



**CAYMAN ISLANDS
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT
ELECTRONIC VERSION**

2014/15 SESSION

16 April 2015

*Second Sitting of the Fifth Meeting
(pages 829-858)*

**Hon Juliana O'Connor-Connolly, JP, MLA
Speaker**

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PRESENT WERE:

SPEAKER

Hon Juliana Y O'Connor- Connolly
Speaker of the Legislative Assembly

MINISTERS OF THE CABINET

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

EX OFFICIO MEMBERS OF THE CABINET

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

ELECTED MEMBERS

GOVERNMENT BACKBENCHERS

Hon Anthony S Eden, OBE, JP, MLA	<i>Deputy Speaker</i> , First Elected Member for Bodden Town
Mr Roy McTaggart, JP, MLA	Second Elected Member for George Town
Mr Alva H Suckoo, MLA	Fourth Elected Member for Bodden Town
Mr Winston C Connolly, Jr, MLA	Fifth Elected Member for George Town
Mr Joseph X Hew, MLA	Sixth Elected Member for George Town

OPPOSITION MEMBERS

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

INDEPENDENT MEMBERS

Mr D Ezzard Miller, JP, MLA	Elected Member for North Side
Mr V Arden McLean, JP, MLA	Elected Member for East End

ABSENT

Capt A Eugene Ebanks, JP, MLA	Fourth Elected Member for West Bay
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**OFFICIAL HANSARD REPORT
FIFTH MEETING 2014/15 SESSION
THURSDAY
16 APRIL 2015
10:22 AM
Second Sitting**

[Hon. Juliana Y. O'Connor-Connolly presiding]

The Speaker: Good morning. I now call on the Honourable Leader of the Opposition to lead us in prayers.

PRAYERS

Hon. W. McKeeva Bush, Leader of the Opposition:
Let us pray.

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

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

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

And, dear Lord, save us from ourselves.

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

The Speaker: Please be seated.
Proceedings are resumed.

READING BY THE HONOURABLE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

APOLOGIES

The Speaker: I have received apologies for the late arrival of the Honourable Deputy Governor, and the Honourable Attorney General.

PRESENTATION OF PAPERS AND OF REPORTS

GOVERNMENT OF THE CAYMAN ISLANDS - PORTFOLIO OF LEGAL AFFAIRS FINANCIAL STATEMENTS 30 JUNE 2014

[Deferred]

The Speaker: Honourable Premier, perhaps, you could move that it be dealt with later in today's Agenda, seeing that the Attorney General is not here.

The Premier, Hon. Alden McLaughlin: Madam Speaker, I beg to move that the presentation of the report by the Portfolio of Legal Affairs, with respect to the Financial Statements ending 30 June, 2014, be deferred until later in the proceedings.

The Speaker: Thank you.

The question is that the presentation of papers by the Attorney General be deferred and be dealt with later in today's Agenda.

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

AYES.

The Speaker: The Ayes have it.

Agreed: Portfolio of Legal Affairs, Financial Statements 30 June 2014 deferred.

QUESTIONS TO HONOURABLE MINISTERS AND MEMBERS OF THE CABINET

QUESTION 20: ELECTORAL BOUNDARY COMMISSION, APPOINTMENT

Mr. V. Arden McLean, Member for East End: Can the Honourable Premier say when the Electoral Boundary Commission will be appointed in accordance with Government Motion No. 1/2014-15?

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Answer: Her Excellency accepted the invitation to appoint a boundaries commission as requested in Government Motion No 1 2014/14 and as a result appointed the Electoral Boundary Commission on 23 December 2014 in accordance with section (88)(1) of The Cayman Islands Constitutional Order (2009).

The Commission is chaired by Dr. Lisa Handley. As per section 88 (2)(b) of the Constitution, the Governor appointed Ms. Adrienne Webb, who was my nominee as Premier. Similarly, the nominee of the Leader of Opposition as per section 88 (2)(c) was Mr. A. Steve McField who was also appointed by Her Excellency the Governor.

Madam Speaker, I undertook yesterday to provide in the context of this answer an update on the work of the Electoral Boundary Commission. That information is still not with me. It is being brought over and I will circulate it to Members in written form unless they wish me to do so *viva voce*. Thank you, Madam Speaker.

The Speaker: Member for East End.

Mr. V. Arden McLean: Madam Speaker, I wonder if the Premier can tell us if it included in that update which he will be distributing, are all appointments, letters and terms of reference. And, if not, can he provide copies to the [Members] of the Legislative Assembly.

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Yes, Madam Speaker, I can undertake to have that information circulated to Members.

The Speaker: Member for East End.

Mr. V. Arden McLean: Let me thank the Premier for that. And I want to reiterate the two things I asked for: the appointment letters and the terms of reference.

QUESTION 21: NAVASOTA ENERGY AGREEMENT WITH GOVERNMENT
[Deferred]

The Speaker: Elected Member for East End

Mr. V. Arden McLean: Question No. 21 is directed to the Minister of Works: Can the Honourable Minister say, what is the status of the Agreement between Navasota Energy and the Government?

Hon. D. Kurt Tibbetts, Minister of Planning, Lands, Agriculture, Housing and Infrastructure: Madam Speaker, I had asked, and unfortunately I may have

asked too late, for the answer to this question to be dealt with tomorrow morning (assuming we are meeting tomorrow) because there were some corrections on the original answer which were not able to be dealt with before we got . . . but I would ask, under Standing Order 23(4) if we could simply defer the answer of this question until tomorrow's sitting.

The Speaker: The question is that Question 21 be deferred in accordance with Standing Order 23(4).

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

AYES.

The Speaker: The Ayes have it.

Agreed: Question No. 21 Navasota Energy Agreement with Government deferred.

QUESTION 22: ESTERLEY TIBBETTS EXTENSION, COST OF

The Speaker: Member for East End.

Mr. V. Arden McLean: Question No. 22 in my name, is directed to the same said Minister, the same said guy.

The Speaker: I beg your pardon?

Mr. V. Arden McLean: The same said Minister, the same said person: Can the Honourable Minister say, what was the cost of the Esterley Tibbetts extension built under the FCIA [ForCayman Investment Alliance] Agreement broken down as follows: (a) the total cost; and (b) the cost of the bridge?

The Speaker: Honourable Minister responsible for Planning.

Hon. D. Kurt Tibbetts: Madam Speaker, I would not for a minute have considered the Member for East End being out of order, because I would have simply answered him very swiftly—that guy work 'pon ship on shift, [SOUNDS LIKE] but that is just a joke between us.

The answer to Question No. 22: The total cost of the Esterley Tibbetts Highway extension, broken down from the information I have received is: (a) approximately US\$33 million; (b) and the cost of the bridge was approximately US\$4.3 million.

The Speaker: Member for East End.

SUPPLEMENTARIES

Mr. V. Arden McLean: Thank you, Madam Speaker.

Madam Speaker, can the Minister tell us if this total amount of US\$33 [million], I suspect that the US\$4 million is included in that \$33 million. This \$33 million is in the agreement with Dart Properties, I believe it is.

Hon. Alden McLaughlin: Dart Realty.

Mr. V. Arden McLean: Dart Reality.

Is the \$33 million all-inclusive of duty reduction on imported material for the building, and the development of their properties that they are going to get rebates on this entire \$33 million?

The Speaker: Minister responsible for Planning.

Hon. D. Kurt Tibbetts: Madam Speaker, I want to make sure that in answering the question there is no misleading factor here.

What I understand is that the cost to Dart Realty included the bridge and the embankment, the relocation of utilities, land acquisition compensation costs, expenditures for the public beach park improvements and enhancements, and that these were not included in the overall cost of the road extension (those things that I just mentioned), and Dart bore about 50 percent of the cost of the extension.

Now, when I answer the question like this, it is simply because the original agreement was before my time. So, in looking at it as we speak now, it is a little bit difficult to look at the global figures that were used in the agreement to know exactly, because there is a net present value calculation that was originally done, and outside of the net present value there were other rebates which were given, and there were certain duty waivers given. But for me to tell you exactly what all of those components included, I just do not know the answer to that presently. If I understand what the Member is asking, it is for the cost of the bridge itself, whether Dart Realty is being repaid for that through some parts or components of the agreement. That is what I am not 100 per cent sure of.

The Speaker: Honourable Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker

The Minister of Finance recently said, in responding to a question, that thus far (this is December, I think), the Government had repaid Dart some \$11.8 million or \$11.9 million (or something). Can the Minister say how much more is left? But, importantly, Madam Speaker, the other part of this question is: If the bridge . . . in response to the previous supplementary he said that they had financed half of the road (as I understand), so there is probably about \$16 million, or \$17 million left. Is that correct?

The Speaker: Honourable Minister of Planning?

Hon. D. Kurt Tibbetts: Again, Madam Speaker, it is difficult for me to answer specifically. I understand what the Member is asking me. But when I say it is difficult for me to answer specifically—you see, this agreement included other components. So the actual cost of the road itself and the bridge were not the entire considerations.

As I understand it, in the NPV (the original NPV) [Net Present Value] that was calculated was US\$24 million. That was made up of a cash grant of \$5 million which was to be used for Saving Mortgages, Housing and educational purposes, and \$16.5 million of the Esterley Tibbetts Highway extension costs. And there was also \$2.2 million for the Reverend Blackman [Road] Extension. So, in using those figures . . . and, of course, trying to be as open as I possibly can, but understanding now that there is a new third agreement which is to be finalised, as I understand from the Honourable Premier, very shortly, there was also the factor of the tourism accommodation tax rebates which had been originally agreed upon, 50 per cent of all of those which now are not going to be included in the agreement.

So, the undertaking that I would give, since I believe I understand, and if the Member does not mind me making the comparison—unless he wants to do so regarding the bridge . . . would you prefer to do that yourself, sir, since we have had the conversation? You can do it, and then I would give the undertaking for what you are asking.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Madam Speaker, I was going to go into that question which the Minister is prodding me to ask.

Hon. D. Kurt Tibbetts: My God.

[Inaudible interjection]

Mr. V. Arden McLean: Madam Speaker, does the Minister believe that the bridge should have been included in the overall cost to this country to get a road built into West Bay? That is, in the rebates and the duty exemptions and the like, i.e., should it be paid back by the people of this country?

And the one you wanted me to say was: In the instance of the previous one the proprietor had to pay for it.

The Speaker: Honourable Minister, it is obvious the Member is seeking an opinion. You have discretion?

Hon. D. Kurt Tibbetts: He asked if I believe . . .

The Speaker: Please proceed.

Hon. D. Kurt Tibbetts: Yes, that is okay, Madam Speaker.

Madam Speaker, if we compare the bridge, which the Member refers to, which was the bridge at the Ritz, that bridge was specifically requested to be done by the proprietors of the property because it served as access from the front side of the property on the West Bay Road to the other side on the North Sound side which would be the other side of the road. So, there was a specific benefit to the owners of that property, hence they were required to pay the cost of it, otherwise there would not have been a bridge and there was an extra cost.

When the Member asked if I believe . . . what I do not know, because I was not involved and had no knowledge of the original negotiations, is if anything was taken into consideration in those negotiations, what benefit this bridge is to the property owners where the bridge is, which I believe the Land Registry would show belongs to the Dart group. Should the bridge have been done more so to accommodate any planned further development by the owners of the property, then, certainly, it would be directly for their benefit, therefore, I would have expected that that should have been taken into consideration with regard to the cost.

What I do not know, and I cannot say yes or no, is whether that was done. But I understand what the Member is asking.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Last one, Madam Speaker.

Will the Minister agree with me that in his experience as Minister of Works, Roads on at least three occasions now—two occasions—that there was no absolute need for a bridge to be built for us to build a new road into West Bay that was purported to assist in alleviating traffic?

The Speaker: Honourable Minister of Planning.

Hon. D. Kurt Tibbetts: Madam Speaker, not to be evasive, but unless there was some difficulty in designing the road simply by doing a road and that the necessity of the bridge was for the accommodation of the road, then I would have to agree with the Member. I do not know whether there were any engineering considerations why the bridge had to be built or whether it was done to accommodate development. But if it was not done because it “had to be done” and it was only done to accommodate future development then, certainly, the proprietors should have borne the cost of the bridge compared to the actual road itself, at least the difference of what it would have been. That is a personal view.

And it goes to the root of the principle that is applied, either when roads are built, or when lands have to be taken to build public roads, and where you

decide through the process dictated by law whether someone receives compensation or whether it enhances the value of the property at the end of the day when the roads are built and whether there should be no compensation for that, I think the same principles are applied.

The Speaker: Elected Member for East End, this is your final question.

Hon. D. Kurt Tibbetts: He said last one before.

Mr. V. Arden McLean: I didn't say ‘final’ though.

Thank you, Madam Speaker.

Can the Minister give this honourable House an undertaking that he will look into under what condition that bridge was built, i.e., engineering, principles applied, such as he said, as to whether or not it was needed to facilitate the road? And if it was not required by engineering requirements to facilitate the building of that road to West Bay, and it really was for the proprietor, can the Minister give us a further undertaking that the Government will look into the possibility of taking this \$4.3 million out of the people's repayment to Dart Realty?

The Speaker: Honourable Minister.

Hon. D. Kurt Tibbetts: I wish life were that easy, Madam Speaker.

I hear what the Member is asking. But the Member needs to bear in mind that there was a legally signed agreement prior to this. What I will give an undertaking to, certainly, is in the discussions prior to the final agreement to bring the subject up. And by discovery I will determine what the Member is asking. And if there is any merit to the discussions and there is any latitude then, certainly, we will see if there is any possibility of doing that. I absolutely have no problem with that.

But the undertaking that the Member was asking about, taking it out, there was an agreement prior to this, so I cannot just arbitrarily say that that will be done. But—

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Right. But, I mean, the legal issues will be checked carefully and then we will see what the possibilities are. And I thank the Member for raising the question and bringing it to the fore.

QUESTION NO. 23: CAYMAN AIRWAYS, COST TO OPERATE EMBRY AIR TURBO PROP

The Speaker: Honourable Member for North Side.

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

I wish to ask the Honourable Minister of District Administration, Tourism and Transport Question No. 23: (a) How much does it cost to Cayman Airways per flight to operate the Embry Air Turbo Prop to Cayman Brac? (b) How many paying passengers are required to break even on each flight? And (c) What is the average number of passengers taken per flight since commencement of operations?

The Speaker: Honourable Minister of District Administration, Tourism and Transport.

Deputy Premier, Hon. Moses I. Kirkconnell, Minister of District Administration, Tourism and Transport: Thank you, Madam Speaker.

I would like to refer to Standing Order 23(4), which states, “**A Member of the Government may decline to answer a question if an answer would, in the opinion of the Government, be contrary to the public interest.**”

In this instance, the answers to the questions are considered commercially sensitive information and should not be released because it could put Cayman Airways at a competitive disadvantage.

SUPPLEMENTARIES

The Speaker: I recognise the Honourable Leader of the Opposition.

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

Will the Minister give an undertaking, since he does not want to do so publicly, to sit with us privately and explain how the whole lease agreement works with this aircraft? And when I say the lease agreement, it not just the agreement between the company, but also the cost of everything included in it and the operation of it, et cetera.

The Speaker: Honourable Minister of District Administration, Tourism and Transport.

Hon. Moses I. Kirkconnell: Madam Speaker, there is a business case that I can commit to share. The sensitive information here is to remember that Cayman Airways competes on a global basis. When information that is sensitive to the operation of Cayman Airways itself is released, it then hurts every one of us in this Chamber.

So, I would commit that the business case can be shared. Hopefully that will be satisfactory.

Hon. W. McKeever Bush, Leader of the Opposition: Madam Speaker, I am well aware—

The Speaker: Honourable Leader of the Opposition.

Hon. W. McKeever Bush, Leader of the Opposition: Thank you, kindly.

I am well aware of the aspects the Minister speaks to. But we would, at least I would like to find out the lease agreement; not just Cayman Airways business case for the operation, but the lease agreement cost-wise, which companies have it, et cetera. That is in private, shared amongst us, it is confidential.

The Speaker: Honourable Minister of District Administration, Tourism and Transport.

Hon. Moses I. Kirkconnell: Madam Speaker, I am happy to commit to share as much as possible to give comfort to the Member.

The Speaker: Elected Member for North Side.

Mr. D. Ezzard Miller: Madam Speaker, I do not want to be party to any confidential sharing of information, because we know what happens, and then somebody is going to be accused of leaking it out. If the Government is comfortable with the answer they have given me, I will accept that. But I do not want to be a party of us going behind locked doors and sharing information which is meant to be kept confidential because it is not going to be confidential in the final analysis. My position is that this is public information and if you give it to me I am going to tell my people who I represent.

The Speaker: Elected Member for East End.

Mr. V. Arden McLean: Leader of the Opposition do you want to go?

Hon. W. McKeever Bush, Leader of the Opposition: No.

Mr. V. Arden McLean: Not often I give it.

Hon. W. McKeever Bush, Leader of the Opposition: Don't I know that.

Mr. V. Arden McLean: You should have taken it.

Madam Speaker, I would like if the Minister could explain to us in this honourable House, who have responsibility to the people and have authority over Cayman Airways to provide funds for it, what is commercially sensitive with the information on their operation between Grand Cayman and Cayman Brac and Little Cayman when we do not have any competition in that arena. Somebody needs . . . I am asking the Minister, not somebody. The Minister needs to explain that to this country and to this honourable House.

SPEAKER'S RULING

[Standing Order 23(4)]

The Speaker: Honourable Minister of District Administration, Tourism and Transport, before I call on you, if I could just remind Members to what the answer of the Minister was. He said, in accordance with Standing Order 23(4), "**A Member of the Government**" (which the Minister is) "**may decline to answer a question if an answer would, in the opinion of the Government, be contrary to the public interest.**"

My understanding of that, from the Chair, is that he has discretion whether or not to answer the question. He has exercised that discretion not to answer the question as a Member of the Government. It is a written answer, so I take it that it is done with the full concurrence and agreement of the Government that it would not be in the public interest.

With that interpretation, I will ask Madam Clerk to proceed to the next item of business.

STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

JUSTICE OF THE PEACE REGULATIONS

[Deferred]

The Speaker: I have received notice of a statement by the Honourable Deputy Governor and unfortunately he is not here at the time. He did give apologies for late arrival.

Perhaps I can call on the Honourable Premier to ask that it be set down for a later time, if that is the wish of the Government.

DEFERRAL OF STATEMENT

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

I beg to move that the statement to be given by the Honourable Deputy Governor be deferred to a later point in today's proceedings.

The Speaker: The question is that the proposed statement to be given by the Honourable Deputy Governor be set down to a later time on the agenda today.

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

AYES.

The Speaker: The Ayes have it.

Agreed: Statement on Justice of the Peace Regulations deferred until a later time within this Sitting.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

Private Member's Motion No. 13/2014-15— Amendment to the Customs Tariff Law (2014 Revision)

The Speaker: Elected Member for North Side.

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

I wish to move Private Member's Motion No. 13/2014-15—Amendment to the Customs Tariff Law (2014 Revision), which reads as follows:

WHEREAS section 5 under Schedule 2 - DUTY FREE IMPORTED GOODS - of the Customs Tariff Law (2014 Revision) which is entitled "Baggage and household effects", states in paragraph 1(c) "If such passenger is a resident returning from an overseas visit, dutiable personal and household goods (not including merchandise) at the discretion of the Collector, up to a value of CI\$350.00;

AND WHEREAS this value of CI\$350.00 has not been increased for many years while the cost of such personal and household goods has increased during that period;

AND WHEREAS Chapter 22 under Schedule 1 - IMPORT DUTIES - of the Customs Tariff Law (2014 Revision) entitled "Beverages, Spirits and Vinegar", provides that certain beverages containing alcohol be charged duties on volume, that is per liter while other non-alcoholic beverages are charged a percentage of cost, insurance and freight;

BE IT THEREFORE RESOLVED that Government considers amending section 5(1)(c) of Schedule 2 of the Customs Tariff Law (2014 Revision) to increase the value of dutiable personal and household goods to CI\$500.00 and that such duty free not be subject to the discretion of the Collector. That such a provision be allowed only to persons travelling on a Cayman Passport.

AND BE IT FURTHER RESOLVED THAT Government considers amending Chapter 22 of Schedule 1 to provide that all codes in this Chapter be charged duties at the rate of 27% of cost, insurance and freight.

The Speaker: Is there a seconder?

I recognise the Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I beg to second the Motion.

The Speaker: The Motion has been duly moved and is now open for debate. Does the Member for North Side wish to speak on his Motion?

Mr. D. Ezzard Miller: Yes, Madam Speaker.

Madam Speaker, this Motion seeks to do two things: 1) to increase the value of dutiable allowances allowed for residents returning to Cayman, from CI\$350.00 to CI\$500.00; and also to make that duty allowance available only to Caymanians travelling on Cayman passports. The second part of the Motion is to bring, in my view, equality to the duty and alcohol, and also to provide relief by lowering costs on some alcohol, particularly alcohol that is normally consumed by Caymanians, ordinary people.

Now, Madam Speaker, many years ago the legislators saw fit and recognised the fact that Caymanians travelling abroad, particularly at summer vacation time, always shopped for themselves and their households, in many cases supplies for their children, whether in the form of clothes to go back to school in September, and for themselves to be able to dress appropriately for work. Caymanians have enjoyed this. But I think it is fair to say (and I speak subject to correction, because I have not been able to find the exact date when it was increased to \$350.00, but I believe it was sometime in the 1980s if my memory serves me correctly) that everyone who travels today knows that what you could buy just 10 years ago at Walmart, JC Penny's or Sears, for \$350.00 costs substantially less than today. I believe that it is time that we provided this additional relief to the average travelling Caymanian.

This does not apply to people who want to bring back merchandise in their suitcases for re-sale or anything else. This is clearly for personal use.

Madam Speaker, I just believe it is time to increase it to \$500.00. I do not believe that the Government will lose a lot of revenue if it is increased to \$500.00 from \$350.00.

The other aspect that I seek to correct, because I do not think that it should be at the discretion of the Collector of Customs, because it is either something that we provide for everyone, or we do not, and I happen to be of the view that it should only be provided for Caymanians. I do not see any reason why we should be giving economic migrants here for their own opportunity on work permits such relief when they travel. I think it is high time that we started doing things in this Parliament for Caymanians and for Caymanians only. So that is why I have asked for it to be amended to say that it is only available for people travelling on a Cayman passport.

The second aspect of this Motion deals with the way duty is charged on alcohol. To my knowledge, there are only two items in the Customs Tariff Law where duty is charged on volume, and that is on gasoline, diesel or fuel and alcohol. I have often wondered why. In doing research for this Motion I believe I have discovered why.

Madam Speaker, everything else in the Custom Tariff Law duty is calculated on cost, insurance and freight. But on liquor, curiously, it is calculated on

volume. I want to give an example which will highlight what I see as the unfairness in such a method of collecting duty.

If we look at the lower end of alcoholic drinks, and I am going to use an example that I know, because I have done it. If I buy a bottle of Havana Club three year in Cuba for CI\$5.00, I arrive at the airport and I have two bottles. As long as it is less than a gallon—because another motion deals with the gallon that they then confiscate from you—the duty on that second litre is \$11.85 on a bottle of rum that cost \$5.00. Now, if I buy a bottle of Havana Club seven year, which cost CI\$16.95, the duty is still only \$11.85. So, the landed cost on the Havana Club three year is \$5.00 (cost) plus \$11.85 (duty), more than 200 per cent duty, is \$16.85; on the \$16.95, the landed cost being \$11.85 duty, is \$28.80.

Now, Madam Speaker, if I buy a bottle of Havana Club Maxima, which cost CI\$1,600, the duty is still only \$11.85. And the landed cost is \$1,611.85. Madam Speaker, if you can afford to drink Havana Club Maxima you should be able to afford to pay more than \$11.85 duty.

Yesterday, Madam Speaker, I went around and got the selling price of these three rums, because one of the arguments I expect the industry will be making, is that if we go to a flat 27 per cent CIF [cost, insurance and freight], it is going to affect and increase the selling price. For that bottle of Havana Club three year, it cost me \$16.85 to land it here, the selling price is CI\$34.99—100 per cent markup.

The seven year for \$16.95, landed at \$28.80, retail value is \$46.99—greater than 80 per cent. The Havana Club Maxima that I paid \$1,611.85 landed, is CI\$2,200.00.

Now, Madam Speaker, the average Caymanian who wishes to go out and have a drink is not drinking Havana Club Maxima. He is either drinking Havana Club three year or Havana Club seven year, or it could be Appleton, Appleton Special or Appleton Blue Label 21, because it is the same ratio. The Appleton 21 Blue Label, I think is somewhere around \$450.00 at Kingston Airport, but here you pay \$11.85 duty. Appleton Special is \$10.00 or \$11.00 in Kingston Airport, \$11.85 [duty] here. So, Madam Speaker, we are subsidising the rich people's drinks and overcharging the average Caymanian drink.

Madam Speaker, if we go to what I am asking the Government to do and we took a flat rate of 27 per cent, the Havana Club three year that I pay \$5.00, the duty at 27 per cent would be \$1.35, landed cost \$6.35. Even if they increased the retail price at 100 per cent, it is only \$13.00, not \$40.00. The Havana Club seven year, \$16.95, 27 per cent duty is \$4.58, or \$21.53 landed, and even again, if they put it up 8- per cent it would be less than \$47.00. The Havana Club Maxima that I pay \$1,600.00 for, the 27 per cent duty on that would be \$432.00, and landed cost \$2,032. They could still sell it at \$2,200.00 and make a small profit.

The total duty to Government under the two different scenarios is, under the method of volume, irrespective of cost, insurance and freight, total duty to Government is \$35.00 on the three bottles. Under the 27 per cent, cost, insurance and freight, \$437.93—more than 10 times the amount of duty. But the prices on liquor for the tourists, the prices on liquor for the average Caymanian can go down if we do it on a percentage of CIF and not volume. Although it is difficult for me to say how many of each one of these various items is being consumed locally, and I would be the first to admit that there is going to be less of the high end consumed than of the lower cost, I do not believe that Government would be out of pocket a great deal of money.

Madam Speaker, I think it would just be fair to all those concerned. I think it would be a great thing if we could lower the cost of alcoholic beverages to our tourists, because it is not wages that is sending up the price of it. In 1969 when I graduated from school I had people who went to the Holiday Inn to work as bar tenders and bar helpers and they were making \$8.00 per hour. Beer was \$1.00 and a mixed drink was \$1.50. You gave him a \$1.00 tip and he put it in his pocket. Kurt, you remember those days. Put it in his pocket and that was his money. He never had to share that with anybody. Today, along Seven Mile Beach, beer is anywhere from \$8.00 up. And mixed drinks are \$10.00, \$10.50 up. But then you see the positions advertised in the *Compass* on a regular basis for CI\$3.00 and cents, US\$4.00 per hour. And if he gets a tip he has to share it with Tom, Dick and Harry, who may be working in the garden or in the kitchen washing dishes.

So we cannot say that the increased cost of alcohol in these tourist attractions is due to the cost of labour. And here we have an opportunity to lower their cost for the majority of the drinks that they sell to the tourists and to Caymanians.

Madam Speaker, I invite the Government to favourably consider this Motion of increasing allowances for Caymanians coming back from travel abroad from CI\$350.00 to CI\$500.00; and to switch the method by which duty is charged on alcohol from volume to a percentage of cost, insurance and freight. I just picked 27 per cent; the Government might have a more appropriate number to keep the same amount of income that they currently get. I do not have a particular demand that it has to be 27 per cent; I just used that as a figure to produce the different scenarios. It might be 20 per cent which might lower it even more, or 22 per cent which is more of a standard in Government charging on liquids at the moment.

So, Madam Speaker, I ask the Government and all honourable Members to support the Motion. Thank you.

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

I recognise the Honourable Minister of Finance.

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

I rise to reply on behalf of the Government as Minister with responsibility for the Customs Department and the collecting of import duties.

There are four main issues to be addressed in the Motion brought by the Member for North Side, 1) the dutiable allowance on personal and household goods; 2) whether the allowance is subject to the discretion of the Collector of Customs; 3) only Caymanian passport holders may claim the benefit, be it \$350.00 or the proposed \$500.00; and 4) that the assessment of import duty on beverages at the rate of 27 per cent instead of against measured volume.

With respect to section 5(1)(c) of Schedule 2, that being the dutiable allowance of \$350.00, Madam Speaker, the current duty allowance for Caymanians and residents returning from overseas visits with household and personal items is set up to a value of CI\$350.00 or the equivalent of US\$416.00. All Caymanian residents must declare at the time of arrival the total value of all items acquired abroad whether by purchase, as a gift, or otherwise in their possession or in their family's possession.

Madam Speaker, I would add at this point that the US\$416.00 is exclusive of any tax paid on those items. So it does not include the taxes paid. Madam Speaker, the allowance applies to only the goods imported for personal use of passengers and does not extend to merchandise imported for resale or commercial purposes where the duty is otherwise applicable.

This allowance is extended to all residents, including children, and has been in place for many years. Prior to the amount being increased to \$350.00, the allowance for all residents was originally set at CI\$150.00. At the discretion of the Collector of Customs, this allowance could be increased up to CI\$300.00.

Madam Speaker, when the allowance was increased approximately two decades ago, to a fixed amount of CI\$350.00, the words "at the discretion of the Collector" was no longer specifically required. So, Madam Speaker, it is really and truly no longer at the discretion of the Collector.

With respect to the revenue that is foregone, that Government gives up, through this allowance, with respect to the issue as to whether only Caymanians should get it or not just Caymanians, and residents, we currently define "residents" as Caymanians or Caymanian status holders with the right to be Caymanian, or having the right to be Caymanian; persons

married to Caymanians or Cayman status holders; permanent residents; permanent resident's dependents; or permanent residents with the right to work.

Our latest statistics show that for the year 2013, 85,715 residents took return trips abroad and from January . . . and, Madam Speaker, I must apologise to you, this honourable House, and the Member for North Side, in saying that my numbers for the year 2014 only go to November. But I can get that correction for the Member today. So for 2013, they took 85,715 return trips abroad and for the year 2014 from January to November, they took 78,577 return trips. These are trips taken by residents. If we assume that in 2013 everyone took advantage of the full allowance of CI\$350.00, and if they have not taken full advantage of the \$350.00 then it stands to reason that it doesn't make sense to increase it to \$500.00. So we are assuming that everyone who took a trip took full advantage, used up the full allowance of \$350.00.

So if we assume that in 2013 everyone took full advantage of the allowance of CI\$350.00, the total amount of revenue foregone by the Cayman Islands Government was CI\$30,250,000. If the rate was CI\$500.00, then in 2013 the amount would have been CI\$42,857,500, a difference of CI\$12,857,250.

Similarly, in 2014 up to 30 November, at CI\$350.00 the revenue foregone amounted to CI\$27,501,950. At the rate of CI\$500.00, the amount would have been CI\$39,288,500, or a difference of \$11,786,550.

Looking at 2013 and 2014 combined, up to 30 November, we have a total of 164,292 return trips taken by residents which amounts to a total allowance of CI\$57,502,200. That is revenue foregone by the Government, Madam Speaker. To increase the allowance by \$150.00 (from \$350.00 to \$500.00) per person per trip, would result in a further additional loss of revenue to Government of CI\$24,683,800. Madam Speaker, this would cover all types of residents as I stated earlier.

Madam Speaker, if we were to apply this to Caymanians or Cayman status holders only, who are the most likely to hold Cayman passports, the total trips for 2013 and 2014 up to 30 November 2014, amounts to 129,958 return trips. At CI\$350.00 per trip, this amounts to a total allowance of CI\$45,485,300. An additional amount of revenue of approximately \$19,493,700 would be lost if Government were to raise that allowance from \$350.00 to \$500.00 per trip.

On the issue of Cayman passports, we must also consider the other scenarios that will affect these numbers either way: 1) many Caymanian status holders do not possess a Cayman passport; 2) many Caymanians travel on passports other than their Cayman passport, such as a British passport; 3) many permanent residents hold a Cayman passport through naturalization, however, do not possess Caymanian status or the right to be Caymanian.

We must also consider that any allowance granted to only those persons travelling with Cayman passports could cause further delays in the processing of passengers if custom officers are expected to verify the status of each passenger's passport. There is no doubt that this would have a negative effect on customer service for the Customs Department and the Cayman Islands Government as a whole, not to mention the impact upon the impression that tourists would receive when trying to enter the country given the delay in being processed. Madam Speaker, it would no doubt also result in the need to employ more staff to process the proposed changes.

Just for the sake of comparison so that it is not taken in a vacuum, I will mention what obtains in other jurisdictions. In Jamaica, the per-passenger-allowance is US\$500.00 for all residents over the age of 18. In Cayman, it is for every person regardless of age. In Jamaica, it is US\$500 for all residents over the age of 18, to a person who has not been permitted duty free importation within the last six-month period. In other words, in Jamaica it is US\$500.00 twice per year (once every six months) only if you are over 18. In Cayman it is every trip, regardless of age, US\$416.00.

In Bermuda, it is US\$200.00 for residents regardless of age, and US\$50.00 gift allowance for visitors per trip.

In the Turks and Caicos it is US\$400.00 for all. No age restrictions.

In the BVI it is US\$50.00 per adult and \$10.00 for each person under the age of 18 for returning residents who have been abroad for more than 72 hours. For Cayman, if you go in the morning and come back in the evening, you are entitled to the allowance, no restrictions.

For Antigua, it is US\$260.00 per person regardless of age once every three months; so that is per quarter.

For Barbados, it is US\$250.00 per person regardless of age once a year.

For St. Lucia, it is US\$250.00 per person regardless of age, once a year.

For the United States, it is US\$800.00 per person, per trip, as long as that trip is in excess of 48 hours. Again, Cayman is, as long as it takes you to get from Cayman to the next country and back.

For Canada, it is CDN\$800.00 per person per trip, as long as the trip exceeds 48 hours.

For the UK, it is £390.00 per person per trip outside the European Union. And that £390.00 equates to approximately US\$580.00.

Madam Speaker, I would also like to mention at this point that many of those countries also employ direct taxation. So, for them, per passenger allowance is not a major source of revenue. But nevertheless, you can see that compared to the Cayman Islands we are by far more generous than most.

Madam Speaker, as a country with the revenue model that we have (and that is a matter for another day) the Cayman Islands has to be extremely careful that we do not whittle down every little source of revenue that we collect, otherwise, within a few short years we can find ourselves back where we were just recently. Contrary to belief, Madam Speaker, we can quickly go from having an expenditure problem to having a revenue problem. And the consequences of that will be far greater, both socially and economically. As I have said, the way we collect revenue is a debate for another day.

With respect to Chapter 22 of Schedule 1 and the 27 per cent on alcoholic beverages, in the year 2000 a similar change was made for the import of champagne with duty assessed on the CIF value. However, very shortly after, in the year 2001 this change was reversed and we reverted to the current process as a result of significant loss of revenue to the Government.

Madam Speaker, it is our view that charging a rate of 27 per cent across the board for beverages detailed in Chapter 22 will result in a significant loss of revenue for the Government. Other risks to be taken into account include the fact that charging duty on an ad valorem basis creates the possibility of false documentation by undervaluing shipments. Added to that is the probability that market prices fluctuate which, in turn, causes fluctuations in the amount of revenue collected by the Cayman Islands Government. We must also keep in mind that high revenue alcoholic beverages are normally imported for a specific occasion or time of the year. So they are seasonal. So your revenue will fluctuate based on the seasons.

The current method of collecting duties on alcoholic beverages based on a specific rate is a more stable approach and will ensure that the Government collects the amount due without the headaches of an ad valorem approach in trying to determine whether the value is valid or not. Volume is easily confirmed compared to value which will result in the need for possibly more physical inspections resulting in delay in clearing of goods if you had to do so based on value.

Madam Speaker, by way of example, an invoice for 600 litres of rum in which the invoice costs at CIF (cost, insurance and freight) is CI\$3,108.00, and if we were to charge 27 per cent on this CIF value, it would amount to CI\$839.16 of duty collected. Under the current process of calculating duty at \$11.85 per litre, the revenue collected amounts to \$7,110.00, which is a difference of CI\$6,270.84, if you were to compare the ad valorem approach as compared to the volume approach on a case of rum for 600 litres with a CIF value of \$3,108.00.

To collect the equivalent amount of revenue for the same invoice of 600 litres of rum, the duty on an ad valorem percentage basis compared to the volume based specific rate would require a duty rate of

229 per cent. So, we can see that using the volume approach is 1) more stable; 2) more easily identifiable and confirmed; and 3) from the example that I gave, results in far greater revenue than if you were to adopt the ad valorem percentage base suggested in the Motion.

So, Madam Speaker, to conclude my response, and for the reasons stated, respectfully to the Member, the Government cannot accept the Motion by the Member for North Side.

Thank you.

The Speaker: I recognise the Honourable Leader of the Opposition.

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

I do have some sympathy for parts of this Motion. Now, if we take word for word what the Minister said, you could swallow it hook, line and sinker. But we cannot. So, what they are saying, this would seem on the face of it to be a lot of money that the Government lost. Their rationale being that everyone who travels took advantage and the cost was, in one instance, some \$30 million. But statistics do not always give a realistic and truthful case. In this matter the Government is saying that everyone who travels makes a claim for the \$350.00 and would make a claim for the \$500.00 if we were to increase it. I disagree with him. I do not think so; just not possible.

On the liquor aspect I certainly agree with him. But on the rest of it he is just making a case to say no.

Madam Speaker, I have no problem and will support any initiative to give all our people some relief whenever we can. In this matter, though, I would not differentiate between passport holders and non-passport holders. As the Minister pointed out there are various facts to consider. Some persons that travel, outside of born Caymanians, have passports, while others do not. Some who travel have passports but are not yet full Caymanians, if you want to put it that way, but are capable of paying.

While the poor washerwoman who comes and cleans our house, takes care of our children and our parents, and is the least able to pay, would have to pay if they went back home to wherever and brought something back here. I do not agree with that. I do not agree with such a request. But I do agree that we should offer some relief to all our people as little as it would be. So, I do not buy this argument because he says I went away and, from what I understand, if I leave the Island that's two trips. So he is counting one as two to get that number, one hundred and something thousand trips. Is that over three years? Or are you saying one year? I thought he said there was some 85,715 return trips in 2013. I do not know how he is counting that. Whichever way he is counting it, I do not believe, and I have witnessed this, that every-

body who goes off brings something back and, therefore, they do not pay the \$350.00 and Government loses that revenue. I do not believe that.

So, statistics do not always give a realistic, factual case. And in this case the Government is finding a very . . . as I said, if you listened to this you would swallow it hook, line and sinker. But you cannot. I think we should be able to offer an increase.

At one point in time, we did look at what the other Territories offer. They do not offer very much in many instances as he pointed out. But I do not think we should follow that example at all. So, I do not agree with him. I agree with him on the liquor aspect. I do not agree that if the Government would have accepted this, that we could not include the other people who, as I said, are least able to afford it. Thank you.

The Speaker: Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Final call, does any other Member wish to speak? [pause].

Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker.

I rise to make a contribution to the Motion currently on the floor to amend the Customs Tariff Law (2014 Revision).

Madam Speaker, I hear the Government, and this Government seems to have a lot of statistics. I understand that. And I hear their reasons as to why they do not believe that they can extend it this far to help the people, because that is the intent of this Motion. This is about people trying to get value for money. Here is what I mean, people trying to get value for money.

When the Minister says that the other jurisdictions, our neighbours, who are not as generous as we are in this regard, we need to look a little further into that, because I am sure we will see that the cost of goods in their country is not as expensive as ours. So, Caymanians get a little disposable income and they try to maximise the value of that. They go with their family to another jurisdiction, and in our case I believe it is more America, in Florida or the East Coast of the US, and they find the things that are a little cheaper and they try to maximise the value. I know the argument is going to be the fact that they get it at a reduced cost is reward enough for them. But that compounded \$350.00 allowance is reward enough to not spend in here.

Madam Speaker, that argument, will certainly hold some merit, but what about the person who we recognise in this country that does not have the means to live here? The Minister of Education and Labour came here yesterday, and for the last week she has been on the media circuit about helping with minimum wage to try to enhance people's lives. I support her efforts. Forever, Madam Speaker, the governance of this country has never looked to create a

new governance model in revenue models for this country. We have forever sat on our laurels and taxed the poor man. That is what we have done. At the expense of the poor man, others survive in our country. We give them duty concessions, there are very few things in this country that we tax, based on capital gain. Motor vehicles we do on capital gain, but everything else, yes, I agree with anyone that some staples we have duty free. But is that enough for our people to raise their heads above the water or get the straws out of their mouths, because that is what they have to use to breathe above the water?

Therein lies our problem why Caymanians are not surviving in their own community. The Government is, right or wrong, trying to get the country back on a sound financial tract, according to them. By so doing, we are announcing that \$120 million surplus is expected for the next budget, or \$150 [million], Madam Speaker, at whose expense? We continue to hear not only this Government, but other Governments, giving concessions to all others, giving concessions to some who even owe us concessions. A-h-h . . . shouldn't have gone there right now but I will leave that because that one we are going to have our own discussions on.

Madam Speaker, I note that this little increase would assist the working man. That is who it would assist. And I would implore the Government to reconsider their position. Every time I go away I pay my duties. But whilst doing so, I see people come through the line who are business people. Not only do they have sacks, but they have plenty more than me! And they go through the line that is non-declaring. Now, I would like to know who goes on vacation with five big army duffle bags.

Madam Speaker, I saw a very prominent lady in our society come through one night and talking to her and helping her get her luggage, she had about eight big bags and boxes. She had gone up to get her son from college. He was not coming now, but she was trying to bring back some of his books and all his second-hand belongings that he had over the four, five year span at college. I had mine to declare, so I went in the line to declare and went over to pay it. They searched her down to the very folders the kid had with his lessons, looking at them. Okay, no problem. I felt a little sorry for her, because she was a little upset, but of course, customs has no place to believe her. She was visibly upset, knowing why she knew she was doing it. Anyway, I was standing in line for probably 45 minutes because other people were in front of me, and I left her there and they were still searching her.

While standing there I took the time to turn around to make sure I was seeing what was right and comparing it. I saw at least three business people come through and each had five duffle bags. And they went through. Now, I cannot say what was in them, it could have been air. They could have pumped it up

with air. But they were tight. And the air pressure was high. So was hers. But it was books. I saw them taking the books out. I saw them taking out the jeans that I knew were not for her, and the shirts that looked very much like men's shirts and the briefs that looked very much like men's briefs. So, therein lies much of our problem with how much the Government collects, or the lack thereof that the Minister spoke of.

I understand that the \$500.00 is going to exponentially increase what Government gives away. But my suggestion is that whilst Customs has discretion, there is very little when you see somebody with five duffle bags. And they know they are business people, and they are letting them through.

Madam Speaker, let me admit right now that I do not know what was in the bags. I do not know what the conditions were. They could have been anything. The person could have been coming home too, or bringing their children back from school. I do not know. All I am saying is that in exercise of our discretion we have to be extremely vigilant. That is all I am saying. And just maybe some of that lost revenue can be attributed to people who are not declaring their total value.

I encourage people to pay their duty because, certainly, our population being so small does not necessarily support, and the cost that Government puts on the operation of a business in this country, does not support the businesses surviving or catching up real quickly without an extraordinary amount of profit margin markup, so to speak, to cover all those costs. That is why it costs us so much to do business in our country. And I am not saying only this Government. They are saying that they have not increased taxes, but I do not know if that is entirely true.

Whilst tax by virtue of Schedules in the tariffs have not increased, the cost here in this country has increased because I know of the Government taking a policy not to waive things that hitherto was waived for the ordinary man. And that is a cost, an added cost, to our poor people. Now, I believe that we need to try and assist wherever we can, wherever we can enhance the lives of our people.

I listened to the Minister. I know there is another motion coming up, the same kind of application, (reverse but coming from their side), is going to be shown that it is about revenue as well. And, yes, the country has to run on revenue, but Mr. Warren Connolly told me one time, if the country has the people should have. If the country does not have, then the people cannot expect to have. They must work with it to get the country to have.

We need to make sure that we lift each other. When the tide rises, we should all rise. When it falls, we should all fall, but in tandem with each other, parallel to each other. You cannot expect for the Government to rise and the people fall, because as soon as they start falling the water is going to get above their heads. And that is what is happening.

Madam Speaker, let us say that the Member for North Side and I need to remove the Cayman passport thing; no big deal. Let us say we need to look further at the duties of 27 per cent. No big deal. But the intent of this was to try to see where we could go to help our people. Maybe Government will say to come up with an alternative and that this is not the right thing and we need to help them in other ways. But let us do something. I can tell you, Madam Speaker, that despite the Government talking about \$150 million profit, our people are hurting!

Madam Speaker, it is not like they do not know. They live in the same communities we live in. They see it; they feel it. They can measure it. Not only is it measurable, it is tangible for them, just like it is tangible for me. We have people that we need to help every day. How we work towards getting them on their feet, where do we send them, Madam Speaker? And yes, somebody is going to say that is why we need to collect the revenue from people like me and the Member for North Side. Where do we send them? Over to the Financial Assistance Unit is the best we can do. But the fact that people cannot help themselves, we need to find some way of assisting them.

We have the minimum wage now proposed. Let's accept it. Let's move. Yes, it is a small percentage when compared with all of us, but let us move. Let us do it and get it in place. Sometimes it is necessary to do these things in order that our people survive, live, lifted up, able to help their families. The Government has the homes. Nobody can buy them because the target that we need to reach, we are not reaching.

We are creating a sense of "who-are-we-developing-for?" Who? We are creating a sense of "the-system-does-not-support-me". What do I do to get attention?

The Leader of the Opposition is now trying to get something going in West Bay about bringing factions together and bridging that divide. How do we think that happened? It is us. It is us. Madam Speaker, I have been a legislator for 14 years. It is an indictment on me that my people are hurting to the extent they are hurting. But the indictment is on the others in here too. It is us. If this is not the right thing, let us find something! Those who can afford to go away, Caymanians should feel free to go away. We are going to teach our children that the world begins and ends at Hog Sty Bay? That is not where the world begins and ends, because what you are going to get then is people without a mind. Their minds are going to be as thin as case knives. What happens then? We are contained to our own little environment?

Madam Speaker, I need to get off this soapbox because it bothers me that we do not come up with alternatives on how to help our people. We expect them to be as successful as some of us. Many of us were in the right place at the right time. Many of us did not find that place, but we have children there that

we can help find that place that this country's future can be a little better off. But we are concerned about . . . *Well, I could do it, you should be allowed. You have the same brain in your head and you can do what I did.* That's not true. It is about opportunities.

We like to talk about the success of a business is location, location, location? Well, the success of this country is opportunity, opportunity, opportunity. That is what it is about. Who creates opportunity, opportunity, and opportunity? The people go to the polls every four years and use a lead pencil. And we dismiss that lead pencil until the next four years. That is the great equaliser in this political arena. Take heed!

The Speaker: Does any other Member wish to speak? [pause] Does any other Member wish to speak? Final call . . .

I recognise the Second Elected Member for George Town.

Mr. Roy M. McTaggart, Second Elected Member for George Town: Thank you, Madam Speaker, for the opportunity to make a few observations and points with regard to the debate this morning on the Motion before us. I'm speaking in support of the Minister of Finance and his comments made earlier in the debate.

Madam Speaker, the first thing I would like to mention is the fact that when the Minister was giving examples of what the revenue loss would be, to me it was not made particularly clear that this was the maximum potential loss of revenue to Government. It is quite clear, and I think we all recognise that not everyone local or resident who travels uses up that \$350.00 allowance every time. I travel quite a bit during the year and never use it. So we know one thing. We know that the number is not zero. But what the challenge is for us, we know what the maximum potential loss is. But where it lies in between is open to anyone's guess as to what the true loss to Government is in revenues. But I feel certain, as a frequent traveler and accountant, that the revenue loss to Government is substantial because people do travel and they do take advantage of that allowance.

Secondly, I would just like to mention what has not been mentioned as yet in the debate. From my perspective in terms of foregoing revenue and giving further tax incentives or reductions, I think the Government has to be extremely careful if it is going to find itself in a position to comply with the Public Management and Finance Law by the deadline of 30 June 2016. I think Government has stated publicly many times, their intention to ensure that the country does bring its finances into compliance with the Public Management and Finance Law requirements by the stated deadline.

I think a tremendous amount of progress has been made. But even with projections as they now stand to date, Madam Speaker, there is not much

room for wiggle. If we are going to comply it is essential for us to preserve the revenue streams as much as we can in order to ensure that compliance. I think what we will see happen is potentially once compliance comes into effect and we are no longer the oversight and control of the Foreign Office, that Government will have a little more freedom to make decisions like this. And although we will have to ensure continuing compliance with the Public Management and Finance Law, it gives Government a little more flexibility in terms of managing the finances and affairs of the country.

Madam Speaker, last year, certainly in this budget cycle, Government made some concessions in terms of reduction of taxes to help the private sector, particularly small businesses and those who are particularly hurting. By anyone's measure, they were fairly modest, but it was what the Government felt they could afford at the time. Government has also indicated that they are going to afford or give a small increase in terms of compensation to the civil service this year. I think these efforts and these tokens really demonstrate the good faith and good will of the Government to do things as and when they feel that they are in a position to do so, but at the same time, not compromise the ultimate aim of ensuring compliance with the law in 2016.

An interest purely from an economic standpoint, Madam Speaker, the third point I wish to make is that increasing our allowance from \$350.00 to \$500.00 does absolutely nothing to promote commerce in Cayman. We all wish and want to see our local economy thrive. And we want to see ourselves support local commerce. Giving this increase will do nothing. In fact, what it will do is to encourage more spending overseas with more money leaving the economy. I am not sure that that is in the best interest of us at this point in time, given the fragility of our own economy.

So, I think before we actually embark upon these types of initiatives, it is important for us to understand clearly what the true ramifications are because we see and hear of so many of our local businesses, particularly small businesses, struggling. While we do small things to try and help, things like this would just simply reverse a lot of the efforts that we have made to try and help our local businesses survive in this environment of reduced economic activity.

While we have touted and showed that we believe the economy has turned and is continuing to improve, the improvements, as I have always said, Madam Speaker, are not spectacular. The glory days of 2005 to 2007 are gone. And at this point we are not forecasting or projecting growth of 5 per cent, 6 per cent or 7 per cent like we had in the past; it's maybe 2 per cent, maybe 2.5 per cent or 3 per cent we are looking at. And while that is great, it means that it is a

very measured and steady growth, rather than the heydays we had in the past.

So, for those reasons, Madam Speaker, I will conclude my debate here by saying that I support the Minister in rejecting the Motion this morning. Thank you.

The Speaker: I recognise the Honourable Minister responsible for Financial Services.

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

I gave way to my friend, the Second Elected Member for George Town, just now. Of course, when you do that you sometimes end up having points covered that you wanted to make. Certainly, the point that he very ably made in relation to commerce and support of small business is one that was particularly of concern for me.

I think I see where the mover and seconder are going with the Motion; the intention is fine. But we are doing everything we can to promote small businesses, as my friend has said. Just to add a bit more colour to that, in the last year as a result of our concession, our stimulus, in relation to Trade and Business Licences, was that we have small businesses and we have micro businesses essentially with zero fees with respect to Trade and Business Licences. It is not quite a year yet but we have now had up to this point, somewhere in the region of double the numbers of Trade and Business Licences, the new grants for Trade and Business Licences, versus the previous year. So, it shows that that programme is working. And we are trying to create the right environment to help support those.

My ministerial colleague, the Minister of Finance, has ably demonstrated that the number which is utilised in the law at the moment (in terms of the \$350.00) is fairly generous. I think the point should be made as well that for the average family, if you have four family members that are travelling, converted to US dollars, that is over US\$1,700.00. That is a significant allowance.

He has pointed out that it is already generous compared to many countries in the region. I say all of that to support the notion that while that is generous, we want to make sure that we support our local businesses as well. Without having growth in our economy and keeping money within our economy and allowing that multiplier effect to occur within our economy, we are wasting opportunities, we are wasting some of the good benefits we have been creating and seeking to achieve in our local economy.

Madam Speaker, the Member for East End made the point that we need to be finding ways to help the people of the country, to help consumers. We fully accept and understand that. One of the things we

did to try to help the economy was the small business stimulus.

Madam Speaker, we had a statement yesterday in terms of the fuel duty reduction. That gets translated directly to consumers. We also have had a reduction in import duties for licensed traders, from 22 per cent down to 20 per cent. That reduces the cost of doing business and, at the same time, hopefully gets translated into savings to the consumer.

We realise that that is subject to some variance. Competition, on the other hand, helps to drive the right direction on that and create the right motivation there. But it cannot be said that we are not aware and alive to the issues of trying to reduce the cost of doing business and trying to reduce the cost of living to the average person in this country, because we are, and we are doing it. We are demonstrating success. Inflation is low and there is no doubt that the things we have initiated are having a very positive contribution to keeping those costs and addressing the concerns of the Member for East End.

Madam Speaker, just going back to the small business stimulus, it has been very effective. We said initially when we put it in place that we would review it after a year. And we will be doing that, and because of the success we are extremely likely to be carrying it on for at least another year.

So, with that, Madam Speaker, I would say I stand in support of the response of the Minister of Finance and the Government's position in relation to this Private Member's Motion. Thank you.

The Speaker: Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Final call, does any other Member wish to speak? [pause]

If not, I will call on the Member for North Side, if he wishes to exercise his right of reply.

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

What a sad day for this country.

Madam Speaker, I listened very carefully to the statistical defence and argument given by the Minister of Finance. I noted with interest the choice for comparison. The 600 litres of liquor gave a comparison of 7,000 by volume and 300 and something by ad valorem. Anyway, it was very heavily in favour of volume.

It is so unfortunate that he used the \$5.00 bottle of liquor to produce those figures, and not the \$250.00 bottle of liquor, because had he used the \$250.00 bottle of liquor it would have been almost equal, or the other way around.

Madam Speaker, I really find it difficult to accept that the Government is so concerned about the increase loss of revenue that such an increase in the allowance would give to the people who need it the most. But there is no concern about the loss of reve-

nue for concessions for billionaire developers. We give them anything they ask for.

We were told here in September that the Dart conglomerate has already gotten around \$15 million on their hotel alone that is only 3 stories and is going to 10. Imagine what it is going to be by the time he gets to 10! And, Madam Speaker, we hear them saying they are promoting small businesses. But there is no requirement by these billionaire developers to buy the product locally. We have no concern of what that would do to grow the local economy. But we are concerned that some working mother goes to Miami and to get a pair of school sneakers for her child for \$25.00 from Walmart, but if she goes down town she has to pay \$75.00 for the same pair of shoes, and we want her to pay the \$75.00 to grow the local economy. But the Dart conglomerate that will get millions in concessions is not required to spend one dime in the local economy. It is easy for them to do that, Madam Speaker. All they have to do is say to the people, *We will give you the duty rebate, buy it locally.*

Imagine what that would do to the local economy's growth if all the building materials, all of the furniture . . . we have Caymanian furniture stores closing down because of lack of business. People like the hoteliers, who get it duty free, are allowed to buy it overseas and pay no duty on it. But that doesn't concern us.

The Minister of Financial Services says that the increase in business licences is about 100 per cent since you reduced the rates. I think you said 100 per cent. Double? That's the same thing, that's 100 per cent. Madam Speaker, I predict to him that in two years 75 per cent of them will close. The only reason they come get the business licence now is because it is basically free.

Madam Speaker, we are not going to put in any fair trade commission now with a certificate of need. The fact that they have 900 million beauty salons and 25 people apply tomorrow for a beauty salon because the business licence free, that is growth in the local economy.

Madam Speaker, the Minister of Finance compared the allowances to Cayman for other Territories. Most of those that are lower than Cayman have a lower cost of living than Cayman. Madam Speaker, as I told you, these people are not afraid of charging money. On the \$5.00 bottle of rum, the price in the local liquor store is \$34.99, with \$11.00 duty. And if we go buy it at the bar, it's \$10.50 an ounce.

Another big concern of the Minister of Finance is if we go to cost insurance and freight people are going to cheat. If we do not have enforcement in customs already to take care of that, there will be trouble and the provisions under the Customs Law for those who get caught cheating are substantial, unless you work for Government, as a senior civil servant. Then you can forget about it.

Now, Madam Speaker, all I am seeking to do—the people in my constituency who every summer take their family . . . they save all year, and they still probably have to borrow money and extend their credit cards to take their two children for a summer vacation. They try to buy clothes and shoes and socks and stuff for the children so they can dress decently and properly to go to school and go to church for the rest of the year. Most of them go away once a year. Those are the people that this \$500.00 can help. Those are the people who need to the \$350. With the number of people travelling, I am like the Second Elected Member for George Town. I think I made 14 or 15 trips overseas last year. I never claimed an allowance for either one. If I have anything that does not fall under that, you know I am going to declare it and pay my duty.

So, Madam Speaker, I do not believe that increasing the allowance from \$350.00 to \$500.00 for the Caymanians that really need the assistance is going to erode revenue to the volume that the Government suggests, and it certainly is not going to erode revenue to the level of what we are giving developers. I hear all through the place, EIU bringing me all kinds of reports on this new development in Beach Bay that we have done all this land changing, rezoning and road moving and everything else for. Trust me. Trust me. The concessions that they are going to get on that from the Government, far exceed anything that this little increase here could do. And trust me, the Government ain't going to put on it that they have to buy the product locally to stimulate the local economy.

Madam Speaker, my conscience does not allow me to be part of that and punish the Caymanian on the other side of the coin. Whether the Government wants to believe it or not, there are families in my constituency that I know about, and I believe there are families in their constituencies that would be happy and are in need of this little increase in their allowance. And those families ain't going to get anything out of the Dart development or the Beach Bay development.

The list that was given to me the last two years when my child was going to primary school of what I had to supply sending her to school with on the first day of school would fill up a Walmart cart, if not two carts! And buying them locally is going to cost that parent substantial money—\$300.00, \$400.00—the extra pencils, the extra erasers, the toilet paper, the tissue paper, the alcohol wipes, the Clorox—the list is two pages long!—the extra folders that they have to buy to give the children to go to school.

And the Government is here today saying that they cannot increase the allowance for those kinds of people from \$350.00 to \$500.00 because it is going to whittle down a source of revenue? Tell that to those people selling them in town. Tell me the prices that they are selling the folders for. Does that reflect any duty free status?

[Inaudible interjection]

Mr. D. Ezzard Miller: No. But we do not want price control either, right?

Madam Speaker, I hear several of them saying how they are going to be compliant with the Public Management and Finance Law in 2016 and then things will change. So what are they going to do, become uncompliant again the next day, or what? If they are going to borrow money, they are going to be non-compliant again. It is going to take years to get down to the level where you can borrow anything or spend extra money without breaking the law again, unless the object is to simply say we became non-compliant for 24 hours, or six months or three months, so now the UK is not controlling us so we can go borrow money that we shouldn't borrow now to do something else.

Madam Speaker, I have done my job. I have tried to represent the needs of my people. The Government has decided that those needs are not important enough for them to support. I have tried to equate so that the poor people are not paying all the duty on liquor and the rich people are having their hoi-toity blue label Appleton and the poor man who wants to take a drink is paying all the price. The Government says it is not supporting the Motion. I can do no more than I have done. Thank you.

The Speaker: The question is: BE IT THEREFORE RESOLVED that Government considers amending section 5(1)(c) of Schedule 2 of the Customs Tariff Law (2014 Revision) to increase the value of dutiable personal and household goods to CI\$500.00 and that such duty free not be subject to the discretion of the Collector. That such a provision be allowed only to persons travelling on a Cayman Passport.

AND BE IT FURTHER RESOLVED THAT Government considers amending Chapter 22 of Schedule 1 to provide that all codes in this Chapter be charged duties at the rate of 27% of cost, insurance and freight.

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

AYES and NOES.

The Speaker: I believe the Ayes have it.

[Inaudible interjection]

The Speaker: Sorry—

Mr. D. Ezzard Miller: In light of the confusion, can I have a division, Ma'am?

The Speaker: Can we have a division please?

The Clerk:

Division No. 27

Ayes: 4

Hon. W. McKeeva Bush
Hon. Bernie A. Bush
Mr. D. Ezzard Miller
Mr. V. Arden McLean

Noes: 11

Hon. Alden McLaughlin
Hon. Moses I. Kirkconnell
Hon. Osbourne V. Bodden
Hon. G. Wayne Panton
Hon. Marco S. Archer
Hon. Tara A. Rivers
Hon. Anthony S. Eden
Mr. Winston C. Connolly, Jr.
Mr. Roy M. McTaggart
Mr. Joseph X. Hew
Mr. Alva H. Suckoo

Absentees: 2

Hon. D. Kurt Tibbetts
Capt. A. Eugene Ebanks

The Speaker: The result of the Division: 4 Ayes, 11 Noes and 2 Absentees. The Motion has failed.

Negated by majority on division: Private Member's Motion No. 13/2014-15—Amendment to the Customs Tariff Law (2014 Revision) Programme failed.

The Speaker: We will now take our luncheon break and reconvene at 2:00 pm.

Proceedings suspended at 12:39 pm

Proceedings resumed at 2:33 pm

The Speaker: Please be seated.
Proceedings are resumed.

PRIVATE MEMBERS' MOTIONS

**Private Member's Motion No. 14/2014-15
Amendment to the Liquor Licensing Law
(2000 Revision)**

The Speaker: I recognise the Elected Member for North Side.

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

I wish to move Private Member's Motion No. 14/2014-15, Amendment to the Liquor Licensing Law (2000 Revision):

WHEREAS the Liquor Licensing Law (2000 Revision) in Section 10(10) states "No person may import into the islands intoxicating Liquor in excess of one gallon unless he is the holder of a license";

AND WHEREAS this restriction unfairly protects the license holders as it appears all categories of licenses can import intoxicating liquor;

AND WHEREAS Caymanians, Residents and Visitors may wish to import intoxicating liquor

for personal consumption or to give to friends as gifts, but not for sale in excess of one gallon;

BE IT THEREFORE RESOLVED THAT Government considers amending the Liquor Licensing Law to allow Caymanians, Residents and Visitors to import for personal use up to five cases of intoxicating liquor and pay the duty rate established in the Customs Law for any amount in excess of that allowed under Schedule 2 of the Customs Tariff Law (2014 Revision).

The Speaker: Is there a seconder?
Elected Member for East End.

Mr. V. Arden McLean: Thank you, Madam Speaker. I beg to second the Motion.

The Speaker: The Motion has been duly moved and is now open for debate. Does the Elected Member for North Side wish to expound upon his Motion?

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

This restriction is, I believe, a little bit onerous on Caymanians who wish to bring in intoxicating liquor because if you arrive at the airport now with five one-litre bottles of liquor, the Customs [Officer] is forced under the law to confiscate anything in excess of four-point-something litres. What the Motion is seeking to do is allow persons who arrive at the airport or through the port with liquor in excess of one gallon to pay the full duty on it, but import their liquor.

I just think that a one-gallon restriction is very small when you look at the prices and markups that the liquor establishments put on retail liquor in this country (as was mentioned in the previous motion), sometimes greater than a 100 per cent markup. I am not asking that the people be allowed to import more than the one litre duty free, which is currently allowed, but that they be allowed to bring in, in excess of the one gallon. I am suggesting five cases, but if the Government wants to amend that to two or three, I am not adverse to that.

But I just think that this offers undeserved and unearned protection to the people who already have distributor liquor licences on the Island, and I just ask the Government to consider amending it to allow, as it says in the Motion, up to five cases with the clear understanding that the only amount of that which is duty free is the one litre currently provided for under Schedule 2 of the Customs Tariff Law. Thank you.

The Speaker: Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Final call, does any other Member wish to speak? [pause]

I recognise the Honourable Minister responsible for Financial Services.

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

There is an obvious balance to be struck on this issue. The licensing of alcohol distribution and sale and, therefore, the regulation, is one that every . . . well, let us say many societies around the world engage in. There are societal concerns. There are also concerns about ensuring that businesses involved in this area are supported and properly regulated. I see where the Member is going in terms of his Motion. I can see where there is an issue with the current provision in the Liquor Licensing Law which allows a gallon to be brought in without a licence and alcohol typically is described more in terms of litres. The bottling is different. It is typically in the metric system. So I see that as being a potential issue.

Madam Speaker, while on behalf of the Government, we do not feel that we can accept the Motion as it is, particularly given that we are talking about five cases of alcohol, which could have . . . it is not related to volume. It could have varying volumes involved. We are in the process of redrafting the Liquor Licensing Law and I would certainly, though we do not feel we are in a position to accept this Motion, commit to the Member that I will ensure that he is consulted during this process and that we examine ways of addressing the concerns which may be behind the Motion he has brought.

So, Madam Speaker, I do not intend to go into a lot of detail. I am not sure it is necessary. This Motion is similar in some respects to discussions we had earlier on the other motion, and I think, I hope, that with the indications to the Member that I will consult with him on his specific concern in this area, that we can move past this and get his concerns addressed and have something that reflects a consensus with the Government in terms of the final, revised form of the Liquor Licensing Law that we will propose to take forward. Thank you.

The Speaker: Does any other Member wish to speak? [pause] Does any other Member wish to speak? [pause] Final call, does any other Member wish to speak?

If not, I will call on the honourable Member for North Side to exercise his right of reply.

Mr. D. Ezzard Miller: Just to say that I understand the Minister says he is revising the law, and he has given an undertaking to consult me on this section of the law. But this revision of this Liquor Licensing Law has been a long time coming. I am almost of the view at this stage, Madam Speaker, because of the black market that exists out there in the liquor licensing, so to speak, and the illegal actions that people who do not have any facility, who do not have anywhere, but have a liquor licence in their pocket that they can rent to someone who want to open a proper facility because the person who has a proper facility cannot get

a licence, that we need to simply repeal the law and let market forces take over control because it is illegal substance that they are selling. And all of these restrictions simply add to the amount of money that people can make out of this business.

So, I will be happier if the Government just came and said they wanted to repeal the Liquor Licensing Law and anybody who wants to open a restaurant and bar and can meet the other criteria of safety and health and all this stuff . . . because we are unable to enforce the law. I can find no provision in the law that allows me as a person to be licensed to sell liquor. It is the facility that is licensed.

But I am happy to hear that the Government is actively considering revision of the law and I will be happy to sit down with the Minister and help him repeal all of the sections of it I think need repealing. We can bring the law back with the title and the final date and all of us will be happy. Thank you, Madam Speaker.

The Speaker: The question is: BE IT THEREFORE RESOLVED THAT Government considers amending the Liquor Licensing Law to allow Caymanians, Residents and Visitors to import for personal use up to five cases of intoxicating liquor and pay the duty rate established in the Customs Law for any amount in excess of that allowed under Schedule 2 of the Customs Tariff Law (2014 Revision).

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

AYES and NOES.

The Speaker: The Noes have it. The Motion has failed.

Negatived: Private Member's Motion No. 14/2014-15, Amendment to the Liquor Licensing Law (2000 Revision) failed.

PRIVATE MEMBERS' MOTIONS

Private Member's Motion No. 15/2014-15— Amendment to the Immigration Law (2014 Revision)

The Speaker: The Elected Member for North Side.

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

Madam Speaker, I wish to move Private Member's Motion No. 15/2014-2015—Amendment to the Immigration Law (2014 Revision).

WHEREAS there is much concern amongst Caymanians that the Business Staffing Plan Board is not protecting their opportunities for employment;

AND WHEREAS the Caymanian worker seeking employment has no way of finding out what positions have been approved in a Business Staffing Plan or when permits will expire or what scholarships and training are required as conditions of a Business Staffing Plan.

BE IT THEREFORE RESOLVED THAT Government consider amending section 45 of the Immigration Law (2014 Revision) to require that all businesses that have a Business Staffing Plan make them available for inspection during normal working hours of the business by any member of the public.

The Speaker: Is there a seconder?

Honourable Member for East End.

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

Madam Speaker, I beg to second the Motion.

The Speaker: The Motion has been duly moved and is now open for debate. Does the honourable Member for North Side wish to speak to the Motion?

Mr. D. Ezzard Miller: Madam Speaker, the Immigration Law in section 45 provides an elaborate mechanism by which companies or individuals who employ more than 15 persons on work permits must apply for a Business Staffing Plan.

A big part of the Business Staffing Plan is to allow the company to inform the Immigration Board of their work permit needs for five years, and to indicate how they will replace work permit holders with Caymanians. Some of the provisions of the Business Staffing Plan as detailed in law, are, and I quote from section 45(1): "Every company, firm or other business enterprise which – (a) has carried on business for six months or more on or after the 1st January, 2004; and (b) employs fifteen or more persons on work permits, shall, no later than the 31st March 2007, submit to the Business Staffing Plan Board, a Business Staffing Plan in accordance with Schedule 3 to the Regulations.

"(2) Every company, firm or other business enterprise, other than those referred to in subsection (1), carrying on business within the Islands shall, as of the date they commence employing fifteen or more persons on work permits, submit to the Business Staffing Plan Board, a Business Staffing Plan in accordance with Schedule 3 to the Regulations within six months of such date."

Madam Speaker, we know that many of the companies ignored those timeframes in the legislation and were left without proper business staffing plan when those dates expired. But, Madam Speaker, experience indicates that the Business Staffing Plan Board has not made much of an effort to monitor or

enforce the agreed provisions of the approved Business Staffing Plan.

To further compound this lack of monitoring, it appears that administrative staff within the Immigration Department issue work permits for companies that have Business Staffing Plans without reference to the Business Staffing Plan Board, or to the Business Staffing Plan.

Experience also indicates that employers or their lawyers manipulate this process and choose where they send their applications in order to get what their client wants, whether it complies with the Business Staffing Plan or not.

Madam Speaker, the young qualified Caymanians, and these are the people I am concerned about here. I'm not concerned about people who are not qualified for these jobs. They tell me that they come back from college with their—and I will pick on the accountants for convenience—Bachelor's Degree in accounting, their CPA [Certified Public Accountant] and some of them with a Masters in accounting. They go around to these firms and they present their CVs and they are told there are no vacancies, but they have 100 work permits. And these young people believe that if they could say, *Well, I would like to see your Business Staffing Plan*, that they could look at the Business Staffing Plan and say, *Yes, you do not have any vacancies at the moment but I notice from your Business Staffing Plan that John Doe who is an accountant, who has a Bachelor's degree, who has a CPA, his work permit expires in three months and I would like the opportunity to apply for that specific post because we have the same qualifications.*

I have said to them, *Yes, but some of these people may have three or four years of experience.*

And they will say, *Yes, that is true but we are prepared to start at a lower salary just to get in the door. Or if we could see the competencies of John Doe, we may see that, yes, we both have an accounting degree, we both have our CPA, and yes he has three years of experience and I do not have any, but he only has Excel so maybe in the next three months I can go and get the whole Microsoft suite so that I will have that advantage over him. But the important thing is that I will know that this position is becoming vacant in three months and I can prepare myself and come back and apply for that specific job.*

I think that that is very rational, Madam Speaker, and does have a lot of commonsense in it. But unless we make the Business Staffing Plan a document that can be expected by these young people, they have no way of knowing.

The second thing that these young qualified Caymanians complain about is that while they are at university in America, Canada or England with their friends, all of their friends, many of whom are excelling academically above and getting better grades and everything else, but they are being headhunted by all of the corporations that surround that university and

other places who come and are looking for the brightest and the best. But when they talk to them it is, *Well, we can't work in the United States because we don't have a green card.* But when they come back here and go to these local institutions and present their academic credentials, they are treated like criminals. No respect is shown to them, there is no belief that these people have made an effort to attain these academic qualifications and that that in itself requires a certain amount of self-application and effort to get it, and they are simply told that they do not have any vacancies, or they are told that they will take their application and if anything comes up they will contact them. Nobody contacts them. And they get no joy in complaining to the Business Staffing Plan Board because nothing happens.

Madam Speaker, this is happening to both spectrums of the employment workforce in Cayman. The young people are told that they do not have any experience so they are not qualified for the job. People my age or ten, fifteen years younger than me are being told they are overqualified for the job because they have 15 to 20 years of experience. So, nobody gets an opportunity to get into this.

Madam Speaker, the power of this Motion is to at least allow the Caymanians who will make the effort to try and find employment, who believe they are qualified for it, that they can go to these institutions and get this information. And I don't think this is a situation where everybody off of the street are going to want to come in and look at their Business Staffing Plans and see what they have, or their competitors are going to worry about it and come over and want to steal information off of their Business Staffing Plan. There's nothing in the Business Staffing Plan that is confidential, because the advertisement which is put into the paper, they have to give the competencies that they require, what qualifications they want, and they have to put at least a salary ban in the ad so that the salary is known. So, there is really nothing of proprietary interest that they need to protect. It is just one other step in the ladder, Madam Speaker, that I believe will assist young qualified ambitious and hard-working Caymanians of getting their foot into the door of some of these companies and organisations.

So, Madam Speaker, without this access to this information and this knowledge of what the business manpower wants . . . and even people seeking scholarships, right? Because all of these organisations will submit these and agree to these conditions of the Business Staffing Plan that they are going to provide three, four, five scholarships and when you go and ask them for it they say they do not have any scholarships to give, But if they can look at the Business Staffing Plan you can see what they are offering a scholarship for and you can specifically apply for that scholarship. So, I believe there are several reasons, Madam Speaker, why companies that have a Business Staffing Plan should be made by law to

make them available for inspection, particularly by people who are seeking employment and who are qualified to seek that employment.

So, Madam Speaker, I ask the Government to amend the legislation to assist these young qualified Caymanians in particular, who are looking work and can't find any in this economy at the present time.

Thank you, Madam Speaker.

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

I recognise the Honourable Premier.

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

Madam Speaker, as both the Minister with responsibility for Immigration and as Premier, I wish to respond briefly to this Motion on behalf of the Government.

Madam Speaker, the issues raised by the Member for North Side are issues which are of concern to the Government as well. We acknowledge that the whole Business Staffing Plan regime is not working the way it was envisaged it would work from both perspectives. There is not adequate follow-up with respect to what I think are called Reg-6 [Regulation 6 provisions] which are usually attached to the various positions posts within the Business Staffing Plan and which require the employer to find and identify Caymanians to train up to, or to understudy these particular posts. And there are not adequate mechanisms in place for that enforcement to be done. And there is also the issue of scholarships, which, in many instances, are agreed to as part of the Business Staffing Plan. And we do not have in place a proper mechanism again so that these scholarships are published or even that the Education Council itself is aware of these scholarships. So, we are working to see what we can do to address those issues.

Conversely, the whole Business Staffing Plan regime seems to have become somewhat (I don't want to use that bad word) . . . somehow misinterpreted or misapplied in the sense that the Business Staffing Plan Board was never envisaged to be just another work permit board. And quite frankly, in most instances based on the reports that I get (and that is not today) that is what happens; that each application for a work permit there, goes through the same process and scrutiny as does as application to the Work Permit Board. The whole purpose of having a Business Staffing Plan in the first place was that you would agree in advance with the Board as to what positions work permits would be available for over a particular period. And so when you submitted the application you did not have to go through this careful process of scrutiny, you just got your work permit. And the *quid pro quo* for that was the Regulation 6 that you would

find and train Caymanians to do certain things and the scholarships and so forth.

So, the Government acknowledges that the regime is not working and has not worked for many years the way that it was envisaged. And we are taking steps to deal with those particular issues. However, Madam Speaker, as I said, while we understand the concerns which have caused the Member to move this Motion, we do not believe that we can accede to the Motion which would require that all businesses have a Business Staffing Plan made available for inspection during normal working hours of the business by any member of the public. That again is because of the commercial considerations involved with it. For instance, what that would mean is that if you have two big law firms that have obviously a business plan about how they intend to grow their business and what areas of the practice they want to focus on and develop, if all of these Business Staffing Plans became generally available to the public, then, their competitors would have access to that information and obviously that would create some significant issues with them. Were we to agree to this in this form I think there would be a huge hue and cry around from businesses generally, about their particular commercially sensitive business plans being made generally available to the public and in particular to their competitors.

So, while the Government is most sympathetic to the issue that has been identified by the Member for North Side, and we are conscious of it ourselves, and are proposing to take steps to improve that whole situation, I regret that we are unable to agree to this particular Motion which asks for the Business Staffing Plans themselves to become essentially a public document available to inspection by anyone off the street who wishes to come and see how this particular law firm or this particular business is operating and what it is planning over the course of the next five years.

Thank you, Madam Speaker.

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

I recognise the honourable Member for the district of East End.

Mr. V. Arden McLean: Madam Speaker, I won't be long. I want to firstly recognise that the Premier has recognised that we have a problem and that the matter needs to be seriously addressed. However, I want to say to the Premier and the Government that whilst I understand his concern about the sensitivities in this matter and the scenario that he tried to paint with two law firms and their commercially sensitive Business Plans and not making those known to other firms or anyone for that matter, Madam Speaker, I want to sympathise with that situation, but certainly it is time now to sympathise with Caymanians too.

Madam Speaker, the Premier is right that the Business Staffing Plan Board is not fit for purpose. We are getting nothing out of it. The Reg-6 that the Premier talked about where we require certain training for Caymanians for those positions is a waste of time. It is not worth the paper it is written on because they are in contravention of the other section of the Immigration Law which says that for every work permit you get in managerial positions, you need to train Caymanians. The Business Staffing Plan is saying that for every ten you have to train one or something of that nature. And nobody follows up on it, Madam Speaker. Nobody follows up on it. Nobody says who is responsible to follow-up on it. No Caymanian knows that there are opportunities; particularly it should be within that field or in that industry, whatever that is the issue to. But nobody follows up on it. And I agree with the Premier, that something needs to be done because we continue to issue work permits, we continue to increase our population, we continue to issue Caymanian status, we continue to thicken the glass ceiling or concrete ceiling and we have done nothing to alleviate it.

Madam Speaker, the Minimum Wage Advisory Committee in their report is quite instructive on Caymanians and they call it "worrying" that such height of unemployment in certain sectors, that that demographic should make up the majority of the workers in our society or in any society. And this is the young generation. They can't get there because we have put these laws in place; the Immigration Law and particularly the Business Staffing Board, and they are creating a layer that they cannot get through, and we continue to put people in positions there without any consideration of who is coming behind. It bothers me. And it really should bother us all that there is disconnect between the Business Staffing Board and the Chief Immigration Officer. Madam Speaker, I witnessed it.

The Chief Immigration Officer issues the work permits . . . let me go back. The Business Staffing Board approves a Business Staffing Plan; just like the Premier talked about with particular positions for that institution for a period and it details their plans for a period, for over five years or whatever, as to how many people are going to be needed in that position. And the law is very specific. No changes shall be made to it without the written express approval of that Board. It has to go back to the Board.

Now we get to the disconnect which is that the Chief Immigration Officer can issue work permits in managerial positions contrary to the positions on that Plan. That is where the breakdown comes in. That is what we need to fix. We need to fix it and fix it pronto.

I was told by one of those who give legal advice . . . not the legal . . . (watch my choice of words); one of those who give legal advice to the Government, that those two entities, the Board and the Chief Immigration Officer, or designated staff, delegated authority, must operate independently of each other

(that is, that the Chief Immigration Officer can issue work permits and must make decisions independent of the Board. And they can do that.

Now, what that says to me, Madam Speaker, is that it is ultra vires the law because the law says it cannot be changed, and by extension you cannot put anyone else to work there on a work permit unless the approval is given by the Board. But what it does is that the Chief Immigration Officer can now issue work permits to that institution without any regard for the Business Staffing Plan. Not only that, they can issue temporary work permits and people can operate without any concern whatsoever. Madam Speaker, you can imagine how frustrated I was when I heard that. Because if that is the interpretation of the law, the Premier is right, he needs to get on this and quickly.

Caymanians are not benefitting from the development that we continue to look for, whether it is in the financial industry or construction industry or tourism industry or whatever industry we have, when the right hand does not know what the left hand is doing. Or the right hand can do something completely different from the left hand, thus the reason why Mr. Miller has elected to bring this Motion, to try and cut through some of this red tape; at least get Caymanians the opportunity because right now they do not know what is out there. And a lot of it, Madam Speaker, of what is out there is being hidden in the Business Staffing Plan and they do not know and the Business Staffing Board, the Immigration Department, whichever, is not making them know. Of course, the person or the entity that have the Business Staffing Plan, do not make them know either.

I have had occasions to talk with one of the institutions that I saw their Business Staffing Plan and it has been in place since we had the implementation of these boards, and they were supposed to provide one scholarship in that industry and they did not know that they needed to. They didn't know! And it has to be at a recognised institution overseas or at UCCI. And not even those [institutions] knew. So, nobody received this scholarship all of this time.

Mr. D. Ezzard Miller: The 18th August, 2010.

Mr. V. Arden McLean: So, it has been in place from 2010?

Mr. D. Ezzard Miller: [INAUDIBLE]

Mr. V. Arden McLean: Madam Speaker, there is, disconnect between what we believe we are providing to help our people and what the people know and what they are getting. And until we can straighten that out, arrest that and ensure that our people recognise it, and understand what is available, we cannot expect them not to complain to us.

It gets worse when we get the officials at the top telling those institutions not to worry about people

like Arden because we cannot do them anything, and then guaranteeing them work permits; everybody and his brother. That is the kind of stuff we need to stop too, because when you advocate on behalf of Caymanians and you are what is said (thrown under the bus that has more tires than a caterpillar or a scorpion), Madam Speaker, those are the reasons why we bring motions to bring it to the attention of the Government. And if the Government can't accept it, fine! But the fact is that it is out in the forefront and maybe we can see some relief for our people in due course.

Madam Speaker, I would like to hope, wish that the Government follows what the Premier has promised, in that they need to look at it and they are going to look at it. I trust that that look will be considered urgent and expedient and we can move on with this aspect of trying to help the people who deserve it.

It's a bad thing, Madam Speaker; you know, this colonial thing, we just try to hold on at the top and do not bring people from the bottom. That's what we like to do. We think we are there for life. That's the nature of this system. But, Madam Speaker, so many of our young children are coming out of school. I saw the other day where there were a couple of hundred registered with degrees at NWDA. That's what we know. But what we don't know is how many do not go there. They come out of school with their degrees. We told them that they needed to get educated and now they are telling them that they need experience, which is true, but the only way they are going to get experience is to get the opportunity to go in and someone spend a little time with them to assist and see the potential of the production in them in years to come. Madam Speaker, all of them over there understand that. We all do. All of us understand that. So, in order for us to facilitate young Caymanians getting that opportunity, we need to do something here. It's here, not out there.

Do you think the Minister of Financial Services would have been the MD of one of the largest law firms in this Island if he did not the opportunity? You think the Premier would have been calling himself to have a degree and a lawyer if he did not get the opportunity? It is about opportunity. The Second Elected Member for George Town was head of one of the Big Four or something like that of an accounting firm. How do you think he got there? Do you think he dropped like manna from Heaven to get there? No, it was molasses rolling uphill, but at least he got the opportunity to roll uphill by somebody taking an interest in him.

Hon. W. McKeeva Bush, Leader of the Opposition: Yes.

Mr. V. Arden McLean: But nowadays they do not take interest. What they do is to bring their friends in. We need to stop that. And it stops right here. I said in this honourable House recently, we need to make some decisions; some tough, tough decisions that are

going to cost us our political careers. But when we are gone because of big money influence, our conscience will be clear that we provided the opportunity for the Wayne Pantons and the Roy McTaggarts, that one day some of those Wayne Pantons and Roy McTaggarts who are young now, will be at the top of these firms. Thank you very much, Madam Speaker.

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

I recognise the Honourable Minister responsible for Education.

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

I rise to make a few observations as it relates to this Private Member's Motion as well. And, Madam Speaker, I know this may sound a bit out of the expected, but I would like to thank the Member for North Side for bringing this Motion, in the sense that whereas the Government has taken a position that we cannot accept in its current form. As the Premier said, this is an area that the Government is and has real concerns about. And I too as Minister with constitutional responsibility for employment, helping to create an advanced employment policy for the country, I do have grave concerns about the fact that we know as a Government and have known as a Government for some time, even prior to us taking office as in this particular Administration, I believe it is fair to say that governments of the past have known that this system that was created does not work according to the expectations as it relates to the provisions of Regulation 6 in the Immigration Law, making sure that there are those clear pathways for training and experience as Regulation 6 says.

Madam Speaker, I think it might be useful just to read quickly what Regulation 6 of the Immigration Law states: **"The Board or the Chief Immigration Officer may require an applicant for the grant or renewal of a work permit to provide details of any programme that he has that is designed to ensure that Caymanians are provided with the instructions and practical experience necessary to make them fully qualified to carry out the job concerned satisfactorily and as expeditiously as possible."**

Subsection 2 of Regulation 6 states: **"The absence of such a programme or the failure to implement such a programme without reasonable cause constitutes a ground for denying the grant or renewal of a work permit."**

Now, Madam Speaker, this issue, I think really highlights the complexity of the employment regime that we have in the Cayman Islands. And you would recall that I would have spoken to this concept both here in the Legislative Assembly and in other public forums. We have a system where the issue and the

mechanisms to do with employment do not fall necessarily under one umbrella or one Ministry. And for example, I have just read from the Immigration Regulations which are attached to the Immigration Law, which as the Premier stated and not only as the Premier, but as Minister of Home Affairs, the matters related to Immigration Law is the responsibility of the Ministry of Home Affairs.

The Immigration Law is really the gatekeeper law as it relates to people accessing, or I should say, persons in particular as it relates to work permits who are non-Caymanians accessing employment. But it also talks generally about who can be gainfully employed in the country, and it lists the categories, including Caymanian et cetera.

On the other hand, we have the Ministry of Employment which deals with the Labour Law and aspects as it relates to persons once you have obtained employment. So, the treatment that you are expected in what the country expects with respect to regulation of labour relations in the country. And so I just say that to highlight that this issue of employment and employment opportunities for the country, is something that we have to take a holistic approach as a Government, and in particular, the two Ministries. But, of course, there are the other ministries and other departments that have a major impact on employment which I outlined as a result of the work of the Minimum Wage Advisory Committee with respect to their report. And many of those things, I think, having turned our attention to this issue since taking office, we realised that it is a much more complex situation than saying one particular entity, but it is something that has to happen and it has to happen with a sense of urgency.

Madam Speaker, that really is in essence why, as Minister, charged with the responsibility of looking to create and help to advance employment policies and the framework in the country, one of the first things that was done upon taking office, was visiting the NWDA which is the training and development arm of the Government; the department that is there set up to try to provide the opportunities for Caymanians to advance themselves and to access employment by actually providing some sort of a central register. But up until this Administration, up until we took office, Madam Speaker, there was no real nexus between the work of the labour relations arm of government (in this case, the NWDA) and the Immigration Department, other than the reliance on the member of the staff of the NWDA attending and sitting on various board meetings.

This system itself was very inefficient. The system did not lend itself for information flow between the departments in a way that was effective and one that really addressed the needs of the persons in the community; Caymanians in particular, who are trying to access the employment opportunities, and who wanted to make that known to the immigration department and permit boards before such opportunities

were actually being given out in the form of work permits. And so what we did was to actually manage within the first year of taking office to develop the NWDA centralised database system with an immigration interface. Madam Speaker, this was revolutionary in the sense that anybody in the immigration department, anybody on the immigration board, the work permit board and the likes, they could access at their fingertips whenever they have the board meetings, whenever they have any permits, that they are going to look to see whether or not the requirements of the Immigration Law has been conducted in the sense that, have the companies attempted to attract suitably qualified Caymanians. Are there suitably qualified Caymanians who are available locally to do the job prior to granting the permit? All of this prior to having such a system in place was completely reliant on what the employers themselves put forward with respect to immigration.

Now we have a system that allows persons, the decision makers in the immigration department and on the Work Permit and Staffing Boards who can then determine whether or not there are persons in the community who are suitably qualified, who have applied and who, for whatever reason, were or were not given the opportunity to actually apply for the job, or upon applying for the job, were not given the opportunity to actually be employed. All of that information is much more transparent; it is much more efficient, and it allows the decision makers, as I said, that sit in the department of immigration and that sit on the boards, to be able to ask the pertinent questions that they may not have been able to ask before.

Madam Speaker, certainly, as Minister responsible for employment, the expectation is that those questions will be asked, and those questions would be asked prior to issuing work permits as it relates to either a pure work permit application, or even with respect to the staffing plan as it relates to identifying and asking about who and what training opportunities have been provided by the companies. And, in essence, to be able to have some sort of a check to see, *Well, actually you are saying that there is nobody in the community that has (again not to pick on the accountants) an accounting degree that is available, but we see here we have ten or twelve or two persons who are registered that have put themselves forward as being either unemployed or persons who are seeking other employment opportunities and the like.*

So, Madam Speaker, the point that the Premier has made, I think is a very valid one that the Government as a whole does recognise, in that this is an area which needs more work. In that respect, the whole aspect of what has now become an e-government initiative is the drive to increase transparency, to increase efficiency and to increase the ability for both Caymanians and people in this community who are seeking employment opportunities. This will enable them to know before a work permit application

actually goes towards the board, which jobs are available in the community so they can know how to prepare themselves, how to access those jobs and actually put themselves forward in a way that that information is not just lost in file 13 if the company decides to not bring that information forward to the immigration boards or the department when consideration is being made. They can do so, they can register with the NWDA database and they can ensure that their information if put forward through that system.

Again, the push and the move is to make sure that we have a system that is built and fit for purpose, that will allow all jobs in the market to be able to be posted and registered so that at any given point in time, a person, a Caymanian who is qualified, who is capable, who is competent and who is prepared to do the work, are able to actually know which jobs will be coming on line, at what time, and then they can prepare themselves accordingly. And that goes beyond just the work of the database system within the NWDA because now the Government has rightfully and thankfully taken this forward as an e-government initiative, trying to pull together the relevant departments. And, again, obviously, the immigration department is the key in this whole equation given the role that it plays in our employment regime and employment system that we have in the Cayman Islands.

Again, to pick up on a comment that the elected Member for East End made regarding students and the provision for students, this is a great opportunity, Madam Speaker, for me to update both the Member for East End and the listening public. In tandem with the build out of the increased transparent process or work permit application process, but more in general, work accessibility process (is what I would like to term it), basically, as I said, allowing all persons in the community, in particular, Caymanians to be able to know which jobs are available prior to those jobs being advertised overseas or anywhere else, by having a system that is robust, that is connected, and therefore by having a system that actually serves the needs of our people in this country the NWDA is looking to continue to build out its database to include a student interface.

The Scholarship Secretariat which sits within the Ministry of Education, Employment and Gender Affairs is actually attached to the NWDA in the sense that we are now looking to ensure that students that we have on scholarships, there [is a] connection and they feed into the work of the NWDA when it comes to placements after or even during their time while they are in school, when they come home on summer breaks and likewise. Or students who are currently here as well studying locally, when they are on summer breaks, Easter breaks, Christmas breaks, they tap into the work of the NWDA from the broader training and development aspect as it relates to internships.

There is a national internship programme, Madam Speaker, that was rolled out last summer and it is going to be rolled out again or continued again this summer. And we are hoping that additional companies will get on board. Because again, that creates a great opportunity for companies to actually try before they buy. But it also creates a great opportunity for our students who are studying the academic or the theoretical aspects of their chosen careers to get real tangible practical experience in the areas that they are hoping to qualify in or to get the requisite educational or training or vocational qualifications in order to do that job. So, it is about the Government not just working across ministries (which we certainly need to do a better job at), across departments, to deal with this issue of employment, but also within the Ministry of Education, Employment and Gender Affairs itself, in trying to connect the dots between the various departments to make sure that we are providing for the needs of our people in the best and most efficient way by creating opportunities from not just to be able to get educated, but once you are educated, then creating those pathways to actually accessing employment.

Again, of course, this system that we have as it relates to requiring companies to provide suitable and adequate training opportunities is an area that is key. We just need to make sure we figure out how to make it work to the maximum benefit of us as a people, as a country and as a growing nation. Thank you.

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

If not, I call on the mover if he wishes to exercise his right of reply.

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

Madam Speaker, once again I am truly disappointed that the Government is not supporting this simple amendment which will provide opportunities for Caymanians to find employment. And also for the people seeking employment to help the Government regulate the process, because they can have access to it themselves and see what is going on. The Government will never be able to afford to provide the resources to enforce this adequately against the business people that we are protecting here.

Madam Speaker, the Premier in his response said that their concern was the business information and the competitors knowing what they are doing. Well, Madam Speaker, there really is not anything in a business . . . this is not a business plan for the company. This is simply a projected staff that the company may require for work permit purposes over the next five years. There is nothing in this document that will tell people what the plans of the firms are, that they do not already know, because everything in this is public

knowledge. They have to put an ad in the paper for every single position that they apply for, for a work permit. They have to put the qualifications so that they will know what specialist they are going into. They have to put the salaries that are being paid so that they will know what they are being paid.

I have in my hand a Business Staffing Plan. This is the format for it: Position number 1—General Manager/Financial Controller. Post holder: blank. Conditions: recruit outside Jamaica. Comments: blank. What is in that, which is going to tell anybody what the business plan is by the general manager or the financial controller? Nothing!

Madam Speaker, we have to stop being on the side of the EMPLOYER! Somebody here has to start advocating for the employee. We are providing everything that the Government can think about to make it easier for an employer to get a permit. Every possible advantage that we can give . . . we are even doing it now so that they can do it electronically, they can go on to portals, they can find this and they can find that. But the employee, the person looking employment has very little assistance and very little access to the kind of information that they need.

Madam Speaker, this is a serious problem you know. The latest statistics published by the Government—Minimum Wage Report, page 24, Table 2.5—Educational attainment of the working age population, the labour force unemployment persons and educational attainment specific unemployment rates. Educational level:

- Completed high school – 1,224 Caymanians unemployed;
- Post-secondary college, university – 663 persons unemployed

Madam Speaker, I've said on the Floor of this Assembly several times: revolutions are not caused in countries by poor disadvantaged people. They are the people who are used. It is those kinds of unemployed educational persons who are going to cause the revolution in this country. We have two options being presented to us on a daily basis throughout this country. The people are asking for a Martin Luther King to come out and get us a part of the pie that we used to have, to get it back for us. There are others who are asking for the Malcolm X attitude; we want a part, we must have a part and if we can't get a part we are going to destroy it. The latter is becoming far more popular than the former, because the young people, the families have tried everything in the former of trying to negotiate to be a part of.

I have people in my constituency that are losing their homes because they borrowed money, because the \$20,000 that government gives children, only gets them into trouble, unless they are going somewhere, way-way down the bottom of the totem pole university. The parents have to find at least an-

other \$20,000 to \$50,000 if they are going to make it for a year in a decent university. So, they mortgage their home to send the first child to university. The first child comes back with a Bachelor's degree and a professional qualification, been home three years and can't get any work and can't help the parents pay the mortgage, and the parents have overextended themselves for the second child because they are trying to get them a Master's degree with the hope that they will get a job when they come back.

The grandparents are beside themselves. When their children lose their homes because they have spent the money educating the children who we will not provide jobs for by limiting permits! These are not people, Madam Speaker, who did not make it through high school or who fell through the cracks. These are people who have excelled academically and we will not tighten up on permits. Why?—because government needs the revenue. Everything these days is revenue driven. The grandparents are worried because when the children lose their homes, they only have a two or three bedroom house and they can't take in a family of four or five. There isn't room. And we are worried about one law firm finding out what the other law firm is going to do to make more money to add to their billions of dollars that they are making and banking in other countries and buying houses that when they retire they move there to live?

The Business Staffing Plan Board, I am going to talk about them a bit here, Madam Speaker, because this is personal experience with those dudes. Them! Unna need to disappoint every one of them this evening. When, Madam Speaker, two sitting Members of this Parliament take the time to write every member of the Business Staffing Plan Board and the chairman and hand deliver it to the office (what is it now?), seven months later you have not even gotten an acknowledgement that you wrote them. The two sitting Members are writing them about the same problem you know. Those two sitting Members were bold enough to walk up there and knock on the door and say we want to come into the meeting and when you go into the meeting they make fun of you telling you that you don't know what the law says. We pick up the law and read it for them. The chairman looks at us and says, *Well, I didn't know it said that.* And nothing happens about the problem! The problem has been compounded at least three places that I know about since that.

We were told here in October 2013 about the \$20,000 fine, if they did not report qualified Caymanians applying for jobs. Has anybody been fined to date? Not a single person to my knowledge. You really think they are reporting that there are Caymanians who are qualified for the positions? We all know they are not doing it! But we are not enforcing the law.

Madam Speaker, I went through FOI for the Minutes for four months and it is not even recorded in the Minutes of the Business Staffing Plan Board that

two Members of Parliament wrote them about a problem. And we are wondering why those 400, 363 persons cannot get work?

Madam Speaker, all I am asking the Government to do is to provide the mechanism that, either one of them can walk in to a firm, depending on their qualifications and say, *I would like to see your Business Staffing Plan because I want to apply for a job and would like to know when the next one is expiring.* They cannot get that information anywhere you know. Because if they go to the immigration department they are going to tell them that it is proprietary information. If you FOI it, the law firms are going to tie it up in court saying that immigration should not have released the information. How are Caymanians going to know what is available in terms of the areas that they wish to work? We are not prepared as a legislative assembly to do anything about it.

The Premier says that they are looking at the whole regime—right? It is not a bad regime, Madam Speaker, if it is implemented properly and is enforced. Any kind of regime they put they are going to have the same problem. Because if you look around at the boards in this country, it seems like only 25 persons in this country qualify to sit on boards, and whoever is in the Government it is one of those 25 persons who sit on the boards.

Madam Speaker, I believe I have a responsibility to bring these things to the forefront. It is up to all of us sitting in here to decide if we want to do something about it or not. But I can promise the Government one thing: the people who are affected by this are not the tolerant generation of which I was a part of. My generation was the generation . . . I will be 63 in July. I came out of high school in 1968. The infancy of the tourism and the financial industry, we were told we had to get educated. We went off and got educated and when we came back we were told that we had no experience and could not get the jobs. Most of us went to entrepreneurial view and managed to make a living.

Now we are being told that we are over qualified for positions. How is that possible, Madam Speaker, is beyond me, that somebody can be over-qualified for a position. Because the normal managerial or administrative argument is that the person is not going to stay if they are overqualified and are going to move on to something else. Well, at least if they can only get you for two months, they have two months of a very good quality worker who can do the job extremely well. How can that not be a benefit to the organisation?

Madam Speaker, you see, the one commodity in a capitalist market in a free society that has no value is qualified Caymanian labour. Why?—because we allow the route of work permits. And there is always that way out and that is the easiest way. We don't have to teach people how to do jobs anymore. We

simply fire the Caymanian or fire the work permit [holder] and get another one.

Somebody had to teach me to work you know, Madam Speaker. I went to school and I have a pretty good academic background. But when I came out of school somebody had to teach me to work. These young people are not getting that opportunity. And we need to do something about it and do it urgently. I believe that one way of doing that is by allowing them to be able to see what is available.

You heard the Member for East End talking about the company with the Business Staffing Plan for four years and neither the Business Staffing Plan Board nor the company that had the Business Staffing Plan knew that there was a requirement on it for a scholarship, you know. If it is a lie they told us so. You can't make this kind of stuff up. We asked them how it was possible that an administrative officer can alter a Business Staffing Plan by approving a permit for a position that's not into the Business Staffing Plan. The answer from the chairman was that he did not see anything wrong with that. All they need to do is that after they give them the permit, they can then come and get it amended; a total wrong interpretation of the whole process.

Anyway, Madam Speaker, I don't think it is any use of me pleading anymore. I am probably going to be in front with them when they are leading the revolution. They are not going to be leading it against me; I am going to be with them, because it has to come.

Madam Speaker, the Bahamas made their adjustment in the 70s you know. They made it early enough that they had no bloodshed. We don't have too many moons here to make the adjustment locally and put Caymanians back in charge. We had an opportunity in December when we passed the new Business Licensing Law. We continue the same exemptions that put Caymanians at disadvantages. Doctors, lawyers, those kinds of people do not need any business licence; never changed anything. If we do not do it soon we are not going to do it without bloodshed, because people are getting fed up.

I will give another example, Madam Speaker. I started two little seminars every summer in North Side. I do one with the primary school students and their parents and those going to high school. And I invite the parents and the children and the North Side children who are already at high school, and other resource people, the principals and others, to come in and talk to the parents about the adjustment they need to make between a child going to primary school and one going to high school, as to how much more work they have to do as parents and how much more work the child has to do.

I also have one with people who graduated from high school, the same thing. I bring in North Side children who are at college so that they can talk about their college experiences; and the parents, with the same purpose again. Inculcated into the parents is the

added commitment that the child must have if they are going to succeed in college. In 2009 I did the first one. Almost every child, I think, except two out of 12 wanted to go off to college. The other two had economic problems, so they needed to go to work; quite understandable. One of them is still looking for work and if you go to every bar and restaurant in North Side, in my whole constituency there's nothing but work permit holders. One of Cayman's premier bartenders, Andy McCoy, a couple of weeks ago went to everyone and there is no vacancy but everyone has permits.

In 2014 when I did the seminar, less than half of the children in the seminar wanted to go to further education. Why? *Well, Mr. Ezzard, see my cousin ya, he came back from university two years and he can't get a job. Why am I going overseas and get educated for?* It's hard to argue with that you know, Madam Speaker. We have to spend the effort to try to convince them that they still need their education. But when they can't see success and they can't see their peers getting jobs because they got educated, it's tough!

Madam Speaker, this is a real life situation and we have to find a way to insist that these young qualified Caymanians must be given opportunities. None of them want to start at the top. They want an opportunity to start a career but they can't get it because they simply go to the immigration board and they get a permit. And they treat those people with those permits bad you know. Do you know how many people who have status in the big grant comes to me now, in particular, Jamaicans, and say, *Mr. Ezzard you know when you used to complain that Caymanians don't get any work, we thought you were talking foolishness. Now that I am Caymanian I can't get any work either, because I worked for so and so construction company for 14 years on a permit, they did not pay me any overtime, they pay this, they did not pay that, but now that I am Caymanian and they have to pay pension, health insurance and I want my overtime and my vacation, they lay me off saying they don't have any work.* Dozens of them have come to me about that complaint. That is what is happening to our Caymanians.

Madam Speaker, we need to do something about it. If this is not the answer or part of the answer or at least one step in the ladder on a career, we had better find something and find it soon. Thank you, Madam Speaker.

The Speaker: The question is: BE IT THEREFORE RESOLVED THAT Government consider amending section 45 of the Immigration Law (2014 Revision) to require that all businesses that have a Business Staffing Plan make them available for inspection during normal working hours of the business by any member of the public.

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

Ayes and Noes.

The Speaker: The Noes have it.

Mr. D. Ezzard Miller: Madam Speaker, could I have a division please?

The Speaker: Yes, certainly.
Madam Clerk.

The Clerk:

Division No. 28

Ayes: 4

Hon. W. McKeeva Bush
Mr. Bernie A. Bush
Mr. D. Ezzard Miller
Mr. V. Arden McLean

Noes: 11

Hon. Alden McLaughlin
Hon. Moses I, Kirkconnell
Hon. D. Kurt Tibbetts
Hon. Osbourne V. Bodden
Hon. Marco S. Archer
Hon. Tara A. Rivers
Hon. Anthony S. Eden
Mr. Winston C. Connolly, Jr.
Mr. Roy M. McTaggart
Mr. Joseph X. Hew
Mr. Alva H Suckoo, Jr.

Absentees: 2

Hon. G Wayne Panton
Capt. Eugene A. Ebanks

The Speaker: The result of the Division is as follows: 4 Ayes, 11 Noes and 2 Absentees.

Negated by majority on division: Private Member's Motion No. 15—Amendment to the Immigration Law (2014 Revision) failed.

ANNOUNCEMENT BY THE SPEAKER

HOUSE VISITOR

The Speaker: Before we move on to the next item of business, I want to welcome, on behalf of all Members, [The Rt. Hon.] Lord Naseby from the UK Parliament, who is gracing us with his presence in the Gallery. And just to welcome you to our jurisdiction. I trust you will enjoy the proceedings here today.

Madam Clerk.

PRIVATE MEMBERS' MOTIONS

Private Member's Motion No. 16/2014-15— Verification of Gasoline/Fuel Cost

The Speaker: I recognise the Honourable Leader of the Opposition.

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

I beg to move Private Member's Motion No. 16/2014-15, Verification of Gasoline/Fuel Cost, which reads as follows:

WHEREAS the gasoline and fuel prices impacts every sector of a Society;

AND WHEREAS the gasoline and diesel costs available in the Cayman Islands has consistently been priced at a higher level to those available on the global gasoline/ oil Commodity Market;

AND WHEREAS it is imperative that Government be placed in a position whereby it can ascertain by way of factual, verifiable and transparent cost documents the actual costs, before charges or profit-margins being added, of ALL gasoline and fuel being imported into the Cayman Islands;

BE IT THEREFORE NOW RESOLVED that Government immediately consider a multi-faceted approach to bring cost relief to the people of the Cayman Islands by the following steps:-

1. Undertake to draft the necessary enabling legislation towards a suitable Energy and Fuel Sector Law. That while such legislative drafting is taking place, Government further immediately undertake the following:-

- (i) cause to be obtained from our gasoline/fuel suppliers actual costs documents for each shipment of gasoline/fuel imported into these Cayman Islands;**
- (ii) cause to be conducted a forensic audit to verify the accuracy of these documents against actual underlying market prices for these identical products on the open commodity markets;**
- (iii) cause to be amended or effected the necessary changes to strengthen the office of the Petroleum Inspectorate to be granted sufficient legal powers; inclusive of subpoena powers, to effectively manage the gasoline/fuel suppliers and the various retail outlets to ensure market prices plus a reasonable and verifiable markup is passed on to the general public and the Cayman Islands as a whole.**

The Speaker: Is there a seconder?

Mr. Bernie A. Bush: Madam Speaker, I beg to second the Motion.

The Speaker: The Motion has been duly moved and is open for debate.

Does the Honourable Leader of the Opposition wish to speak to it?

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

Madam Speaker, when this Motion was filed by us on 14 January this year, it was a concern for the wellbeing of all the people of these Islands, all of us having to use fuel in one way or the other. There is no escaping by anyone using fuel. One either uses it directly or indirectly. But there can be no debate that in today's world in which we live that this single commodity does not directly impact each and every one of us, some more than others by what we use.

It impacts us across a very broad spectrum. If you use utilities, it impacts you. If you have a motor vehicle, it impacts you. If you buy groceries at the supermarkets, it impacts you. If you buy goods from overseas and you ship it here to the Cayman Islands, it impacts you by way of ocean freight costs or otherwise. If you go out to a restaurant to eat a meal, it impacts you. By way of the restaurant passing it on, it is indirect cost to me and to you, the consumer.

Madam Speaker, it is fair to say that if one is alive they will be impacted by fuel and energy costs. So, it behoves us, as a legislature, to act on behalf of the people in a meaningful way—all people—not just on this issue but others also to cause the prices which they are being charged to reflect prices that are acceptable and fair.

The global oil glut that is currently impacting oil and gasoline prices is here to stay. The Organization of the Petroleum Exporting Countries, OPEC, reiterated in its monthly bulletin on Monday, April 13, that it is not willing to cut production of its current output target of 30 million barrels a day, despite the global oil glut. The average US retail gas prices on April 14 was US\$2.36 per US gallon, or, if converted at .82 it would give an equivalent of CI\$1.94 a gallon. Sadly, the average gasoline prices available to the motoring public in Grand Cayman during the same period was CI\$4.27 or US\$5.21 a gallon. This is a difference of US\$2.85, CI\$2.33 a gallon, or 121 per cent price differential when viewed against regular per gallon retail prices in the United States.

Madam Speaker, as we speak today, the New York Mercantile Exchange and the Intercontinental Exchange (ICE, I think it is called) Futures Europe is quoting oil prices for April delivery of US\$43.52 and US\$53.00 per barrel respectively. Those gasoline futures translate to an underlying per gallon price of US\$1.82. It can therefore be said that international companies can purchase all the oil they wish for April 2015 delivery at around US\$1.82 a gallon.

Madam Speaker, the global price of diesel is also falling everywhere except here in the Cayman Islands. Futures in the global commodity exchanges reflect prices for April delivery of US\$1.79 a gallon. The United States Energy Information Administration (EIA) said on Monday, 13 April, that the national average retail price of diesel fell to 2.754 a gallon; the lowest since 28 December 2009.

Madam Speaker, in 6 April 2015, the lowest diesel price available in the Cayman Islands was CI\$4.25 a gallon, and the highest diesel price was CI\$4.66 a gallon, or an average of CI\$4.46 if you combine the two prices and divide it by two.

Madam Speaker, if one looks at the retail prices of gasoline and diesel in Grand Cayman from 13 January 2015 and 6 April 2015, we will observe that on 13 January 2015 the lowest prices for regular gas was CI\$4.74; premium gas CI\$4.84; diesel CI\$4.96. On 13 January (same time) the highest price prices for regular gas was CI\$4.84; premium gas CI\$5.60; diesel CI\$5.74. On 6 April the lowest price prices for regular gas was CI\$3.97; premium gas CI\$4.35; diesel CI\$4.25. On 6 April, the highest prices for regular gas was CI\$4.27; premium gas CI\$4.50; and diesel CI\$4.66. So if you were to take the lowest and the highest prices for each of those periods and divide them by two to get an average per gallon price, you would observe that between 13 January and 6 April, the regular gas price fell by only 14 per cent, or 67 cents. The premium gas price fell by 15 per cent, or 79 cents; and the diesel fell by 16.6 per cent, or 89 cents.

So, at first glance, one might conclude that our gasoline and diesel prices are falling and, thus, we should jump for joy. That is exactly what our local gasoline and diesel importers would like us to do—sit and be happy for the reduction. But, Madam Speaker, the sad fact is that our local prices are nowhere near what they should be to reflect real market driven prices. Our gasoline and diesel prices are artificially inflated and it is now time for us to have—and we have been saying this for a long time—more debate about this anomaly because it is affecting so many of us and bringing our cost of living so much higher.

The Motion before us today seeks to engage all of us in this Assembly in this frank debate. I do hope that all of us do not have to speak so we can all get out of here quicker, but we can do better, and we must do better to protect the quality of life of our fellow constituents by seeking to reduce our cost of living wherever possible in a very meaningful way.

Currently the only legislation on our statute books that deals with fuel is our Dangerous Substance Handling and Storage Law, passed in 2003. That, essentially, only deals with the handling, safety and storage of our fuel and gasoline products. My Motion requests that Government consider a multifaceted approach to bring cost relief to the people of these Islands.

The first step is the undertaking of drafting suitable energy and fuel sector legislation. This would be our national energy policy and would serve our people by ensuring that the Government has sufficient mechanisms in place to allow it to be provided with the actual cost of the fuel being imported into these Islands and also to ensure that the general public is being charged prices that are fair, reasonable and that

are hinged to global commodity prices that can be cross-checked, if necessary, on the world commodity exchanges.

The energy and fuel sector legislation would also be the vehicle that would set targets in carbon dioxide emissions reduction, renewable energy incentives and goals, and ensure transparency, Madam Speaker, in pricing which is passed on to the general consumer. It will be our national policy that would concern itself about satisfying demand and keeping prices affordable. And because we all live in this global village where climate change and a growing demand due to growth in population in the developing world is of real concern, a good and effective policy would assist us in facing the trilemma of competitiveness, energy security and sustainability.

The last piece of what I call the trilemma sustainability, relates to using non-fossil fuel based energy, the going-green of energy, which enhances energy security by producing our own energy rather than importing energy which is so costly. And a lot of people are talking about it and wanting to drift to it and get to it. Mark you, here it still seems to be costly and we do not know yet, how much. Anyway, Madam Speaker, we in this Chamber cannot be satisfied to say that we can do without any such thinking in effective energy and legislation. I hope the Government will accept this Motion in the spirit of cooperation in which it is being offered and embark on having instructions issued to commence the drafting of enabling legislation towards that by way of suitable fuel sector law. I have heard talk of a utilities commission. I guess that is more or less the same thing. We use different words, but it will entail all of those things. And certainly, the Government would have my vote to support them on that initiative.

The Motion also encourages the Government that while that exercise is ongoing, that certain other steps be taken to endeavor to ascertain from the oil importers, namely ESSO Sol, and RUBIS, documents that could result upon close scrutiny of a price reduction across the Cayman Islands and yes, Madam Speaker, that would include Cayman Brac and Little Cayman, where I might add that prices are even higher than what we pay in Grand Cayman for our gasoline and diesel consumption. That is why the Motion also would grant sufficient legal powers . . . or the Motion asks for sufficient legal powers for full analytical analysis to be undertaken to verify the accuracy of these documents against actual underlying market prices for identical commodity prices on the open commodity market.

Further, Madam Speaker, the Motion also seeks to have vested in the Office of the Petroleum Inspectorate, sufficient legal powers inclusive of subpoena powers, if necessary, in order that that office can effectively manage the gasoline fuel importers to ensure that market prices are passed on to the general public and the people of these Islands.

Madam Speaker, we have a rather strange occurrence that goes on in these Islands. And that is, whenever global fuel prices rise, our fuel importers' old familiar cliché excuse of "lagging effect" goes out the window and our local fuel and gasoline prices are increased within two weeks of any global price increase. Research would show that when prices are falling as they are now, and as they have been since July last year, we can never seem to escape the lagging effect and real market drive prices can never be reflected at our retail pumps. That just cannot be right.

As we drive away from the gas station, we all mumble, and we hear people cursing outright the gas pump owners. That is not where the problem is. It is what is handed down to them. And that cannot be acceptable practice. All leading authorities and journals point to a further easing in global oil and fuel prices caused by an oversupply from the United States and other major suppliers. There is more supply than demand that has resulted in an oil glut. All indicators point to lower fuel prices extending well into 2016. That is what they are saying.

Madam Speaker, whilst speaking, and in conclusion, perhaps, I should mention another recent event that will act to further drive down and stabilise world fuel prices.

On April 2nd, Iran and the five permanent members of the United Nations Security Council, plus Germany (I think it is called P5 plus 1), reached a framework agreement that could result in the lifting of oil related sanctions against Iran. If that new framework agreement between the P5 plus 1 and Iran results in a comprehensive deal and a lifting of sanctions, it could significantly change the short-term energy outlook forecast by the US Energy Information Administration (the EIA) for oil supply, demand and prices, which still assumes that Iran's production will stay close to the current level through 2016. Iran is believed to hold at least some 30 million barrels in storage and the EIA believes Iran has the technical capability to ramp up crude oil production by at least 700,000 barrels a day by the end of 2016.

Madam Speaker, consumers across the United States, and even into Canada, are enjoying a boost in earnings by way of reduced fuel and gasoline prices. These are real savings, real prices, as I mentioned earlier, what the cost is in the United States as against what we pay here. There is absolutely no reason why the good hardworking people of our Islands should not also be beneficiaries of these same lower global fuel and gasoline prices.

It is my view that the retail gasoline and diesel prices can be reduced further so that our retail prices for gasoline would fall to an acceptable level—anywhere between \$2.75 and \$3.15 per gallon of diesel. But that is just my thought, and I am not the expert. But I believe that given what we have seen and what we know, if we can pinpoint on the importers, then I believe that they would be forced to bring down

the cost. On the basis that we import some 55 million gallons of fuel into our Islands annually, our actions, hopefully, by accepting this Motion and seeing it through to its fruition, would result in a cost savings anywhere of \$80-odd million for our motoring public.

When extrapolated across the wide socio-economic spectrum that our fuel consumption impacts, immediate economic impact would equate to some \$330 million by way of immediate economic stimuli.

So, Madam Speaker, you can say that's economic jargon. But the fact is that, firstly, to get them, and we know exactly, and I know that we do not have powers and we sit down and try to be good managers or good partners with our private sector, we try not to put pressure on with too much legislation because we want not to be overburdening our private sector. But when we see certain steps, and over the years we cannot get anything done and we talk and we befriend, then, we have to take other steps. That is why I hope that the Government will move as quickly as possible on that legislation. Bring it down to that level and those other savings will be extrapolated across the wide socio-economic spectrum.

Madam Speaker, I hope that the Government takes this in the way it is. Kennedy said: "**If not us who? If not now, when?**" So, I am very pleased to be able to table this Private Member's Motion, myself and the Deputy Leader of the Opposition, and I look forward to what Members have to say. Hopefully, Government will accept it. Thank you kindly.

The Speaker: We have almost reached the hour of interruption. I recognise the Honourable Premier.

ADJOURNMENT

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

We are almost through the business for this Meeting. I know some Members have other obligations, as we are at the hour of interruption. I am going to propose that we adjourn until 10:00 tomorrow morning. I expect we will get through the balance of the business by mid-day.

The Speaker: The question is that this honourable House do adjourn until 10:00 am tomorrow.

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

Ayes.

The Speaker: The Ayes have it.

At 4:27 pm the House stood adjourned until 10:00 am, Friday, 17 April 2015.