definition of Executive Assets which is **“all assets of the core government other than entity assets, and includes the equity investments of the Government in ministries, portfolios, statutory authorities, government companies, the Office of the Ombudsman and the Audit Office, but does not include assets held by the Government as trustee for another person;”**.

This, Madam Speaker, is the basis of the “exceptional circumstance” for which this reallocation was required to be made.

Accordingly, Cabinet authorised the reallocation of funds approved under EI84 - Equity Investments to the Ministry of Sustainability and Climate Resiliency to EA165 - George Town Landfill Remediation Works (Executive Asset) in accordance with sections 11(5) and 11(6) of the Public Management and Finance Act (2020 Revision). In so doing, Madam Speaker, funding in output EI84, under the Ministry of Sustainability and Climate Resiliency for the 2022 financial year was decreased by \$21,657,088, and a new output EA165 - George Town Landfill Remediation Works for the 2022 fiscal year was increased by the same amount—so it didn't change the budgeted amounts, it just re-allocated it, Madam Speaker. Also, for the 2023 financial year, EI84 was decreased by \$2,272,847, and a new output, EA165 - George Town Landfill Remediation Works for the 2023 financial year, was increased by the same amount.

Madam Speaker, the Cabinet also approved the carry forward of the unused portion which was \$16,086,757 to fiscal year 2023. I would like to be clear again, this was a net zero transaction that did not result in any increase in budgeted expenditure. It was simply a reallocation in order to better reflect the relevant appropriation title.

Madam Speaker, in considering this reallocation, Cabinet was advised by the Ministry that the proposed changes would not have any impact on the Government's financial performance relative to the 2022 financial year.

Madam Speaker, I hope this provides sufficient clarity for those who followed Finance Committee yesterday. Further, this statement today is in compliance with the Public Management and Finance Act (2020 Revision), in particular section 11(6), relating specifically to this process of changing the budgeted value from the Equity Injection title to Executive Assets but not changing the amount.

In closing, Madam Speaker, I would like to thank the Ministry's finance team, Ministry of Finance,

and colleagues for their support in the proper classification of this expenditure related to the George Town landfill remediation works.

Thank you.

The Speaker: Thank you, Honourable Premier.
Honourable Leader of the Opposition.

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

I just wonder if I would rise under section 30(2) of the Standing Orders to allow for a short question to the Premier.

The Speaker: You may proceed.

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

Madam Speaker, perhaps the Premier could indicate to us whether there has been any significant change in the scope of the ReGen project that is being negotiated.

The Premier, Hon. G. Wayne Panton: Madam Speaker, thank you. I thank the Member for the question.

Of course, that has been the subject of a Private Member's question [sic] [Parliamentary Question] and that is a matter that will be responded to. I'm obviously not prepared [now]. I can give an off the cuff sort of high-level perspective on it, but [I would prefer to put it in writing so that it is very clear, and I am happy to circulate that to all Members, Madam Speaker.](#)

However, in general, I will say that in terms of any changes in scope, those primarily occurred and—I'm trying to say this carefully—the majority of them, if there were any since April 2021 were very limited, the majority related to changes in scope that occurred prior to March 2021. The biggest of those, I think, relating to the upsizing of the facility because of a reassessment of the level of waste that the facility would need to be designed to accommodate, not just today, but over the long period of the life of this project, which is anticipated once it's operational to be at least 25 years.

[Madam Speaker, I am happy to provide a full answer in writing to all Members of this honourable House in respect of the question.](#)

Statement by Minister of Home Affairs

The Speaker: I've also given leave to the Honourable Minister of Health and Wellness to make a statement.

Hon. Sabrina T. Turner: Madam Speaker, thank you.

Understanding the time of the day, I will be as quickly and as brief as I can. However, I would like to take the opportunity to provide this honourable

Parliament with an overview of the progress and current activities of the Ministry of Home Affairs.

Since taking on the responsibility of the Ministry of Home Affairs in April 2022, I have strategically steered my Ministry team in the direction of national policy, meaningful legislation, enhanced partnerships and alignment, and increased public awareness. I have done so with vigour, fully understanding the essential role of Home Affairs in the smooth functioning of our beloved country. The synergies, Madam Speaker, in alignment with my role as Minister for Health and Wellness has positioned me to be a champion for the continued advancement of key policies and initiatives for public safety.

The Strategic Policy Statement [SPS] 2024-2026 recognises the importance of the Ministry of Home Affairs deliberately shifting to becoming an intelligence-led Ministry to ensure that our national policies and solutions “**are based on a deep and comprehensive understanding of the enduring security and public safety issues facing our Islands.**” This focus, Madam Speaker, has been intentionally embedded within the SPS to show how the Ministry of Home Affairs intends to support this Government's broad outcomes and strategic priorities.

Madam Speaker, I would like to begin with sharing developments in the areas of legislation and policies. In the last six months, Cabinet has granted approval for amendments to two pieces of legislation in addition to a government policy for halfway houses.

In December 2022, Cabinet approved the issuing of drafting instructions to amend the Cadet Corps Act (2021 Revision) and drafting instructions to establish Cadet Corps Regulations. Madam Speaker, amendments to the existing Cadet Corps Act and the drafting of the Cadet Core Regulations will ensure the effective operations of the Cayman Islands Cadet Corps at regional and international standards.

In April 2023, Cabinet approved the development of the Cayman Islands Government Policy for substance recovery centres, also known as halfway houses. This policy, Madam Speaker, provides consistent requirements and minimum standards for substance recovery centres who obtain funding from the Cayman Islands Government.

Lastly, Madam Speaker, in May 2023, Cabinet approved the issuing of drafting instructions to amend the Criminal Procedure Code (2021 Revision) Part VI-Procedure Relating to Persons Found Insane. Madam Speaker, amendments to this legislation will enhance the Governor's powers to conditionally discharge, where appropriate, an individual who the court has found *not guilty by reason of insanity*, and conveyed to a hospital until discharged by the Governor.

Madam Speaker, having received Cabinet's approval for these mentioned legislative amendments, the Ministry of Home Affairs is in the coordination and consultation stage of the legislative drafting process in order to provide synthesised documents and

instructions to the Legal Drafting Department for both the Cadet Corps Act and the Criminal Procedure Code. The aim is to have these draft bills out for public consultation and before Parliament by the end of 2023.

The Ministry of Home Affairs, Madam Speaker, has conducted a comprehensive assessment of legislative and policy gaps across the Ministry of Home Affairs entities and developed a prioritised schedule of proposal submissions to Cabinet. I am committed to continuing to advocate for meaningful legislative and policy amendments.

One example, Madam Speaker, is a proposal to repeal and replace the Prisons Act (2021 Revision), as well as the Prison Rules (1999 Revision) and the Prison Officers (Discipline) Regulations (1998 Revision). This proposal, which is in its final stages of consultation, modernises the current outdated legislation and will be forthcoming for Cabinet consideration in the current quarter.

A second example of ongoing policy proposals that will be forthcoming from the Ministry of Home Affairs, Madam Speaker, is a proposal to establish a cross-ministerial Mental Health Programme Board to continue implementing the recommendations made within Dr. James Hard's review of mental health provisions within His Majesty's Cayman Islands Prison Service. This proposal enhances accountability within the Cayman Islands Government in order to effectively strengthen mental health services across the criminal justice system.

In addition to the key legislative and positive policy initiatives I have spoken to, the Ministry of Home Affairs is focused on advancing public safety in the Cayman Islands based on an overarching intelligence-driven three-year strategic plan that aligns with this Government's Strategic Policy Statement. This strategic plan focuses on implementing strategies in people development, wellness, business excellence, partnership and alignment, and public awareness.

The Ministry of Home Affairs, Madam Speaker, has a number of on-going projects and initiatives. A number of these were reported in the Ministry of Home Affairs' mid-term report in May 2023. However, I would like to use this forum to emphasise my commitment to bringing these objectives over the finish line during my time as Minister of Home Affairs.

There are 10 priority objectives identified, which I would like to share briefly, Madam Speaker.

1. The Amendment and/or development of four to seven key legislation to enhance governance in public safety, as well as three to six national policy initiatives, including commissioning the Substance Recovery Centre Policy.
2. The completion of a master design plan for a fit-for-purpose prison estate.

We may not be in a financial position to move forward with the construction of a new prison, but I am committed to

supporting His Majesty's Prison Service with maintaining the existing facilities at an acceptable level while progressing the design of the new facility.

There is significant ongoing works in the areas of Prison Reform, Offender Management and Rehabilitation Reform.

3. The aim of the Ministry of Home Affairs is to implement effective strategies through a proposed national rehabilitation policy, substance recovery centre policy, offender management framework and implementation of mental health programme board.

Madam Speaker, based on the evolving needs of our country, we must support the necessary equipment and infrastructure of our public safety entities.

4. This would include the replacement of ageing ladder trucks and appliances for the Sister Islands. The completion of the George Town Central Bay expansion and storage project; and replacement of prison vehicles for the secure transport of prisoners.

I am also pleased to note that the replacement vehicles for the prisons are electric vehicles, supporting this Government's sustainable development goals.

5. The development of the new fire operational policies and legislation remains a priority for the Ministry of Home Affairs. Developing and implementing new emergency response driving policies, and an urban search and rescue (USAR) framework are critical initiatives to which the Ministry is committed.

I reference the unfortunate major incident that took place just this week in the Newlands area, as an example to highlight the need to coordinate an urban search and rescue framework. As a country, we must not be complacent. We must assess the hazards and risks that we face in an evolving environment, and equip our emergency responders with the appliances, equipment, and skills to respond to incidents safely, and in a coordinated manner to save lives and property.

6. In addition to the appropriate framework and policies, I am committed to supporting the Ministry of Home Affairs entities with establishing safe systems of work to achieve optimal levels of safety and enhance delivery of services.
7. To support effective public safety communications and networks, the completion and operation of the new Northward Radio Tower and Bunker is a priority project for the Ministry of Home Affairs. This of course, Madam Speaker, will also require the decommissioning and disconnection of the Old Northward Radio Tower.

8. Upgrading and expanding the national CCTV programme continues to be a project of great importance as well. This expansion will include Cayman Brac, Madam Speaker and to my colleagues from the Sister Islands, and placements will be guided by intelligence and data.
9. The Emergency Alerts System Pilot Project for older persons is an initiative that the Ministry of Investment, Innovation and Social Development will take the lead on with support provided by the Department of Public Safety Communications. If this pilot programme is assessed and successful, the Ministry of Home Affairs will continue to support the development of a plan to expand the programme.
10. Last but certainly not least, Madam Speaker, it is my commitment to defence and humanitarian response and youth development through advanced training and development programmes for the Cayman Islands Regiment and Cadet Corps. I am committed to recruiting and developing local military style and cadet talent and implementing key legislation and policies as evidenced by Cabinet's approval to amend the Cadet Corps Act and the ongoing work on the Governor's Orders, to enhance governance and create consistent standards for military type services.

Madam Speaker, as I conclude, I would like to extend my deepest gratitude to the Acting Chief Officer of Home Affairs, Mr. Michael Ebanks, as well as the entire Ministry staff, including Mr. Julian Lewis who acted in the capacity of Chief Officer for the last year.

I would also like to especially thank the men and women of Home Affairs who operate in various departments on the front line. We often take for granted that these civil servants are in extremely challenging jobs. Their daily work is to help the public through their worst days. They are the ones who are running into storms or fires, even talking someone through their worst crisis, working with high-risk people, and the list goes on. Madam Speaker, the critical incident this week serves as a reminder of just that.

Now, let me leave us with one of my favourite sayings by Coretta Scott King, "**The greatness of a community is most accurately measured by the compassionate actions of its members.**"

The [Ministry of] Home Affairs, Madam Speaker, embodies this quote and I issue the challenge for all of us to do the same.

Thank you.

PERSONAL EXPLANATIONS

The Speaker: None.

OBITUARY AND OTHER CEREMONIAL SPEECHES

The Speaker: None.

RAISING OF MATTERS OF PRIVILEGES

The Speaker: None.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

An Hon. Member: *Finally!*

PRIVATE MEMBER'S MOTION NO. 16 OF 2022-2023 INTEREST RATES

The Speaker: The elected Member for West Bay West.

Hon. W. McKeeva Bush, Elected Member for West Bay West: Thank you, Madam Speaker.

Madam Speaker, I rise to move Private Member's Motion No. 16, standing in my name, which reads as follows:

WHEREAS the Cayman Islands are experiencing a tremendously high level of cost of living; AND WHEREAS the banks here have increased their loan and mortgage rates several times recently;

BE IT THEREFORE RESOLVED that Government considers meeting immediately with the local banking and money lending institutions to discuss reducing interest rates immediately and not increasing interest rates for the next 24 months;

AND BE IT FURTHER RESOLVED that Government considers amending Legislation to establish an interest rate setting body.

The Speaker: Is there a seconder to the Motion?
The elected Member for Bodden Town West?

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

Madam Speaker, I rise to second the Motion.

The Speaker: The Motion has been moved and seconded, and is now open for debate.

Does the mover of the Motion wish to speak thereto or does the mover intend to move an amendment to the Motion at this time?

Hon. W. McKeeva Bush: Madam Speaker, I have Tabled an amendment and I would prefer to have that incorporated, and then debate the full Motion all together.

Thus, if I am allowed, I would move on to the Amendment.

The Speaker: Please proceed.

Hon. W. McKeeva Bush: Thank you, Madam Speaker. In accordance with the provisions of Standing Order 25(1) and (2), I, the elected Member for West Bay West, seek to move the following amendment to Private Member's Motion No. 16; inserting a third resolved section, the new third resolved section will read: **"BE IT THEREFORE FURTHER RESOLVED that the Government considers further restructuring the Cayman Islands Development Bank to be able to accept deposits to assist with lending to our people."**

The Speaker: Thank you.

Is there a seconder for the Amendment to the Private Member's Motion No. 16?

Mr. Christopher S. Saunders: Madam Speaker, I rise to second the Motion.

The Speaker: The Amendment has been moved and seconded.

Does the mover wish to speak on the Amendment?

Hon. W. McKeeva Bush: No, Madam Speaker. I would prefer, as I said, to move forward with debating the full Motion.

I will read the full Motion now and...

Well, I think you have to vote on the Amendment to get it included in the full Motion.

[Pause]

The Speaker: Before we put it to a vote. Does anyone wish to speak to the amendment?

The question is that the Motion be amended as follows, by inserting a third resolved section, the new resolved section will read:

"BE IT THEREFORE FURTHER RESOLVED that the Government considers further restructuring the Cayman Islands Development Bank to be able to accept deposits to assist with the lending to our people."

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

AYES.

The Speaker: The Ayes have it.

Agreed: The Amendment to Private Member's Motion No. 16 of 2022-2023 was passed.

The Speaker: The Motion as amended, is now open for debate.

Does the mover of the Motion wish to speak to the amended Motion?

Hon. W. McKeeva Bush: Thank you, Madam Speaker. Madam Speaker, just to read the full Motion as it stands:

"WHEREAS the Cayman Islands are experiencing a tremendously high level of cost of living; AND WHEREAS the banks here have increased their loan and mortgage rates several times recently;

BE IT THEREFORE RESOLVED that Government considers meeting immediately with the local banking and money lending institutions to discuss reducing interest rates immediately and not increasing interest rates for the next 24 months;

AND BE IT FURTHER RESOLVED that Government considers amending Legislation to establish an interest rate setting body.

BE IT THEREFORE FURTHER RESOLVED that the Government considers further restructuring the Cayman Islands Development Bank to be able to accept deposits to assist with lending to our people."

Madam Speaker, there is no doubt that the subject matter of the Motion is an important one. There is no doubt that the increases in interest rates are wreaking havoc on families and possibly businesses. I have reports of rate increases causing mortgage payments to increase by as much as \$1,000 to families. How can a middle-income person sustain that? Think, Madam Speaker and Honourable Members, of lower income persons who have a mortgage and loans that go up by \$200 when that family is already having difficulty in paying mortgage and other bills.

Madam Speaker and Honourable Members, there could not be a worse time to increase rates than at this time, and not only increase it one time but several times.

Madam Speaker, one very intelligent lady wrote—I think most of us got that although it was on a matter of pensions—and I quote from an email:

"As you are aware of the severely negative financial and economic impacts which have grossly affected many, many Caymanians over the past three to five years, we now currently find in 2023, the financial and economic situation has gravely worsened by the following factors, which by no means is an exhaustive list. The constant increases in interest rates for mortgages and other loans in 2023; and with further interest rates for 2023 being considered by the federal government in the United States of America; increases in home insurance premiums. [Members spoke passionately yesterday about what is happening with dwelling insurance/building insurance in this country]. Increase of cost of living, food, gas, Caribbean Utilities Company and vehicle fuel.

[Caribbean Utilities Company (CUC) bill's going up by over \$900 nearly \$1000 on a middle-income family of four children, two parents; family of six. Mine, I know went up by \$580. As I said yesterday, Madam Speaker, these things are that are harming and damaging, and making our people feel that this House is not doing enough to do something to help them. That is not just one or two people. That's a widespread feeling across this country. People just cannot take anymore].

"Increase in inflation which is anticipated to go higher in 2023, and in many of the private sector, cost of living increases are no longer being given, little or no change has been made to salaries for the past three years." [UNVERIFIED]

Madam Speaker, I'm dealing with interest rates and what is happening in the banks, but the whole cost of living in this country is destroying families, and no matter how much we help, how many millions we give for the children for breakfast, lunch and a break; at the end of the month, parents are having a most difficult time in paying the bills and buying food.

Madam Speaker, those are the things that are concerning our people. Madam Speaker, I note that our Premier has made a statement with regard to what steps he has tried to take with the banking sector. He is saying he has talked to the banks but from what I can gather from his statement, he is basically saying he can't do anything with the banks and he is offering ideas to help people with the cost of living. I believe he's trying. He wants to do something, but I don't think I can agree with him that there is not something that can be done.

Madam Speaker, in representing our people we must find ways, we must take the *bull by the horns* because this is not just something today; we have had increases—not as much over the years, they didn't last long. Then there were governments who said, *'ehh we will find a way you know, so you better talk to us; you better listen, you better understand'*. I recall Caribbean Utilities [Company] raising [rates] one month in the worst conditions at that time, and then wanting to come [again], I think the same year, and we simply told them, *'if you do it, we gonna go to court'* and they backed down.

I don't believe either, Madam Speaker, in this sing-song about the banks will leave; I don't believe that. Some of them are already cutting back operations anyway. Didn't we just have an announcement from one saying no more over the counter transactions, do it online? What happened to the vast majority, particularly so of our seniors, who can't go online? What happening?

Madam Speaker, I don't buy this idea that we can't do anything. This Parliament is elected to do something and we must find ways and do it and not listen to this sing-song about, *'we can't do this and we can't do that and, you want them to leave?'* I believe that we can do something. We are elected to govern, not to find excuses and do nothing.

Madam Speaker, before I move on, let me take that second "resolve" which says, **"AND BE IT FURTHER RESOLVED that Government considers amending Legislation to establish an interest rate setting body."**

Madam Speaker, I am not saying in that statement, in that resolve, that there would be a rate setting body and that it is a separate law or otherwise appointed. I don't believe that. I believe that there are laws that we can utilise. I don't want another commission where we have to fight and they have to get a consultant. No, I don't believe in that, and I don't know how many can agree with me, but that's not what I am saying. I am saying that we have the Cayman Islands Monetary Authority [CIMA] who is our only regulatory body and the rate setting could come through CIMA since we don't have a central bank, which in other countries controls the currency, deals with financial institutions, and sets interest rates. Thus, I am not saying, Madam Speaker, that we must go now because I have asked for this and set up some separate group, some committee, ad hocly. No, no, no, I am saying, and I will repeat it, we have the Monetary Authority. We can find a way through that [entity] since we don't have a central bank.

Madam Speaker, in moving this Motion and thinking about this and so many complaints coming to my office, coming to my phone, [people] walking up to me; *I can't pay my bills, I can't pay my loan, I can't pay CUC*. I said okay. Years, we have talked around this let's see if we can do something. Government has said some of them have talked to some banks. I don't know who these banks were and what they said entirely, except for what the Premier has said. As I said, I don't believe in stopping there. So, I talked to people and I think I got an understanding of how these interest rates come about.

Let me start with a key definition and analysis, which is the US Prime Rate or Prime as it is called for short. What is the prime rate? The prime rate is the interest rate that commercial banks charge their most creditworthy customers. The Federal Reserve System sets the federal funds overnight rate which serves as the basis for the prime rate, which is the starting point for other interest rates.

The prime rate, which is sometimes simply referred to as prime, is the most commonly used benchmark used by banks and other lenders when setting their interest rates for various products such as credit cards and home loans. The key point here, Madam Speaker, is that prime is used as the base rate primarily for short-term lending, not for long-term loans.

Madam Speaker, how the prime rate works. Interest rates are a percentage of the amount that lenders charge on any loans they grant to people who are borrowing. It acts as a form of compensation for the risk that lenders assume based on the borrower's credit history and other financial details. These rates are normally noted annually as the Annual Percentage Rates [APR]. The prime rate is the interest rate that

commercial banks charge their most creditworthy customers, generally large corporations. The prime interest rate, which is also called the prime lending rate, is largely determined by the federal funds rate set by the Federal Open Market Committee (FOMC). The federal funds rate is the overnight rate banks use to lend to one another. Banks commonly use a combination of the federal funds rate plus three, to determine the prime rate.

As noted above, Madam Speaker, lenders charge their most creditworthy clients the prime rate for mortgages, small business loans or personal loans. For others, the prime rate forms the basis or starting point for most other interest rates. The interest these borrowers are charged, which is based on their credit scores and credit histories, is normally prime plus a certain percentage. Those who have a good credit score would be charged something like prime plus 9 per cent for a credit card, while those with a lower credit score may get a rate of prime plus 15 per cent.

Now, how do they go about determining the prime rate? The prime rate is an interest rate determined by individual banks and used as a base rate for many types of loans, including loans to small businesses and credit cards. Although the Federal Reserve has no direct role in setting the prime rate for banks, many financial institutions chose to set their prime rates based partly on the target level of the federal funds rate established by the FOMC. One of the most used prime rates is the one that the Wall Street Journal publishes daily.

As noted above, Madam Speaker, banks generally use federal funds plus three, to determine the current prime rate. The prime rate in the United States is 8.25 per cent as of May this year, while the federal funds rate is set at a target of between 5 percent and 5.25 per cent. The prime rate has been increasing since May 2022, approximately the same time that the Fed started increasing the federal funds rate to combat high inflation—that's what they said.

Although other United States financial services institutions regularly note any changes that the Fed makes to its prime rate and may use them to justify changes to its prime rate, institutions are not required to raise their prime rates following the Fed.

Then, what is the impact of those prime rates? The prime rate affects a variety of bank loans. When the prime rate goes up, so does the cost to access small business loans and lines of credit; car loans, mortgages and credit card interest rates. Thus, debt with a variable interest rate can be affected by the prime rate because a bank can change your rate. This includes credit cards as well as variable rate mortgages, home equity loans, personal loans and variable interest rate student loans.

The prime rate is reserved for only the most qualified customers, those who pose the least amount of default risk. Prime rates may not be available to individual borrowers but are offered to large entities such

as corporations and stable businesses. If the prime rate is set at 5 per cent, a lender still may offer rates below 5 per cent to well-qualified customers. These rates are not considered mandatory minimums.

How does the prime rate affect borrowers? The prime rate is not fixed and can change over time based on changes in the federal funds rate, inflation, the demand for loans and other economic factors. When the prime rate changes, the interest rates on loans and financial products that are based on the prime rates may also change.

The prime rate affects us in a number of ways, depending on the type of loan or financial product we may have.

1. Home equity loans

If a person borrowing has a home equity loan or home equity line of credit, the interest rate on the loan may be based on the prime rate. If the prime rate increases, the interest rate on the home equity loan may also increase, leading to higher monthly payments for the borrower.

2. Adjustable-Rate Mortgages (ARMs)

If a borrower has an ARM mortgage that is tied to the prime rate, an increase in the prime rate may lead to an increase in the interest rate on the mortgage, resulting in a higher monthly payment for the borrower.

3. Credit card balances

If a borrower has a credit card with a variable interest rate, the interest rate may be based on the prime rate. If the prime rate increases, the interest rate on the credit card may also increase, leading to higher interest charges for the borrower.

4. Small business loans

If a small business has a loan with an interest rate based on the prime rate, an increase in the prime rate may lead to an increase in the interest rate on the loan, resulting in higher loan payments for the business.

Madam Speaker, what is most important is that the prime rate is a short-term rate. It is not, and I repeat, it is not the same as the mortgage rate. In fact, the 30-year mortgage rate in the United States is currently less than the prime rate. Why is that? Banks and lending institutions price their 30-year mortgage product based on the real cost of capital. Banks do not go out and raise capital based on prime, and then lend it to individuals for 40 years in the form of a mortgage. I don't see that; I guess that would be crazy. If that were the case, then mortgage rates in the United States would always be higher than the prime rate, but that is not so either.

Madam Speaker, here is the bottom line, at present US prime is 8.25 per cent and the 30-year fixed mortgage is 6.57 per cent. Yes, colleagues, the 30-year fixed mortgage rate is 1.68 per cent lower than prime. Here in Cayman, we are paying prime plus, for our

long-term loans and mortgages. We can go on bank websites and see rates advertised such as prime plus 2 per cent. Therefore, a 30-year variable rate mortgage in Cayman is currently averaging 10.25 per cent. Hence, a consumer in Cayman is paying 10.25 per cent, and that could increase depending on what the Federal Reserve in the US does for that economy; and the average US consumer is paying 6.57 per cent for a 30-year fixed mortgage rate.

What I am saying, Madam Speaker, is that a rise in interest rates may be justified—if we want to be fair and can understand—but Madam Speaker, not prime plus for mortgages! Prime is used as the base for short-term loan products. We must ensure, and this is what our job is, ensure that the banks do not arbitrarily use this prime plus methodology in our economy if it is not their true cost of capital. However, do we want to do that? Do we want to stand up? Do we want to say no?

Madam Speaker, the news is even direr because the United States Bureau of Labor Statistics reported 339,000 jobs were added in May, surpassing forecasts that predicted the increase would be approximately 190,000 jobs; and it is a sign of continued growth from the job market despite the Federal Reserve's continuing efforts to cool the economy. Economists and other experts are predicting that the Fed may well raise interest rates yet again! It seems, Madam Speaker, there is no end in sight for the average Caymanian.

Thus, we have to act differently, to find ways to help our people, because Madam Speaker, this continuing spiral will certainly lead to increased foreclosures, fewer Caymanians qualifying for mortgages, and therefore an overall slowing down of our economy. None of this is any good for our people, none of it.

Madam Speaker, hopefully, I am clear in what I am saying, that currently the Cayman Islands prime rate is a rate agreed between the street banks operating in the Cayman Islands, without oversight from the regulator or government. This is unusual as it lends itself to the very risk of anticompetitive or cartel type practices.

[Inaudible interjection]

Hon. W. McKeever Bush: Yes.

The cost of the Cayman Islands (CI) dollar is not strictly linked to the cost of the United States dollar. Rather, Madam Speaker, the cost of the Cayman Islands dollar is based on other factors, including what the bank must pay for interest on customer CI [dollar] bank accounts, and the costs that arise from losses for the Cayman Islands loans. The cost of the Cayman Islands dollar to the bank is then significantly offset by the revenue generated by the Cayman Islands dollar to the US dollar exchange rate as established by law here, as well as other Cayman Islands denominated banking fees received by the banks from Cayman consumers.

Overall, the Cayman Islands dollar is a significant revenue source for the banks in the Cayman Islands. Banks can earn between a two to four per cent spread when a consumer converts Cayman Islands dollars to US dollars and vice versa. This size of spread is generally unheard of in any other country where the two currencies are pegged together. If we assume conservatively—and let's think of this—US\$1 billion in total imports into the Cayman Islands, and on average 2 per cent spread, this would mean an additional \$20 million fees generated from its CI dollar Cayman customers. You might say, *well, that's not so much in our economy*, but that's theirs, not ours, we're not getting anything out of it.

Compared to other jurisdictions where most of the Cayman banks operate, the Cayman Islands have consistently experienced very low loan defaults. This means that the cost of Cayman Island funds to the banks are not increased because of loan defaults. Accordingly, as far as I am concerned, there is no justification in Cayman where higher interest rates charged to consumers could be explained by higher credit risks due to defaults. They can't say that.

When we were in a low interest rate environment, the banks significantly raised various fees, I'm sure we all remember that, and introduced new fees to increase their profits. That was because there was a low interest rate environment for the banks. Now that net interest margins are high as a result of increased interest rates, there is no reduction in these additional fees. There is none. While the banks have immediately matched increases on interest rates for their loans, 4.7 per cent US prime increases in the last 15 months, they have been slow to increase the interest rates they pay on their cash deposits. I have loans, but those who have plenty money aren't receiving much on it. Where they have increased the rates paid, the raise has been marginal whether in Cayman Islands dollars or US.

It is clear, Madam Speaker, that banks are in a position to reverse some of their recent Cayman Islands interest rate increases and provide a moratorium for a period of time from further increases as other jurisdictions similar to Cayman have done. That's what I am asking, whether it's two years or a year, [but] I say two years.

Madam Speaker, these economic conditions are hitting our people the hardest ever. I've never in my 10 terms in this House, and watching from the gallery for two terms before that, and being involved in the community for more than 50 of my 68 years, I have never seen it this way, never seen it this way. People are hurting and there is no use...

We can't come to this House with such severity existing, we can't come here as lawmakers pushing the ideas about spending \$4.5 million on consultants telling us how to and where we can build roads. The lack of which, Madam Speaker, further aggravates and hurt our people. We can't come here and be bereft of ideas

and the gumption to utilise our money for our people; and I say our money.

Madam Speaker, as I said, we have the lowest loss rates on mortgages, so if we create a situation where we utilise our pension money and pay a decent interest, and in turn lend our people, that is going to be a better economic climate for our people; *our people*.

Madam Speaker, Caribbean Development Bank can lend out at four per cent but we experience continually these crippling interest rates and throw up our hands in despair saying, *oh, they won't do anything, won't meet with us*. They are the banks not caring because they have us over a barrel. That is a good thing? We must throw up our hands in despair? Good leadership?

An Hon. Member: No.

Hon. W. McKeeva Bush: No, no, no.

I say, Madam Speaker, we must now utilise what we have. We have millions of dollars of pension money going overseas and sometimes millions of our money is being lost overseas; millions of dollars. We have two entities, our Credit Union and our Development Bank. Take our pension money and put it there! When our people start to pull their mortgage and go to those two entities, then those who say we can't touch the banks will see those same banks becoming more competitive. Take the pension money and put it in our Development Bank and put it in our Credit Union and allow our people to borrow.

You have the expertise to do as good banking as anybody from overseas that you bring here, many Cayman staff, they will know what to do. They will know who is a risk and who is not. Not these *yaw yaw* people who come and tell you Nancy stories about sovereignty and all these things. Sovereignty? Better look at sovereignty a different way.

We must, Honourable Members, do something. We as lawmakers can't listen to these worn out clichés. They are as old as Methuselah!

An Hon. Member: Yup.

Hon. W. McKeeva Bush: At least, I don't believe we should, because our people are suffering in this bad economic climate.

The Speaker: Honourable Member for West Bay West. Just one moment, please. We've past the hour of 4.30 p.m.

Hon. W. McKeeva Bush: Yes, ma'am, I saw that.

The Speaker: Honourable Premier.

Suspension of Standing Order 10(2)

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

Madam Speaker, I rise to move the suspension of Standing Order 10(2) in order to allow the business of the House to continue beyond the hour of interruption. Thank you.

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

AYES.

The Speaker: The Ayes have it.

This honourable House may now proceed beyond the hour of 4.30 p.m.

Agreed: Standing Order 10(2) suspended.

Hon. W. McKeeva Bush: Thank you, Madam Speaker and Honourable Members, for going on in a day that is Private Members' Day, but we only got started now.

[Laughter]

Hon. W. McKeeva Bush: I know they don't like to hear me, and they make their remarks about this, but the fact is that Private Members' Day is Private Members Day; and I hold that what we should be doing is Private Members' Business except for those most challenging things that a government has to deal with. Not taking all this time doing reports and taking up our time, then we have to stay here forever! Do that on a regular day when it's Government Business; that's what our Standing Orders say! That's what the Commons do.

[Inaudible interjection]

Hon. W. McKeeva Bush: Don't make any snide remarks at me, because I can't see well sometimes but I can hear well, I hear well.

[Inaudible interjection]

Hon. W. McKeeva Bush: You just behave yourself Premier, just behave. I give you all kinds of support, just give us the right support; give us, and don't sing those songs about you can't do anything. I'll tell you that comes out of the sky. I was listening to one of my favourite Adventist hymns and it says, "**He's coming, coming, coming soon I know, coming back to this earth again.**" Get off that cloud and come back down here.

Madam Speaker, in our Development Bank Act (2018 Revision), section 9 gives the Government a wide span to utilise the Development Bank. I want to take the time to read section 9 of that Act. It says:

9. (1) "It shall be the function of the Bank to mobilise and provide finance for and promote and facilitate the expansion and

- strengthening of the economic development of the Islands.
- (2) In particular and without prejudice to the generality of subsection (1), the Bank may:
- (a) accept on deposit any funds or any kind of securities from the Government, a public or statutory authority, a co-operative or friendly society or any person or body whether within or outside the Islands;
 - (b) make all payments duly authorised by depositor with the Bank;
 - (c) make loans or advances or provide any form of credit to the Government, a public or statutory authority, a co-operative or friendly society or any person or body within the Islands for the financing of any enterprise or project;
 - (d) make loans or advances or provide any form of credit to any enterprise;
 - (e) provide any form of assistance to any enterprise whether in the form of expertise or technical or managerial advice or participation in the share capital or management thereof;
 - (f) provide finance in order to promote and facilitate development in the Islands and the establishment, management, acquisition or disposal of any enterprise or business in agriculture, industry, electronic commerce, tourism, housing and human resource development;
 - (g) provide finance to persons for courses of education (including academic, technical and vocational training at local and overseas institutions) [and we are doing that too] which are considered by the Bank to be beneficial or needed in the Islands;
 - (h) promote agricultural, tourism and industrial development and investment in the Islands;
 - (i) provide finance for the purpose of building and the acquisition of houses, for the improvement of dwellings and for the provision of dwellings for letting or for sale by construction, conversion, improvement or otherwise upon such terms and conditions as the Bank may decide;
 - (j) undertake, in the Islands, such other projects and programmes as the Cabinet may approve;
 - (k) undertake and formulate any studies which the Bank considers necessary for the performance of its functions or conducive to any of its functions;
- (l) enter into any contract with or act as agent or trustee for or representative of the Government or any person, agent or body within or outside the Islands; and
 - (m) give advice, financial counselling, management consulting and technical assistance in relation to any function specified in this subsection.”

Madam Speaker, that's [section] 9; [sections] 10 and 12 have similar permissions and safeguards; and 13 to 14, all those sections deal with the finances and what the Bank can, and the Government can and cannot do.

Madam Speaker, as I said, restructure. I don't know how much, that's Cabinet. I am not in Cabinet or the Caucus. I don't know all these things. All I know is that we can do so and we ought to be doing so.

Madam Speaker, we must utilise what we have. We must utilise the millions of dollars that are being sent overseas and are being lost. I don't hear any reports to this House about how much is being lost. However, I'll tell you, you made me a Member of the Public Accounts Committee and I intend to raise it there. So, Mr. Chairman, if you don't want me doing that, you have to do what you did before, tell him take me off, because I am going to raise it. I am going to raise it because we need to know how much we've been losing over the years. We're not hearing anything about that, but *we are protecting our people*.

While they don't have to report to government because they are private sector entities, the fact is, our people are losing and have lost millions of dollars and we haven't heard anything about it. They go on their merry way, set their regulations and you have to follow. We set a regulation that we have to follow when we pay pension for our employees.

Madam Speaker, there are those who might be quick to say and to talk about scaring the banks away. However, I can challenge any legislator or anyone else to show more than what I have done to protect, to enhance and to promote business here in these Islands. From refusing the onslaught of Chris Bryant for the introduction of income, property and value added tax; my own warning that beneficial ownership wasn't the best thing and that I had left my pen home so I couldn't sign when they were trying to force me to. Now, even Europe who was promoting it, is saying the same thing. We have lost much business. I hope we are getting it back in other areas, but we lost that business.

Therefore, let those who would want to put down this effort, tell us then what they are really going to do to help our people if we can't take some of these ideas and pass this Motion and then government look at it with their expertise.

Excuses about sovereign debt is not helping our people; excuses about being tied to the US dollar... We are tied, all right! Thank God that we have a good relationship, but it is time that we do something about

the situation where the country is benefiting more, and in turn take that benefit and help our people.

Madam Speaker, there are those banks which have assisted me in the past, still do, and I can commend and recommend. JN [Jamaica National] as they are prepared to listen, to understand your situation and come to some agreement to work with you to help; Proven is beginning to do so; Cayman National Bank, I have my farm mortgage with them; that's another story. If we do the right thing with the development bank and help, we can borrow at rates for farming that can make something; instead of bringing in all of these modified foods and we don't know what we are eating, create our own farm products here. That's what we can do. However, if you have to expand and farm properly, you need funding if you are going to do it right. The way we are doing it now is a hobby, headaches and some satisfaction in seeing things grow.

Madam Speaker, I do hope that we will do something and not find excuses not to do something; that's not good. I don't believe in that. Let us find ways and means and take the initiative. As I said, have the gumption to deal with these people who refused to talk with you or constantly keep telling you the old clichés. *I am going to leave* or the banks will leave, if it's not them saying so. I have never had one tell me that, but they find excuses saying, *why*, and *we're tied to the US dollar*. Oh yes, we are. We must get something out of it now though.

Madam Speaker, as I said, I am not asking the Government to do more than I believe a government can do. I've been there and I've been willing to stand up and I am willing to put my foot forward and I am willing to stand up to those people. I got licks for it. All kinds of things happened, all kinds.

The bottom line is, we have to use our experts in CIMA to analyse the true cost of capital to our banks and assume the role of setting our true prime rate and not just adopt the United States prime rate as the Cayman prime rate. We get nothing out of it.

We also need them to analyse the entire credit market and publish what would be indicative mortgage rates, analysing therefore, the true cost of capital to our banks. We need a change in the paradigm. We need a change. We cannot continue, and if we're going to help our people, if we are honest, and are not going to sit back and say, *we can't follow McKeever*. *Ah he looking [for] credibility or he looking [for] support*. I am not running again. Get that in your head. What I am doing is because I know something needs to be done and that something can be done, and I know the people who are hurting and they need something done, not excuses and clichés.

Madam Speaker, I am longer than my usual openings and I thank you for your indulgence.

An Hon. Member: No more time?

[Inaudible interjection]

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

Honourable Member for West Bay West, your microphone is still on.

Does any other Member wish to speak?
[Pause]

The Honourable Premier.

The Premier, Hon. G. Wayne Panton: Madam Speaker, thank you very much.

[Pause]

The Premier, Hon. G. Wayne Panton: Madam Speaker, I certainly want to thank the mover of the Motion for speaking very passionately and eloquently on the issues our people are facing in this country at the moment.

Madam Speaker, we have an unenviable situation where we are faced with the increase in cost of everything that we import to this country and unfortunately, we import a lot. We import probably 95 per cent or more of what we consume. Thus, we are impacted by the supply chain issues, by the geopolitical issues which impact energy costs, and we're impacted by the rising cost of goods internationally in the markets that we receive those exports from. Then, Madam Speaker, we have the issue of interest rates increasing because of the US Federal Reserve's attempt to control inflation in their own country.

We have the mechanism here where the banks rely on the Fed rate, which when adjusted, it gets reflected in the New York Fed rate, which is the Fed rate plus three per cent; and that is the rate that's adopted by the Cayman retail banks as a mechanism through which there are changes to the prime lending rate in the Cayman Islands.

Now, Madam Speaker, I want to say that while all of the retail banks move their prime rates based on that mechanism and they do so seemingly in unison at least within perhaps three days of the change being published in the US, they do nevertheless compete to a certain extent; in that, they themselves while they have the prime rate established, they may for customers that they think are an increased risk, add an increased premium on that. Currently I think it's 8.25 per cent, they may add on another per cent so it's 9.25 per cent; so it's prime plus one per cent. However, in many other cases as well, Madam Speaker, they may decide that they will offer a discount to their particular clients that they think are long-term customers that have been really good credit risks, have a good track record of making payments and not having default scenarios. The banks do amongst themselves, compete for customers in that way.

We also, Madam Speaker, have the scenario with the Credit Union who has chosen to fix their prime lending rate at I think, 6.25 per cent. They offer a separate competitive force as well, and it is very effective

because the Credit Union—while it has a restricted range of customers in theory—is not open to just anybody to walk in and sign up and become a customer. There are so many public servants and civil servants and their close families, there is a huge range of potential customers for the Credit Union; and they are in a position to make and to provide excellent value to many thousands of people in this country, Madam Speaker. I know for a fact, because many people told me and I know some people personally who have gone to the Credit Union from other banks. They are a stabilising force and if they have the support, they could actually provide much more in the way of credit facilities to people in this country.

Madam Speaker, let me give you one example of what the Government has contemplated doing to assist in this respect. I think Members will know that in connection with the \$330 million drawdown on the loan which was done in 2022, we purchased US Treasury Bills which will mature at the end of this month. Therefore, we will be receiving the proceeds from those bills in cash. We have the option, for example, to give the credit union a deposit of let's say, \$30, \$40 or \$50 million which will then give them sufficient regulatory capital backing to expand the amount of credit facilities that they could make available. That is one particular option that I think offers very significant potential; and given the differential in the rates which the Credit Union offers to customers... Let me just add, Madam Speaker, they do the same thing too in terms of assessing whether a particular client or customer has a credit history, which may make them slightly more or less risky, so they may charge more than the 6.25 per cent. They may add 1 per cent onto that, which would still keep them below prime for the retail banks at the moment or they may offer even a discount.

Thus, Madam Speaker, that is one significant [area of] potential that the Government is looking at in terms of being able to respond to this issue when we are in a position to, when we receive the proceeds from the Treasury Bills at the end of this month, which will be the value of the Treasury Bills plus the interest earned for the previous six-month period. I think, the interest is paid in six-month cycles.

Madam Speaker, the Government and certainly I, understand what the challenges are that are being faced by our people. We get the phone calls from everyone talking about the challenges. The difficulty, Madam Speaker, is that this is not something that is new, it's just coming at a time when we have high inflation, but that is what drives the rates as well. Energy costs are probably not at an all-time high level either, Madam Speaker, but that doesn't mean we don't try to do something.

Madam Speaker, a year ago the then Deputy Premier and Finance Minister, the Minister for Financial Services and I met with the Bankers Association and the entire board and as far as I am aware, all of the six retail banks are represented on the Board of the

Bankers Association. I spent some time talking to them about the challenges that we saw coming up and the potential impacts on our people in the country. One of the things we specifically asked them to do was to consider delaying the change in interest rate and effectively giving people notice. We specifically asked for three months' notice.

Madam Speaker, putting aside the argument about the rate change mechanism for now, if our people, if customers of the banks are able to get notice that in three months' time the rate is going to change, at least they have the opportunity then to consider adjusting their priorities in terms of expenditure. They know that the rate is going to go up, and they know they're going to be impacted by increased costs on the mortgage. These are all adjustable rate mortgages except for the ones that have short-term, fixed rates, which are, I think, the most here in Cayman is five years, but are usually 2 to 3 years.

Thus, for the vast majority of occasions we're talking about adjustable rate mortgages that will fluctuate with the prime rate. If they can give them three months' notice, Madam Speaker, our people have the opportunity to say, *'you know what I know my rate is going to go up in three months' time, I have to start looking at how I can prioritise my spending and change some of it. I can move away from certain things that I am spending on now, spend less on those and transition to make sure that I can accommodate a rate change and an increase in the mortgage'*, Madam Speaker. That is what we asked for at the time.

Madam Speaker, we were told by the Bankers Association that they did not anticipate a deterioration in the book value of their mortgages and that they would reconsider the matter at some future point, but they didn't anticipate this issue as being a significant issue because of this perspective on the projected lack of deterioration and they didn't think that an across the board approach, as requested by us at the time, was appropriate.

Madam Speaker, some weeks ago, I again wrote to the banks and I said, *well, now you have the evidence we have had significant rate increases*. In fact, Madam Speaker, the mover of the Motion referred to several increases. I can tell you that we are talking about 10 rate increases in 14 months. The rate of change has been significant, and combined with the impacts of inflation it is presenting a real challenge to our people, an absolute challenge, Madam Speaker. I don't have a problem with the perspective that we need to discuss this issue with the banks, and we need to represent the interests of our people.

Madam Speaker, when I wrote the banks again, I asked, I gave them three days to come back and give me an answer because this is not something that we hadn't discussed before. Three days might usually be regarded as a short period of time but I didn't think they needed any more than that. They responded within the three days Madam Speaker, and the view

was, as articulated by the Bankers Association Representative at the time, was that they still didn't see any deterioration in their book of mortgages and did not see the need to provide this three-month notice request.

Madam Speaker, I want to say that there is at least one retail bank that—and I can't tell you exactly when it was, I think it may have been in relation to the request made to the Bankers Association and all of the board last year—started providing one-month notifications for the rate changes to their customers. What happened, Madam Speaker, was none of the other banks followed suit, so of course they are not going to put themselves at a disadvantage when everybody else is going along with the same [old] approach and changing rates immediately getting the benefit of 30 days improvement in their revenue from their mortgage portfolio; so that bank stopped doing it.

Madam Speaker, I am aware that there are other overseas territories in which some of our banks operate and they're not tracking exactly the same mechanism. I think, and there is one in particular that I have in mind, they don't track the Fed rate in the same way, but the banks are not mandated by their local laws to do that; they choose to do that. It's a practice, I guess, that has developed over a significant period of time. As far as I understand it, Madam Speaker, their mortgage documentation again, not required by law but by practice that has developed over time, includes a three month notice provision.

Madam Speaker, I think that it is entirely reasonable to ask the banks to consider this. I know it's going to represent some degree of cost to them but it certainly, if they're all consistently taking that approach, is not going to create a competitive disadvantage to them. They already compete in various ways, offering various rates. They don't all lend at prime so they do compete. Thus, it is entirely possible for the banks to offer this ability to our people, our borrowers in Cayman, and it's an opportunity for them to be able to adjust their expenditure.

Madam Speaker, as I said to you and this House earlier, this current rate is 8.25 per cent. That's not the highest it's been in any of our lifetimes, Madam Speaker. In the 1980s—I'm not going to date myself but I can't tell you exactly what the date was and I'm not going to ask any other colleagues to date themselves either, but somebody might want to shout it out—interest prime rate in this country was 21 per cent. I didn't see the government of the day lining up banks and shooting anybody; that was a challenge for anybody at that time.

Madam Speaker, we don't have to even go to that extreme, prime rate in Cayman has been up and down over the years and even if we go back to 2001/2002, but 2001 in particular, I think the prime rate was 9.5 per cent.

[Inaudible interjection]

The Premier, Hon. G. Wayne Panton: Yeah.

I can assure you, Madam Speaker, the reason it was 9.5 per cent is they were fighting inflation in the US as well; and if they were fighting inflation in the US, we were importing that same inflation here at the time. Thus, we have always been challenged by these situations where inflation in the countries from which we are importing the majority of our supplies costs' have gone up them, they have a monetary policy mechanism and they are trying to control inflation, trying to tamp down demand to control inflation. That has an impact on us. It has an impact on the cost of everything we consume and it has a direct impact even if we buy it from the source in the US, but it has a double impact here because businesses that are importing have to pay the increased cost and they have the costs of capital and cost of credit that they're operating with, and they have to pay an increased rate from the local banks. This is an ongoing scenario Madam Speaker, that we have been challenged with for a very long time.

Madam Speaker, it frustrates me when the response from the Bankers Association is just simply, we don't see a deterioration.

Madam Speaker, the truth is, we have had very painful periods of foreclosures—if we go back to the last 10 years subsequent to the global financial crisis, we have had very painful periods there—where our foreclosure rate has gone up and our people have lost homes.

However, Madam Speaker, if we compare it to other countries, in a way even as painful as we had it here, many of them have had it a lot worse. Our rate of foreclosures has, although very painful, not been something that's been overwhelming. Thank God for that.

Madam Speaker, we must continue the pressure on behalf of our people for the banks to recognise that everybody can assist in some little way. The Government is challenged to assist and we have been doing that. We are challenged to assist on the increased cost of living. We have had in excess of 25 areas and items in which we have reduced duty, Madam Speaker. They have been articulated in this House over the last two years. We did the Electricity Support Programme last year for six months, which helped 22,000 households Madam Speaker. The Government is trying to do as much as we can do. The previous government, Madam Speaker, because of the COVID related issues, they put in place the stipends to help support people who had lost opportunity or lost their job completely. We continued that as well Madam Speaker, until we got to the point where we gave enough notice that it would be reduced or eliminated. An opportunity was there.

Madam Speaker, we have one of the lowest rates of unemployment in the country in decades. The opportunity is there. Of course, we have situations where there's underemployment as well, but the Government has been trying to find ways to respond to the

challenges to help people address the issue of increased cost.

Madam Speaker, the projection for interest rates over the next year, I understand, is that it will likely be declining. I don't know what rate, but as I said, and I am looking back at the primary fluctuations in Cayman, we have had periods where the prime rate has been 9.5 or 10 per cent and then within six or eight months it goes down three or four per cent.

There are different reasons for that, some of it is driven, I guess, by the Fed's reduction in the rate; some of it is driven because there is the potential for a recession. The Fed then reverses their focus and starts thinking, well, *how do we make sure that we don't end up with a significant recession? Perhaps they start moderating the rates then.* That has the same impact here in Cayman.

Madam Speaker, the issues around prime rate are not simple. There are complex factors at work. If we had the ability right now to tell the banks, *you have to charge two per cent less right now.* One of the impacts of that Madam Speaker, would likely be that all the thousands of people who have deposits would have their savings rate, or their certificate of deposit rate probably reduced.

One of the things we have done, Madam Speaker, to try to assess whether the increase in prime rate reflects the banks in Cayman taking advantage of that and widening its spread and making more money, is to review the records—which are generally available—on the spread between the deposit rates and prime rate. It has been fairly consistent based on information that we have had up until maybe six months ago. I don't remember exactly what it is. What it tells us is that the banks are not widening the spread. They're not trying to make any sort of windfall profits off of the increased prime rate while also not increasing the amounts that they pay to their depositors.

Now, Madam Speaker, the truth is for some banks, they may have loads of cash, they may not be challenged and they may be less interested in offering a very competitive rate. Other banks will offer much more competitive rates, so they compete at that level as well, but in general, the spread hasn't increased. What it demonstrates is that the banks are not trying to take advantage of the interest rate increases.

Madam Speaker, on the issue of banks not increasing the rates for 24 months, I don't see what incentive they'd have to agree that at this point. We are in discussions with or had indications from one particular bank who might be prepared to freeze the rates for a period of time, but that would be going forward, that wouldn't be a reduction in the current prime rate.

In fact, Madam Speaker, if we only have one more increase and then in six months' time the rate starts coming down, that is not going to help us very much unless they also agree to build in that reduction. Therefore, Madam Speaker, asking them to freeze the rate for 24 months is not going to achieve any level of

compliance at this point. If we were to try to legislate that, I don't know what the potential impacts could be, but it is a complex issue and it will have repercussions on many thousands of people who have deposits here as well.

Madam Speaker, on the question of the rate setting, I heard the mover say, and I appreciate his perspective, that we don't want to get into a consideration of a hugely expensive exercise in order to try to achieve something like this and that we do have the Cayman Islands Monetary Authority, who the mover feels might be able to engage in this way to become this rate setting body.

Madam Speaker, as a former chairman of the Cayman Islands Monetary Authority, I am quite aware and particularly I've had these discussions previously with CIMA. Their view on it, Madam Speaker, is that, *we will perform these kinds of functions, we will become a central bank or a quasi-central bank, but you've got to fund it. You have to give us tens of millions more in order for us to develop all this policy background and to be able to make these kinds of decisions.* We don't have the resources, Madam Speaker, to be adding \$20 million to CIMA's budget in order for them to build the significant capacity in order to provide this kind of role. Further, Madam Speaker, I am not aware of any other overseas territory that has the same thing.

Madam Speaker, while I wish it was a simple issue and we would love to find an easy answer, this is an issue that has recurred time and time again, and it is just one of these cycles we are going through. Our people are struggling, we have to find ways to help as much as possible but the question is, how could we find a mechanism by which to do this causing them to reduce rates?

Our best chance of helping people right now, Madam Speaker, is—and it would have been immensely more beneficial in the past. I suppose the rate changes occurred so fast over the last 14 months that it would have been a frequent thing but we need to take a broad picture perspective as to how to help our people in a multitude of different ways, including some of the smaller ways that add up, including doing things like putting more pressure on the banks to implement an extended notice period.

Madam Speaker, we have under consideration, as a result of work done by the Law Reform Commission—and I have spoken about this before—reform in relation to the residential mortgage provisions under the Lands Act, that is being discussed with the banks. We have one opportunity with that, in that, we could build in a three-month requirement for notice in terms of a change in the rate. Now that hasn't been specifically discussed with the banks in terms of mandating it but we can certainly do that Madam Speaker. I would like to have this reform in place as soon as possible. You know why, Madam Speaker? While the banks are saying that they are not seeing a significant deterioration and were not reflecting a significant increase in

foreclosures—in fact, foreclosure numbers have actually dipped more recently—I am not convinced that, that is going to be the long-term picture. I suspect there's an even chance that if rates don't start coming down over the next 12 months, there may be people who may find it more and more difficult. The reform of the law that we are proposing in respect of that, Madam Speaker, will provide useful space within which the banks and their borrowers can work together to minimise those impacts, to minimise the risk that in the longer term, that borrower, that customer would lose their house.

Madam Speaker, that is something I would like to see us moving towards. I know the Minister is at the moment with her colleagues in the Ministry, in further consultation with the banks. Thus, that is an opportunity for us, Madam Speaker, to not only require notice to be given but also to provide a mechanism through which, when or if someone finds themselves in the unfortunate position of starting to get behind or missing their mortgage payments, that the banks would be required by law to engage more fully with them, to be proactive with them, to be helpful towards them.

[Inaudible interjection]

The Premier, Hon. G. Wayne Panton: That's exactly it, Madam Speaker.

There are two protocols that are contemplated, Madam Speaker. As you noted, that one I am referring to in terms of being of assistance in that scenario where people are starting to reflect difficulties, is a pre-action protocol. I don't remember the exact name of it but it's contemplated in the legislation.

There is also a protocol for when people are entering into mortgage so that they understand exactly what their obligations are, exactly what all the rights are, exactly what may happen in different scenarios, and they have proper and clear advice with respect to that.

I have some friends in the banking industry who said we don't need to do all this tick-the-box stuff and all of that, but I think the tick-the-box stuff is important because it's a reflection that someone has spent the time with the customer, and not made any assumptions, to explain exactly what their obligations are, what the banks obligations are and the time periods around potential issues arising. Then, Madam Speaker, they will be in a better position should they start to have any problems down the road as we would have the pre-action protocol which would again, require the banks to engage proactively.

The banks have a code of conduct, Madam Speaker, that back in 2014, I think it was, I engaged with the Bankers Association and there was a change to one of the elements of the protocol to encourage the banks to be more proactive, to engage quicker when there was a perceived problem. They say they continue to adhere to those but that's not the same as having

specific provisions in the law which would require them to engage in a proactive manner, so it doesn't become something that somebody just forgot if somebody was on vacation or was out sick and somebody else didn't take it up and engage with the customer.

Madam Speaker, all of these things are reflections of a reality, of what we in the government can do to help in general in this scenario, not just for today but going forward. We have the ability, we have demonstrated the changes that we have made in terms of reductions in duty to lower the cost of living.

Madam Speaker, I also didn't remind us about the school lunches, the school breakfast, the snacks; all of those things Madam Speaker, they add to reducing the cost to families who have kids in the public schools. We have 5,500 young people in the public schools. That's a significant number of families that benefit from what we have done in the past to address this issue of this high cost environment that we are in at the moment.

Madam Speaker, I just want to say in relation to the proposal around the Cayman Islands Development Bank (CIDB), I had a meeting with representatives of the CIDB on this question about changing the law for them to be able to accept deposits. Madam Speaker, I asked when they came, if they could provide me with a business case, a justification to reflect the proposal. I don't think that has been done but I have been promised that I would be provided with it.

Madam Speaker, I think in principle, we have to reflect some realities that the CIDB has been able to assist some people with reduced term fixed-rate mortgages. However, Madam Speaker, unless the government has a lot of money to capitalise the bank, which has been one of the challenges for CIDB, we are not going to be able to continue to broaden that benefit.

Madam Speaker, there is one reality that we should face as well, which is that the change to CIDB to allow them to take deposits is a fundamental change in relation to CIDB because of the way they are looked at from a regulatory perspective. That is one of the reasons why I was asking for this justification, the business case to reflect all of those factors. I don't know what it means in terms of whether the regulator, which is CIMA, would charge increased fees. I imagine they're not going to take on significantly increased responsibilities to regulate CIDB as a deposit taking institution without reflecting fees that cover their costs in that respect, wherein their obligations and their costs in doing that would be significantly increased. That would have to be reflected against any potential benefits of doing that, Madam Speaker.

There is another aspect Madam Speaker, that is a reality that every Member in this House knows and we are not going to run away from it; we have to face it. Unless we have cash to be able to put with CIDB that we can afford to have impaired, the unfortunate reality is that many people just look at CIDB as a government bank, a government institution and they may have a

different view in terms of whether they feel that they have the same obligations as if it was the Credit Union or one of the commercial banks.

Madam Speaker, there are concerns there as well. I know the position that CIDB has been in in the past, they currently still have an impaired balance sheet. They have somewhere in the region of 25 or 26 per cent of their mortgage portfolio, which is nonperforming. Thus, it is problematic to take an institution that we are trying to revive, trying to stabilise and put new money in to bolster what's available to potential borrowers in those kinds of circumstances where there have been historical problems. It would probably be even worse if we were talking about third party customers of the bank putting money in as depositors, ultimately, Government would end up being responsible for that as well.

Madam Speaker, if the Government were to place a deposit with CIDB as long as that was perfectly protected and there was no risk, I suppose that would work. However, there is a risk Madam Speaker, that a deposit placed with CIDB by the Government might not end up being available to the Government as cash reserves when it is needed.

Madam Speaker, there are a lot of potential opportunities but there are a lot of challenges and a lot of complexities around this issue, and I think that we are best placed to work with the banks, continue to engage, continue to put the pressure on them but also to bring about this residential mortgage reform that comes through the Law Reform Commission, through which we could require three months' notice, so that our people would be in a better position to adjust.

It's easy to get up and talk but it's not the first time I suppose, this challenge has presented itself; perhaps, it's not the first time that people have said, *yes, we have to do something about it and we must do it now*. However, I challenge anybody to show me in history when the rates were 21 per cent, what did the government do? Did the government step in and stop something or put their foot down and turn something around when it was 9.5 per cent in 2001? What did the government do at that time?

Madam Speaker, it is understandable that we want to do something. It is understandable that there are people in our communities and some of our constituents who want us to do something. The question is, what can we demonstrate to them? What have we demonstrated to them over the years when the rates were much higher?

Madam Speaker, the rates may be trending down. I think the indication is there may be another quarter point rise anticipated but it is trending down. I think there is also concern around the potential for a recession in the US and that's putting added pressure on the consideration around, how much do you focus on trying to get inflation down to this 2 per cent target that they typically aim for.

Madam Speaker, I believe that it is likely that the rates will be coming down but I also believe that we have some opportunities to help people in a variety of ways, in a whole broad cross section of ways that does not represent any acceptance that we can't do something in this type of scenario. We have an obligation to be honest with people. We have an obligation to do what we can and there are things that I have outlined that we can do that provide real, tangible benefits to our people.

Madam Speaker, I have had to do many hard things and make many hard decisions in this job, and in my life. I am not afraid of making hard decisions. I am not afraid of taking on challenges. I carry no torch, I carry no water for anyone, either in the financial services industry or certainly any of the banks.

Madam Speaker, let us be honest about how we can help our people. If someone can find a way to take a different approach and have an effect that's different from what we in this country have been able to demonstrate in all the years and periods where we have had interest rates way higher than what it is now, I will be the first one to be along with them. I think what I've outlined are things that we can achieve, that will benefit people. I think those represent tangible possibilities for our people, Madam Speaker, in addition to all of the other things that we have been delivering for people in this country.

Madam Speaker, I thank you very much.

The Speaker: Thank you, Honourable Premier.

Members, we will pause for a 30-minute suspension to have our evening snack.

Before we do, as the Speaker of Parliament I should remain in a neutral position, however, I will say that I am pleased to hear the Government is looking into the mortgage reform legislation. As Members on the Government side know, that's something that I was adamant about before I became Speaker, so I am pleased to hear that.

We will now take a suspension.

Proceedings suspended at 5.50p.m.

Proceedings resumed at 6.58p.m.

The Speaker: Proceedings are now resumed. You may be seated.

Before we took the suspension, we were debating Private Member's Motion No. 16.

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

[Inaudible interjections]

[Laughter]

The Speaker: I call on the Leader of the Opposition.

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

Madam Speaker, thank you for the opportunity to speak to the Motion that is before the House. I apologise for the lateness of my standing, but I sort of anticipated that the seconder would speak before I or anyone else did. Be that as it may, I am happy to move forward and address the Motion.

Madam Speaker, interestingly, but shortly after this Motion was Tabled, the Premier issued a press release regarding his approach to the banking community requiring their assistance with interest rates. In the press release, the Premier noted that he made several requests to local banks. He asked them to allow, I think, at least 60 days between the time the interest rates are raised in the USA and when they are raised here. Also, he asked the bank to give customers a 60-day notice when increasing banking fees and that banks reconsider the formula for calculating the CI prime and use a lower rate than the US prime rate.

Now on the surface, Madam Speaker, these things seem like reasonable requests to start a conversation. However, the Premier did not publish the banks' responses to his requests, and I do ask him and urge him to be fully transparent and let us also see what the banks' responses to him were.

We have his letter. It would be interesting to see and good to know what they had to say in response and whether they showed a willingness to work towards a solution. I think that's really important in this whole discussion that we're having here.

There needs to be a willingness, in my mind, for parties to come together to have a discussion. That's the way we in the Opposition looked at this Motion, that formed a basis on which could be a starting point for discussions with the banks.

We do believe that banks should certainly provide adequate notice before increasing fees and 60 days sounds like a reasonable period but that may not be when you get into discussions with them, so there needs to be a discussion. We should, I believe, consider making such a timely notification mandatory, regardless of what happens with this Motion tonight on interest rates.

I was pleased to hear from the Premier when he told us of the work the Law Reform Commission is doing on the mortgage regime. I do believe as he suggested, that this is somewhere we could incorporate some of the things that we think might be reasonable and might be able to be accomplished. However, again, I think the importance for us is, there needs to be a face to face conversation. A couple letters back and forth just doesn't cut it, and that's what I would like to see.

[Inaudible interjection]

Hon. Roy M. McTaggart, Leader of the Opposition: I have listened to the mover of the Motion and I believe that he is seeking to do what he believes is right. Just as I mentioned regarding the Premier's request to the banks, the mover's "resolved" clauses can certainly be the start of a conversation. Whether we can reasonably expect the banks to lower interest rates immediately or to not increase interest rates for 24 months requires a discussion and understanding of what is possible.

An Hon. Member: Say that again; and come over here and sit by me.

Hon. Roy M. McTaggart, Leader of the Opposition: I won't sit by you, sir, but I am happy to repeat it.

The Premier said it right, it is a complex issue because we have to understand in this country, and particularly in this Parliament, when we talk about the Cayman dollar and US dollar, everything we do in this country, our currency, is tied 100 per cent to the US dollar.

[Inaudible interjections]

Hon. Roy M. McTaggart, Leader of the Opposition: I am going to say it. Our country's currency is backed 100 per cent by US dollar denominated Sovereign debt.

An Hon. Member: Yeah.

Hon. Roy M. McTaggart, Leader of the Opposition: Thus, it is inextricably linked. You cannot decouple it without causing massive disruption. CIMA does not issue CI dollar denominated bonds to back the currency. It's all US backed, it's the green back. It's backed by the full faith and credit of the United States government. How are you going to decouple it? Ninety per cent of our trade is with North America but that doesn't mean we can't have a discussion, because I do honestly believe things are possible. We just need to get calm heads together to talk about it and see where we can reach.

An Hon. Member: True.

Hon. Roy M. McTaggart, Leader of the Opposition: After all, the banks are businesses with shareholders and depositors whose interests must also be considered and protected. There are many moving parts, many different competing interests and it takes effort and time to really find the common ground.

What is essential is for us to deliberate and act from a fully informed place, and not as a knee jerk reaction. We have to do it face to face.

With that said Madam Speaker, the Opposition supports the spirit of this Motion. We certainly support the Government meeting with the banks to discuss the possibility of reducing interest rates and whether any further increases can be delayed, whether for six days,

10 days, whatever it is; whether it's for 60 days as the Premier requested or 24 months as this Motion contemplates or some other meaningful timeframe that can be agreed.

We all support the amendment to the Motion that the Government consider further restructuring the CIDB to be able to accept deposits to assist with lending our people. However, again, I sound the caution, that is not an easy thing and it's a challenging thing to accomplish because what you are doing is changing the model upon which the CIDB operates and you're exposing them now to third party liability.

Currently it's all government money within the CIDB. It's what government decides to fund and it is all government capitalising, lending and guaranteeing the debt of the CIDB. Again, it merits a discussion. Such a restructure would need to be carefully done and considered to ensure that depositors are appropriately protected and that loans are adequately reviewed. Additional competition in my mind is always a good thing that always benefits the consumer. However, what gives us pause with this Motion, Madam Speaker, is the resolve clause that asks the Government to consider establishing an interest rate setting body.

Madam Speaker, according to CIMA's website, this body is the Bankers Association because CIMA does not do it. However, let me add some additional context. I understand that the present regime goes back decades and was worked out between the Government and the banks. That is, the regime was implemented to ensure there is a logical mechanism that guides the movement in interest rates locally, particularly in determining the CI dollar prime rate. This was apparently to correct a situation where banks long ago, utilised their own base rate or prime rate to determine their customer lending rates. Linking movements in US prime to CI prime was considered a sensible approach since from back then our currency was linked to and fixed to the US dollar.

Thus, as one trades, what you have to avoid as much as you can, is having differentials in CI and US dollar rates, whether it's lending or deposit taking so that you do not create an arbitrage. If that happens, it'll be more expensive to borrow in CI dollars. Then customers are going to go borrow in US dollars; if you make US dollars more expensive to borrow, they are going to go for CI dollars in our economy. Similarly, with US dollars, banks do that sometimes depending on the type of currency they want to attract. If they are in need of CI dollars, they may offer you an eighth or 10th of a per cent more to get your money.

Madam Speaker, as we all know the CI dollar is pegged to the US dollar at a fixed rate. Indeed, the CI dollar currency is fully backed by the US dollar—I stated that earlier and that cannot be overemphasised. In addition, as the economy of the USA and the Cayman Islands are inextricably linked, inflation in the United States impacts local inflation. We certainly know this is the case, though there is usually a lag between

movements in inflation in the USA and the Cayman Islands.

There is a well-known saying that has been around for a long time, *when the US sneezes Cayman catches a cold*, right?

An Hon. Member: Yeah.

Hon. Roy M. McTaggart, Leader of the Opposition: That is the same to this day. It used to be that when inflation increased, as prices moved in the USA, there was a lag of about nine months. If there was a recession in the United States, you felt it in Cayman about nine months later but that has changed over the years because of the globalisation of the world economy, it comes much quicker and it creeps up on you very quickly.

I also understand Madam Speaker, that most loans provided by banks locally are sourced from their US funds. That is consistent with what I was saying of just how much everything that we have is linked and tied to the US dollar. They keep their reserves in US dollars. Why? Freely tradable, freely exchangeable; there are no limits. However, if their demand for CI dollar loans is bigger than what they are able to lend out of their own resources, they take US dollars and convert them to CI dollars and make the loans; and it's just a book entry in their accounts. They can take it out of their operating account and put it into their CI account and draw the cheques against it to grant the loans. That's the way it works.

I think you only have to look too at Government's borrowings. A lot of them are denominated in US dollars, not CI dollars. When we looked to put in that line of credit, it was in US dollars, \$403 million. Why? Never thought about it? Banks didn't have that amount of CI dollars laying around, and that was a commitment they were making to the government to advance that amount of dollars if we needed it. We had to do it in US dollars because the banks simply didn't have that kind of excess cash or reserves in CI dollars that would allow them to make that kind of commitment. Banks would lend you just about anything you want in this country if you can take it in US dollars. They can't do the same with CI dollars.

Madam Speaker, the system we have enjoyed in this country has worked well and served us well over the many decades, the system today is not broken. In the past, when US prime rate decreased, CI prime rate decreased also; when US prime rate increased, then CI prime increased. Unfortunately, when we have had as many increases to interest rates by the Federal Reserve as we have had over a relatively short timeframe, then we have concerns and for good reason. We have seen 10 increases, you said Premier, over 14 months, an incredible number. Some of them as many as three or four months where you had a three-quarter per cent increase in the Fed funds rate, and ultimately the prime rate. That's a shock to any system, doesn't matter who

you are. Interest rates have basically tripled in a 14-month period. That is hard for any business, any individual to adjust to.

Those same concerns exist in the US, UK, Europe and in our region as well, Madam Speaker, as their central banks have also increased interest rates to stop growing inflation. Have you ever turned on the business news in the mornings and listened to it? When you hear on a Wednesday afternoon that the Feds have raised interest rates 50 basis points, next morning, I can promise you, Bank of England is raising it too and European Central Bank is following a day or two later, all doing the same thing. Thus, we are all tied into what's happening globally. We are not unique in this situation as it exists. We are not unique and we need to understand that.

The question I have is whether there is a need for a separate rate setting body or whether the recurrent regime can be improved in some way, if improvements are needed. I believe that if we had a separate rate-setting body, such a body must be independent of any sort of political direction or influence. If that is the case, then that independent body would undoubtedly raise and lower interest rates when US Feds raise and lower theirs. Personally, I don't see the need for us to move down that road of a separate interest rate setting body. I am suggesting caution with this. Let's have a discussion and see what can be done or what is feasible.

In Cayman, we have always operated with what is known as a currency board regime. **“Under a currency board, the management of the exchange rate and the money supply are given to a monetary authority that makes decisions about the valuation of a nation's currency.”** Usually the monetary authority has a legal responsibility to **“back all units of domestic currency in circulation with foreign currency.”** Cayman Islands Monetary Authority performs this function and they back the CI dollar with US dollar deposits and foreign denominated investments. A currency board regime usually allows for **“the unlimited exchange of the domestic currency for foreign currency”**, and that's what we enjoy. Why? Our currency is fully backed; you can freely trade and exchange your money for US dollars.

Do you all remember the time when you couldn't do it? I know I'm getting up there in age but I do remember it. We brought that regime to an end in 1983. That's when I recall it ending. You couldn't own or have a US dollar savings, chequing, or any other type of deposit in this country unless you had permission from the Financial Secretary to do so.

[Inaudible interjection]

Hon. W. McKeeva Bush: *When they done, what they said? That it will destroy us. It destroyed us? No! It helped. That's the same thing I'm telling you to do now, do something to help!*

Hon. Roy M. McTaggart, Leader of the Opposition: I hear you. I have said there are things that can be done.

As it is right now, Madam Speaker, CIMA also performs this role; because of this, the CI dollar can be readily exchanged for various currencies including US dollars. In fact, you can take a CI dollar into CIMA and ask them to exchange it for you and they are obliged to give you the US dollar equivalent which is \$1.20 or \$1.25—somewhere around there.

“A conventional central bank can print money at will [Madam Speaker, that's what happens in the US], but a currency board must back additional units of currency with foreign currency. A currency board earns interest from foreign reserves, so domestic interest rates usually mimic the prevailing rates in the foreign currency.”

As an aside, Madam Speaker, even an economy the size of Hong Kong operates a monetary authority system that utilises a currency board, similarly, to maintain a fixed exchange rate between the US dollar and the Hong Kong dollar. Hong Kong's currency board also has a 100 per cent reserve requirement so all Hong Kong dollars are fully backed by US dollar assets, not Chinese Yuan.

According to the Hong Kong Monetary Authority website, the linked exchange rate system has been implemented in Hong Kong since 17th October, 1983 through a rigorous, robust and transparent currency board system. The linked exchange rate system ensures that the Hong Kong dollar exchange rate remains stable with a band of HK\$7.75 to HK\$7.85 to US \$1. The linked exchange rate system is a cornerstone of Hong Kong's monetary and financial stability, weathered many economic cycles and has proved highly resilient in the face of regional and global financial crises over the years.

Madam Speaker, I would say that same statement applies to Cayman and to our monetary system.

In summary, the stability of a country's currency is the primary focus of a currency board system. Keeping a stable exchange rate between the CI dollar and US dollar protects trade between the US and the Cayman Islands and in so doing is beneficial to our economy. It is a very simple but effective and efficient system.

The alternative to a currency board approach is to have a central bank. However, the primary goal of the central banks is to provide their countries' currencies with price stability by controlling inflation, which they do by setting interest rates. However, central banks have other functions including being the lender of last resort to the banking system, but that is not the system that we have here, Madam Speaker. Again, I ask for caution in exploring a separate rate setting body. What we have works well as it does for many places with similar systems including Hong Kong.

Madam Speaker, the goal of the Motion is to help address the high cost of living and to ease the

burden of increasing loan payments on our people. No one wants to see the loan payments, especially for mortgage, go so high that they can no longer be afforded, and default and foreclosure threaten. However, I have to say regrettably, notwithstanding the fact that the banks have indicated that they are not seeing any significant increase in defaults and foreclosures, Madam Speaker that is a very long, lagging indicator. It takes time for those things to mature and to reveal themselves because people try their best to keep their mortgages above water and to pay them on time. When they crash, they crash and the crash is spectacular for them, it is catastrophic.

Madam Speaker, I recall very well during my time as Minister for Finance, we endured a rising foreclosure rate in this country until about 2017/18 before it peaked after the financial crisis of 2008/09, that's many years. That's how long it takes. Therefore, I am not surprised that the banks are not seeing any strong evidence of foreclosure. However, with the system the way it is, the severity of the increases in such a short time, it's a matter of time before it reveals itself and people are going to go into default.

Madam Speaker, I don't know if any Members here read the [*Cayman*] *Compass*, I think yesterday, there was an article entitled, "Surging mortgage rates causing financial havoc for families across Cayman." It is well worth the read because the *Compass* went to great lengths to do some research and to try and understand what is actually happening in the marketplace.

Madam Speaker, I'll Table this document but if you would allow me to read briefly from a few sections of it. It gives the name of a lady who is a financial advisor speaking on the rising rate who said the impact was being felt in all sectors of society.

"We have clients on six-figure salaries and at the end of the month there is nothing left.

We look at their expenses and there is nothing to cut. You have got to eat, you have to pay your mortgage, your home insurance, your school fees. It has got to the point where there is little room for manoeuvre.

While politicians have raised concerns about possible foreclosures, figures from the government Lands and Survey Department and from the banks themselves, suggest this has yet to materialise in a meaningful way."

Another general commentator, the host of Radio Cayman's *Money Sense* cautioned that **"there may be some time lag between cause and effect in this area. [That's what I'm saying]. Once people burn through their savings and exhaust resources to meet monthly repayments he believes there is likely to be an increase in foreclosures. 'Lots of people have been shocked by the speed and size of the interest rate increases but they have had some savings that have cushioned them in the short term. But the cushioning won't last for long.'"**

A gentleman from BCQS International is quoted as saying that, **"the industry was already starting to see an increase in valuation instructions from banks, both for collections and for renegotiated mortgages. The unfortunate reality is that we are likely to see an increase in foreclosure given the extent to which monthly repayments have increased."**

In conclusion, the article goes on to speak and says, **"the consequences of those increases remain to be seen."** The financial advisor believes, **"foreclosures are likely to increase as people continue to struggle. She said some people are choosing to leave the island for less costly jurisdictions, while recruitment has become tougher amid rising costs.**

In the real estate industry, there has been a marked slowdown in sales."

[BCQS said], **"sellers will likely have to either accept lower prices than listed or wait for longer to find a buyer."**

The point is Madam Speaker, within the Cayman Islands, there is emerging evidence that things are starting to change. I think it is important to bear that in mind as we move forward.

Madam Speaker, if I may go ahead and Table the article.

Madam Speaker, no one wants to see loan payments, especially for mortgages, go so high that they can no longer be afforded, and default and foreclosure threaten. Whilst we can and should have a conversation with banks regarding interest rates, we must also discuss that they do not automatically increase loan payments of existing loans when interest rates rise as they have.

Madam Speaker, I know that within the banking industry there has been some disparity. Some banks have increased it immediately or given a few days. One CEO of a bank told me, *in the last 14 months we've only had two occasions where we took the step to increase mortgage payments because of the sharp rises*. Thus, you have a disparity in how banks are treating the increase.

Madam Speaker, they rush to increase but I know when rates fall they don't automatically decrease loan payment amounts. This issue to me, Madam Speaker, needs to be a part of the conversation that we have with banks as it is the increase in the loan payment that truly impacts existing borrowers.

As an aside, government needs to consider what it has control over to assist our people with the high cost of living and the difficulties they face. I previously wrote to the Premier about this, including ensuring that the Water Authority does not increase rates and working with other utility providers to request that they do the same. Every little bit helps, Madam Speaker.

Of course, a topic that I will continue to mention is for government to fulfil the Private Member's Motion brought by the Member for George Town West and George Town South to reduce stamp duty for all

Caymanians buying property, particularly for first time Caymanian property buyers. With oil prices looking like they may be set to increase with the stated reduction in the supply of oil being pumped out by OPEC [Organisation of the Petroleum Exporting Countries], let's temporarily remove the duty on fuel for the remainder of the year. I said that when we were debating the Strategic Policy Statement. Yes, it's a bold move. Also, let's talk to the banks, but let's also do what we can do to reduce costs for our people. Every little bit helps, Madam Speaker.

Returning to the banks, what we also need to include in our conversations with them is a recognition that during the years when we had historically low interest rates, banks were challenged to make adequate profits from lending to satisfy their stakeholders. They increased fees to the public to improve their profitability and it seemed as if during that time period, every day there was a new fee being charged. They charged you to cash a cheque, they charged you to buy currency; personally, I have one bank account for which I pay over \$300 a year in banking fees just for the privilege of having that US dollar account. Mind you, I am a PEP [politically exposed person], so I know there is a heightened scrutiny but then I pay \$10 a month for having access to the online system.

[Inaudible interjection]

Hon. Roy M. McTaggart, Leader of the Opposition: No, I promise you it's very frugal.

For three/four transactions a year, that's what I pay.

We today are now returning to a period of high interest rates and banks are starting to enjoy a normalised spread. That is the difference between the cost of funds and the return that they were making on their investments, for example, their loans. The margins, the spread is no longer compressed like it was when we were in a zero rate, Fed funds rate environment less than two years ago.

I think part of the discussions with the banks could be to have them remove or reduce some of the fees that they are charging. That, I think, is perfectly reasonable.

Finally, Madam Speaker, there is a need for banks to ensure that as interest rates rise, they not only increase loan rates by the amount of the increase, but also deposit rates must rise accordingly. My understanding as the Premier alluded to in his debate is that, that margin, that spread is moving up. I was particularly glad to hear that because anecdotal evidence that I had was that it was not moving in lockstep—if I might use that term—with the increase in loan rates.

That Madam Speaker, is the Opposition's position on this Motion. I'm looking forward to hearing what others will have to say and hopefully we will find consensus here tonight with regard to this Motion. As I said at the outset Madam Speaker, we really support

the spirit of the Motion. We believe that what was in the Motion is not necessarily something that we should pursue with all vigour in terms of the specific asks, but I do believe that there is scope for us to engage with the banks and to find some common ground upon which relief could be given by the banks.

Madam Speaker, the banks in this country are an integral part of Cayman life, our lifeblood and our wellbeing. They have been in many ways near and dear to many of us. I remember the times growing up when a new manager was posted to any one of the banks in Cayman, it was a big affair and somehow in those days your banker was your friend. He looked out for you—

[Inaudible interjections]

Hon. Roy M. McTaggart, Leader of the Opposition: I would say that and I happily say so.

Madam Speaker, those times have changed and we have moved on from that sort of environment. However, banks do have to play a role and there are times like this when I do believe there are things that they could do to assist our country and assist our people in making it through.

An Hon. Member: Yes.

Hon. Roy M. McTaggart, Leader of the Opposition: It's time really to engage. I am not satisfied.

I commend the Premier, honestly, for what he has done in writing to them. However, I do think we need to step forward and open it up and let's engage with them directly face to face.

Thank you, Madam Speaker.

[Inaudible interjection]

An Hon. Member: As long as those in here don't have big shares in those banks.

The Speaker: Thank you, Honourable Leader of the Opposition.

I now call on the Minister for Border Control and Labour.

Hon. Dwayne S. Seymour: Thank you, Madam Speaker.

I want to offer some brief but comforting comments so the public can realise that some of us here are fighting for them.

Madam Speaker, this Private Member's Motion brought to this honourable House by the Member for West Bay West seconded by the Member for Bodden Town West on interest rates.

Yes, Madam Speaker, I am only one Member and these are my positions. I can say to you that whatever we come up with, our people need some relief; all of us, me included. I agree that we need a fully aired discussion with the banks in these Cayman Islands. I

also agree that CIMA could be the rate setting body; that's my opinion. I would encourage this Government to amend [the legislation] as it's untenable. As the US announces their interest hike, whilst the announcement is being made, we get an email from the bank.

[Laughter]

Hon. Dwayne S. Seymour: I am making it clear Madam Speaker, what is happening in these Cayman Islands and the manner [in which] it's happening will leave most of us homeless or in default. The electorate are homeowners Madam Speaker, we get an email and we follow the advice of the bank, and we have few options when the email is sent and, in most cases, no recourse.

Madam Speaker, we are expected as the elected arm, as Parliament, to be the voice of the voiceless and be the conscience. We need to fight on behalf of the people of this country, and I am sure all 19 Members in this House want to fight for the people of this country, but we cannot go into fight Madam Speaker, with a sandwich in our hand. We need to go into the fight with boxing gloves on if needed.

I came into politics, Madam Speaker, to help my people, and I pray that's what everyone is trying to do in this House. How can we face our people in this country if we have not tried our utmost best to ease their pain? Groceries, utilities, fuel, everything is *high sky blue* and our people need relief. I've never heard of more Caymanians threatening to leave the Island.

An Hon. Member: True!

Hon. Dwayne S. Seymour: When you ask the reason for them leaving the Island or wanting to, they say the cost of living is the number one thing. They're saying, *I can't live here anymore*.

Madam Speaker, this is not just the blue collar, let us not be fooled. What are we thinking, Madam Speaker? Are we happy with this? We need to act fast, we can't be messing about with this; people needed help since last year. We have enough expertise to do so, Madam Speaker. We need to support an aggressive initiative to find resolve. Let's stand up when our people need us most.

We have been fully open now about one year since last June. Let us not forget Madam Speaker—and I keep reminding people and I don't hear many people mentioning it—we had two years of COVID when a lot of businesses in the Cayman Islands and around the world; a lot of sectors, were shut down for two years. I heard us talking earlier about stipend; we cannot recover—and I didn't hear anyone say it here tonight—we cannot recover from two years of a pandemic never seen in over 102 years, in two years, from two years of non-activity. Our people are hurting. No one has been in this situation ever before, none of us

alive, at least not many of us. Some of us in here probably were alive 102 years ago.

[Laughter]

Hon. Dwayne S. Seymour: However, Madam Speaker, if we sit here and talk about two months' notice, 60 days' notice to the customers, yes, any notice is good, Madam Speaker, but we are missing the point.

An Hon. Member: Yes!

Hon. Dwayne S. Seymour: If you tell the regular blue- or white-collar person that they are raising their rate for their mortgage in three months' time, where will they get the funds in three months' time?

An Hon. Member: Ah! Good question.

Hon. Dwayne S. Seymour: Madam Speaker, will they get a raise in salary? Will NAU [Needs Assessment Unit], or a friend or a next-door neighbour help them? If so, for how long, Madam Speaker? This is what is happening right now.

Madam Speaker, we need to exhaust ourselves trying to find a way. First, the nice guys way, which normally doesn't help; then we need to use other resolves or resources to help our people. Some people are reporting 20 to 40 per cent increases in their mortgages. Tell me who gets a 40 per cent raise annually. My mortgage has gone up almost \$2,000 in less than a year, Madam Speaker. Everybody is feeling the pinch, everyone. All people are talking about now is mortgage and CUC. They'll soon make a rap song out of it. Maybe the guys who get an annual bonus can afford it but not the regular worker. Therefore, we can't just give up and we can't give a doom and gloom effort. We have to do whatever it takes, not just with the banks, Madam Speaker, but all of the other costs that are causing our people havoc and sleepless nights, then only to come to two hours of no East-West traffic.

Madam Speaker, there is no choice. We have to answer the call as we are elected to do. We can't debate like we are trying to find excuses for the banks. We must give our people hope and they must feel like, *we got this*. The 19 people whom I elected in Government to represent all three of these Cayman Islands, *they got this*. I can go to sleep comfortably tonight because I heard them in Parliament tonight live saying, *we got this, count on us*. Can they count on you to give them some hope, Madam Speaker?

The government of the day is very important. However, all 19 Members of this honourable House is most important. I heard the Leader of the Opposition, a good friend of mine, [talk] about needing to be informed properly and I agree with the Leader of Opposition 100 per cent that we need to be informed to make the correct decision. I give him that one, but Madam Speaker, I do not have to go to another meeting, looking [for]

information from my people who are hurting, to know that they need urgent relief. I'm already informed about that, I hear it every day.

Madam Speaker, the question is, are we trying to help our people or are we willing for the banks to be enriched?

[Inaudible interjection]

Hon. Dwayne S. Seymour: All these things, Madam Speaker, are good discussions. What our people don't need is a banking lesson. What they need is relief on their pockets.

My short presentation tonight, I hope was impactful. I hope it gave our people hope that someone is standing up trying to make a difference for them. May God bless the people of our country and may you see a glimmer of hope by this [Motion] passing through this honourable House. God bless you all.

I ask the Opposition and the Government for some support, even with amendments, to find a way forward to help our people.

Thank you. Good night.

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

The Honourable Minister for Investment, Innovation and Social Development.

Hon. André M. Ebanks: Thank you, Madam Speaker.

I rise to provide my contribution on Private Member's Motion No. 16 of 2022-2023.

Madam Speaker, I look at this Motion and the others to come—although probably not tonight—as vehicles to motivate discussion on how we help our people in the current economic climate. Cost of living is at the top of all of our minds. These Motions are good and they are needed to have us generate ideas.

I'll admit that when I first glanced the Motion, I had some hesitation on how it was worded, particularly in terms of reading about establishing an interest rate setting body, which could take significant time, funding, resources, legislation, new appointments, staffing, which at the end of the day may not prove to be necessary or perhaps even backfire. However, it doesn't mean, as the mover of the Motion cleared up, some entity that's totally independent, it could be a variation within the Monetary Authority.

The other point to make is, I first read the Motion—and I think this may be what's partly on the Premier's mind—it is as if Government hasn't been meeting with the banks, and we have been. The Premier pointed to a meeting last year with me, he was included, and the former Deputy Premier. The Premier met with the Bankers Association subsequently, and I've met with the Bankers Association on this question in Q1 [quarter one] of this year.

What the bankers described, I think they have valid points too, but I believe because of the continued [increase in] interest rates, we do have to have a discussion on what could be done.

I called a few individual bankers in the last few days because I think—and I told them this—in their response to the Premier, I am not sure they used the best language. I don't know if a lot of folks knew what it meant to say they *are not seeing material deterioration in their loan portfolios*. A lot of folks that I know, of all different demographics, took that to mean, *so what are they saying, they are not going to throw a lifeline until we all go overboard?* I don't think that's what they meant, but that's how I believe it came across.

I have said to some individual banks, if the banks respond, say to the discussions in this House or as meetings continue, they may want to expand on what they meant by that. When I asked these two different institutions what went into that messaging, they suggested, look, a lot of the loans officers and managers are Caymanians too and we are trying to bend over backwards for customers that are coming in to restructure their affairs, restructure their packages so that they don't default. That's part of the reason why you're not seeing as many members of the public default. I said, well, you need to then tie that language to that phrase because a lot of people still don't know what that means. You need to set out exactly what you have been doing for your customers in more detail as other people might be able to learn from that who may not have approached the bank and might be quietly struggling to rub pennies together to pay without knowing that there are other options that you might offer.

What also gave me pause recently, and Deputy Governor you might be very interested to hear this, as all the other Members, every two or three weeks, the policy team in the Ministry of Financial Services and Commerce gets together and we talk about current streams of work and new proposals for legislation. On this particular occasion, about a week and a half ago, I was running late and I got to the meeting about 15 minutes behind schedule and when I walked in, there were seven to eight highly trained policy officers all upset at the way that the banks answered the Premier; and set out in painstaking detail, the kind of reforms that we should be thinking about. Although it was completely off the agenda, I said, talk to me, what do you think we can do? Note, that's before this Motion was filed.

They said, *'look, Minister, I think we need to get a multi-agency working group alongside the regulator of the Monetary Authority to really think about some banking reform measures. We're not saying they are all going to work and we're not telling you to announce this as government policy yet, but we're telling you, you need to start thinking about this. Let us loose, turn us loose to do some research, do some analysis.'* I said, *'wait a second, you all are asking for more work?'* *'Yes, because we're impacted too we've got to pay these*

bills. This is affecting us and our families.' I said, 'okay, talk to me. What do you think could be analysed if I issue an email to the Chief-Officer'—who was not present; so you would also be happy to know this wasn't pressure from the Chief-Officer. This was organic.

If we can start looking at greater disclosures of transparency, of understanding more on the rates, the fees, the banks' profit margins in a more transparent way. Let's have some more eyesight on that. Let's look at whether or not we can implement a deposit protection scheme that's missing from Cayman. Yes, that cost money, but we need to have this discussion now. Let's talk about the mechanisms to adjust rates. They brought up a separate interest rate setting body but maybe it's a mechanism that can be adjusted in legislation that CIMA can introduce a lag or a staggering into the rate to decide whether or not market forces dictate whether it should be implemented as quickly as the banks may think. Let's think about introducing some stress testing criteria about the affordability of certain products and make sure the public understands the terms. Perhaps we can introduce a financial Ombudsman to adjudicate claims that the customers may have about alleged unfair treatment should we start to consider introducing reverse mortgages. I was heartened by the effort that was unprompted by me, heartened that this mixture of non-Caymanian and Caymanian policy officers took the initiative to say, '*let's put together this working group.*'

Thus, when I read the Motion, I had some trepidation about the language "to establish an interest rate setting body" because I know that there are other measures that we can explore.

Madam Speaker, I think what I am hearing from all the Members who have spoken so far, the Premier included, is that these things will take time, analysis, and research. I don't know, as good as that might be in the long run, and maybe these reforms will come about overtime that they are needed to advance, but they are not the quickest solution to get relief to our people now, today. Where I think there are multiple things we can do, that we can start to look at which Cabinet can prove next week.

We've been talking and having internal discussions and I know budgets are tight but is it time now for our seniors and veterans, for their permanent financial assistance to be lifted from \$950 a couple hundred dollars to something that we all can *hand on heart* say you can survive in Cayman off of.

An Hon. Member: There you go.

[Desk thumping]

Hon. André M. Ebanks: The Member for West Bay West raised this in his contribution to Finance Committee last night. The odd 10 per cent that the seafarers have to pay for CINICO insurance that none of the other permanent categories have to pay. When I made

inquiries about this with NAU, which then consulted with CINICO Management, no one could explain the rationale. If no one can explain it and there's no policy underpinning for it, let's move it; because then what happens is when they come home to pay the \$10,000 they go back to NAU to get more money, so we're not getting any further ahead. Let's drop it.

Do we need to start thinking about other ways to expand our revenue base, try to utilise our stamp duty which is part of our indirect consumption tax base to provide relief to Caymanians? I recently returned from Singapore and learned that they introduced 60 per cent increase on stamp duty on foreign sales of land. Now, I am not saying that we move to that rate, but they knew that they had to do something to help their people, something that's more immediate.

An Hon. Member: I support that.

Hon. André M. Ebanks: Let's think about adjustments that we can make now. Other licence categories that have made handsome incomes and the fees they pay may be disproportionate to the handsome incomes that they make. I think there are a variety of things that we need to sit down and think about and introduce while the policy research for some of these other areas takes place.

As the Premier indicated, I really do want to explore with the one bank that has come forward with a proposed arrangement to freeze rates for the rest of the year. I need to follow up with the Monetary Authority to see if the arrangement is palatable from a regulatory standpoint. However, we need to pursue that because it might be a signal to a couple of other banks to then decide whether they might be able to freeze for the rest of the year.

In a nut shell Madam Speaker, to make it clear, I would like to work with the mover of the Motion to introduce a couple of amendments, I think, to reflect more accurately what I believe we're all saying here. Instead of "be it therefore resolved that Government consider meeting", "the Government considers continuing to meet with the banks." Also, instead of it reading on the second proposed resolution, "and be it further resolved that Government considers amending Legislation to establish an interest rate setting body", continue the sentence "and other relevant banking reform measures" so that we have a range of proposals that policy analysts can consider, review and provide to Cabinet for proposal and adoption.

I think if the mover of the Motion would agree to that, I think the Government would be in a much clearer and better position to support the Motion. Then we as the Government take that two-step approach of immediate relief that can come through now, and work in the background for longer term reforms that will benefit Cayman, whatever is adopted in the long run.

People might think that certain things are small, but another \$250 in the hands of our seniors—

Hon. Dwayne S. Seymour: Priceless.

Hon. André M. Ebanks: —will also benefit those who are their adult children who are also on the side. As DCFS [Department of Children and Family Services] has always reminded me, my age is called the sandwich generation, where folks are living longer and you're having to take care of your advanced elderly parent and your child. That might be more money that the adult child can save to not have to have additional money to go into the senior's pocket and be able to be just a little bit more comfortable at the end of the month while we ride this period out.

[Inaudible interjections]

Hon. André M. Ebanks: I leave that with my colleagues and dear Members of this House for consideration. The Member for West Bay West took some liberties and asked the parliamentary staff to draft, in the spirit of cooperation, the amendments that I proposed. Thank you, Madam Speaker.

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

The Member for Bodden Town West.

Mr. Christopher S. Saunders: Madam Speaker, as I listened to some of the contributions here this evening, I am reminded of a story during the Cold War era where something happened in one of those old Baltic states, old Soviet Republic type countries. The military did something they shouldn't have done and the president at the time got up and took responsibility for what the military did. When the Cold War ended and the iron curtain came down, they found out that the president actually didn't know what had happened. The person who was interviewing him asked him, *'why did you get up and take responsibility for something that went wrong that you had no knowledge of?'* To which the president replied, *'in politics, it is better to be incompetent than impotent because incompetence you can fix, impotence you cannot.'*

I want to thank the Member for West Bay West for bringing this Motion. I remember he and I sitting down having a conversation about the Motion. I said to him that I would support it because the conversation needs to take place.

As I was sitting here earlier pondering, my mind reflected on Roy Bodden from Bodden Town. I remember that fateful day back in 1990, I took my mother's Toyota Cressida that I used to drive, down to Horizon Autos where he worked and he said to me, *'young Saunders what you plan on doing with yourself?'* I said, *'well, you know, still in between'*, your normal basic answer. He said to me, *'the deadline for registering for the SATs [Standard Assessment Tests] is this Saturday. Go and register, get at least 850 and apply for a*

scholarship.' I did, and I remember that day also—while it may not show—there used to be a gym called Creative Bodies Gym *[inaudible]*. I was there one afternoon and Mario Ebanks was in the gym and he says to me, *'you're Chris Saunders?'* I said *'yes, sir'*. He said, *'we approved your scholarship today.'* I was so excited. I just left in the middle of my workout and went home. I was so happy.

With that, Madam Speaker, I want to publicly thank the government of 1988-92 that gave me my scholarship. That government had Ezzard Miller, Linford Pierson, Norman Bodden and Benson Ebanks; names I will never forget. Equally, Madam Speaker, when I started university, I did not apply myself the way I should. I got let loose in New York, I was partying like crazy, so much so that my GPA [grade point average] in the first year was 1.69, D+ or something like that. I dropped out of school, I couldn't be bothered; university wasn't for me.

However, Madam Speaker, I got a second chance, rather than pay back the money I had an option to go back and finish and I'm eternally grateful for the national team government of 1992-2000, who gave me an opportunity to go back to university.

The Member for West Bay West and the Member for Cayman Brac East, I think, were also members of the national team government at that time. I want to thank them for that second opportunity. That's one of the reasons Madam Speaker, why I am very big on second chances for people, especially when it comes to education.

I say that to say, Madam Speaker, that during my years of working in government and going to university, I was always encouraged to think outside the box. I came from a generation where scholarships were not as readily available as they are today. Getting a scholarship back in the '90s was actually a big deal. Today, once you can get the grade you're almost guaranteed, and that's the progress that we have made as a people. However, for my generation, Madam Speaker, which was given that opportunity, we were given it on the basis that we go away, get an education and we come back and serve the people of the Cayman Islands; and I am very humbled and privileged that I have the ability and opportunity to serve them in this honourable House as their representative.

Madam Speaker, I say that to say this, sometimes the problem that we have isn't the problem. Sometimes the problem is the way we choose to look at the problem. We are asking the banks to do something that the banks are not designed to do. I am going to put this in context, Madam Speaker.

When you look at the deposits in this country, most of the deposits are short-term deposits. We are asking the banks to take short-term and overnight money, or money that's a fixed deposit for five years, and lend it over 25 or 30 years. That is a major risk, especially considering the passage of time.

I said this before in my SPS debate, what we need in Cayman is a capital market. We need that secondary market. It is not new to Cayman, Madam Speaker. It is something that just about every industrialised or developed country looks at. One of the most popular is Fannie Mae which was started around 1938/39 during the Great Depression as part of the New Deal that was brought in by Franklin D. Roosevelt in that era.

A couple decades later around 1970/71, President Nixon brought in Freddie Mac. The primary difference between those two is, Fannie Mae deals with the bigger banks primarily and Freddie Mac deals with the smaller banks. The whole idea behind it, Madam Speaker, is that you take all of these mortgages, you bundle them, put them in a bond and investors by them. The banks when they sell, basically get more money to again, consider lending; so you keep the banks with liquidity. On top of that, you allow investors to invest and you get longer term money.

Last weekend I was in Florida visiting my cousin and started my back-to-school shopping early. We talked about 10 interest rate increases on the Fed rate. Do you know what percentage my cousin's mortgage increased by? Zero. One of my friends in Atlanta owns about five homes. Do you know what his mortgage rate increased by? Zero. Simply put, Madam Speaker, their mortgages aren't tied to the Fed rate, their mortgages are tied to the bond market.

Even today in the United States, the average rate for mortgage is around 6.7 per cent on a 30-year fixed [rate]. If you went back a year and change ago you could have gotten a 30-year mortgage at about three or four per cent fixed. That is long-term money. That is money that you can go out and tap into investors with, and this is what is needed in Cayman.

Madam Speaker, we recognised from early, we kind of saw this coming and I am pleased to say that during my time as Finance Minister I reached out to the Cayman Islands Development Bank (CIDB) and asked them to reach out to the Caribbean Development Bank (CDB) to see what we could have obtained from them, in terms of lending. I am pleased to say that before I left, we got a proposal from the Caribbean Development Bank to extend a line of credit to the CIDB for \$100 million at 4.75 per cent—or something [like that]. As a matter of fact, I think I might have the document here. Good thing I like to print stuff and read it at home, so I end up with a lot of things at home.

[Inaudible interjection]

Mr. Christopher S. Saunders: Trump? Oh yeah.

Madam Speaker, clause 5 of the memorandum sent to the board said, '*Caribbean Development Bank will finance a technical assistance project for the diagnostic review and restructuring of CIDB, and appraisal report for mortgage line of credit in the amount of US \$100 million, to meet about 60 per cent of outstanding*

demand for housing by low to lower-middle income Caymanians.' [UNVERIFIED]

Madam Speaker, at the time when I reached out to Chairman Scotland to look at that, our main consideration was our seniors. People above the age of 60, or even 55 who are close to retirement age and cannot refinance pass 65 would have been more affected by the rising interest rates than someone in their thirties or forties who can refinance over a longer period of time and get a manageable loan payment.

The whole idea behind this is that we are looking at people above the age of 55 who had about 5 to 10 years left on their mortgage, which would mean that throughout that period they built up a considerable amount of equity in their property. The risk would then have been quite limited from a banking standpoint in terms of the loan-to-value ratio, and then just charge a rate slightly above [sic] [below] what we were getting at the time to at least lower their payments. That was the genesis behind it.

I don't know what happened [since] but I would encourage the Government and the new Minister of Finance to explore the possibility to at least give older folks, those who are close to retirement, some relief.

I can tell you, Madam Speaker, I still remember that call from that lady that morning, who realised that she had to work three more years past retirement just to keep a loan payment to what it was; that is still not lost on me. That was one of the driving forces behind getting that facility in place for our people.

Madam Speaker, the mover of the Motion, the Member for West Bay West, spoke about utilising Cayman Islands Development Bank more. What I can say to you is that the process was started, and I will ask and encourage the Government to continue down that path to see exactly what we can do to offer at least a quicker relief to our older population who are closer to retirement, so they can at least get a payment that they can manage and not have to find themselves working much, much later or really in a stressful situation.

The second point I want to raise, Madam Speaker, is regarding the banks. When we look at the challenges that banks themselves have had—I mean, the 2008 financial crisis has not been lost on me; even the recent failure of Silicon Valley Bank has not been lost on me, in terms of the volatile times that we're living in. However, these are the adjustments that we need to make because we are still talking about institutions that are taking other people's money and then trying to tell them what they want to do with it.

Madam Speaker, I did a quick look at CIMA's last banking survey report as of June 30, 2022, that's available on their website www.cima.ky. What I can say in CI equivalent, we had a total of \$2.4 billion in residential loans, and we had \$1.2 billion worth of commercial loans. However, Madam Speaker, when I looked at deposits, CIMA at that time had roughly \$11.3 billion, of which \$8.8 billion were residential deposits and \$2.5 billion were non-resident deposits.

When we look at the residential deposits, I notice that the figure is actually \$2.4 billion. In essence, Madam Speaker, we have \$2.4 billion of residential deposits as of June 30, 2022, and we have \$2.4 billion of residential loans at June 30, 2022.

Madam Speaker, normally on residential loans you may lend maybe 60 to 70 per cent of residential deposits, some banks may do 30 or 40 per cent of the residential deposit which are referred to as “sticky deposits”. The bottom line is, when you look at the current Class A banks that we have, they are maximum length in terms of using residential money collectively. Each bank individually, it may be a different story but I am just looking at the collective numbers that are available on CIMA’s website.

The challenge, Madam Speaker, which we are going to run into is that when you realise that the rest of our loan book is actually financed literally by overseas money. Then the question is this, if you start tinkering around with the interest rates or deposits paid on interest rates, this money can leave overnight. People go where they can get the best return for their money.

One of the things to put this in context—and I am trying not to get overly technical, but maybe sometimes I can’t help myself—part of the 2008 financial crisis was caused by, one, [Bill] Clinton in 1999 when he repealed the Glass-Steagall Act that was put in place during the 1930s depression to separate investment banks from traditional banks—even though [George W.] Bush got blamed for it. They dismantled that and lowered regulations. The other one was when they moved from Basel I to Basel II, where they realised that they actually encouraged more lending on residential loans as opposed to commercial loans.

Just to put that in context, Madam Speaker, Under Basel I when it first came out, banks had to set aside in terms of risk-weighted assets, 100 per cent of capital for commercial loans and 50 per cent for residential loans. Under Basel II, they kept it 100 per cent for commercial, but reduced it to 35 per cent for residential. In essence, it was almost three times easier to lend to residential as opposed to commercial because the capital is better deployed. In short, Madam Speaker, it’s the same as if you’re lending to the employees but not to the employers.

In that sense, everybody went out, they went crazy, they were making all of these fees and then when they ran out of good customers to lend money to, prime customers, they went sub-prime looking for the customers who weren’t that great and basically created this mess. I’ll get into some of this more as I get into the pensions later on Madam Speaker, but the point I am making is, that we have been blessed and we have been lucky that despite many of these challenges, we have not had many of the banking problems that many other countries had, and we need to make sure that we do not create an environment where we start going that route anytime soon.

As the US dollar is being having its own challenges right now, people are starting to look at different ways in which they can diversify investments, et cetera. The thing is, Madam Speaker, as the Leader of Opposition pointed out, most of the deposits in the banks are in US dollars, not in Cayman Islands dollars; and as such, they are subject to the US interest rates.

We have seen what happened in the UK recently with the rise in interest rates. They had their own economy and bond crisis, currency crisis, everything because of rising interest rates in the US. Thus, it is a very complex type thing to look at.

However, Madam Speaker, we need to have solutions for our people. The truth of the matter as I mentioned before, having over \$2 billion of loans subject to a variable rate that every time the Fed moves, we move, in a consumption-based society, is pure unadulterated madness. It can’t continue like this. The system was never designed for this. When the Fed raises rates to curb inflation they’re looking at new challenges they are trying to stop, not existing ones. If the amount on the US loan book was subject to five per cent increase, I can tell you it would have been crazy in the US. Politicians would have been dragged out, tarred and feathered, if the average US person who had a mortgage had to find themselves now paying even twice the mortgage rate they had.

The other issue which needs to be factored in Madam Speaker, is that even in the US your interest expense itself is tax deductible. Therefore, even if you end up paying more in some cases on your credit card or a vehicle loan or something, it is still tax deductible. There are other benefits that we need to also look at.

Madam Speaker, the one thing I want to really get out from this, and this is the part that really scares me the most when I look at what is happening here. I think about the young people, Madam Speaker.

I think it’s safe to say that everybody inside this House already has a mortgage to some extent. When I look at the current interest rate for a 30-year mortgage in the US, which as I said is 6.7 per cent, and we have a situation right now with cases of 10.25 per cent, when you consider that just over *a year and change* ago the prime interest rate was 5.25 per cent—just a rough calculation—if you had a \$300,000 mortgage paying roughly \$1,657 a month, you’re now paying \$2,688 which is a substantial increase of over \$1,000.

If you had—again, using a 30-year term—a \$400,000 loan you were paying \$2,209, now you’re paying roughly \$3,584; if you had \$500,000 you were paying roughly \$2,761, you’re now paying just under \$4,500; and if you had a \$600,000 mortgage you were paying just over \$3,300, now you’re paying just under \$5,400. These, Madam Speaker, are massive increases in a consumption-based society. If you think that this is not a problem, Madam Speaker, I am going to show you something and again, I am going to go by memory.

When we put together the budget for 2022, we were forecasting cost on revenues at the time of roughly \$242 million dollars. The previous year I think we did around \$206 million; so, we are looking at around 18 per cent increase between 2021 and 2022. For the first six months of 2022, Madam Speaker, we were running 18 per cent above in terms of customs revenue compared to 2021-2022, which was in line with the budget forecast.

However, in the last six months of 2022 Madam Speaker, we saw where that number started to drop. The minute people start paying more for mortgages, it means that they have less to go to supermarket, it means we're importing less, it means we're making less customs revenue. We are already getting hit in terms of Government finances just on customs revenue alone.

The other issue, Madam Speaker, is when you factor in the house insurance that has gone through the roof. Again, if you're paying more money for house insurance it means less money for the supermarket, which means less money again for customs coming in; that means, again, that's less revenues for the Government.

On top of that, Madam Speaker, yesterday we saw where the price of oil is getting ready to go crazy. Saudi Arabia got up and said, you know what, *we're cutting [output] by a million barrels a day*, one per cent of the market. As soon as that shock comes in again, and we're talking about looking at May's fuel factor of about 19 cents a kilowatt hour you can expect by sometime over the summer or later on that's going to be north of 20 cents again. When at one point it used to be 11 or 12 cents in terms of kilowatt hour.

Thus, we are bracing, Madam Speaker, for a lot of money simultaneously coming out of a lot of people's pockets. The question is, what are we going to do? Are we going to continue and just say, well, this is how it has always been or are we going to do something about it? Are we going to sit here, all 19 of us in this House, and basically put ourselves as being politically impotent?

Madam Speaker, it requires some hard decisions and I am going to say it right now, one of the first things I would encourage the Government to do at this point is reach out to the Caribbean Development Bank, secure the line of credit and start with our seniors and more vulnerable people whose loan-to-value is low because they have a lot of equity built in their house, and their credit risk is actually quite low. Let us see if we can cut their mortgage interest payments down from 10[.25] or whatever per cent it is, to maybe 5 or 6 per cent and it still will not be a problem for us. The letter is there, we did the legwork, we just need to get that done. I think that's one of the first things that we can do. You may be surprised how many families we will probably end up helping that way.

Many of these people will have maybe \$100,000 or \$200,000 left on their mortgage; \$100

million can go quite far in terms of helping many them and at least start reducing their payments. For the younger folks, they can go back to the bank and say listen, can we extend the duration of loans so at least the monthly payment will come down until interest rates start to drop; which may probably happen around late 2024-2025, unless the US has some major recession. Outside of that, Madam Speaker, we can't sit here and just wait or hope. Hope, Madam Speaker, is not a policy; waiting and seeing is not a policy. What people want is action and this is what we need to do.

I will say, Madam Speaker, the Honourable Minister of Investment spoke about reverse mortgages. Again, that is something that we need to look at because those are the kinds of things that are available to people. We need to recognise, Madam Speaker, the Premier talked about 1980 when interest rates were crazy. The world has changed a lot since 1980. It's a new place now Madam Speaker, and it's not a matter of what they did back then, it is a matter of what we are going to do now, and the people want action.

Madam Speaker, the process has already been started, let's see if we can move forward with it. As to the banks, I can tell you Madam Speaker, they aren't going to do anything because the truth of the matter is, the minute they don't want to pay anything on their deposits, the people are going to take the deposits and go someplace else.

The last thing that I want to put for the Minister of Investment to look at. As I sat here earlier, I looked at CIMA's report for the entire banking sector in the Cayman Islands, both Class A and Class B. Does anyone have any idea what is the total profitability for the entire banking sector as reported by CIMA 2021?

[Inaudible interjection]

Mr. Christopher S. Saunders: I would tell you, Madam Speaker, US\$3.5 billion.

An Hon. Member: Whoa!

Mr. Christopher S. Saunders: Now of that amount, US\$228 million belong to the Class A retail banks and the remaining \$3.3 billion is all the different Class B banks that are sitting here.

Madam Speaker, the Cayman Islands financial sector was built on banking. Maybe now if we can't get any cooperation from the Class A space, let us go and look at what we can get done in a Class B space. We need to start thinking outside the box but you can't sit down inside this country, Madam Speaker, and have billions of dollars—if anyone takes a good quick Google right now and look at how much US debt treasuries are held by the Cayman Islands entities, it is over \$200 and something billion. We are like number five or number six of foreign governments that actually owe US treasuries over \$200 billion.

What are we talking about, Madam Speaker? A residential loan portfolio of just over \$2 billion. The

money is here. Let us see what we can do, if we can't get cooperation from the Class A, let us look at the Class B. Some Class B [banks] can only lend to their employees. Maybe it is time now for us to take a look at it. However, this is what we need to do, Madam Speaker. It can't just be a matter of sitting down and saying that this is the way it is, this is the system.

Madam Speaker, just to collapse everything into one closing argument. Start with reaching back out to the Caribbean Development Bank for the \$100 million line of credit at 4.75 per cent. If we can even lend it out at 5.5 per cent, it is still way less than what a lot of people are paying.

I would also say, earmark that money for people above the age of 55 or 60 dependent on how much room you have. We're talking about \$500,000 or \$600,000 real estate property where the balance is under \$200,000, so the risk to the Development Bank at that point is very little. If they default, I guarantee in this environment, you'll have no problem selling a \$600,000 house for \$200,000. Caymanians will buy that up like tomorrow. That's not going to be a risk issue for the bank.

The second thing, Madam Speaker, is a matter of reaching out to the Class B banks and seeing what we can do to get some kind of assistance from them because they do have liquidity.

Madam Speaker, the amount of money inside this country is mind boggling. It's here, let us see what we can do. Some of these banks are from different countries that have certain programmes in place that the government gives them as a tax write off. If they do low income or low data or whatever, they actually get tax benefits for it. These are some solutions that you can do, Madam Speaker.

Lastly, which would take a bit more time, start looking at getting the capital markets. Stop thinking the banks are going to be a saviour because what we are asking the banks to do, it is too much risk for them.

Madam Speaker, I am old enough to remember when we had a couple of bank failures inside Cayman. I remember one friend of mine was almost comatose on his couch for about five days, couldn't move, his entire savings gone.

These are the times that we're living in Madam Speaker, but it is time for us now to think outside the box. Colleagues, I will say this to every one of us inside here, we are all old enough to remember the good old days in Cayman, but we are now living in a new world, with a new time, with new challenges. We inherited a Cayman that was good and a Cayman that was strong.

In the end, colleagues, we are not going to be remembered for what we inherited; we are going to be remembered for what we leave behind. I want to tell you right now, it is time for action. It's time for us to start moving.

Thank you very much.

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

Does the mover of the Motion intend to move any further amendments or exercise his right of reply?

Hon. W. McKeeva Bush: I planned to do all two.

Madam Speaker, I intend to amend the Motion as I agreed with my colleague, the Member for West Bay South and the Minister of Financial Services. The amended Motion Madam Speaker, says:

In accordance with the provisions of Standing Order 25(1) and (2), I the elected Member for West Bay West seeks to move the following amendments to provide to Private Member's Motion No.16 by amending the first resolved section to read:

"BE IT THEREFORE RESOLVED that Government considers continuing to meet with the local banking and money lending institutions to discuss reducing interest rates immediately, and not increasing interest rates for the next 24 months;" and by amending the second "resolve section" to read:

"AND BE IT FURTHER RESOLVED that Government considers amending legislation to establish an interest rate setting body and other relevant banking reform measures."

All the amendments, I think, have been passed out to Members. That's the Motion.

The Speaker: Is there a seconder for the amendments to the Motion?

Mr. Christopher S. Saunders: Madam Speaker, I rise to second the [amendments to] the Motion.

[Inaudible interjection]

Hon. André M. Ebanks: Madam Speaker, I rise to second the [amendments to the] Motion.

The Speaker: The amendment has been moved. Does the mover wish to speak on the amendments?

Hon. W. McKeeva Bush: Madam Speaker, I will...

[Pause]

The Speaker: Just for clarity, since the amendment was already prepared and it was to be seconded by the Minister of Investment and Innovation, can I just ask the Member for Bodden Town West to rescind his seconding?

Mr. Christopher S. Saunders: I rescind my seconding of the amended Motion, Madam Speaker. Thank you.

The Speaker: Quite a strange request but thank you.

Hon. André M. Ebanks: Much obliged.

The Speaker: Does the mover of the amendment wish to speak thereto?

Hon. W. McKeeva Bush: No, Madam Speaker. I intend to wind up on the full Motion when it is amended.

The Speaker: Does anyone else wish to speak on the Amendment? *[Pause]*

The question is that the Motion be amended as follows:

“BE IT THEREFORE RESOLVED that Government considers continuing to meet with the local banking and money lending institutions to discuss reducing interest rates immediately, and not increasing interest rates for the next 24 months;” and by amending the second resolve section to read:

“AND BE IT FURTHER RESOLVED that Government considers amending legislation to establish an interest rate setting body and other relevant banking reform measures.”

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

AYES.

The Speaker: The Ayes have it.

Agreed: The amendment to Private Member’s Motion No. 16 of 2022-2023 was passed.

The Speaker: The amended Motion is now open for debate. Does the mover of the Motion wish to exercise his right of reply?

Hon. W. McKeeva Bush: Are we debating the closure of the full debate or you think you want to give Members a chance to go back? I think Members have already said their piece but if they want to...

The Speaker: I've given Members an opportunity to rise and none of them have, so please proceed Honourable Member for West Bay West.

Hon. W. McKeeva Bush: I was rather happy to have two Members second [the amendment] and I really don't think that they are prohibited by Standing Orders because as our Standing Orders go, there are very vague. It says as long as it is seconded.

Anyway, Madam Speaker, I want to thank the Member for Bodden Town West who is the seconder of the Motion and whom I discussed it with in the first place; also the Member for West Bay South and Minister of Financial Services. I do thank all Members who are in support to think outside the box particularly those who have voiced their feelings. I want to thank the Leader of the Opposition who spoke on behalf of the

Opposition and he was kind of vague Madam Speaker, but I believe he was saying that they are in support and will vote for the Motion. Saying he supports the spirit of the Motion, I think it means that supporting the spirit of the Motion they're going to vote. I want to thank all Members who indicated over the last couple of days that they are in support and were hoping that they would get, in the Government, the support so that there will not be any feelings or otherwise for anyone opposite of what is being said.

Madam Speaker, the Premier spoke and I agree with some of the thought processes he said. I don't agree with the full context of all that he said. The Premier has basically said, that he is worried about changing the status quo. Of course, the Leader of the Opposition, more or less said the same thing.

Madam Speaker, we have to think outside the box and the Premier could point to a number of things that he's trying to do to help alleviate the situation parents find themselves in. However, I want to say that while we all support the school lunches programme, paying the school luncheon bill is only a small bit of what the cost of living is to the parent; it's only a small bit that helps. The Government is doing a very laudable thing, and I always thank the Minister who started the programme, the current Minister of Education, the Member for Cayman Brac East.

Madam Speaker, while we can think about ways and means of alleviating the cost of living, people have to understand that air condition is not cheap and you lose air out of your house if you keep your doors open, if windows have a crack, keeping on the lights unnecessarily—that's bad for me I don't like to sleep in the dark. I don't like darkness—all these sorts of things. We need to fix what the problem is in a more satisfactory and long-term cure. It will mean—they can paint it anyway they want and shift it anyway they want—changing the status quo to where our people are better off. Not destroying anyone or any entity except to put in place systems that will break the barriers.

Madam Speaker, I have been through all sorts of scenes being in Government for this long. I remember when we tried to get people upskilled, and introduced programmes to break the glass ceiling in this country, people forget it. People forget what I went through as Minister of Labour and before that, just to get a motion passed. The licks I took from the people who were on these Frontbenches and I sat over there for eight years to get the Labour Law changed from the Masters and Servants Law, the Slave Law, the *[inaudible]* Law, that's what it was called. Just to get that to get people better positions, and get women in better positions and get them to where they didn't go back to work a week or two weeks after they had a child. You know what it took, you know, the licks and the insults sometimes walking out that door so filled up your heart would burst. No, you all don't know. None of you were here but some of you watched. I am still not forgiven.

You have to think out of the box and if you're going to help our people, we have to take the hard actions, we have to take the hard decisions. Breaking the barriers does not mean destroying the country, it's putting our people in better positions.

I want to get to this point quickly about the interest rates of 1979-1982. Madam Speaker, if there was no change in those years it was because the powers that existed took the same attitude that I'm hearing coming from the Leader of the Opposition and from our Premier in certain positions that they took. 'We can't mess with things to change the regime of operations in the country', that's what they said on this Frontbench, all of them who are probably shareholders in the banks.

Let's face the truth. You know the cussin' that people who took an opposite position got? No, you all don't know. We never had it covered; and they would dare not say it on the radio, they would shut off their mics and they would put a cussin' on you.

Madam Speaker, I think 1979-82 interest rates went way off the wall. That's correct. They changed the currency regime, control of our currency in '83. However, back then people didn't pay pensions or health insurance, and the cost of living was not the way it is now; and salaries back then were coping. Gratuities, my mother and the rest of them could add on rooms on their homes without going to the bank because they were getting their gratuities; and then too, they didn't have all the planning regulations to come down on you to tell you can't do that and can't do the next thing. Caymanians back then went out and helped each other too; we've gotten away from all of that. Things were different 1979 and onward. People got something, people built homes without getting huge loans—take it up to the belt and people helped them.

Why are we so afraid today? Yes, as I said yesterday, internationalism has taken over and changes and the vagaries internationally affect us but that does not say that we should lie down and die. They were doing things to better their families. Interest rates were high—I think the Premier was the first one that came up with the history of the high interest rates—back then, [they said] *oh, you can't change it*. The Frontbench was full with people who had the shares, the powers that be. I didn't bother. I got in an argument with them. Yes, I did.

[Inaudible interjection]

Hon. W. McKeever Bush: Some of them, yeah. Bought swamp land and filled it up too. Their offspring is better off today, while they're accusing people and trying to stop people from developing their land.

An Hon. Member: Sold it to Dart.

Hon. W. McKeever Bush: Yes. They could sell all of it to Dart. That was okay, as long as they got their money.

I have a history and knowledge which they cannot take away.

[Inaudible interjections]

Hon. W. McKeever Bush: My book is written, just wait until I... It's my last year in this House, so I can say a lot about them now.

[Inaudible interjection]

[Laughter]

Hon. W. McKeever Bush: Madam Speaker, let's not try to compare 1979's state of affairs and conditions of a huge amount of people then, with the hopelessness that our people are beginning to be worried about now. Times have changed and people are worried and we need to do something about it.

Now, I thought—and if the Premier didn't say that he can correct me—but I thought they said they didn't want to get CIMA involved, didn't want to spend to get CIMA involved—something to that effect.

Madam Speaker, tell me this, CIMA can do something to help our people but they are saying they can't; they don't want to spend. Yet, Madam Speaker, they can come down here and agree to spend \$4 million or \$5 million on consultants to say where a road can't go even when certain parts are of no harm to the natural environment. I can't agree with that. Don't tell me you cannot spend; stop spending where you shouldn't spend!

If they can't see the possibility of them not accepting twenty-four months, have you asked for one year? I know you had that discussion but did you ask for one year? No, you didn't ask.

I also heard in this debate that we must be careful in giving permission to CIDB to take deposits because we would be creating liability. I think that was the argument of the Honourable Leader of the Opposition. Yet, Madam Speaker, they are prepared, they are satisfied to get more and more money from Central Government to put into CIDB to lend. More money from Central Government? Where will they get it from when Central Government has difficulty to fund its budget and get enough revenue to do all that Members of this House want done. Where is the liability in that? There is no liability? Oh, Government can just come up and put another \$5 million, \$10 million just so? I don't believe so Mr. Leader of the Opposition.

No, Madam Speaker, our people's pension money is sent overseas, at times millions I understand have been lost in bad investments. If we need to up-scale our staff, the law gives the protection. So, put in more banking professionals to manage the funds.

Look at our Credit Union, Madam Speaker, is that not well managed? I think it is, and there is a lot of good to the people of this country. Our Development

Bank is languishing, I don't know if they're making a profit, haven't heard.

An Hon. Member: Barely.

Hon. W. McKeeva Bush: We have that institution and we have a relevant law packed full of safeguards and yet, they are talking about liability. Yes, there will be a liability if we take deposits from whomever we take them from, but can we say honestly in our heart of hearts that we can't find more professional individuals to manage it? Must Government say that they can't get the professionals to manage; must we continue to see our people's money sent to who knows what entity overseas to lose? No! We are giving them good recompense for losing. I don't agree with these status quo positions. No!

Now we understand they didn't meet with individual banks, I think the Premier said that. I also think the Minister of Financial Services said that they met with the board, and it's the board that told them. I guess they think that the board speaks for everybody. Then, you talk to some people who say, *we don't know nothing about it*. Now, who is telling the truth?

Madam Speaker, when I was an insurance salesman with Mr. Harvey Stephenson, who I rate as one who made tangible strides to help people in these Islands, I tried to get managers of companies to buy for their staff and they formed excuses over excuses and wouldn't budge; can't do that. You think I took that as a pushover and said I am not going to try to help those people who I knew needed help and I was a salesman and needed the commission? I didn't stop there. I went to staff individually and talked to them, *hey bro, you need to be insured for security, for you, your wife and your children*. I didn't win all but some bought the insurance and I knew families, children that benefitted.

I don't think we can rely and back off because they say no; I don't believe that, I never did. I would like to say, I think I was a successful insurance person. Yes.

Madam Speaker, they are also saying because it is complex the way the system is set up, which system is to ensure that the banks charge what they want when they want to increase. However, that is what the problem is. A high interest rate can and will destroy people's ability to pay for their house. If they can muster the money to pay the bank, they can't pay CUC and buy food. That's the reality of it; that's it.

An Hon. Member: So, so true.

Hon. W. McKeeva Bush: Thus, there is no question about how our banking system has evolved Madam Speaker, and I know as good as the Premier or the Leader of the Opposition. However, I believe it can be tweaked so that our people are better protected and the banks still are protected too. No one has to run anywhere. Are they going to run? At least one that I know, large profits when you check it, go and google it. Who got the profits and where did they get it? Right here,

right here! Are we cussing them for that? No! We do everything as legislators to improve our laws to protect them, and in fact, even put us at a disadvantage—I will come to tell you a little bit about that—protecting them because KYC [Know Your Customer] is a horrific, horrific animal.

Madam Speaker, I don't want anybody to, as I used to say, *put credit in one of my pockets and take it out the next*. I have done more than either one of the two of them to protect this country. I took the licks for it. I am not here about scaring away banks and systems that are good for us. No, no, Madam Speaker.

I heard the Leader of the Opposition expound in his way, over and over about being tied to the US dollar. However, from what I'm told, the Cayman Islands dollar is a significant revenue source for the banks here because of the two to four per cent spread from the CI dollar to the US dollar and vice versa. No one wants to destroy them but let us make sure that in all this money, that our people are protected. I can't repeat it enough. We know, and we are not saying that we don't want them to do that to make money, but we have to get an agreement so that our people are protected. I am here to protect business. That means protecting all of our people, and I have always done that. Protect, enhance and promote business here in these Islands and that's what I have done. Go overseas, sit at the table, and when I said you have to travel and be at the table for when Cayman's name is called, *you spending too much government money*. That's what I was told. *He's not doing anything, he's not going to call to do that*. I hope we all remember all those things that we complained about and now we have to do. You complained about me, and even got me voted out of office for some of it because you could sell it good. Uh huh, remember it, and bear it in mind.

I heard the former Premier, Sir Alden, the Member for Red Bay, stand there and said when I was appointed Speaker, that perhaps there were too many things that we ought not to have done against each other. He is absolutely right. However, we're both old enough and [spent] long enough in the tooth in this House to understand that. I don't have to bow to anyone, be scared of anyone about where my position is, where I stand as a Caymanian, and where I stand as a person who likes to see inclusiveness in the country with whomever comes here. If they come here, then we work with them and if they are doing the right things and living by the law then they are part of us. I am not one of them getting out there and saying otherwise, no.

I'll say this too Madam Speaker, while it comes to mind, they talked about what happened in 2001. I took over the situation in 2001. I don't need to go through that, it brings up too many bad memories. However, don't anybody in this House start it, because there are records. We faced a world, especially in the United States, but all over; remember this, remember how well we did? We went and brought in business. That was my job to do, and the more business we brought in, the

more revenue we got and the stronger the government was. Yes, there was unemployment, there was. Even that started to go down, people started to invest again. Let us remember all those things. As I said, I remember what I went through with the Foreign Office because I wouldn't agree with them. Huh, they investigated me; made sure they had people to back them up too. For what? Using the credit card when everybody else was using it?

[Inaudible interjection]

Hon. W. McKeeva Bush: Don't forget.

I take umbrage when they come saying the nice things on one hand, but on the other hand they're writing a different story. No.

Madam Speaker, I think we all know what we need to do and the amended Motion says it.

Madam Speaker, in closing, let me say...

[Inaudible interjection]

Hon. W. McKeeva Bush: Yes, I know *unna* don't want to be reminded of *unna* sins.

[Laughter]

Hon. W. McKeeva Bush: The banking sector in relation to Caymanians opening accounts, banking fees and their policies which touch and concern the consumers who are people and bank customers otherwise, these are serious things that are happening right now. It has been a problematic and sore issue which many have expressed concerns about. Various jurisdictions brought this issue on their national agenda including CARICOM [Caribbean Community], Heads of State and Government; as well as senior North American banking executives. I think the Premier was in attendance at that meeting of CARICOM. I am also minded that the Minister of Financial Services attended various meetings and mentioned the technological advancements, and provided updates on several pieces of legislation tailored for the global financial services industry.

Madam Speaker, we understand that they have cost to recover even though, for example, the ATM [Automated Teller Machine] is a replacement of an actual teller from in the bank which saves costs for the banks. Their ATM installations' primary service is to enhance the product service delivery, [be] a measure of the efficiency and to guarantee consumer satisfaction. Yet, the consumer got charged fees to utilise the ATMs. Perhaps the banks could also at this time consider the multiplicity of functionalities of the ATMs as in other jurisdictions.

The cheque is another bone of contention. This includes but is not limited to depositing cheques and the time involved for processing; the difficulties in charging or changing a cheque which is drawn on a

bank of which you are not a member; even specifically in instances with a Government issued cheque. You take the government cheque to the bank the government uses, but that bank won't take it if you don't have an account with them. There needs to be a discussion on the issue as it has wider implications on the society at large and causes unbelievable inconvenience to people. The fees in question may be nominal, sometimes inconsequential and seem insignificant to the wealthy. However, I am hearing the wealthy. I hear the Leader of the Opposition saying that he's getting hit hard with fees; but it has, as I said, material effect or impact on the average person in our society. These are things that must be looked at, they must be looked at Madam Speaker. I am hoping that in any discussion ongoing, the Government will take those things into consideration.

Madam Speaker, I think I have thanked Members who participated and made points here, and those who did not but had others speak on their behalf. I am hoping that Members can now support the Motion and I hope, Madam Speaker, that it is taken seriously.

I say this again; the will of this House has to be carried. We can put "consider" because that's the Standing Order, but the will of this House cannot be trampled by any committee or otherwise. I hope in voting—and I hope that you all support our Motion—the Government understands they now have to act and think more outside the box because as the seconder of the Motion said, the banks are just not going to do it themselves.

Thank you very much, Madam Speaker, and thank you Honourable Members.

The Speaker: The question is BE IT THEREFORE RESOLVED that Government considers continuing to meet with the local banking and money lending institutions to discuss reducing interest rates immediately, and not increasing interest rates for the next 24 months;

AND BE IT FURTHER RESOLVED that Government considers amending legislation to establish an interest rate setting body and other relevant banking reform measures.

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

AYES.

The Speaker: The Ayes have it. .

Hon. W. McKeeva Bush: Madam Speaker, can I have a division?

[Pause]

Division No. 12 of 2022-2023**At 9.23 p.m. the House stood adjourned until 10.00 a.m., Friday, June 9th, 2023.****Ayes: 16****Noes: 0**

Hon. G. Wayne Panton
Hon. Juliana Y. O'Connor-Connolly
Hon. Sabrina T. Turner
Hon. André M. Ebanks
Hon. Bernie A. Bush
Ms. Heather D. Bodden
Hon. Dwayne S. Seymour
Hon. Issac D. Rankine
Hon. W. McKeeva Bush
Hon. Roy M. McTaggart
Mr. Joseph X. Hew
Mr. Moses I. Kirkconnell
Ms. Barbara E. Conolly
Hon. Sir Alden McLaughlin
Mr. David C. Wight
Mr. Christopher S. Saunders

Absentees: 2

Hon. Kenneth Bryan
Hon. Johany Ebanks

The Speaker: The result of the division is as follows,
16 Ayes and 2 Absentees.
The Ayes have it.

Agreed: Private Member's Motion No. 16 of 2022-2023, as amended was passed.

[Pause]

The Speaker: I now call on the Premier to move the Motion to adjourn.

ADJOURNMENT

The Premier, Hon. G. Wayne Panton: Madam Speaker, thank you very much.

Madam Speaker, I want to thank all Members for their contributions today. We will come back tomorrow morning and complete Government Business and the remaining Private Members' Motions. We have had a long evening and I think, Madam Speaker, Members are tired after having a long evening yesterday as well.

I therefore move the adjournment of this honourable House until 10.00 a.m. tomorrow.

The Speaker: The question is that this honourable House do now adjourn until 10.00 a.m. tomorrow.

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

AYES.

The Speaker: The Ayes have it.

This honourable House is now adjourned until tomorrow at 10.00 a.m.