



**CAYMAN ISLANDS
LEGISLATIVE ASSEMBLY**

**OFFICIAL HANSARD REPORT
ELECTRONIC VERSION**

2015/16 SESSION

5 May 2016

Sixth Sitting of the Fifth Meeting

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

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PRESENT WERE:

SPEAKER

Hon Juliana Y O'Connor- Connolly, JP, MLA
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, MLA	Minister of Finance and Economic Development
Hon Osbourne V Bodden, MLA	Minister of Health, Sports, Youth and Culture
Hon G Wayne Panton, MLA	Financial Services, Commerce and Environment
Hon Tara A Rivers, MLA	Minister of Education, Employment and Gender Affairs

EX OFFICIO MEMBERS OF THE CABINET

Hon Franz Manderson, 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

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

OPPOSITION MEMBERS

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

INDEPENDENT MEMBERS

Hon Anthony S Eden, OBE, MLA	<i>Deputy Speaker</i> , First Elected Member for Bodden 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 D Ezzard Miller, MLA	Elected Member for North Side
Mr V Arden McLean, JP, MLA	Elected Member for East End

**OFFICIAL HANSARD REPORT
FIFTH MEETING OF THE
2015/16 SESSION
THURSDAY
5 MAY 2016
10:55 AM
Sixth Sitting**

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

The Speaker: Good morning.

I will ask the Fourth Elected Member for the district of Bodden Town to say prayers this morning.

PRAYERS

Mr. Alva H. Suckoo, Jr., Fourth Elected Member for Bodden Town: 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 Premier, the Speaker of the Legislative Assembly, the Leader of the Opposition, Ministers of the Cabinet, ex-officio Members 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.*

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

The Speaker: Please be seated.
Proceedings are resumed.

**ADMINISTRATION OF OATHS
OR AFFIRMATIONS**

The Speaker: None.

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

[Standing Order 84(2)]

The Speaker: Just to bring to Members' attention that a Member of the Honourable House has lodged a complaint of a possible contravention of Standing Order 84(2), which says that "**Any representatives of any journal or newspaper when attending meetings of the House shall sit in the area allotted for the press and shall under no conditions engage any Member in conversation during such sittings**" and that this occurred yesterday by a male member of the press. And I'm just asking members of the press to not only be cognisant of the Standing Orders, but it's a warning shot from the Chair.

[Inaudible interjections]

PRESENTATION OF PETITIONS

The Speaker: None.

**PRESENTATION OF PAPERS
AND OF REPORTS**

The Speaker: None.

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

**QUESTION NO. 57— NURSES RENDERING FIRST
AID AT DISTRICT CLINICS**

The Speaker: Before I call on him, I probably should have added onto my statement section that it was just not an ordinary engagement, which still is a breach. But, it was actually soliciting an honourable Member of this House to ask the Honourable Premier, who

was who was on the floor at that time, a specific question. That's why I made my concluding statement, that it's a warning shot from the Chair. I will not be tolerating that.

[Inaudible interjections]

The Speaker: Please continue, honourable Member for North Side.

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

Madam Speaker, before I ask this question, let me indulge and take the opportunity to thank the Government and the civil service staff for actually answering questions on a timely basis now when they're being asked. I think it's a great improvement over what has been going on in the past.

I wish to ask the Honourable Premier, Minister of Home Affairs, Health and Culture: Can the Honourable Minister state what is the current policy regarding nurses rendering first aid at the district clinics?

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, the answer: A policy is not required. Nurses render whatever care is required, inclusive of first aid.

The Speaker: If there are no supplementaries, we will move on to the next question.

QUESTION NO. 58—MEDICAL STAFF BY-LAWS

The Speaker: I recognise the Honourable Member from the District of North Side.

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

Madam Speaker, I beg to ask the Honourable Premier, Minister of Home Affairs, Health and Culture: Can the Honourable Minister say if Medical Staff By-Laws have been adopted by the Cayman Islands Health Services Authority, and if such By-Laws mandate privileges according to medical credentials?

The Speaker: I recognise the Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, the answer: The Health Services Authority has a policy for granting physician privileges. The Medical Staff By-Laws have been written and are currently being reviewed by the Authority's legal team. They are scheduled for implementation by July 2016. Once approved and adopted, the by-laws will govern the granting and maintenance of privileges.

The Speaker: If there are no supplementaries, we'll move on to the next question.

QUESTION NO. 59—AVERAGE WAITING TIME IN EMERGENCY AT THE CAYMAN ISLANDS HEALTH SERVICES AUTHORITY

The Speaker: I recognise the Honourable Member from the District of North Side.

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

Madam Speaker, I beg to ask the Honourable Premier, Minister of Home Affairs, Health and Culture the following question: Can the Honourable Minister state what is the average waiting time in Emergency at the Cayman Islands Health Services Authority, and if all the attending physicians are certified in emergency care?

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, the answer: The waiting time at Accident and Emergency varies with the staff complement and the acuity of the cases present. As such, three scenarios with explanation are presented.

Genuine emergencies, according to the Manchester Triage System, are seen immediately. Such cases usually require the full attention of multiple physicians and other practitioners, reducing the usual complement of three physicians on the floor to deal with non-life-threatening cases. In the case of the aforementioned, waiting time may be prolonged for less-acute or non-emergency cases. Under these circumstances, the waiting time varies between two to four hours.

Waiting time may be shortened where there are no potentially life-threatening cases, allowing patients to be seen in a more timely fashion. Under these circumstances, the waiting time is generally between 30 minutes and two hours.

The monthly average waiting time to see a physician when a patient goes to the Accident and Emergency Department, from July 2015 to December 2015 ranged from 49 to 65 minutes. Seventy-five per cent of patients were seen within two hours.

Length of stay in Accident and Emergency from July 2015 to December 2015—25 per cent were seen and service completed within 1.75 hours, including investigation and treatment; 50 per cent were seen and service completed within 3 hours, including investigation and treatment; 75 per cent were seen and service completed within 4.5 hours, including investigation and treatment.

There are a total of 14 Accident and Emergency physicians. One or more ER consultants are on duty 24 hours every day. Numbers and qualifications are as follows: eight consultant emergency physicians—one physician with a Master's in Paediatric Emergency Medicine; three mid-level providers with seven to twenty-five years of emergency medicine experience; and two medical doctors. All junior physi-

cians practice under the supervision of the emergency medicine consultant.

The Speaker: If there are no supplementaries, we move on to the next item of business.

STATEMENTS BY HONOURABLE MEMBERS AND MINISTERS OF THE CABINET

The Speaker: I recognise the Honourable Premier.

EXCHANGE OF BENEFICIAL OWNERSHIP INFORMATION—MEETING IN UK

The Premier, Hon. Alden McLaughlin: Madam Speaker, before I read the formal statement, with your permission, I would like to give the House an indication of the reasons for my rather cryptic statement yesterday evening about the need for the House to adjourn by close of play tomorrow.

Madam Speaker, I had hoped this morning to be able to read a prepared statement, but that is not yet ready. But I do wish to tell the House that because of the continued evolution of this scenario surrounding the exchange of beneficial ownership information, following on from the exchange of notes between the Cayman Islands Government and the United Kingdom some three or so weeks ago, the Ministry of Financial Services, and the Minister in particular and myself have continued to be engaged in discussions regarding what is transpiring, not just in the UK but more broadly across the European Union, with respect to the development of a new standard, an initiative to develop a new standard with respect to the exchange of beneficial ownership information.

Members of the House may know that the Prime Minister of the United Kingdom, David Cameron, is hosting an anti-corruption summit in London on Thursday the 12th of this month. That's next week. And so far, there are some 40 countries that will be represented at this summit, including the United States, who I believe will be represented by John Kerry, the Secretary of State.

Yesterday afternoon, I received an email from Peter Green of Her Majesty's Treasury, sent through Her Excellency the Governor, indicating that the Prime Minister Cameron had decided to invite the larger Overseas Territories and Crown Dependencies to the anti-corruption summit on the basis that they give a political commitment to be part of what is now being termed *The Global Initiative on the Automatic Exchange of Beneficial Ownership Information*.

Madam Speaker, although this is not referenced in that email, Members who have been following this will know that accompanying the increasingly vitriolic rhetoric in the United Kingdom Parliament and from the NGO's and others in the UK in particular, but

also more broadly across Europe, in the aftermath of the Panama Papers scandal, have been threats which are now being formalised of the creation of a new blacklist of "non-cooperative jurisdictions".

So, there is no question really, that countries which do not co-operate in this new initiative, which aims at setting a global standard for the automatic exchange of beneficial ownership information, are likely to wind up on a blacklist. There was a recent report. And forgive me, because I don't have the benefit of notes to speak from, so I don't recall the gentleman's name. But it has been reported, even locally, that this list is likely to be prepared and published, they said initially within six months. Indications now are it will be much swifter than that.

So, Madam Speaker, it is against that background that we have decided that the Minister of Financial Services, and myself, accompanied by Councillor Roy McTaggart, because of his significant knowledge and experiences in the financial services industry over many years, will lead a delegation to London. We will depart over the weekend to have a series of preliminary meetings. And we will attend this summit on Thursday, the 12th, hopefully returning next Friday.

And so, Madam Speaker, as I say, even though I didn't have my prepared statement, I thought this is a significant enough matter that I should apprise all Members of this House of where the situation currently is. And I give my usual undertaking to keep Members of this House and the broader public apprised of the situation as it continues to evolve.

Madam Speaker, thank you for allowing me to make that statement without the benefit of a written script. But I know that you recognise the importance of the issue, and hence your willingness to grant that permission.

AEDES AEGYPTI MOSQUITO, CONTROLLING OF

The Premier, Hon. Alden McLaughlin: Madam Speaker, I have a prepared statement on a completely separate issue, which I had indicated I wish to make this morning. This is in my capacity as Minister of Health. It's an announcement of MRCU [Mosquito Research and Control Unit] and the Oxitec partnership to control the *Aedes aegypti* mosquito.

Madam Speaker, I am pleased to announce today that the Mosquito Research and Control Unit has partnered with the United Kingdom biotechnology company Oxitec to undertake new mosquito control measures. Using pioneering science, the project is designed to fight the dangerous *Aedes aegypti* mosquito that spreads Zika, dengue and chikungunya.

Oxitec is a world leader in the fight against this breed of mosquito and is currently implementing its control solution in Brazil, which is, of course, at the epicentre of the present Zika outbreak. I am very proud to say that the Cayman Islands is the only other

country in the world where this programme will be taking place, outside of Brazil. And we are once again leading the way in the advancement of mosquito control measures.

While we are no strangers to the occasional case of dengue, and last year we had a few imported cases of chikungunya, we so far remain free of Zika. Nonetheless, our Public Health Department continues to be vigilant, monitoring the situation regarding Zika and all other infectious diseases. Zika is of particular concern because of its links to birth defects, including microcephaly and other medical conditions that are currently being monitored and researched.

Zika has spread rapidly across the Americas and is now in many of our neighbouring countries. On 1st February, the World Health Organisation declared an international public health emergency. Then in March it recommended the implementation of Oxitec solution to control the *Aedes aegypti* mosquito as part of the global response to the Zika crisis.

We have had an ongoing relationship with Oxitec since 2010, as MRCU has been at the forefront of mosquito control research. Trials successfully reduced the *Aedes aegypti* by 96 per cent in an area of the Island where the study was taking place. So we are happy to have now signed an agreement with Oxitec for a new project, which we envisage being the first step in a multi-phase rollout across Grand Cayman. The timing could not be better, as the world faces the Zika epidemic and continued outbreaks of dengue and chikungunya.

Oxitec's pioneering technology produces a genetically engineered non-biting male mosquito that breeds with the disease-transmitting *Aedes aegypti* females. This in turn means that offspring inherit the gene, which causes them to die before reaching adulthood, ensuring that they do not reproduce. This is an environmentally friendly approach to curtailing the breed, as no insecticides are necessary.

The control programme will begin in West Bay before being expanded throughout the Island, subject to the appropriate approvals and funding.

Madam Speaker, I depart from the script to say that I wish to thank the four Members from West Bay for meeting with the Oxitec and MRCU team yesterday to be briefed about the programme.

As part of public education about this important project, staff from MRCU and Oxitec will have an information booth at West Bay dock from now until Saturday and members of the public are encouraged to visit them there to find out more about this exciting project.

Staff will also conduct house to house visits in West Bay to inform residents about what is happening. Updated information will be available to residents in the coming weeks.

Madam Speaker, I take this opportunity to acknowledge the continued efforts of the team at MRCU. They sometimes have to work in very difficult

conditions, and they do an amazing and very important job in helping to control all mosquito species, including our main disease vector, the *Aedes aegypti*. I also recognise and applaud the teamwork that takes place between MRCU and Public Health at the Health Services Authority.

As a result of the longstanding pioneering work by MRCU, the Cayman Islands have benefitted from outstanding mosquito control, and the MRCU has a well-deserved reputation of excellence in mosquito control throughout the region. As we head into CARPHA [Caribbean Public Health Agency] Mosquito Awareness Week from 9th to the 15th of May, it is a good time for us all to remember to play our part, too, by ensuring that we do not leave any standing water in our yards. It is very important that we empty buckets and drums and clean our gutters to eliminate possible breeding areas for mosquitoes. It is our collective responsibility to unite in the fight against this dangerous insect, which for so many generations past was the scourge of these Islands.

I end by thanking Oxitec for partnering with MRCU on this exciting development in mosquito control, which has the potential for far-reaching and long-lasting benefits for not just health in the Cayman Islands, but world health. Thank you, Madam Speaker.

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

The Speaker: Honourable Leader of the Opposition.

Hon. W. McKeever Bush, Leader of the Opposition:
The Premier made an unwritten statement. And he just went on to this one. And I want to ask a question under the Standing Orders on the first unwritten statement.

The Speaker: Please proceed.

SHORT QUESTIONS

[Standing Order 30(2)]

Hon. W. McKeever Bush, Leader of the Opposition:
Just to say that I think he said—in fact, Madam Speaker, I was not in my seat, as I had gone to the Hansard Clerk to get the Hansard to see what was said on Monday in regard to beneficial ownership.

Is this meeting about the Panama Papers or is it about beneficial ownership?

Thank you, Madam Speaker.

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, I believe the House, and the Leader of the Opposition in particular, will be aware that the whole issue of transparency in tax matters and anti-corruption and anti-money-laundering have been a

theme of David Cameron before this term, which he is currently in, and he has held himself and the UK out as the champions of these particular causes, or issues.

And so, he had announced an anti-corruption summit being held in May quite some time ago from last year, in particular. So, although I am positive that the Panama Papers will feature significantly, as they have in the last few months, in the discourse at the conference, that is really an event or an incident or an example rather than the basis itself for the conference.

The Speaker: Honourable Leader of the Opposition.

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker, I quite know and I have no problem with the Prime Minister's programmes, policies on transparency and anti-corruption. But what I'm asking is the reason why the two Ministers and the Councillor are going to London. Is it because of the Panama Papers and that conference? Or has it to do with beneficial ownership and the Prime Minister's pressure from colleagues and the Opposition and Europe on beneficial ownership?

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, I understand that the Leader of the Opposition was not present. And again, I apologise that I don't have a written script which he would have been able to read. But for his benefit, I'll go over this bit of it again.

When we signed the exchange of notes and we held a press conference announcing what we had done, as have all of the other Overseas Territories that have a financial services sector, I said then, I wish I had not been so accurate. And I certainly didn't expect for it to occur so quickly, that while this was the product of almost three years of discussions and negotiations, I had no doubt that the pressure would continue to build for a public, central register. And that is what has occurred and is still occurring.

The issue, the agreement that we have with the UK, the UK Government is satisfied with. But what is transpiring and has transpired is that other EU countries (it started with the G5; it has now escalated well beyond that small number) are pressing for a new global standard with respect to the automatic exchange of beneficial ownership information. And, as I said, as far as we are aware, there are some 40 countries that have now committed or indicated their willingness to commit to the development of such a standard. The standard is not yet developed. It's an initiative at this stage. But that's what they are pressing for.

The position of Cayman is the position that we've taken, I believe, regardless, of who has been at

the helm in terms of the elected government. It is that whatever the global standard is, Cayman is there. But Cayman will not be a guinea pig in an experiment which requires us to go out front and others to wait and see or not at all commit to these things. Because what that will do is to create a regulatory arbitrage, and you will wind up eventually with business migrating away from places which have this higher standard to places where there is less regulation and less bureaucracy.

So, our attendance, our decision to attend this summit, based on the invitation which we got yesterday, is that we want to continue to be part of the international dialogue on these issues and part of, or involved in, the development of any such standards.

The Speaker: Before the Leader of the Opposition . . . The Honourable Premier, I think you referred to *central register*. Is that what you meant to say?

The Premier, Hon. Alden McLaughlin: Yes, Ma'am. What I said is that I had no doubt back then, that the pressure would continue to build for the creation or establishment of public central registries. What Cayman has committed to, just to make it clear, so far, is a centralised platform of information available to law enforcement agencies from the UK on request to agencies in Cayman. It's not automatic access.

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

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker, I am still not getting from the Premier . . . I want to say I understand that he is not committing to say that this meeting is about beneficial ownership and a centralised registry.

[Inaudible interjection]

Madam Speaker, we know of the various conferences that are held. We know that if anyone puts pressure upon any particular matter; that's what they're called. They're called these conferences and it is those conferences that they raise the other issues. And if you are not at the table, then, you can't defend your position. And I quite understand that because I took more licks for being at that table than anybody else. But people understand this.

As far as global standards, I'm sure the Member is talking about regulations; global standards as to regulating our industry. And my position is that Cayman is far ahead of others in standards. Problems that come our way comes from them, not created here most of the time. But when they are created, Madam Speaker, our courts deal with them; the British common law, under their rule of law, they are dealt with.

So, from our position, is the Premier saying that if all others, (meaning the UK is [INAUDIBLE])

they seem to have some centralised position) the United States, Singapore, Hong Kong and others in the region, not just the Overseas Territories. But we are not, from my point, I'm not concerned about competition from the Overseas Territories. It is all those others that are in competition with us that I am concerned about that will stop the value of business in Cayman if we go the way we are going. And we know we are already losing business, because of the platform, they call it; a rose by another name to me is still a rose.

Is the Minister saying that if all those go, he's prepared to go to a centralised position? But I am not. That's not my policy, and when I say that I am not . . . my policy is that we will continue to develop regulations that can stand beside the terrorism and all those things that they're talking about. But I am not, my policy is not to go to that position where ISIS and the terrorists and evil people of all time can hack into your information and get it and go with it.

Madam Speaker, is the Minister saying that if all the others go to this standard, he's going, too?

The Speaker: Honourable Premier.

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

Madam Speaker, I'm afraid that the discussion has moved on well beyond the issue of a central registry in this particular instance. The system that we have, the centralised platform (if I can explain that again) which the UK has agreed to, would not involve the creation of a central database of information. The information would continue to reside where it does in the databases of the respective service providers.

But the general registry and the appropriate agency—and I say that because we haven't yet identified which agency that would be—would have access to this information in this aggregated form without the knowledge or necessary or indeed consent of the service providers so that . . . Let's say it is the financial reporting unit (or whatever the correct name is), or financial reporting agency that is the agency that's identified for this, when the request comes in from the law enforcement agency in the UK, they would process it, retrieve the information, do the necessary checks and forward that information to the requesting agency.

So that's the system. That's the distinction between a centralised platform and a central register where all of the data would reside. So that's the distinction. So it's not a rose-by-any-other-name situation at all.

This discussion has moved well beyond that. The global standard being discussed now is about automatic exchange of beneficial ownership information. That is the initiative that is currently on the table, and that is the discussion. That is what the dis-

ussion will be about at the summit. That is the new initiative.

The Speaker: I'll allow two more brief questions.

The Premier, Hon. Alden McLaughlin: And, Madam Speaker, just before—

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: And it is important that we understand that this is not driven anymore, if that were ever the case, by the United Kingdom Government. It has a much broader support base across the European Union and the G20 countries, most of which have already committed to such an initiative. So it's no longer just an issue between the Cayman Islands and the UK. It is much broader than that now.

The Speaker: Honourable Leader of the Opposition.

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

Madam Speaker, this conference has been on the table for quite a while, long before Panama Papers. And in fact, I had to wonder why they only took our Premier yesterday in the midst of an important parliamentary meeting to get him up there, and, in fact, two others with him.

What is the Premier's understanding of automatic exchange? That is one, and you said two short ones. I have one more.

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, the Minister for Financial Services is better placed to give you probably the better technical response than I can. But it is what the words indicate. There would be no filter, if I may call it that. It would be—

An Hon. Member: Direct.

The Premier, Hon. Alden McLaughlin: Yes. The information is requested, the information would be automatically . . .

An Hon. Member: Given.

The Premier, Hon. Alden McLaughlin: Given. (Sorry. I had a lapse there.) But yes, it would be an automatic. It would not be on request, which is the current scenario that we have developed, where there is a law enforcement agency or an agency here that is dealing with the request, accessing the information and sending it back.

The Speaker: Honourable Minister responsible for Financial Services, I think you are trying to catch my eye for something.

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

I just would like to take the opportunity to add to what the Premier has said in respect of his response and the question for automatic exchange. And I think he has outlined in substance what it relates to. But just to provide some additional background, I think we're very familiar, and the Leader of the Opposition should certainly be familiar, with the concept of automatic exchange of information, since we've engaged as a country with that in respect of the European Union Savings Directive from back in 2005.

But more recently, Madam Speaker, we have had the concept of automatic exchange through the US FATCA [Foreign Account Tax Compliance Act] and UK-style FATCA, as well as the common reporting standards. And essentially, it means that you will have periodic aggregation and reporting of information. This new initiative, which is rapidly translating into what, may well be a global standard, and if that is the case, then, the Cayman Islands would effectively have to adhere to that as a responsible player in the global financial arena.

The details around that and the reporting periods for the aggregation of information, the filing of that information, or sharing of that information are not clear. Those are yet to be developed. The initiative is based on the concept of the OECD [Organization for Economic Cooperation and Development] or the FATF [Financial Action Task Force], which are the international standard-setters for these types of things, of having them involved and actually working out the specific details of how the automatic exchange would happen, the frequency, over the periods and whatnot.

So, these details are yet to be worked out. But clearly, the concept of automatic exchange is well understood. And it is something that we currently engage in, certainly in respect of tax information. Thank you, Madam Speaker.

The Speaker: Honourable Leader of the Opposition.

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker, we well understand what *automatic exchange* means. Well, Madam Speaker, if we have all the things . . . The Minister is saying, *What is it that I want?* I guess that's what he's trying to say.

[Inaudible interjection]

Hon. W. McKeeva Bush, Leader of the Opposition: Sorry?

If we have all the things, if we already agree to working with FATCA, if we have signed and we have the Saving Directive, we are working with what we have signed, what else then?

So, beneficial ownership as it is, as supposedly they wanted it from the beginning, will be, whether it is the UK or not. That's what the UK has and that is what they are expecting us to get.

If they are going to London, Madam Speaker, I hope the Premier leaves his pen home and, Madam Speaker, the country can be directed a little bit more about exactly what it is, not just one statement, but a little bit more understanding of exactly what is it this supposedly new arena that the Premier speaks to that we have gone onto. We are far beyond the other things he has said.

So, I do hope that they will give him time to come back here to expose exactly what we will be getting into after this conference.

The Speaker: Honourable Premier.

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

Madam Speaker, I think the Leader of the Opposition, and I hope that the country as a whole, will by this point in this administration know that this Government, and certainly not me as Premier, are not ones who are hurried into making decisions about anything. We took the best part of three years to get to where we did with the UK and the exchange of notes.

It's also important that everyone understands that Cayman does not exist in isolation. And as I've said, and those who have gone before me have said and the Minister of Financial Services always says, Cayman has to meet global standards with respect to just about everything we do, but particularly with respect to the provision of financial services.

And so, whatever the global standard is, Cayman is there. I repeat: But Cayman is not going to go first, and we're not going to be guinea pigs. But we can't operate as though we're in another paradigm when we are a key player in the global economy, a key provider of financial services to the world. We have to operate in accordance with what are global standards. And so that is our position. The UK knows that's our position. The people in the OECD know that is our position. It has ever been our position, and it will continue to be our position. But global standards are constantly evolving. And this one is evolving at an incredibly quick pace. And so it's important that we are there to contribute to that discussion. And we'll see where we get, though.

The Speaker: I recognise the Member for East End, and then the Fourth Elected Member for Bodden Town.

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

Madam Speaker, I had a couple of questions, one of the beneficial ownership. I'm wondering if the Premier can tell us if, even though he has said that the agreement, the exchange of notes with the UK is still in place, I'm wondering if he can tell us if there's any indication of them reneging on those, now that the pressures are closing in on them.

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, there's of course been a lot of noise in the UK media from the NGO's and in Parliament. But from the Government end, Prime Minister Cameron has actually very publicly defended the agreement that he reached with the Cayman Islands Government on this issue. But I repeat what I've said earlier: The discussion has evolved well beyond that now. And quite what the relevance of that will be in the new context, which is yet undefined, is something we'll have to wait and see.

The Speaker: Member for East End.

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

Madam Speaker, I understand that but we know how much Cameron is under pressure now on his little initiative to remain a part of the EU. But be that as it may, I would like to give the Government my undertaking publicly again to support them in the position that the Premier has stated that politically we have all taken in this country. We are not going to be guinea pigs. We will adhere to whatever the global community does, but we're not going up front to be the first one to get the shot, and then they change it later.

Madam Speaker, on a different note on the prepared [statement regarding] Oxitec that the Premier just did, I am pleased that we are now talking to representatives about this initiative of going into their communities because this was done a couple of years ago. And, in East End, as a matter of fact, no one spoke to me. I had to go and research and do all kinds of stuff to answer my constituents.

Madam Speaker, I wonder if the Premier can tell us (if he knows), what the success rate of that was in East End, because I'm sure they were measuring it. And it was particularly East End and the eastern districts that they were doing it. Was there any success with it?

The Speaker: I recognise the Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, the Member for East End knows that no matter how badly he treats me, I will always talk to

him and make sure that he's aware of things that are happening in his district.

[Inaudible interjection]

The Premier, Hon. Alden McLaughlin: I'm going to attempt to find the information which he's seeking, with your indulgence, Ma'am.

[Inaudible interjection and pause]

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, there is a packet that is being prepared for all Elected Members to have about this programme. But the little note I have here indicates that the success rate in Cayman, and that would include the East End experiment, was about 96 per cent. That is, 96 per cent reduction in the *Aedes aegypti* population in the trial area.

The Speaker: I recognise the Fourth Elected Member from Bodden Town.

Mr. Alva H. Suckoo, Jr., Fourth Elected Member for Bodden Town: Thank you, Madam Speaker.

Madam Speaker, I'd like to join the honourable Member for East End in offering my support for the Government's efforts with respect to beneficial ownership and related matters.

And I do have a question for the Honourable Premier that I know he probably can't answer now, but I wanted to put it out there, which is: When is enough going to be enough? Madam Speaker, we have seen these obligations and requirements being thrust upon this country for I don't know how long now. And government after government has complied and bent over backwards to meet these international global standards.

At some point, Madam Speaker, I think the UK is going to have to start to bat for us. Because we have not been resistant; we have been cooperative. And I support the Government, and I continue to support them in their efforts to what I consider now "save our financial services". But at some point, I think the UK Government is going to have to acknowledge that they are contributing to factors that are threatening our financial services. And at some point, they're going to have to accept and own up to the liability that they're creating for themselves.

We have to feed people. We have to educate people. We have to raise children, Madam Speaker. And at some point, we're going to have to look them in the eye and say, *When is enough going to be enough?* And I know that the Premier, the Honourable Premier, can't answer that question now. But I will ask that he please include that in his conversations. And I wish him well, and I wish the Minister for Financial

Services well, and the Councillor. And like the Member for East End, you know, they have my full support.

The Speaker: Honourable Premier. I don't know whether you wish to surprise him with an answer or wish to take the exit out.

[Laughter]

The Premier, Hon. Alden McLaughlin: Well, I don't know if it's an answer. I'll make an observation.

Madam Speaker, there are two points here. And on one of them, I most definitely have the same view as the Fourth Elected Member for Bodden Town. But on the first point, we have to appreciate that Cayman is a major player in a critically important global industry called more broadly finance, but specifically financial services, and that nothing stands still. Standards are constantly evolving. There's an element of competition, no doubt, a significant element of envy and jealousy and misunderstanding about, how can a country exist without any form of direct taxation? And all sorts of issues and factors that play into this matter.

Cayman has to continue to do what we've done now for the best part of 20 years, which is to engage with the international agencies and the key players who are constantly driving their evolution of standards and regulatory standards and anti-corruption initiatives and so forth. We cannot stand back in Cayman and say, *Oh, the UK is responsible for us*, because that would mean the end very quickly. The UK has only recently, and I mean recently in the last couple of years, been even prepared to stand up publicly and defend the Cayman Islands and other Overseas Territories and to commend us for leading on many of these important initiatives. But this Prime Minister, Cameron, has on a number of occasions actually stood publicly, taken a lot of berating for it, but acknowledged what we've done.

We will continue to press in the week to come and beyond that, when we do what we've been doing, when our regulatory standards and our co-operation are as good as or better than those of most places in the world, that we ought to be acknowledged and lauded for it and not just beaten to death in every media in the UK and Europe, and the UK say nothing in our defence. So, I take the point of the Fourth Elected Member for Bodden Town.

The other point, when is enough, enough? It will never be enough, because this is constantly evolving. And if Cayman wants to continue to be a major player in financial services, we've got to move with the tide and with the times. We can't say that we are going to, *Listen, we don't want any more to do with that. We're going to stand here*, because we'll just get locked out of the global financial industry and out of the global economy. You can't exist in isolation. Not even the big countries can do that. Even the massive and mighty United States' are finding themselves un-

der great pressure with respect to initiatives such as this.

So we've got to always understand that, and, as the Leader of the Opposition acknowledged, make sure that we're always at the table.

The Speaker: I recognise the Fourth Elected Member for Bodden Town.

Mr. Alva H. Suckoo, Jr.: Thank you, Madam Speaker.

Maybe I should clarify my question. It was a question that I wanted the Premier to ask them: *When is enough going to be enough?* I know that we can't determine that. But at some point, they will have to acknowledge that we have done what has been asked and they then can support us.

[Inaudible interjection]

The Speaker: Honourable Premier.

[Inaudible interjection]

The Speaker: Madam Clerk, we'll move on to the next item of business.

PERSONAL EXPLANATIONS

The Speaker: None.

OBITUARY AND OTHER CEREMONIAL SPEECHES

The Speaker: None.

RAISING OF MATTERS OF PRIVILEGE

The Speaker: None.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

Private Member's Motion No. 23 of 2015/16, Motion to Increase Government Revenue, Foreign Direct Investment and Enhance Job Creation Opportunities in the Cayman Islands

The Speaker: I recognise the Honourable Fifth Elected Member for the District of George Town.

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

I rise to propose a motion entitled Private Member's Motion No. 23, 2015/16. The title of the Motion is: "Motion to Increase Government Revenue,

Foreign Direct Investment and Enhance Job Creation Opportunities in the Cayman Islands”.

WHEREAS the Cayman Islands has a documented eligibility regime for permanent residency (PR), detailed in the Immigration Law (2015 Revision), it does not have a coordinated, efficient and effective programme to actively promote and properly facilitate the Cayman Islands as a High Net Worth Individual (HNWI) relocation destination.

AND WHEREAS there are substantial benefits to creating a more dedicated and efficient process for marketing and facilitating foreign direct investment and permanent residency, including the creation of employment and other economic benefits for the Cayman Islands and its current citizens.

BE IT NOW THEREFORE RESOLVED that Government considers as a matter of urgency the introduction of

1. an independent, dedicated investment and development agency and concierge service, respectively, to attract and efficiently facilitate the Ultra High Net Worth Individuals [UHNWIs] to retire to, and invest in, the Cayman Islands, including carrying out “WorldCheck” due diligence on every applicant under this programme;
2. a revised, coordinated, comprehensive, efficient and dedicated UHNWI relocation process or “Accelerated PR Scheme”, fully supported by the private sector and all government departments, agencies and personnel to streamline the process to better attract and facilitate inward investment and immigration in the most customer-friendly manner possible;
3. targets to attract at least 250 UHNWIs per year to apply for Accelerated PR Scheme and move to the Cayman Islands, and that such relocation be granted/refused within 6 weeks of all necessary and required documentation, due diligence and fees;
4. priorities being given to (a) UHNWI retirees without the right to work; (b) applicants with technical and other expertise not currently available or sparsely available in the Cayman Islands, provided that plans of knowledge transfer and vocational opportunities for Caymanians are put in place;

AND BE IT NOW THEREFORE FURTHER RESOLVED that existing permanent residency applications be reviewed, vetted and granted or refused as a matter of urgency to eliminate backlog, facilitate direct investment, provide surety to applicants and to benefit the Caymanian economy with preference being given as in (4) above;

AND BE IT NOW THEREFORE FURTHER RESOLVED that pre-application and due diligence approval for the Accelerated PR Scheme, including acceptance of international insurance coverage and current medicals for immigration purposes by board-certified doctors of Accelerated PR Scheme applicants choice, as long as they’re in good standing in their home jurisdiction, be acceptable for the Accelerated PR Scheme application purposes.

The Speaker: Is there a seconder?

Mr. Alva H. Suckoo, Jr.: Thank you, Madam Speaker.

Yes, I rise to second the Motion.

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

Mr. Winston C. Connolly, Jr.: Yes, Madam Speaker, with your indulgence.

Madam Speaker, I’ve often said that the only two questions that I ask when considering any sort of policy, law or regulation in the Cayman Islands in this role are: Is it good for Caymanians? And is it good for Cayman?—in that order.

Madam Speaker, when we look at world trends, we look at what our competitors are doing, we need to take stock. We’ve just heard about some of the pressures being placed on us by the First World countries, including our own mother country. And in a number of places, individuals are being put under the same pressures or subject to change; be it taxation, terrorism, more satisfying quality of life.

There are at least 20 governments in the world that are offering residency in return for investment, financial self-sufficiency and a proof of a clean police and health record. We have a similar offer here, Madam Speaker. We actually have it under two categories. One is permanent residency for persons of independent means, and the other is a 25-year certificate for retirees. The former requires a \$1.6 million investment in real estate and paying CI \$100,000 grant fee. The latter, a \$500,000 investment in developed real estate and a \$20,000 grant fee.

The problem, Madam Speaker, is that we don’t treat applicants in the most efficient, welcoming manner. Often, applicants are languishing for months with no communication on the progress. And I’ve spoken to a number of practitioners, Madam Speaker, and they echo this. And in fact, there were some of them who came to me with this revelation. They also said that after we announced that if you own property, Immigration must land you for six months, a number of our prospective applicants simply abandoned the programme.

Madam Speaker, we have to decide where we want to go as a country. And everybody has to get on the bus. We can't have policies made by Government, and departments not following them. Over the last five years, Madam Speaker, we've issued approximately 30 permanent residency permits in those two categories. And, you know, just for the listening audience, we're not talking about permanent residents for time being spent here going through the normal residency and other requirements. This is permanent residency by investment.

So, if you compare those 30 that we've done over the last five years, let's look at some of the competition, Madam Speaker. Cypress has enticed 400,000. Monaco, 3,000, and the benefit that they've gotten from that is that their real estate prices have tripled. And poorer places in the region, like Dominica, are expecting 1,000 imports this year.

Madam Speaker, these residents do not work. They do not vote. They're here to spend their money, and they're not a threat to Caymanian jobs or positions of advancement. There's little negative connotation for Caymanians. And if we do the necessary due diligence checks, we can mitigate any reputational issues for bringing in the wrong sorts of people.

Madam Speaker, in spite of the relatively high barrier that I spoke about before in terms of the investment thresholds, more people want to come to the Cayman Islands. But I've heard too often, as well, people who knock on our doors got frustrated with the process and eventually went somewhere else. We can't do that as a country, Madam Speaker. We have to figure out whether or not we want this, what it means for the livelihood of our people and the opportunities for our people, and then, like most other countries with successful programmes, go after it with all our might.

Madam Speaker, in my mind, the benefits will outweigh any negatives, particularly, if we put in those checks and balances and enforce them. It will lead to employment for Caymanians, and it will also lead to Caymanians being able to either build companies to service these types of people or enhance their services that they currently do, with a wider pool and a rich pool, Madam Speaker.

The Government revenue potential is also enormous. It would also cause a substantial investment in local private schools, something we need. I see this, Madam Speaker, as a core driver for our future.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Exactly. Like the Member for Bodden Town has said, the Minister of Health, these people tend to be philanthropic. We know over the years how some of our frequent visitors have aided our citizens and given them opportunities. I just have to look over my shoulder and ask the hon-

ourable Member for North Side, how many of these people have helped his district when sometimes the Government couldn't?

These are the people who generate substantial business opportunities and revenue, provided that we take the steps to ensure Caymanians benefit. It is, in my mind, Madam Speaker, a no-brainer. We have an excellent product that people, once they know about us, they love us. Our people are welcoming and warm. There are great real estate opportunities. We have a stable government. And we're one of the safest islands in the Caribbean. We have good, if not great, infrastructure, Madam Speaker, the envy of the Caribbean. So why then are we lagging so badly behind? Why do our neighbours realise the great potential and are actualising that and making it realities?

We need to figure out what we want Cayman to be and where we want Caymanians in that socio-economic ladder. And this, Madam Speaker, is one of those ways that we can create the boom of the late 1970s and early 1980s again and see Caymanians rise from lower-middle class to upper-middle class and better.

We have the product, but we're terrible at marketing it. Nobody knows just how to get here. And by that I don't mean by plane, Madam Speaker. I'm talking about permanent residency. It's not as transparent, it's not as efficient, and it's not as encouraging as in other places. We do a lot to encourage tourism and almost nothing to develop this type of residency, which is 200 times more lucrative. We have to make the application process less laborious. It's long, complex and highly bureaucratic.

Madam Speaker, some of these practitioners allowed me the opportunity to speak with some of the persons who had either gone through the process or were going through the process. Some of them said that it could take well over nine months. Millionaires and billionaires are not that patient, Mr. Speaker, especially if the competition is doing it in six weeks to eight weeks. By comparison, Monte Carlo accepts or rejects you in two weeks. We're taking nine months. We need to pull our head out of the sand, Madam Speaker. We have a great product, but other people have great products, as well.

We also have traditionally focused, Madam Speaker, just on North America. We've looked at what some people call *Snowbirds*; that they come here for a few months in the winter months. But we fail to remember or accept that there's no tax advantage for an American living here. Europeans, though, or people from Asia pay tax. And by *Asia*, I mean India and China and that part of the world, where you have some of the fastest-growing numbers of millionaires and billionaires.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Absolutely. And I'll touch on that. They pay taxes where they reside and not by nationality. So Cayman and its investment opportunities, its natural beauty is a natural fit for them. Madam Speaker, if we could attract some of this wealth that is no threat to our Caymanian people, to where we could encourage our own Caymanians to get into areas like real estate where there are so few that you really can't identify them. There is an automatic market created then, if we are attracting these ultra-high net worth individuals.

Imagine what selling some of those multi-million-dollar condos on Seven Mile Beach and other places could do to the pockets of our people if we trained them to take the opportunities, if we say to them, *You shouldn't fear commission*, especially if we taught them financial management. So, Madam Speaker, opportunities are what I'm trying to sell to this honourable House, today; opportunities for our people with no threats to their jobs.

Madam Speaker, we also could go back to embracing service. One of the people I spoke to who had come in from Monaco, said that their citizens had recognised the ultra-high net worth individuals and the accepted definition of that are those who have a net worth of \$30 million or more. If those people are in your country and you provide services to them, including personal service such as valets and personal attendants and things like that, chefs and, you know, all sorts of things, you can become a millionaire even if you have the label of being a butler.

Madam Speaker, we need to open our eyes. We need to welcome these types of people with open arms. And we need to recognise that there's no shame in service. I've always said, Madam Speaker, titles don't really mean anything. You can call me the janitor, if I'm taking care of my family and supporting them.

Our governments, successive governments, Madam Speaker, appear to be ambivalent. If they are supportive of this type of residency, they don't promote it. Some of us see the upgrade to the airport as an expense. I see it as an essential investment, Madam Speaker. And I'll touch on some of the ways that we could reduce some of that, those costs, in my next motion, Madam Speaker. But we can do things to offset the cost by making our airport again the Jewel of the Caribbean.

We just need to look at Nassau, Madam Speaker, to understand where there's a willing government, what can occur. They have flights to Europe, and soon they will be going to China. The airport was financed by the Chinese. Madam Speaker, there is an allure for direct international flights past the Continental US. Some of our would-be residents would love to bypass immigration in places like Miami and come straight here.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Madam Speaker, we have to stop looking at tourists just as numbers. We have to stop looking at quantity over quality. I'm not saying that we shouldn't focus on our stay-over tourists or the cruise ship tourists, because they provide valuable income to our people. But, Madam Speaker, I'm saying, *Go with what gives you the biggest bang for the buck*. It's nice to have the drive-by tourists, the ones who come for a day, go to Stingray City, buy the rum cake and get back on the boat. But I'd much rather have people coming and buying property in droves.

Madam Speaker, this Government should be applauded for some of the investments that they have announced. But, Madam Speaker, who's going to fill all these luxury hotels and the new restaurants when Mr. Dart wants to expand Camana Bay, but we lack the quality clientele to service them?

Madam Speaker, again it takes a bit of vision. It takes a policy. It takes willingness by Government to take this forward and really dedicate the time and the personnel to making it the priority. We just have to sell ourselves. And if we sell ourselves, Madam Speaker, our real estate market will be booming.

Madam Speaker, I'm not even sure if we know as a country how many people have stopped the process because of the bureaucracy and the stop-starts. And every one of those lost, Madam Speaker, leaves with a bad taste in their mouth. And we don't know what damage they do just by telling others like them that they had a bad experience coming here.

We should not be so complacent that we think, *Oh, well, there will be another one coming*. We should remember, Madam Speaker, that we should take nothing for granted and that not too long ago, we were *'the Islands time forgot.'* And just because we have it now, doesn't mean that we'll always have it. And for good, prudent management, we need to identify where we want Cayman to go and what we want Caymanians to be. And I'd err on the side of wanting Cayman to remain world-class and our Caymanians to be at the top of the food chain.

Madam Speaker, people have always told me I was a dreamer. I know dreams without work don't turn into reality. That much I do know.

Madam Speaker, we also can't assume by looking at people what their net worth is. One of the persons whom I spoke to said when they came in with shorts and a T-shirt and flip-flops, they were treated differently than the lawyers who were with them, who were actually their lawyers. Madam Speaker, I say that to say this: Sometimes we don't even know how we're damaging our country, because the person whom we think is the bum is actually the billionaire. We have to get all hands on deck. We have to identify what it is we want to become, and everybody has to get in the bus. Because if there are any weak links, that's where the irreparable damage comes sometimes. And again, we go to sleep at night thinking we

haven't done anything to destroy the reputation of Cayman, when we don't even realise what we're doing when we're doing it.

Madam Speaker, someone piped in (and I can't remember who) about the philanthropic efforts of these types of people. And worldwide, it's been known that the higher up you are on Maslow's hierarchy, you tend to support causes and you tend to give back charitably. Madam Speaker, we can harness these types of people who would want to become active parts of the Caymanian community. We can benefit from them if we appreciate what it is they bring to the table, and we welcome them and we do it in the most efficient manner—policy direction, Madam Speaker, from the top, as carried out by every part below.

We also can't be afraid of the rich, Madam Speaker. We can't say, *Oh, we don't need them*. We can't say, *Who do they think they are?* They are what they are. And we can harness what they are. Simply put, Madam Speaker, we're not attracting our fair share of wealthy residents, especially if we compare ourselves to other people in the region and other countries internationally. But it's an easy fix. The first part of that fix is simplifying the process and the length of time for applications. We need a dedicated unit, and I'll give some examples of other countries that have done it and how successful they have been in actively going out seeking to sell the Cayman Islands and its people and why people should come here and then monitor what happens once you make that contact.

That dedicated unit should also be able to speak for all Government departments and the process, because if it's transparent and simple, then there shouldn't be any surprises once they attract the people whom they've gone out to attract. They should be able to, with some certainty, confirm the application's status or probability of someone becoming a permanent resident in Cayman of these ultra-high net worth types of people. They certainly shouldn't go nine months without even hearing back from somebody. We should be rolling out the red carpet, putting on the white gloves, meeting them at the plane, walking them through the process and then putting them back on the plane, very happy only to go home and pick up their belongings. That should be the process, Madam Speaker—service.

Madam Speaker, these people have no problem spending money on real estate if they are in that category. Thirty million dollars net worth can buy a few small Seven Mile Beach residences, Madam Speaker. We need to be able to almost have a checklist where people know that, once they've complied with it, the rest is a formality pending the World-Check-type due diligence and anti-money laundering processes that we have here.

Madam Speaker, we also have to get our service providers like international shippers and other

persons on board and realising what these types of people are and why they should give them priority.

We also have to recognise that these people are not run-of-the-mill. All right? So when we say to them, *You need to come down. You need to find a local doctor and go in and get your HIV and other tests done*, Madam Speaker, that's not this type of person. They usually have their own medical staff. They usually have their own service providers. We need to get comfortable with those types of people and those types of service providers and accept them and not just keep them to the same standard.

I hate to say this, and knowing that some people will say, *Well, who do they think they are?* And I say it again: They are who they are. And the benefits that they bring, we should be bending over backwards in some instances. But we certainly should make concessions for those types of people. And maybe it is a two-tiered system. But again, we have to accept that. We have to map out what we want Cayman to be and accommodate that the best way possible.

Madam Speaker, we need to follow up with people once they're here and see how satisfied they are with our product and constantly seek to listen to them in that I know that there's not just one billionaire out there who sits in a room and counts his money and doesn't talk to other billionaires. The word-of-mouth, the personal endorsement for these services, those go as far as our spending millions of dollars on advertisement and will get us millions of dollars back.

Madam Speaker, we also need to understand the competition and actively look at what our competitors are doing in order to attract these types of people and to keep them, because if we bury our head in the sands and think, *Oh, everyone wants to come to the Cayman Islands, and it's paradise*, and all the other nice little bits and pieces that we say *over the airwaves, and in print*, we are missing the boat. This isn't something that happens just because we're Cayman. This is something that happens when we sit down, come up with a policy and a procedure, and really keep on top of it.

Madam Speaker, in a short period of time, we can transform the Cayman Islands if we're dedicated to something like this. Imagine the opportunities for our children. Wouldn't we like to have that multi-cultural makeup that we so proudly laud, where our children are being exposed, supported and given opportunities? Let's not do it by happenstance. Let's sit down and become attuned to the needs of these types of people, and then mind those relationships.

Let's also look at this, Madam Speaker, in the context of immigration and work permits. Madam Speaker, I'm going to say something, and I'll probably get crucified for it, but I'm used to that these days. Our work permit regime keeps Caymanians down. When we're dependent on work permit fees for income and we have a limited land mass, where we get our most bang for the buck are from the most expensive work

permit fees. But guess what? Those most expensive work permit fees come from the people who are at the top of the food chain. So if we get rid of those expensive work permit fees, that means we're getting rid of the source of that income.

It would mean a Caymanian being put in the spot, but we'd lose in some instances up to \$30,000 per work permit fee. So, Madam Speaker, inadvertently, because of our revenue base, we're actually putting a cap on Caymanians from advancing. Why can't we flip the script, Madam Speaker? Why can't we attract the talent that we want and need in this jurisdiction? Why can't we accept the work permit regime, but say, *Guess what? We're not going to be reliant on it for income. We're going to rely on it for talent. We're going to rely on it for bringing knowledge here that we don't have, to train up our Caymanians.*

But why don't we then rely on the permanent residency revenue, which is multiples' more than the highest work permit fee, and not competing with our locals? Madam Speaker, I'm not an accountant. And—

The Speaker: Member, is this a convenient time for luncheon break? Are you going to wind up shortly?

Mr. Winston C. Connolly, Jr.: I'm not winding up yet, Madam Speaker.

The Speaker: All right. We'll take the luncheon break and reconvene at 2:15 pm.

Proceedings suspended at 12:40 pm

Proceedings resumed at 2:32 pm

The Speaker: Please be seated. Proceedings are resumed.

I recognise the Fifth Elected Member for the District of George Town, continuing his debate.

PRIVATE MEMBERS' MOTIONS

Private Member's Motion No. 23 of 2015/16, Motion to Increase Government Revenue, Foreign Direct Investment and Enhance Job Creation Opportunities in the Cayman Islands

[Continuation of debate thereon]

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

When I left off, I was about to just talk briefly about the dedicated investment bureau that other countries have put in place to really target these ultra-high net worth individuals. And I looked at several examples, including Ireland and Malta, because of their sizes, Madam Speaker. And the Malta Individual Investor Programme targets the ultra-high net worth

individuals and families worldwide. It seeks to ensure that it keeps the strictest due diligence standards and vets applicants and only goes after highly respectable clients.

Madam Speaker, a number of these countries have set up, for lack of better words, sovereign funds that take some of the investment and put it in a dedicated fund that goes to pay for education, infrastructure, and other things needed by the country for development. Madam Speaker, I would like to suggest that the Government look to developing something similar. Because like I said before, this can't happen just because we're the Cayman Islands. In Antigua and Barbuda, it's similar, Madam Speaker. They're actively going after Chinese billionaires to buy royalty, French aristocracy, and, it's working.

Antigua just announced that Ondine de Rothschild has decided to set up her holiday home there. Last year they had Australian billionaire, James Packer, and Hollywood A-Lister Robert De Niro announced plans to acquire and renovate Barbuda's K-Club to the tune of \$250 million. They also try to attract members of the Middle Eastern royalty. A member of the ruling family just signed an agreement with the country to invest \$120 million into a luxury resort. And the new resort will be on 36 acres of land.

Madam Speaker, they are also going after the Chinese. They are about to build a \$1 billion mega-resort in Antigua. It's a 1,600-acre residential and commercial project. Madam Speaker, I'm not saying that we have the same size, but I'm just trying to show you the level of person whom they're going after and the types of investments that are being made in their economy.

Wealth-X said last year that the Caribbean's ultra-high net worth population increased by 2.1 per cent. And there were some 1,155 ultra-high net worth individuals living in the Caribbean; more than 67 per cent of them had located from another country.

What this shows, Madam Speaker, is that other countries are seizing the day. They're actively setting in place agencies to go out, and they're incentivising the agents by way of commission and other ways to attract the ultra-high net worth individuals.

Madam Speaker, there are examples of this the world over—Portugal, Antigua, as I just mentioned, Cypress that I mentioned earlier, Malta, St. Kitts and Nevis, Belgium, the US. Even the UK has made the UK Tier One Investor Programme one of its central tenets. And, Madam Speaker, like the US, where they have the EB-5 visa, they've managed a couple, this inward investment, with opportunities for their nationals. To obtain the visa, individuals must invest \$1 million, or at least \$500,000 in a targeted employment area, which is usually a high unemployment area or rural area. They must create or preserve at least 10 jobs for US workers, excluding the investor and their immediate family. Investments under the

pilot programme included direct investments in a job-generating commercial enterprise.

Madam Speaker, that's how we harness these opportunities. We look initially as to how they will positively affect our people and our Island—jobs development opportunities.

Madam Speaker, as the world changes and a number of people are leaving high tax areas to look to live and work in some instances in other places, there is great opportunity.

Madam Speaker, I have a plethora of examples that I won't go into. We just have to look around us, and we just have to speak to some of the people who are involved in attracting high net worth people here, some of the banks that have the high net worth departments that manage wealth. We also have to just look to some of the lawyers. And some of them are screaming loud saying we're not doing enough and that we have to get more focused and more professional.

This is free money, Madam Speaker, in that the money that comes in—the people who come in, don't compete with our own. So what they bring is money to buy real estate, money to invest, money to put back in philanthropic efforts. And what they want in exchange is some surety and easier process and all the things that we already claim to have—i.e., the low crime, beautiful environment, great weather and proximity to the mainland US. So we already have it. We just have to define it and really go after it. We need to be attuned to what the world needs and service it.

Madam Speaker, St. Lucia in the last quarter of last year launched its global investment programme in Monaco. Theirs is something that we could look at because they require the applicants to have a net worth of \$3 million to qualify for consideration. A limit of 500 applicants is available annually to qualified investors. And these investors have a number of ways to invest, including the St. Lucia National Economic Fund that's used to benefit citizens and entrepreneurs and approve real estate projects. So, either you can do your own or buy into an already-existing St. Lucian real estate project, an approved enterprise project or—something to note—the purchase of government bonds.

Madam Speaker, this country and other countries have decided on a differentiated approach. The model is one rooted in transparency, independent regulation and oversight. But again, it's something that they've done proactively, and it sets to benefit their people directly.

Madam Speaker, we sit in a world-class destination. And we need to continue our focus on maintaining and surpassing that. At the end of the day, as a government, we should be looking for stable families, social cohesion, racial and religious harmony, and secure homes and streets. That's what makes a strong society and an attractive place to live, work and play.

Madam Speaker, with some of these inward investments, we can really look after people if we do it in the right way. We can teach them in school what the opportunities are, how to access them, and show them that we're looking out for them. We also have to look past North America and really target some of the areas that I spoke about. We want a society where the revenue stream comes, not at a cost to our people, but only a benefit.

Madam Speaker, again, examples are everywhere. Guernsey has a development agency. They work along with Guernsey Finance in a joint industry and government initiative. They go out, and it's their business and their goal to attract new companies and high net worth individuals to the jurisdiction. It's time, Madam Speaker, that, we take the bull by the horns and really redefine our model. And when we do, we can start the next boom.

Madam Speaker, with those few words . . .

[Laughter]

Mr. Winston C. Connolly, Jr.: Okay, I can't compete with my Minister over here in terms of setup.

But with those few words and my proposals, Madam Speaker, let's try to take away some of the unintended roadblocks. Let's try to improve the process. Let's try to collectively convince our population that this is something that's good for them and not something that they should fear. Let's then train them to take the opportunities that we provide for them and ensure that they get first dibs. Let's start by looking at what our competitors do. Let's make ours very attractive. Let's start an aggressive marketing campaign. Let's sell the Caymanian lifestyle.

Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call: Does any other Member wish to speak?

If not, I'll call on the mover to exercise his right of reply.

Honourable Deputy Premier.

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

Madam Speaker, I rise to offer my remarks on Private Member's Motion No. 23, 2015/16, the Motion to Increase Government Revenue, Foreign Direct Investment and Enhance Job Creation Opportunities in the Cayman Islands.

Madam Speaker,

WHEREAS the Cayman Islands has a documented eligibility regime for permanent residency, detailed in the Immigration Law, 2015 Revision, it does not have a coordinated, efficient and effective programme to actively promote and properly

facilitate the Cayman Islands as a high net worth individual relocation destination; and

WHEREAS there are substantial benefits to creating a more dedicated and efficient process for marketing and facilitating foreign direct investment and permanent residency, including the creation of employment and other economic benefits for the Cayman Islands and its current citizens;

BE IT NOW THEREFORE RESOLVED that Government considers as a matter of urgency the introduction . . .

Now, Madam Speaker, I'd like to say at this point the Government is happy to consider the Motion. I want to also say that the mover of the Motion, I thought did an excellent job of explaining the Motion and really drilled down into some specifics that are offered globally. I want to compliment the mover and say that it was informative. And the amount of research that really went into it, you can see the effort and the passion for it.

Madam Speaker, I want to take each one of the *resolve's* individually and speak to them. I believe that that is necessary with an important motion like this. But I want to spend a little bit of time talking about the prioritisation of this Motion and how we consider it.

When we first look at where we are as a destination, as a small island nation, as a country, a British Overseas Territory, however we identify ourselves, the mover talked about we are a good place to live. We are a good place to work. And we are a good place to play. And he's absolutely correct, Madam Speaker.

Madam Speaker, it would probably shock each one of us if there was the ability to list the world-famous people who come through the Cayman Islands on a yearly basis. I think that some of us in this Chamber would not be surprised, but I think the general public would probably be extremely surprised. From where I sit on a daily basis and look out at the airport and the runway, and to say just minutes apart we see small private jets coming in and going to General. And when I see these jets five minutes apart, I realise that these are high net worth individuals and companies that are coming here to do business. And these are individuals who are potential clients who can invest here and want to know more about the country itself, as far as the opportunity. I think that for us, if we take a look around General and realise the amount of wealth that is represented there with the private planes that are sitting there, it gives us an idea of opportunity, as was spoken about.

I think from a government standpoint, and if you look at where we are today and the prioritised projects that we have worked on for the last three years, you will see that we looked at the infrastructure, we looked at demands. The mover spoke about the airport. If you consider and understand that for us, it's

a balance . . . For us it's the number of people that we attract here. How do we enable opportunity for the citizens of the Cayman Islands? How do we make sure that they get the maximum benefit out of what we do and create, manage and try to enforce as a government?

I believe, as we talked and listened to the mover, he brought out some excellent points of opportunities that were available. Madam Speaker, I believe that if we drill down into the balance, we understand that for visitors who come here—and I'll use the visitors who arrive by air, to start with—we have to know that there's a certain level of value to the individuals who come, their average income that will allow them to enjoy the Cayman Islands as a vacation destination.

And I believe that . . . I don't *believe*, I know that we have taken the opportunity, not this Government—as we had looked at our tourist [INAUDIBLE]—governments before to understand how we attract the type of overnight visitors who can enjoy Cayman, and realising that it has an airfare attached to it, it has what people like to say, *an expensive destination*, but it's a value-for-money destination that we attract them to. And we have done a good job of increasing the number by looking at the type of core market individuals who can enjoy the destination.

We have driven the business to a point where our occupancy rates are extremely high. Our seasonal occupancy is extremely high. And our average room rate is the highest in the region. And it increased in the last 12 months to be the highest in the region. So that means it's a supply-and-demand issue, that we're not going to attract any more until we have more rooms. And when we bring the new rooms online, we must make it a priority to prepare and offer those opportunities to the Caymanian people, the ones who want to look at tourism opportunities. And we have focused on the hospitality school. We've focused on scholarships abroad. We've focused on taking the roadblocks out of the way of people who want to move into the tourism industry.

And, Madam Speaker, I looked at what we're trying to do as attracting the individuals who can afford to enjoy Cayman as a product and diversify the opportunities as the mover has identified here, as another way to stimulate and move our economy and provide the opportunities in the right way. Because the skill sets that we're pushing on that are needed for the tourism product as we know it are skill sets that are a little bit different to the high net worth individuals who are being identified in this Motion. The accountants, the lawyers, the tax planners, the financial wealth management managers, they're here. And we hope that we continue to strengthen that, and they're available for the investment and for the high net worth individuals to enjoy and use.

There's also the aspect of, what do they do when they come here? How do they take advantage

of what we have? The idea of investment, the idea of playing golf, the idea of the recreational facilities, the restaurants and how they spill over into our economy and spill over into becoming—

[Inaudible interjection]

Hon. Moses I. Kirkconnell, Deputy Premier: I beg your pardon?

[Inaudible interjection]

Hon. Moses I. Kirkconnell, Deputy Premier: How they spill over into doing what is necessary for our growth in the right way.

We looked at the core market. And we've also heard that [high] net worth individuals are not just domiciled in our core market. So, the opportunity to look globally and understand how we attract those . . . When you attract people from China, Asian countries, European countries, South American countries, they don't always speak English. So we understand that we have to be able to accommodate them to enjoy the country and enjoy the opportunities to invest.

So, Madam Speaker, the idea of, considering what the mover has brought, I believe that I understand it very clearly. I've spent some time reading it and identified it again as an opportunity of what we can look at to help diversify and grow our economy. If you look at what is available now and think about what we have heard and what other countries are doing, I believe that there's going to be a common thread here between what the mover's contribution was, and introduction to the [Motion] and what the Government's thought is, as we receive the Motion and commit to the consideration.

As of now, what the Cayman Islands offer are long-term residence categories for investors and persons of independent means. A Residency certificate for persons of independent means: A person over the age of 18 may apply to the Chief Immigration Officer for a residency certificate for persons of independent means. The applicant must be able to demonstrate that he has a continuous source of annual income of CI \$120,000 without the need to work, and must have invested CI \$500,000 in Grand Cayman, of which at least \$250,000 must be in developed real estate.

If the applicant proposes to reside in Cayman Brac or Little Cayman, the annual income requirement is \$75,000, and he must invest at least \$250,000 locally, which, \$125,000 must be in developed real estate.

A residency certificate for persons of independent means is valid for a renewable period of 25 years. And, Madam Speaker, there's a fee that goes with this, issuance fee, of \$20,000. For each dependent named in the certificate, there's also a fee of \$1,000, one way.

Certificate of direct investment: A person who makes or proposes to make an investment of at least \$1 million in an employment-generating business, either existing or a new venture, and in which he plans to exercise substantial management control, may apply for a certificate of direct investment. Whereas employment-generating business means a business in which at least 30 per cent of the total number of employees are Caymanian unless it can be shown that overriding circumstances dictate a lower percentage.

An applicant for a certificate of direct investment must also show that he has a substantial business track record or an entrepreneurial background, including specific professional, technical and other knowledge relevant and directly necessary to carry on proposed business.

Madam Speaker, a certificate of direct investment is valid for a period of 25 years, and the fee to make an application for a certificate of investment is \$1,000. And if successful, it's a fee of \$20,000.

Certificate of permanent residence for persons of independent means: Madam Speaker, long-term residence is different to the others in that it affords the holder full permanent residence in the Cayman Islands, and the holder will also be able, subject to meeting requirements of the British Nationality Act, to apply for naturalisation as a British Overseas Territory, term known as *belonger* in other territories. To qualify for a certificate of permanent residency for persons of independent means, a person must be able to demonstrate that he has invested \$1.6 million in the developed real estate in the Cayman Islands, he and his spouse were applicable, must be of good character.

Madam Speaker, I won't read the rest. But I think we're starting to get the gist of this. The fees are also attached, and that fee is \$100,000.

Madam Speaker, I will provide a copy for all Members if that's okay with you.

Residency certificate substantial business presence: This is a long-term residence category for persons who invest in or who are employed in a senior management capacity within an approved category of business. The category is open to persons already resident in the Cayman Islands and persons wishing to become resident. I'm skipping through some of this Madam Speaker; I'm conscious of the amount of work we have to do today. **"14C. (1) In considering whether an applicant [under section 37D] has established, or will establish, a substantial business presence in the Islands, the Chief Immigration Officer shall take into account (a) whether, through the purchase or lease of commercial real estate, the business has established a physical presence in the Islands; and (b) whether the business in question employs, or will employ, a minimum of four full-time employees . . ."** And, Madam Speaker, it goes through the approved categories.

Madam Speaker, I took the time to read this because I believe if this was working right, the mover wouldn't have had to move the Motion today. I think that what we've heard and what we've seen is that one of the things that is lacking is a one-stop-shop feeling with legislation, regulations, initiatives that were brought to try to accomplish some of the issues that were discussed earlier.

I believe that, Madam Speaker, the view of taking advantage of how we cherry-pick the type of individuals and the type of investment for the area of the country that we need, is something that an investment bureau or whatever name we choose to call a one-stop-shop, would be charged and challenged with the responsibility of looking at specific areas and specific global areas and regions that provide individuals of high net worth, but individuals who also would have interest, whether it be construction, IT, the different type of building blocks that a society needs.

This one-stop-shop would be challenged to look at the best in class and, as they compete with Malta, Antigua, St. Kitts, the United States, as mentioned, to get global investment, we see that targeting specific areas, we haven't really done that before. What we have done is, who comes to our shores and who looks at our country, we haven't sent out, and instead of a shotgun approach, we have a .22 approach and say, *The best in class for this high net [worth] individual grouping is going to be in Hong Kong, or it's going to be in Singapore, or it's going to be in San Francisco, Minneapolis, or wherever, and identify what we feel is important to build this country and what we believe will contribute to the needs for the development cycle that we find ourselves in now.*

And, Madam Speaker, I realise that every country has a cycle that it goes through. It has a development cycle of where you actually are, and when you're first getting started, a high net worth individual who had an interest in doing something tourism-wise or just mentoring because they had that kind of background (and we are trying to get into that industry), that's the type of person you would target. As our life cycle for development moves on, it may be a person who has expertise, he's a high-worth individual and we know he will share some of his expertise, and he's been involved with pension plans, as we heard yesterday. And that would be the type of individuals we would try to make sure that they want to be good citizens and help us grow this wonderful country that we have, Madam Speaker.

The Government fully realises that in considering this Motion, it's across ministries. And it's probably one of the reasons that we can talk about that the champion of this cause, the director or whatever it will be called, who would assume the responsibility of the investment, the one-stop-shop . . . I'm going to leave it to the mover of the Motion to identify the name that we're going to call this. But we understand that the specific grouping of this investment bureau that's

charged with this responsibility would be the ones who would have to put all of this together. And for the lack of a better kind of explanation, when you actually, if it's an attorney, if it's an accountant, if it's a real estate agent, broker, whatever the private sector individual or the persons themselves who want to get information about this, rather than this being sent to them or this being made available on a website, there's actually an individual whom they can meet with or an individual who's at the end of a phone line or an individual who is answering questions right away who can make this a sense of urgency that we put ourselves in the game to play.

When we find and we understand the type of high net worth individual whom we want here, that we actually are able to give them the information in a timely manner and make sure that we're able to compete in building this niche market that the Government believes will complement all of the other things that we're doing with tourism, with revitalisation. If you look at what's happening in George Town and the cruise piers, the airport, this is another niche that becomes part of our overall product of success.

Madam Speaker, a working group led by the Chief Officer of the Ministry of Home Affairs has been working on an application process, and they will also be taking a delegation to the Monaco Boat Show this September to start looking at how St. Kitts and the other ones that have introduced themselves at the Monaco Boat Show, how they participate in these shows, the booths they have, the information that's available. So, it's a hands-on reach-out that is already planned and being worked on.

I can also say, Madam Speaker, the E-Government Committee is working on a project to streamline and put online the process for high net worth individuals' application process. But again, I get back to the point that I believe is very important in this. There has to be identified the person who is going to have the name, the responsibility and the position that the buck stops there.

Madam Speaker, **BE IT NOW THEREFORE RESOLVED that Government considers as a matter of urgency . . .**

5. **an independent, dedicated investment and development agency and concierge service, respectively, to attract and efficiently facilitate the ultra-high net worth . . .**

That's what I was speaking to, Madam Speaker. And I think that we all agree on that.

6. . . .
7. **a revised, coordinated, comprehensive, efficient and dedicated UHNWI relocation process or accelerated PR [permanent residency] scheme . . .**

I think that goes back again to getting the information, understanding how it can be moved forward.

8. targets to attract at least 250 . . . per year to apply for accelerated PR . . .

I believe this becomes part of the consideration of, what do we really need for that year? How do we target the growth? Again, as we do, as people come and look at investing in different tourism-related projects, we try to move them into the eastern districts. We try to move them into the sister islands. We try to help direct. And I see this as the same thing, of looking at the high net worth individuals who can specifically help certain areas. And I think that that, of what we need, will dictate the actual number. So the 250 are certainly a consideration.

9. priorities being given to . . . retirees without the right to work, applicants with technical . . . expertise not currently available or sparsely available in the Cayman Islands . . .

I tried to go through and explain what my thoughts were on that. Madam Speaker, realising that we are a consumption tax-based revenue country, and when we bring people here who can spend money to buy goods, enjoy our restaurants, enjoy our attractions, enjoy our people and our community, that's how the Government gets revenue. That's how the country moves every day. So, our obligation is to take the red tape out of getting these people here. And that's certainly something that we want to work together and look into how we can make it more efficient.

BE IT NOW THEREFORE . . . RESOLVED that existing permanent residency applications be reviewed, vetted and granted or refused as a matter of urgency to eliminate backlog . . . We acknowledge this part of what is here and acknowledge that it's being looked at and it needs to be actioned. And we certainly take it under the consideration of the Motion.

Pre-application and due diligence approval—I think that was outlined quite well, and actually, the recommendation of how that would be done with World-Check. Acceptance of international insurance coverage and current medicals . . . Again, as it was explained, when someone who has been used to a centre of excellence of where they come from, all their physicals are up to date, all of their paperwork is up to date, there certainly seems to be reason that that should be considered here and accepted. And how we look into that and facilitate that, that it helps us and helps them, as well, is identified and looked at with the commitment of consideration.

Madam Speaker, I believe I've touched on most of the areas that were in the Motion. Again, after spending a little bit of time and seeing some of the tools that are now available in this, if it was working as efficiently as it should, I don't believe that the Motion would have had to have been brought. But the Government is glad to consider it, glad to move in that direction. And I think I've taken a little bit of time to try

to explain how we look at it, as another niche that can continue to help us be extremely successful in building our economy.

So, Madam Speaker, with those few words, I commit to the Government to considering this [Motion], and I again say *Good job* to the mover.

The Speaker: I recognise the Honourable Deputy Governor.

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

Madam Speaker, I too would like to congratulate the mover of the Motion. I thought he did a fantastic job in setting out the issues and the concerns that he had. I thought his research was sound in terms of speaking to a broad section of the community, the practitioners, the persons themselves who have been applying for permission to reside here permanently or to invest in the Islands.

Madam Speaker, I noted his concerns in terms of the customer service that is provided to these high net worth individuals, who want to make Cayman their home. And we all know, Madam Speaker, that that's a win/win for us all. And I don't need to go over what the mover said, because he was absolutely spot-on in terms of the great benefits they bring to the Islands and to our people.

[Inaudible interjection]

The Deputy Governor, Hon. Franz I. Manderson: Been listening.

So, Madam Speaker, I want to just spend a few minutes just to address that in terms of what the plans are in the civil service to improve the overall performance of the civil service as it relates to the service that we provide to our customers. And, Madam Speaker, we understand very clearly that while we do a good job most of the time, it is important for us to do—

Mr. V. Arden McLean: A better job all the time.

The Deputy Governor, Hon. Franz I. Manderson:—a better job all the time. Thank you, the Member for East End.

We must not understand or think that we understand what the customer wants. We have to engage with our customers. We have to be proactive so that we are ahead of the game. And when I say *ahead of the game*, I mean ahead of the game for our competitors worldwide, whether it's Monaco or some of the other Overseas Territories; we have to be better.

The good news, Madam Speaker, is that we do have a plan. We are rolling out in the next few months a new customer service training plan for all of our staff, including myself, Madam Speaker. Because it is important that all of us in the civil service get the

training so that we are all providing the high level of service that our customers deserve.

Madam Speaker, to the point made by the mover of the Motion, we just don't want to smile at persons and answer their emails and do a very courteous service. We want to be efficient. So it doesn't really help if we're smiling with you all the time while your applications take five months. That is not what is expected from our customers. So, in tandem with our customer service training, we're going to be doing significant business reengineering.

[Inaudible interjection]

The Deputy Governor, Hon. Franz I. Manderson: No. No, no.

Madam Speaker, this is a brand new initiative delivered by brand new experienced individuals. They are doing this specifically for the civil service. Because we understand, Madam Speaker, we need to do things differently and better. The Minister of Home Affairs is taking the lead on that already, looking at this particular area of our business to see how we can be reengineered. They've been working with outside consultants to make sure that we get this right, because we want to make sure that we are providing the very best service we can to our customers and especially the customers in the area that the Motion concerns.

So, Madam Speaker, we are going to do this. We're going to be deliberate in our approach. We don't want to just say that we're doing this, Madam Speaker. We want our customers to feel it. Because, Madam Speaker, one of the things that we must understand in Cayman, as civil servants, when we're providing our services, yes, the Immigration Department does not have any competitors in Cayman. So there's not another immigration department for them to go to if you don't get good service at the Immigration Department on Elgin Avenue. But persons will go elsewhere. They will go to Bermuda or Monaco or somewhere else if they do not get the service that they expect.

So, we have to own up to our shortcomings, Madam Speaker. Like I said before, I'm not here to defend the indefensible; we want to get better. And we accept that in these areas, we need to do better. But, Madam Speaker, I think there are a lot of positive things happening in our country right now. I drove around a year ago. I drove around one Sunday afternoon with my family into one of our major developments and I counted 23 homes under construction. These were not small homes. These were magnificent homes. The good news is some of them belong to Caymanians as well, so that was a great thing to see. But there are investors coming into our Island, investing. And I think what the mover of the Motion is saying is, *Let us make that as seamlessly as possible. Let us roll out the red carpet and get it right.* And maybe

there should have been 50 homes under construction instead of 20. So, Madam Speaker, we understand that we need to get better. The good news is we have a plan as to how we're going to get there.

Madam Speaker, the Immigration Department and the Ministry have said to us that in 2012 when the Immigration Law was amended . . . And, Madam Speaker, the Leader of the Opposition is correct. Under his leadership, we did amend the Immigration Law to allow persons with substantial means to apply for permanent residency. And since that time, and these are applications, various types of permanent residence applications or resident facilities, including substantial business presence and the 25-year certificate . . . Since 2012, a full 113 applications have been received by the Immigration Department. Madam Speaker, a whopping 92 have been approved. Thirteen have been denied. Five are under active consideration at the moment. Two are being processed. One was missing some information and is still pending.

So, yes, while there are good stats, Madam Speaker, again I think what the mover is saying is that maybe there should have been 200 of those, or 300. So, while I think we have a track record of good results, Madam Speaker, let us get better. Let us get better at processing these applications. The mover gave some stats that cannot be defended in terms of the timeline that it takes, many months, where we hear of our competitors doing it in weeks. So again, that is where the business process reengineering comes in so that we can do things better.

Madam Speaker, I think what we're doing at our airport to ensure that we have that excellent passenger experience at the airport; what we're doing with our roads; we already have good telecommunications—all of those things, Madam Speaker, and of course, our safe environment, really is what draws people here. And when I move around and I talk to persons and I ask, *What made you come to Cayman?* They say those things—I *feel safe here. I get along well with everyone. Everyone is so friendly.* And those are things that we must treasure, Madam Speaker, our friendly people, the safety that we have. So let us continue to drive those behaviours, make sure that we are providing a safe environment for our guests.

Madam Speaker, I'll wind up by saying that I agree that this is an area that we need to look at. We need to consider it in terms of what the Motion asks for, have that dedicated facility. I think that is something that should be actively considered. And I want to let the Member know that certainly, in the civil service, we are committed to getting things right. We're committed to moving things quickly and to ensure that we are providing the very, very high level of service that our customers deserve. Thank you very much, Madam Speaker.

The Speaker: Does any other Member wish to speak?

I recognise the Third Elected Member for the District of West Bay.

Mr. Bernie A. Bush, Third Elected Member for West Bay: Madam Speaker, I too will be lending my support to this Motion. Madam Speaker, this motion, I have no choice but to . . . I remember one time when the Leader of the Opposition was the Premier and brought this same issue to the Floor of the House. I happened to watch it at home that night. And he was slaughtered by some other Members in this Legislative Assembly Building, and also on the street. They called him *a sell-out*. I called him after watching it on television and went to him and I too was very harsh. And he sat me down, told me, *Cool out*, and he started to go through piece by piece. And once he answered the same concern that the Member bringing this Motion said, that it would not cost Caymanians jobs; it would actually bring jobs, and that with the investment there would be a trickle-down effect, that sold me on it. Just to hear it come back now this way is very good. I'm very happy to hear it back here. And I do hope that . . . I'm very pleased with what the Deputy Premier just said. And what the Deputy Governor just said is also very important. And I will use an example that everybody has to be on board.

Remembering, Madam Speaker, when I was in charge of the National Festival, I had a gentleman fly in specifically to do business here in Grand Cayman. This gentleman, every other year, charters two 747s to somewhere in the Scandinavian countries for the Pirates Festival. I wanted to get his business here in Grand Cayman. The gentleman flies in, Madam Speaker, goes through immigration—no problem—gets to customs. The customs officer asked him if he's here to work. Whether that was the customs officer's job, I don't think so. I think that's the immigration officer's job. The customs officer proceeds to go into his briefcase, Madam Speaker, pulls out seven proposals, one to Caymanian Airways, one to all the different hotels, because the man was looking to be guaranteed enough rooms for 1,000 people. He wanted to charter Cayman Airways for all these people.

The customs officer goes through this, and all of a sudden grills the man, which is not their job. And the man turns around the next day and goes back out because of how he was treated. And this, Madam Speaker, is very important with what the Deputy Governor said. And that is, we will have to make sure all of our people—this was four or five years ago, but it is something that still stands out—are on the same page, we have to know who we're dealing with and how to treat these individuals, Madam Speaker.

So, I too, with these few brief words, stand to support the Motion. And I really appreciate hearing that from the Deputy Governor, that we'll all be on the same page to welcome these individuals. Thank you.

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

I recognise the Sixth Elected Member from George Town.

Mr. Joseph X. Hew, Sixth Elected Member for George Town: Thank you, Madam Speaker.

Madam Speaker, I rise to offer support and some comments to Private Member's Motion No. 23, 2015/16, to Increase Government Revenue, Foreign Direct Investment and Enhance Job Creation Opportunities in the Cayman Islands.

Madam Speaker, the mover of this Motion and myself and our colleagues in caucus have discussed this on numerous occasions. And it is something that the Government has continued to work towards in many different angles to get the country to a point where not only are we able to welcome our stay-over guests in a very comfortable and welcoming fashion, but also to attract those who may want to become seasonal visitors or perhaps domicile here for the remainder of their lives.

Madam Speaker, I think it all begins with the type of reception many of these desired individuals get when they come here perhaps in the first time on business, or as a visitor to our Islands. And the Government has certainly worked very hard, and the Minister for Tourism, to ensure that we get the redevelopment of the Owen Roberts Airport going so that we can not only accept our stay-over tourists and our residents in a very comfortable fashion, but also those who come on business or those who are here to investigate the possibility of domiciling here, whether it be seasonal or as a retiree.

Madam Speaker, it was also clear to us that we needed to have the facilities, the processes in which to accommodate these individuals. And we were very successful. In fact, the mover of the Motion and I sat as committee chairs to help develop a concierge service at the airport, sort of a pay-to-play sort of programme. But we also know that we have issues at the airport with, for instance, VIP lounges, where we have a lounge that's a protocol where we have visiting dignitaries and visiting ministers to the country. And, Madam Speaker, for many more reasons, we certainly don't want our VIP guests on the Island to be in the same lounge as our dignitaries, (1) out of respect for the dignitaries; but (2) Madam Speaker, they are investors to our country and we have ministers from countries competing with us. They could very well take the opportunity during that time to convince them to come and visit their country and have a look at investing in their country.

So, Madam Speaker, I say that because there was a very real situation where we had a major investor regionally visiting us. And we had some ministers from another country visiting us. And we were very aware of the fact that they could both end up in the

same VIP room for maybe even hours and have opportunities to discuss this.

So, in the airport plans that we have, Madam Speaker, we have developed a VIP lounge that can be used for those who are willing to pay for it or for special guests. But we will also have the protocol lounge for official dignitaries.

Madam Speaker, another thing that we have to look at as a country when we're talking about attracting these individuals to come and live in the country is we have to address our General Aviation as well. We have to ensure that we provide the types of standards that people are going to expect when they come here. When people do decide to come to the Cayman Islands, they come here with a very, very high level of expectation. They come here at higher levels of expectation than they do for most of our regional neighbours. So, it's important that we keep up, that we do have the facilities here to accommodate these individuals when they do come.

Madam Speaker, the Fifth Elected Member from George Town and the mover of the Motion spoke about the gentleman in the flip-flops. And, you know, this is something that we have got to accept, as a country, and our uniformed branch, while they do a tremendous job in protecting our borders and keeping out illegal substances and weapons, et cetera, we have also got to appreciate that we are in a customer service business, that everyone walking through that airport is a guest of our country. Whether they're here on business or whether they're here to stay on Seven Mile Beach or in one of our wonderful villas in the eastern districts, they are all guests of our country and should all be treated equally, whether they're wearing a suit or whether they're wearing shorts and flip-flops.

We are in the customer service business. If we did not have persons coming here to conduct business, if we did not have people coming here to vacation, to spend their winters, Madam Speaker, we would all be struggling to make ends meet. Because that is the business we are in. And we have to ensure that we treat our guests, every single one of our guests, with that in mind so that they will be inclined to return time and time again.

Madam Speaker, the genesis behind the idea of attracting wealthy individuals who want to retire or to domicile here, it's a real opportunity for us. And we do have several. We do have many who visit us whom we're not aware of, you know, many who own sports teams and many stars who come in during the night and leave in the very early morning.

Madam Speaker, I can give you a real-life example of one of my constituents I spoke with a couple of weeks ago. I was visiting his mother and he had just come in with a bucket with a couple of fish and a barracuda in there. So I said, *You went fishing*. And he said, *Yeah, this is what I do on the side*. And I said, *Oh, well, you're off today or what?* He said, *Yes. I take care of a man's house in South Sound*. He said, *The*

man doesn't live here. He's only here every other month for a couple of weeks. So when he's here, I take care of everything for him. While he's away, I take care of the house. And he said, But, you know, I have a lot of time to myself, so I bought a little boat. And while he's away, I do some fishing and I sell the fish. And I make use of my time while he's not here.

And I smiled, and I said, *Man, the next time I go on the radio or television, I need to take you with me. Because, you know, this is a great story where you're not only making a living from a visitor to our Island, who hired you full-time to take care of his property, but you also take the opportunity while you have the time to go out and make some extra money through fishing*, which, of course, he explained to me that without the job, he would not have been able to buy the boat or the engine for the boat (he had the boat). But he would not have been able to buy the engine and purchase the gas, et cetera. So, there are real opportunities, Madam Speaker, with having seasonal or even having retirees domiciling here with us in the Cayman Islands.

Madam Speaker, my only concern about this Motion is that we as the Cayman Islands, being an offshore centre, financial centre, we've got to be careful about how we market this. We cannot simply go out there and just say, *We want wealthy people to come and live in the Cayman Islands*, because those detractors out there are going to add the words, *and hide your money* after we say that. And we know that's going to happen. Because I did see some negative press about some of our neighbours in the Caribbean who have gone out to say: *We want to welcome, and we're selling citizenship*, as the press put it, they we're selling citizenship. And I think there was a warning from the EU saying that these countries should be careful how they're *poaching* or *selling citizenship* to wealthy people to come and enjoy the tax re-status.

Hon. W. McKeever Bush, Leader of the Opposition: They're a bunch of hypocrites.

Mr. Joseph X. Hew: So, as a financial centre, we do have to be careful how we market this, Madam Speaker.

[Inaudible interjection]

Mr. Joseph X. Hew: And I also have concerns for some of the very people whom we're trying to attract. I had a phone call from a friend of the Island, someone in the movie business, this week, who called me to inform me and to get information. Some of his friends, celebrities, they did come. And they did post a picture after they left with their family. They wanted to come to the Cayman Islands. They were concerned about what it's like here and whether or not there are any paparazzi around who are going to take pictures and say that *they're here in the Cayman Islands hiding*

their money. And the gentleman explained to them that, No, this is a tourist destination. It's a beautiful island, beautiful hotels and beaches. There are lots of people walking around, a lot of visitors. We have a lot of celebrities visiting us and you don't have to worry about paparazzi running around taking your picture.

So, Madam Speaker, that also brings me to the next point, that we are working on. We've discussed it several times, I've done some research and we've received some legislation from Los Angeles and a couple of other jurisdictions for some anti-paparazzi legislation. We do have laws in place, Madam Speaker, that would be used against anyone trying to come into the Islands as paparazzi—for instance, our work permit laws, Trade and Business [Licensing] Law, et cetera. But what we actually need to do, Madam Speaker, is carve out paparazzi legislation so that we can market to the celebrities and those wealthy individuals that we do have protection here against paparazzi. It's very important for these individuals when they decide, whether it's just to go on vacation or whether they want to live here seasonally, that they have that protection.

[Inaudible interjection]

Mr. Joseph X. Hew: Madam Speaker, we have continued knowing this. We've continued, this Government has continued to support events and create some events that will help us along the way in attracting celebrities and wealthy people to the Island. I think one of the hurdles that we first have to get past is that not everyone knows about us. Despite we think that they all do, not everyone knows about the Cayman Islands, and not everyone knows where we are. But we have, Madam Speaker, for the second year, we'll have our second annual CayFilm International Film Festival. We had several celebrities down last year for the first one in May of last year. We'll be holding the second annual one in June of this year, and there's already a slate of celebrities scheduled to be here for that event, Madam Speaker.

We also have a Golf Pro Am that we support in December of each year that brings in celebrity golf players and soccer players. That also helps to get the word out. In particular, they do bring some European players. And they come with their families. They get on Twitter. They get on Facebook. They get on Instagram. And they come back, and they tell everyone on the tour, you know, about the Cayman Islands and what they experienced here. And we also know that some of these individuals have actually purchased property and continue to return with their families, even besides the Golf Pro Am Tournament in December.

Of course, Madam Speaker, we have our Cayman Cookout, which continues to attract celebrity chefs and foodies from around the world. These are people who have the revenue, and they travel around

the world following these chefs, attending these festivals, and again, just bringing attention to the Cayman Islands in a positive light as a place where we can say we're the Food Capital of the Caribbean. We're a tropical paradise. And we can put aside all of the negative connotations that some people, our detractors, will push out there.

Madam Speaker, just touching on a few things that we're continuing to do, for the future, to help drive the economy, other than our normal stay-over visitors and again to help attract business tourists, as I like to call them—and that is, we are working on putting together a concessions package for films, for the film industry. We revived the Film Commission. They meet every month now. We brought it under the Ministry of Tourism and Department of Tourism. And they're a very active board at the moment and are working along with us to create a concessions package for films.

In particular, we have a strong attraction for documentaries and short films that can be easily done. And as you may or may not know, we have a growing number of individuals and Caymanians who are now making this a profession in supporting these production crews when they're here.

And, Madam Speaker, we're also putting together a similar package for large conferences that may want to hold their conferences here over a two-, three- or four-week period. Similar to trying to make it easy for those who want to come and reside here, we're trying to make it as easy as possible for these large conferences of 500–1,000 people to come and hold their events here as seamlessly and easily as possible.

Madam Speaker, I want to thank the Fifth Elected Member for George Town again, for bringing this Motion. I think it's a great motion. I think, you know, there can't be any complaints about attracting persons who simply want to come here, live here, eat here, and spend their money here. They're not interested in working. And, Madam Speaker, I think we also have to take it a step further, where we have to recognise that these individuals may also have dependents whom they're willing to be responsible for, even dependents who are above school age or perhaps couples who are not married, that they're willing to be responsible for, but they're no longer a dependent under the law, because this could cause some problems. And where we have family trusts or large families who want to move here, but then they find out that once their kids are finished with university or, you know, they have a girlfriend rather than a wife, that that is going to create a problem for them, and that may have them move on to another jurisdiction.

So, Madam Speaker, with those short words, I'd like to offer my support to the Motion. And I thank the Member for bringing it.

The Speaker: I recognise the Member from East End.

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

Madam Speaker, I didn't have any intention of speaking, but I had given this young man, the Fifth Elected Member for George Town, my commitment to support his Motion. But having sat here and listened to the Government expound on how much they're doing and what their plans are, I wonder where it's coming from? I really do.

[Inaudible interjection]

Mr. V. Arden McLean: Madam Speaker, we all have our shortcomings. And this is something we have talked about for many, many years, many years. And no one seems to take note of it until some young Turk comes in here with these brilliant ideas, bringing a motion, and then light bulbs start lighting up. This is not the first time. I hate to burst your bubble, son. It's not the first time, Madam Speaker. In my years here, we have done it at least twice before. But every time we try to do something, we get kickback.

I hear the Deputy Governor talking about the things we do. *We're going to do them better.* I hear my good friend from West Bay, Third Elected Member from West Bay, talking about experiences. Madam Speaker, it's sad that we don't do better. Madam Speaker, maybe my experiences are a little different from my colleagues'. I have a few friends who have many other friends who enter this country privately. And many of those people, because we're friends, I go help them take their luggage and pick up their stuff and what-have-you when they come in. And it's a shame how they are treated! It's a downright shame. Every Thanksgiving, in particular, they can't even leave their planes here. They have to fly them back to Miami to storage until the people are ready to leave. And don't ask me if I'm correct. No plans are made. The little cubbyhole called General Aviation at the airport, if two planes are in, you're knocking each other down; no privacy, nothing. So if we're going to do this, let's stop paying lip service to it.

A gentleman whom all in here will know, and I will call no name, he's one of the biggest movie stars in this world. Popular, topical, he was here over the weekend. What did he have to do? Fly in and fly out that night. That's, of course, Madam Speaker, he came here this weekend because of something completely different. But the fact is that he comes fairly often, but he stays from sunrise to sunset.

We talk about attracting people. Attract? Madam Speaker, what about those who are here? Were it not for the Deputy Premier and my intervention after months and months of trying, we would have just lost \$30–40 million worth of investment. But everybody sings after someone else brings it up, but forget what they just did; thirty to forty million dollars' worth of investment. That's after missing three of the biggest music artists in the world. Missed three (you want to call it *three* or *tree*, whichever one; that's East

End accent). Madam Speaker, we need to stop paying lip service to these people whom the Fifth Elected Member from George Town is trying for us to attract. We need to stop that.

Madam Speaker, I agree with the Sixth Elected Member in that there are reasons why we can't have these people mixing with, in particular, politicians from other countries in the same room, because you may lose something. You want to be selfish with these people. You want to be very selfish with them. But, Madam Speaker, when we try to find protocols—and I don't mean necessarily the office—to take these people *bang-bang-bang-bang* through the process at the airport, there is none. There is absolutely none. We try, but it's a farce. And now they tell me that the Airports Authority has a (what's the terminology?) *plane-to-car* or something like that, that you can pay them now to do it. But nobody knows who's in charge of it. And I'm trying my best to help facilitate a particular thing.

Thank God for my good friend from Cayman Brac, the Deputy Premier. Madam Speaker, we don't know. We don't know. And we have no interest it seems, in finding out how many people in this country are seriously involved with the entertainment business. I ain't talking about pha-pha-pha-pha money either, you know, Madam Speaker. I'm talking about managing films out of Hollywood and paying for it. And I'm not talking about any retired people, either. I'm talking about people in their 20s. And they are kicked to the curb. And they are Caymanians, too.

Madam Speaker, if we are going to be serious with this, we need to pay closer attention, I beg us. Whatever I can do to facilitate it, I will. It's not about me or either one of us getting anything out of it. It's about this country getting hundreds and hundreds of millions of dollars spent in this country.

[Inaudible interjection]

Mr. V. Arden McLean: Yeah, well, the people will get it. You're talking hundreds of millions of dollars. And, Madam Speaker, the Sixth Elected Member for George Town said that we've got to be careful with these people, talking about we selling citizenship and things.

[Inaudible interjection]

Mr. V. Arden McLean: Madam Speaker, let me not call the names of the places. I want him to go right in the middle of London right alongside Buckingham Palace. I'll go this far—where Margaret Thatcher lived out her last days, and look at those from the Middle East in those little apartments that you've got to come outside to turn around to change your mind. Those apartments cost them between \$50 and \$75 million. And depending on how much they spend, it will depend on how long they can stay in England, tax-free.

What do you tell me that that is? Not selling it? Of course, selling their birth-right so they can create those exclusive societies there and the coffers of England can be boosted. And they're going to talk foolishness around me? We're joking? But, Madam Speaker, you see, many of us don't know about these places and how they do it. You've got to see the people, and they look ordinary. But the Ferraris and the Bentleys and the Mercedes Benz and the, this, and the, that are lined up out there.

[Inaudible interjection]

Mr. V. Arden McLean: The Aston Martins. And they come out in their ordinary clothes and walk down the street. But—

Hon. W. McKeeva Bush, Leader of the Opposition: But when we do it, it is a bad thing.

Mr. V. Arden McLean: But when we do it, it's a bad thing. And we're selling the criminals space in our country. And then they've got to get . . . (What is the name?)

[Pause]

Mr. V. Arden McLean: We've got to get beneficial ownership and we've got to disclose that. Why they don't disclose all those Russians that live right in the same little circle there? And I'm not going to call the name of the place.

Hon. W. McKeeva Bush, Leader of the Opposition: They can get them, but we must not get them. It's bad for us. And then they're going sign up in London next week with um.

Mr. V. Arden McLean: Yeah.

Madam Speaker, how many places like that are not in London? They got Buckingham Palace surrounded with it, little exclusive, those little apartments, \$50 to \$100 million. But they understand investment. But we're not supposed to understand it. And when we get that smart that we do it, then they claim we are doing something and taking tax from them. But they're taking it from the Middle East and Russia and the Belgrade.

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

Mr. V. Arden McLean: And China. I wonder what England . . . what they're going to do when their friends in the G20, ask them to declare how many of their citizens spent in their country?

Madam Speaker, we can do this. And if someone wants to come here, we don't have to give them citizenship. We just have to make it easy for

them, make it easy. Maybe the Fifth Elected Member for George Town, in formulating his thing, he talked about residents, I believe, high net worth residents and stuff like that. Fix up the General Aviation building and put a couple of VIP lounges on that. That's all it takes. Keep Customs and Immigration there all the time, fill in that piece of swamp east of the airport. We got, what, 50, 60 acres there? Pump the North Sound out and fill it in.

All we ever think about . . . Madam Speaker, I've said this before. I'm no conservationist by any stretch of the imagination. I'm unlike the Minister of Environment. Madam Speaker, you're not going to find me hugging up any tree in this country or any other country, unlike the Minister for the Environment. But I understand extinction is forever. I understand that. So we need to work those, too. When the tree is gone, it's gone. But if we can take the tree from there and plant it someplace else, we'll still have the tree. And we'll get the progress we need.

The only thing those swamps up there by that gun club are breeding, are mosquitoes. Pump the North Sound out. We want to extend the airport runway for another 1,000 feet or 2,000 feet, that's fine by me. Fill it in with the big rocks after you pump it out so you've got good foundation. You fill in all of that land and put those buildings, hangars, up there. People will keep their planes here. Push them . . . Let them rent it out. Those buildings are going to cost what? A couple of hundred thousand dollars? Build one hangar for a citation tent, because it's small, but fast. Stick them in, give it to the people.

They pay \$10,000 a month to keep their plane here. You know what a convenience that is? It pays off in less than five years. And it's income. And it's good for tourism. And then when they're not here, their friends come and park their plane inside the customs/immigration right there, and they've got their own VIP lounge where they have their friends and fellow travellers in there.

[Inaudible interjection]

Mr. V. Arden McLean: Let's do it. Let's do it. If we're going at this thing and we need to find another arm of another industry to support our people; that is a perfect one. I support the Member in his research to look for something to stop the paparazzi and the likes, and put laws in place so they don't disturb people that much. But, Madam Speaker, Cayman is the ideal place. The one thing about this gentleman who was here over the weekend, I shook his hand. And I told him I couldn't stop to see him; I had to go to another function. But nobody bothers them. They just hang around here. Caymanians are not chasing anybody down to get a signature, you know. They don't know the value of that. We don't do that! So it would have to be people who come in who do it.

I wonder if unna forget when that movie was filmed here—*The Firm*. Gene Hackman and all of them were all over George Town Street—nobody chasing them down. Madam Speaker, I think we can do it. That filming festival, Madam Speaker, tap into those of us who are here.

Madam Speaker, I could name a raft of names off of people who are in the film industry who live here! But I'm not going to do that, not publicly. Let's make it easier for these people to make Cayman their home base. And as a result, they attract all these other people who want to work. Madam Speaker, when people invest \$4 million or 5 million to make one studio, that's a lot of money. And that only attracts the best. Make it easier for them.

They see that as the future of this country. But you can't expect these young women and young men, who are top recording artists to come in on Cayman Airways; they're not coming in on Cayman Airways. They're coming in on their planes or chartered planes. And we need to treat them as such so this is the only place they record and this is the only place they come. Make it none other in the Caribbean that can do it.

Madam Speaker, I support the Motion. I'm just saying to let us really pay attention so that our Minister of Finance can get more money in his hands. Because that's what it brings. It really brings that. That's no disrespect. All I'm talking about is the country's finance. Madam Speaker, that's all I ask of this Government and any government. But when we put stumbling blocks about *the Immigration Law says this and the Immigration Law . . .* Yeah, the Immigration Law says this and the Immigration Law says that. Let's change it. Let's change it, change it quickly. That's why we're here. That's why it's called a Law. That's why it's not called the Constitution. It's a Law. Let's change it to make it work for our people. That's why we're here.

Thank you very much, Madam Speaker.

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

The Fourth Elected Member for the District of Bodden Town.

Mr. Alva H. Suckoo Jr.: Thank you, Madam Speaker.

Madam Speaker, I'll be brief because I think that we have probably spent quite a bit of time on this Motion. I know there are other Motions on the agenda that people are anticipating. But I'll just start by reading, Madam Speaker, something that popped up on my phone on Facebook—"Living in the Cayman Islands and want to emigrate to Canada? Apply here—Live the Canadian dream." Just to alleviate the concerns of the Sixth Elected Member for George Town, other countries are doing it, Madam Speaker. We shouldn't, I think, be intimidated by the fact that we may be labelled in a certain way. We need to become more aggressive.

Madam Speaker, I just rise to thank all Members for supporting this Motion so far, those who have spoken. I won't be very long because I think we have covered all of the main issues and concerns that have been raised. And I do want to thank the Honourable Deputy Governor, Madam Speaker, for his support. I know through working with him through E-Government and also through the civil service Reimagine Project, that he is—I actually said this to someone the other day. *I wish, at some point in my life, I had a boss like the Deputy Governor*. Because he is committed to improving the civil service, Madam Speaker, and he is committed to standing up for his employees and government departments, and he is to be commended for that. He is a good boss.

I know that when he says he takes this sort of concern seriously and that there are areas where improvements are needed, he's not just paying lip service. I've worked with him, and I know that he is taking them seriously. So, I want to thank him for his support, and also the Honourable Minister for Tourism. I know, as well, that he sees the value in this Motion that has been brought here by the Fifth Elected Member for George Town.

I think what has been proposed here, Madam Speaker, is something that is completely positive for these Islands. I know there may have been concerns about individuals coming here and displacing Caymanians. But when you consider what is happening otherwise, when we do have individuals who come here . . . and I keep beating the drum about cheap labour, but we do have individuals who come here who actually compete with Caymanians for jobs. This proposal is not encouraging any of those sorts of thing. This is something that will create opportunities and jobs for Caymanians and give Caymanians the opportunities to work with these high net worth individuals and actually get a piece of the pie themselves.

I note, too, Madam Speaker, that for this economy to continue to grow, I know that there are going to be requirements for investment and infrastructure that will never end. And bringing these sorts of individuals here creates opportunities for the Government to partner with them and to make necessary infrastructure improvements without having to pay for them 100 per cent. Partnerships can be created that will allow these individuals to invest in Cayman.

I also think that we do need to be wary of the fact that we do have one or two high net worth individuals who operate here and who are growing. We can't blame them for wanting to expand their empires and their businesses. But we need to be careful because we don't want to be dominated by just one or two. Bringing in some competition may actually help us in the long run as well. It's healthy competition. I have no gripe against these individuals who have come here and done well and invested, but competition is good.

I was hoping, Madam Speaker, that there's an opportunity here to diversify and to create new industries and new opportunities rapidly, which I think is something that is missing from the economy and the local industries now. Having individuals come here who are willing to not just play, but also invest in our economy, can only be a positive thing, as long as we ensure that Caymanians are given the opportunity to participate.

We also need to look at opportunities to create healthy and positive increases in population. Businesses here do rely on increasing volumes of transactions and business to survive. And rather than bringing in individuals who are not able to economically support the economy, is not helping us. And we do need to be accepting of individuals who want to come here and spend money and help the economy grow. We all benefit in the long run, Madam Speaker.

I do know that there will be concerns, as I said, from individuals who don't want people coming here to compete with Caymanians. But this proposal, this Motion, doesn't speak to that. This Motion speaks to bringing in individuals who will work with us, who will help provide opportunities and jobs, not compete with Caymanians for jobs.

If we just consider, Madam Speaker, what this would do for government revenue as well, in terms of permit fees, revenue from PR. And the Fifth Elected Member for George Town did have a valid point, Madam Speaker. We've become so reliant on work permit fees that that cycle seems to be never-ending and can't be broken. But if we switch our reliance to more on PR fees, individuals who are going to be here for the long haul, but who are going to become Caymanians and who are going to become part of our society, that's a much better investment. And that's a much better source of revenue for the Government.

So, Madam Speaker, I just wanted to offer my thanks to all Members so far who have said they will support the Motion. And I want to thank the Fifth Elected Member from George Town for bringing this forward. It is a testament to the thought that he puts into his motions and the thought he puts into contributing positively to this country. And I must say that I am happy that he asked me to second this Motion with him. He obviously has the foresight and vision to see what is required to keep Cayman diversified and keep us growing and keeping pace with other developing countries. So, I really do want to thank him for bringing this forward. And I'm not going to take too much time, Madam Speaker, because I know we're running late. But I just want to thank all Members who will support this Motion. I certainly will. Thank you.

The Speaker: Does any other Member wish to speak?

I recognise the Honourable Minister responsible for Finance.

[Inaudible interjection]

Hon. Marco S. Archer, Minister of Finance and Economic Development: One sheet of paper.

[Laughter and inaudible interjections]

Hon. Marco S. Archer: Thank you, Madam Speaker.

Madam Speaker, I would like to also join in saying to the Fifth Elected Member for the District of George Town, it's a worthy motion, and it's something that the Government Members are familiar with. I recall, Madam Speaker, meeting with the same gentleman whom the mover of the Motion referred to. And some of what the gentleman was saying had merit to it. And, Madam Speaker, I'm the type of person, if I learn of something that is of benefit to others, then, I make sure that they hear it. And I invited the gentleman to come and speak to the caucus and introduced him to everyone in the room. And I guess the rest is history.

So, Madam Speaker, the Motion has merit to it. There are opportunities in trying to attract ultra-high net worth individuals to reside in the Cayman Islands either permanently or for extended periods of time. Madam Speaker, with all that the Cayman Islands has to offer, the natural beauty, the friendly people, the safety, the advantages with respect to the concentration of individuals and professionals within the financial industry, Madam Speaker, our proximity to—and the air links, they all create a significant advantage for the Cayman Islands that makes us attractive for those who would want to reside in the Cayman Islands.

Now, Madam Speaker, in all of that, we also have to be cognisant, cognisant of the fact that the uptake, the demand, the attraction, the fact that we are located where we are, would not necessarily make us attractive to everyone. So, for that reason, we can't be sure how many people would flock to our shores for these opportunities. The reason that I'm raising this point right here, I'll get back to it in my speech, Madam Speaker. So, I just wanted to highlight that point.

Madam Speaker, the Fifth Elected Member for George Town made reference to Monaco and another small nation. I can't remember the name, Madam Speaker.

[Inaudible interjection]

Hon. Marco S. Archer: Malta? Malta, he said? Malta. Thanks.

To Monaco and Malta and how the arrival of several thousand high net worth individuals added to their increase in property values. Madam Speaker, if I'm not mistaken, I think he said it tripled in property value—or property values tripled (sorry). And, Madam Speaker, I am not certain about Malta. But I can speak about Monaco. I've been there on several oc-

casions, Madam Speaker. And Monaco is a country that is about five square miles. And the vast majority of their revenue is from those. The government owns all of the revenue-generating industries in Monaco, the hotels, the casinos, so on and so forth. And the citizens of Monaco are very well taken care of and treated by the monarchy in Monaco.

Now, the tripling of property prices in Monaco would not have been a problem for the people in Monaco. But if a similar thing were to happen in the Cayman Islands, where the average individual, the average indigenous Caymanian, the average person who has come here, and even those who have come here and have acquired Cayman status and permanent residency, the pace at which the price of real estate is climbing is already making it very difficult for middle-income to low-income persons to afford real estate.

So, not taking anything away from the Motion itself or from the attraction and the benefits of ultra-high net worth individuals coming to reside in a country, something of this sort, Madam Speaker, should be examined further and carefully approached to ensure that the proper policies and plans are in place so that we do not experience what happened in Monaco. I think it goes without saying that everyone in this room is familiar with the rise in real estate prices in this country over the last decade or more. So what we wouldn't want is to do something that would further escalate that.

We always have to bear in mind, Madam Speaker, that, while the Cayman Islands is an expensive place to live, there are people who have no choice but to live here. If you compare that with Bermuda, Madam Speaker, when I visited Bermuda some years ago, I was surprised to learn that there were 5,000 Bermudians living in the Carolinas right next door, North and South Carolina in the United States, because they could no longer afford to live in Bermuda. As much as we want to grow and introduce new industries and diversify, we always have to keep in our thought process somewhere, *How does it impact the average individual?*

[Inaudible interjection and laughter]

Hon. Marco S. Archer: Madam Speaker, it is true that with these higher net worth individuals coming to live in a country, that there are greater opportunities for philanthropy and generosity all around. But I'm not certain that there is a direct correlation between generosity and giving, and Maslow's Hierarchy of Needs. Certainly, those who are at the upper-income level would most likely have met all of the basic needs in Maslow's hierarchy. But at the same time, Madam Speaker, we are already well aware that there are very, very wealthy people residing in the country, and yet there are many, many needs that go unmet.

We as a government know the many things that we are asked to provide funding for; many social needs. Madam Speaker, it would be good if there was a direct correlation. And it would be good if we attracted more people with the ability to do so, and they actually chose to do so. So, Madam Speaker, we would like for these things to happen. But at the same time, we also have to be cognisant of the potential shortcomings so that we're not taken by surprise.

I do agree, Madam Speaker, that when we grant someone the opportunity, the privilege, the right to reside in a country under such a programme, that it would be beneficial, it would be prudent, and it's wise to follow up with them and say, *You know, we know you are here. We know that you were attracted to the country. Let us know what it was that attracted you to the country. And, are you still satisfied with having made a decision to come and reside permanently?*

And, Madam Speaker, based on that feedback, then we can continue to tweak and make the necessary improvements to our society, for the benefit of all. I think that's an excellent point, Madam Speaker.

Madam Speaker, we live in a multi-cultural society. I think in the year 2003 when we celebrated 500 years, or the Quincentennial celebration, I recall that at that time there were 132 nationalities that resided in the Cayman Islands. And, Madam Speaker, I haven't researched it, but I'm almost certain that the number of nationalities has increased significantly since then.

Madam Speaker, despite having the numerous nationalities and the fact that it is a multi-cultural society, there isn't enough being done to ensure the integration of those cultures. And we can't just assume that by bringing in more ultra-high net worth individuals from other cultures that there will be integration. We have to put in place the necessary programmes and try to ensure that it does happen so that there can be that spinoff that the mover of the Motion envisages, where, by having those people on-Island, with their wealth, their knowledge and expertise and hopefully their willingness to assist—if there isn't that integration, well then, the benefits may not trickle down as far as you would want them to or may not trickle as fast as you would like them to.

So, Madam Speaker, turning now to the uptake, the demand, the attraction, it was mentioned that perhaps we might consider replacing the work permit regime and the revenue derived from that with the revenue to be derived from the arrival of the number of ultra-high net worth individuals who would be granted permanent residence.

Madam Speaker, I want to look at this from the predictable and the unpredictable, the known and the unknown. We know with respect to work permits, they are rather predictable, Madam Speaker. We know that they will arise with economic growth. We know the numbers of the individuals who are already

here, and therefore we can reasonably estimate from year to year the amount of revenue to be derived from the work permit fees. But, Madam Speaker, while the demand for work permits increases with improved economic conditions, while the demand for work permits will improve with an improved economy and economic conditions, perhaps there isn't necessarily going to be an increase. There could be, but we don't know. And we don't know to what extent. There isn't necessarily going to be a sufficient enough increase or demand for those wanting to reside permanently in the Cayman Islands to offset the loss in work permit revenue if you were to switch from one to the next.

Moment of interruption—4:30 pm

The Speaker: Honourable Minister, we've reached our interruption.

I'll recognise the Honourable Premier.

The Premier, Hon. Alden McLaughlin: Madam Speaker, I rise with some temerity, really, to move the suspension of the Standing Order, because the Opposition, at least some of them, usually vote no for the House continuing beyond the hour of interruption. So if I could have . . . I certainly don't want them being forced to debate their motions against their will. So if I could have some intimation from the other side whether they wish to proceed beyond the hour of interruption, I'll move the motion.

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

Hon. W. McKeeva Bush, Leader of the Opposition: Madam Speaker, the Premier is being mischievous. He well knows that he needs us to continue this afternoon because he has cut short our time for this meeting and that he has to go to London to face the masters up there.

So, we want to continue. We have another very important motion. And at least that one we want to get through, dealing with energy. And so we're going to continue. We'd be very grateful if you would so kindly forget the evilness and your mischievousness and move the Motion.

The Speaker: Honourable Premier.

The Premier, Hon. Alden McLaughlin: I'm happy to, Madam Speaker. I just hope I don't hear any *Noes* like I heard last night.

Hon. W. McKeeva Bush, Leader of the Opposition: No, you're not going to hear any *Noes*.

SUSPENSION OF STANDING ORDER 10(2)

The Premier, Hon. Alden McLaughlin: Madam Speaker, I move the suspension of Standing Order 10(2) in order that the business of the House may continue beyond the hour of interruption.

The Speaker: The question is that Standing Order 10(2) be suspended to allow the House to continue beyond the hour of interruption.

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

Ayes.

The Speaker: The Ayes have it.

Agreed: Standing Order 10(2) suspended.

The Speaker: I recognise the Honourable Minister of Finance for the continuation of his debate.

Hon. Marco S. Archer: Thank you, Madam Speaker.

Madam Speaker, I realise that the Motion to continue beyond 4:30 is a formality. But in all fairness, I would have finished before that exchange did just now. So—

[Laughter]

The Speaker: The Chair is extremely grateful for your consideration.

[Inaudible interjections and laughter]

Hon. Marco S. Archer: So, Madam Speaker, just to reiterate the final point. Despite the ultra-high net worth of these individuals and their ability to pay significant fees, we also have to bear in mind that that fee and their willingness to pay that fee would also have some relation to the attractiveness of the country. And if there are other neighbouring countries with similar benefits to those individuals, then, that fee in itself would also be elastic, and you couldn't vary it too much. Otherwise, it becomes more attractive to go somewhere else nearby with the same climate, sea, sand and sun, so on and so forth.

So, Madam Speaker, without our knowing the uptake on these ultra-high net worth individuals for permanent residences and the fees that they would generate as compared to the revenue from work permits, it is perhaps, while desirable, not a wise move to consider that, given the fact that, as we said before, the revenue from work permits is more predictable. And I do understand what the Fifth Elected Member from George Town is saying. And to an extent, I agree with him that there is a dependency on that work permit revenue, and there are other issues that come with that. So, I understand what the gentleman is saying. But just a caution, that we don't know enough yet in order to contemplate such a move.

Madam Speaker, with that I'd just like to say that, again, the Motion has merit to it. And I'm sure that we will all be supporting it. Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak? Does any other Member wish to speak? Final call: Does any other Member wish to speak?

If not, I'll call upon the Fifth Elected Member from the District of George Town to respond.

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

I'd like to thank all the Members of this House who contributed to my Motion. But most of all, I'd like to thank Mr. Suckoo, Member for Bodden Town, for seconding this. And like the Minister of Finance said, this was brought to our attention almost a year ago when both the Member from Bodden Town and myself were members of the caucus and councillors.

Madam Speaker, for all that was said to being done, and I'm happy that all the speakers from the Government have indicated that they are willing to support my Motion, I was glad that some of them accepted that not enough was being done in this area. Because, Madam Speaker, the gentleman who did come and presented, I saw him socially a few months later, and he indicated that no one had followed up with him. I took the time to go and meet with him. He then introduced me to a number of people who were going through the process and some hopefuls who were visiting the Island. So, a lot of what I've said today, Madam Speaker, isn't something that I'm guessing about. It's not something that's pie-in-the-sky. There is demand.

What people like these, people whom I've spoken to say what's missing, is the surety and the experience. Cayman is actually, at the prices that we offer for permanent residency without a right to work, we're actually pretty cheap compared to other places in the region or internationally. I also took the time to speak to wealth managers in various institutions here. And they said similar things, that a lot of people are not satisfied with the process. And it seems that when they do come forward, it falls on deaf ears.

Madam Speaker, Just today, before I brought this Motion, I reached out again to one of the wealth managers and one of the lawyers, just to let them know that I was bringing it and asking them if there was anything that they had to add. And I must report, Madam Speaker, that, they had reached out to the Chief Officer in Home Affairs, and he had entertained speaking to them. He had taken it upon himself to work through one such application and got it done in a month. But he acknowledged the deficiencies that we all spoke about today.

What that shows me, Madam Speaker, is that with effort we can change nine months to one. And we could probably do it even quicker if this is a priority

and it's something that we seize. Because, Madam Speaker, there is uncertainty in this; that's the short. But what I'm certain of is that if we do nothing, then we should expect nothing. I must say that I was a little lost in the Finance Minister's contribution. Even though he said he'd be supporting the motion, listening to him, it didn't sound like it was support.

That being said, I'm not an economist. And his job is his job. But just on the back of a napkin, if we're charging \$100,000 fees to these people, and the highest work permit fee is \$30,000, with a little effort—the comparison is pretty apparent.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: I don't think this one would be wrong, though, Marco, not with the people coming to us and saying, *We want to give you our money. We want to do it, but your processes are slow.* This isn't me doing a pie-in-the-sky wish. These are these people coming and saying, *We're ready. We want to be here. But you're not facilitating it.* So, there's not a question of demand. There's a question of competition, but not demand.

Madam Speaker, sometimes I think we as a country, as a people, as a government, take things for granted because we relatively have it good. But when we talk about the increase in real estate being a bad thing, we have it now. We have very wealthy people who compete with our own people who set the prices way too high. What I'm offering here, Madam Speaker, is an equaliser. Because just like in the 1970s and 1980s when people got the opportunities and there was a boom, Caymanians suddenly transformed from having to go away to earn a living to making a good living, and in some instances, becoming millionaires.

Madam Speaker, we have to seek out opportunity. We have to try to bridle it. And then we have to ride it for as long as we can, because we don't know how long that ride is. And we don't know when it stops what the next opportunity will be.

So, we have to actively, proactively go after these opportunities and not rest on our laurels. Yes, we know what the work permit fees bring. I'm glad that we also know some of the perils that they bring. Madam Speaker, if we're not strategic and proactive as a government and as a people, if we don't have a plan, then we know we will fail.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Madam Speaker, I'd like to thank all the Members who contributed, because everybody has valuable input into how this country can run and be run. And if we take the time to sit and talk and compromise, rather than adopting an adversarial system, Cayman will be better off for it.

Madam Speaker, it's only with the people in mind that I get up to propose this Motion. If we do as

successfully as other regional counterparts, some of them very poor regional counterparts, we have the ability to wipe out a lot of the social ills in this country, Madam Speaker. I'm convinced of that. In many of these countries, they're putting together sovereign funds and taking some of that money and putting it back into education, infrastructure, and all those things. They're being proactive. They're taking that money, they're investing it and they're getting huge surpluses. And for those who would say we should be cognisant of how we advertise this, Madam Speaker, there's a reason why three of the Government Members are going off tomorrow. And I'm sure we'd never advertise ourselves in the light that the world is trying to put us in. We have to come to the reality that, no matter what we say about ourselves, people are going to have their own opinions. We have to own our own destiny. We have to define our own selves, even if it's only us listening.

Madam Speaker, this will help the average individual. What we have to do as a government is ensure that they know how to latch on to the opportunity that they have, the skills and the know-how. The fact that we could raise significant sums of money and not compete with our existing population is something well worth looking into, Madam Speaker.

Madam Speaker, I appreciate the Government's taking the time to listen. And I look forward to whatever feasibility and other reports, market studies, et cetera, that they do following this Motion, whether it's supported or not, and the positive actions to enact, enforce and put in place opportunities for our people. That red-carpet white-glove treatment, Madam Speaker, that's what's going to be the great equaliser. We already have the product. We have the people. We just need to get on the same page.

My wrap-up was a little longer than I expected. But I will end by saying that I look forward to the opening of the Cayman Investment Promotion and Development Agency, if you wanted a name, Minister of Tourism. Thank you.

[Inaudible interjections]

The Speaker: The question is: BE IT NOW THEREFORE RESOLVED that Government considers, as a matter of urgency the introduction of:

1. an independent dedicated investment and development agency and concierge service, respectively, to attract and efficiently facilitate the Ultra High Net Worth Individuals (UHNWIs) to retire to, and invest in the Cayman Islands, including carrying out "World-Check" due diligence on every applicant under this programme;
2. a revised, coordinated, comprehensive, efficient and dedicated UHNWI relocation process or "Accelerated PR Scheme", fully supported by the private sector and all govern-

ment departments, agencies and personnel to streamline the process to better attract and facilitate inward investment and immigration in the most customer friendly manner possible;

3. targets to attract at least 250 UHNWIs per year to apply for Accelerated PR Scheme and move to the Cayman Islands, and that such relocation be granted/refused within 6 weeks of all necessary and required documentation, due diligence and fees;
4. priorities being given to (a) UHNWI retirees without the right to work, (b) applicants with technical and other expertise not currently available or sparsely available in the Cayman Islands, provided that plans of knowledge transfer and vocational opportunities for Caymanians are put in place;

AND BE IT NOW THEREFORE FURTHER RESOLVED that existing permanent residency applications be reviewed, vetted and granted or refused as a matter of urgency to eliminate backlog, facilitate direct investment, provide surety to applicants and to benefit the Caymanian economy with preference being given as in 4 above; and

AND BE IT NOW THEREFORE FURTHER RESOLVED that pre-application and due diligence approval for the Accelerated PR Scheme, including acceptance of international insurance coverage and current medicals for immigration purposes by board-certified doctors of accelerated PR scheme applicants choice, as long as they're in good standing in their home jurisdiction, be acceptable for the Accelerated PR Scheme application purposes.

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

Ayes.

The Speaker: The Ayes have it.

Hon. W. McKeeva Bush, Leader of the Opposition: Can we have a division, please?

The Speaker: Madam Clerk, please call a division.

Hon. W. McKeeva Bush, Leader of the Opposition: No, I want make sure that Kurt and them vote for this, this time.

[Inaudible interjections and laughter]

The Clerk:

Division No. 18

Ayes: 17

Noes: 0

Hon. Alden McLaughlin
Hon. Moses I. Kirkconnell
Hon. D. Kurt Tibbetts

Hon. Osbourne V. Bodden
 Hon. G. Wayne Panton
 Hon. Marco S. Archer
 Hon. Tara A. Rivers
 Mr. Roy M. McTaggart
 Mr. Joseph X. Hew
 Hon. W. McKeever Bush
 Mr. Bernie A. Bush
 Capt. Eugene Ebanks
 Mr. Alva H. Suckoo, Jr.
 Mr. Winston C. Connolly, Jr.
 Mr. D. Ezzard Miller
 Mr. V. Arden Mclean
 Mr. Anthony S. Eden

The Speaker: The result of the division is as follows: 17 Ayes. The Motion is accordingly carried.

Agreed unanimously on division: Private Member's Motion No. 23, 2015/16, to Increase Government Revenue, Foreign Direct Investment and Enhance Job Creation Opportunities in the Cayman Islands, passed.

The Speaker: We will take the afternoon break and reconvene at 5:15.

Proceedings suspended at 5:02 pm

Proceedings resumed at 5:31 pm

The Speaker: Please be seated.
 Proceedings are resumed.
 Madam Clerk.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

**Private Member's Motion No. 21/2015-2016—
 Amendment to the Health Services Authority Law
 (2010 Revision)
 [Withdrawn]**

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

Hon. W. McKeever Bush, Leader of the Opposition: Madam Speaker, I consider the contents of the Motion well debated and I am satisfied that my points are taken and that the records and what the Bill consists of are in the records. So, this late in the day I am going to withdraw that Motion.

[Inaudible interjection]

Hon. W. McKeever Bush, Leader of the Opposition: No, benefit for what, Premier?

The Speaker: The question is that Private Members' Motion No. 21/2015-2016 be withdrawn.

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

Ayes.

The Speaker: The Ayes have it.

Agreed: Private Member's Motion No. 21/2015-2016—Amendment to the Health Services Authority Law (2010 Revision) withdrawn.

**Private Members' Motion No. 26/2015-2016—
 Motion on Electronic Clearings**

The Speaker: I recognise the Fourth Elected Member from the district of Bodden Town.

Mr. Alva H. Suckoo, Jr.: Thank you, Madam Speaker.

Madam Speaker, I rise to move Private Member's Motion No. 26/2015-2016—Motion on Electronic Clearings, which reads as follows:

WHEREAS the Banks and Trust Companies Law (2013 Revision) provides for the granting of licenses to operate retail banks in the Cayman Islands by the Monetary Authority;

AND WHEREAS the current method used by retail banks in the Cayman Islands to clear and settle inter-bank transactions is currently a manual process and involves a lengthy waiting period for local inter-bank transactions to be cleared and settled;

AND WHEREAS the extended waiting period experienced for the clearing of inter-bank transactions within the Cayman Islands serves to negatively impact the cash flow and purchasing power of local businesses;

AND WHEREAS it has been recognised that the implementation of an electronic funds transaction clearing system would positively impact the cash flow and market reaction of local businesses by eliminating the lengthy waiting period required for payment clearing, and an even longer delay if paper checks are being sent through the domestic mail service;

AND WHEREAS an electronic clearing system would allow local businesses to initiate Business to Business transactions with almost instant funds availability;

AND WHEREAS an electronic funds clearing system would allow for an increased volume in online transactions, and local e-commerce transactions;

BE IT THEREFORE RESOLVED THAT the Government considers an amendment to the Banks and Trust Companies Law (2013 Revision) in order to require the use of electronic funds clearing and settlement by all Cayman Islands reg-

istered retail banks for the purpose of settling and clearing local inter-bank transactions.

The Speaker: Is there a seconder?

Mr. Winston C. Connolly, Jr.: Madam Speaker, I rise to second the Motion, so ably put by the Member for Bodden Town.

Thank you.

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

Does the honourable Member for Bodden Town wish to speak to his Motion?

Mr. Alva H. Suckoo, Jr.: Thank you, Madam Speaker, yes I would.

Madam Speaker, as contained in the resolve section of my Motion, I am seeking, in layman's terms, to ask the Government to consider making it mandatory for local retail banks to implement an electronic clearing system in order to clear and settle transactions done between banks, either initiated by the bank themselves or their customers.

Madam Speaker, I think that this Motion is relatively straightforward, but it seeks to improve the retail banking infrastructure that is in place here in the Cayman Islands. And I believe that Cayman now lags behind many developed countries in this area in terms of having an electronic clearing mechanism in place.

I was reading on Wikipedia, Madam Speaker, that in 26 countries of the European Union they have already adopted such systems. And in 1985, whereas only three central banks had actually implemented an electronic clearing system worldwide, at the end of 2005 that had grown to 90 central banks.

There can be no doubt, Madam Speaker, that there are many benefits to gain from having such a system in place, not only for the banks and the customers, but also for the local economy.

As I mentioned earlier, Madam Speaker, I think Cayman lags behind most developed nations on this front and it is something that I think has to be addressed with some urgency because it does impact the volume of business that is conducted in this country and it does have a tremendous impact on local businesses, in particular small businesses.

Some of these impacts are from a liquidity point of view, Madam Speaker, where businesses are unable to make use of payments that they have received for a delayed amount of time and it also impacts individual consumers who are not able to make instance payments. And in particular an area that really concerns me is that it will impact and slow down the growth of e-commerce development in the Cayman Islands. When companies are unable to implement solutions effectively that allow business to business transactions or sale of goods and services other than via a POS terminal and a physical presence, it does

have a negative effect on the uptake of e-commerce. And I think this is something that has to be addressed as a matter of urgency.

Madam Speaker, most countries have now implemented proven and reliable electronic clearing systems and a lot of these are hosted either by a central clearing house or hosted by a third party or at a central bank. Some of them have gone as far as to allow international payments. I know there may be some concern in implications for that, but the development in this area has far out-paced us. And I think if the Cayman Islands want to keep pace with other jurisdictions this is a mandatory move for us. I think if we do not treat it as such we are not going to be able to benefit economically and it is going to stifle the development of business here. I think it *has* been stifling the development of business here, Madam Speaker.

Not having such a system in place has many economic repercussions that I will talk about as I present this Motion.

Madam Speaker, the Government has implemented a number of programmes to assist small businesses and businesses in general by introducing reduced fees and breaks on government taxes. And I think this complements that effort and would demonstrate to small businesses, in particular, that the Government is concerned about the issues that impact their day to day business operations.

Madam Speaker, before I go into the flesh of my presentation here I need to explain a term so that everyone understands one of the issues, the most prominent issue involved in not having an electronic clearings platform in place. And that is to understand what is meant by the term "float." This normally happens, Madam Speaker, when an individual pays another individual using a paper check. This check is then deposited at the recipient's bank in their bank account and the bank normally marks those funds as "un-cleared."

The check is then cleared with the payer's bank and the funds are then made available in the recipient's bank account. Typically, as we have experienced here, Madam Speaker, what happens here is that there is a delay of up to four days between that check first being deposited and the recipient actually being able to use those funds. That is considered the "float." And this even extends, to my surprise, to local bank drafts. I remember back when bank drafts were considered cash. Now, you deposit a bank draft in your account and it can take almost the same amount of time.

I know that banks in other jurisdictions have been accused of making use of these funds while they are in that state of "float" where the funds are credited to the depositor, but the bank invests those funds, and during that space of time the interest earned on those funds goes to the bank, not the depositor. I do not know if that is the case here.

[Inaudible interjection]

Mr. Alva H. Suckoo, Jr.: As a Member across the floor is telling me, he believes it is the case.

[Inaudible interjection]

Mr. Alva H. Suckoo, Jr.: And it is extremely unfair, Madam Speaker, that if this is the practice, that this is being done to the detriment of our local depositors, especially small businesses who struggle day to day, Madam Speaker, just to get new business and to keep their businesses going.

Madam Speaker, it is quite likely that a customer could make a claim that there is a loss of interest through this process to them as a depositor and that the bank is actually reaping the benefit of their funds.

So, Madam Speaker, any gap between the day of the debit and the day of the credit, actually has the effect of reducing the income—the potential income—that could be earned by the depositor. And I know, Madam Speaker, that the argument is that interest rates are low and . . . you know these . . . the interest might be even negligible. However, those funds could have been used for some other purpose. And there are other investment vehicles out there that do pay higher rates of interest that I am sure a bank would have access to.

So when these funds are in transit between bank accounts the bank has the potential for reaping the benefit of those funds.

[Inaudible interjection]

Mr. Alva H. Suckoo, Jr.: All of the retail banks, rather than the person that was intended to benefit.

As I said, Madam Speaker, there is an opportunity cost involved here to the payee because as those funds become tied up in this period of float, the funds cannot be used or invested, used in purchases, or meeting daily operational costs of the business and expenditures. And again it is to the benefit of the bank and not to the customer.

I know that there will be some objections thrown out to say that the cost of implementing an electronic clearing platform may be prohibitive as it will be a huge upfront expenditure. Well they will say it is a huge upfront expenditure, but Madam Speaker, it is clear that this is just a one-off investment and that one-off investment can be offset over time by a continuous flow of benefits to the bank's customers. And anyone who runs a business here knows the value of retaining customers and keeping customers happy. Improving your service to your customers over time will far outweigh any upfront infrastructure costs and investment in a system such as this.

Annually, Madam Speaker, the sum of these small benefits to your customers will provide a real cost benefit that can justify this one-off cost.

In addition, Madam Speaker, the flow of benefits is perpetual and over time any such investment will pay for itself.

Madam Speaker, improvements in clearing times will definitely facilitate and pave the way for transactions now that are possible but difficult. I have identified three primary types of transactions, Madam Speaker:

Bulk credits, such as payroll credits, which normally banks will require that you submit those with a few days' advance notice prior to the processing date. This advance notice could actually be reduced to a few hours if you were doing things electronically. And, direct debits, Madam Speaker, where the recipient of the funds is given authority to request the funds. So, things like utility payments, if direct debits are combined with electronic clearings, you could have third parties who set up invoicing and billing systems, Madam Speaker, where bills are presented online and the biller can actually request the funds from your account. I know that some companies now to a limited extent do direct debit. I know that, I think, Flow does direct debit. But these, again, are paper based, things are not happening electronically and instantaneously.

Standing orders as well can be facilitated through a similar mechanism where member to member transactions, for example, one customer at one bank and a customer at another bank can transfer funds on a pre-set date and time. Normally, Madam Speaker, these types of transactions are restricted to customers who are using the same bank. This can be expanded to allow customers at different banks to initiate standing orders.

And if you think about this, the benefit of this is that all of us pay loan payments once a month, but we do not always have our loan account at the same bank where our payroll is deposited. So what we have to do is either ask the payroll department to directly deposit the funds at the bank where you have your loan or you have to write a check from one account and go over to the bank where your loan is . . . has been approved and make the payment directly there via check or cash. The convenience there, Madam Speaker, is that you could online, through the online banking interface provided to you by your bank, send a payment and not a wire transfer but a payment—an electronic payment—to your account at the other bank.

Another benefit, Madam Speaker, is that situations where banks are closed Friday to Monday morning, this has an impact of slowing down business on the weekends because persons are not able to access their banking facilities if they need to do inter-bank transactions. You can go to the ATM or you could initiate a wire transfer that will leave on Monday

morning, but you cannot make a payment, deposit a payment, to an account at another bank.

[Inaudible interjection]

Mr. Alva H. Suckoo, Jr.: That is true. Even if you make a deposit at the ATM for your current bank, it does not get credited until the next working day . . . the next business day. Having an electronic clearing system in place will allow solutions that allow you to move funds between banks even during times when the bank is closed.

Madam Speaker, once a system is in place, it is a reasonable expectation that the number of users will increase as will the volume of transactions. This has been the trend worldwide. Once a country adopts electronic clearings and allows bank to bank transactions with no, or little, or no float time the adoption of online transactions dramatically increases. And it becomes even more popular for smaller transactions because the fees associated with these transactions are nowhere near as high as the fees associated with say a wire transfer.

Madam Speaker, if you just consider the convenience of the reduced time in funds clearing this will definitely attract a much higher volume of users and transactions just for the convenience. Most banks already have card transactions and POS terminals set up with merchants and these would not be affected by the implementation of an online clearing system. But we have to consider smaller businesses that may not be able to afford the cost of making use of merchant terminals. Because the way these terminals operate a percentage of the transaction is normally the fee that you pay for using them, Madam Speaker. And for a small business, that cost will add up and it may make such a solution too expensive for a small business to swallow.

Electronic clearings will also, as I said earlier, add to the convenience for the customers in being able to execute payments for urgent payments or emergency payments that normally would have to wait until the bank is actually physically open.

Madam Speaker, when compared to the use of drafts or checks, electronic transactions will significantly reduce the need for cash. And we know that many businesses now are complaining about the fact that the increased number of robberies makes them nervous about having to handle cash, especially on weekends. And many of those opportunist criminals are targeting businesses because they know that there are specific time periods when they will have significant amounts of cash on hand. These sorts of solutions eliminate the need to have that cash on hand and funds can transfer from bank account to bank account.

As I said, Madam Speaker, implementing an electronic clearing solution will make possible, in specific situations, where urgent or emergency transac-

tions are required; things like rent payments or even food payments, importers having to import goods and pay other companies for delivery and so forth or transfer of funds to a close relative or friend who may have an emergency, payment of a bill to avoid penalty fees, wage payments for individuals who are paid maybe bi-monthly or weekly where non-cash payment would likely incur a delay in funds clearing again if you paid them by check, or even a business who has to pay a supplier for a time critical component (I am thinking about the auto shops), or even urgent materials that are needed by a business when there is no established credit arrangement with the supplier.

Madam Speaker, transfer of funds to ensure an opportunity is not lost, for example, purchasing a vehicle or asking someone to hold a vehicle before you purchase it or even payment for a purchase that requires delivery when the funds are cleared.

In all of these examples, Madam Speaker, the time to complete the transaction and get on with the business is dramatically reduced.

There are also opportunities, Madam Speaker, to reduce the cost of transactions to the payer by eliminating card fees and reducing the need for small businesses and individuals to even have a credit card. As I said earlier, some businesses may not be able to afford to have credit cards. The high interest on credit cards makes it really nonsensical to try to operate a business using a credit card. But some payers may not actually have a good credit rating or a good enough credit rating to get to have a credit arrangement with the bank. And, Madam Speaker, in cases where the payee requires immediate access to funds or immediate liquidity or at least a credit guarantee, electronic payments via electronic clearing and settlement will meet those requirements.

Madam Speaker, it is also clear that faster payment will reduce the need to ask for credit guarantees and, again, speed up the pace of business so that business owners can get on with running their business and not have to worry about the financing and liquidity issues.

Madam Speaker, what I have touched on earlier was what I see as the slow . . . uptake of e-commerce solutions. I do see some businesses getting involved in business to business transactions and what I consider e-commerce, but the uptake has been slow. And I think as one of the leading financial centres in the world, we should be leading the way, we should be paving the way, in this area. And I do think that the banking infrastructure is to blame.

What does exist now . . . I have seen many companies locally actually implement solutions where they are able to take payments online and conduct online transactions or receive funds electronically, but they are actually piggy-backing on solutions that are not based in the jurisdiction because there is no mechanism here, Madam Speaker, for the funds to actually settle and clear without going out of the juris-

diction and back in. Other countries tend to benefit through transaction fees and it increases the cost to the businesses. Just use an example of a website that is selling products. If you want to set up your website to where you can sell products online, normally, often-times the payment gateway used is actually taking your transaction out of the country and back in using another country's banking system. And, of course . . . yes, I am reminded, and these transactions are actually conducted in US dollars.

Madam Speaker, a system such as this would also eliminate or reduce the need to use paper checks, which, as we all know, are a manual way of making payments, cumbersome, and probably cost more to process than they are worth. The customers who rely on faster clearing times, I think, a business case can be made to say that they will pay for the convenience of having the service. And this is an area that retail banks here can actually compete over. So, it allows the banks as well to enhance their service offerings and become more competitive in the services that they offer to their clients.

Madam Speaker, businesses nowadays have to increasingly do payments between . . . what I call business to business payments. There are companies here who rely on other companies to supply them with their inventory and there is an issue, because of the delay with funds being tied up in float, where businesses are not able to properly manage the inventory. And I am not thinking about the larger businesses that have a high level of liquidity, I am talking about smaller and mid-size businesses that struggle sometimes to have funds available to replenish inventory. Having such a system in place where a business has received funds from clients—payments from clients—and they do not have to wait for those payments to clear, those funds are immediately available for them to conduct their business operations and do things like replenish inventory when they need it rather than having to wait for the check to clear, Madam Speaker, which may be days later.

So Madam Speaker, by providing a mechanism to reduce float time, I think this is another area where banks can compete for customers. If one bank's float time is three days and another one is two, quite naturally customers will gravitate towards the one with the lower float time. It will keep the banks honest and it will force them to compete at a higher level for customers, which is what we want.

Madam Speaker, this definitely will reduce cash flow uncertainty for small businesses. I know many, many small business owners, Madam Speaker, who, on a weekly basis, struggle to meet payroll. They are calling the bank asking them to honour checks that have been deposited but have not cleared, they are borrowing funds, or they are using funds that they have gotten as deposits on jobs. Where they should be buying material they are using those funds to meet payroll hoping that when checks that they have in their

account clear then they can make up the difference there. And it is this liquidity concern that mostly impacts small businesses. I think if you talk to a majority of small business owners, it's a struggle, Madam Speaker, to compete for the business that the larger companies are not getting; what we would consider as the crumbs sometimes that fall from the table.

They are involved, Madam Speaker, in trying to keep their businesses running, meeting their commitments, keeping their clients happy and this definitely does have a significant impact on them. I know many small business owners who go to pains to try to keep their business running, but complain bitterly about this situation. And with the high failure rate of start-up businesses, anything that we can do to assist them in keeping their businesses operating and allowing them to be able to take advantage of increased liquidity, I think, we have an obligation to do.

Cash flow management, Madam Speaker, is a key concern for all business owners, but in particular those small businesses that we rely on to employ Caymanians and those that mean so much to our local economy, I think would benefit tremendously from the introduction of electronic clearings.

Another area, Madam Speaker, is companies who specialise in the supply of perishable goods. These companies will benefit significantly from having better inventory control. They are able to more rapidly respond to the demand for their goods and able to replenish inventory without having, again, to wait for checks to clear, funds to become available.

Madam Speaker, I think as a jurisdiction we need to promote the introduction of electronic clearings. I know that the Bankers Association has talked about it for a number of years now. I am not sure exactly where they have ended up, but I have not seen any solutions come forward. And it is hurting the local economy and local businesses. And I think this could be a simple fix to a lot of the headaches that are faced by local businesses, Madam Speaker, and something that the Government should consider and support.

I am looking at the Minister of Financial Services but he is not giving an indication that he would support it, but I will give him an opportunity to state his case and his position.

So, Madam Speaker, this is a pretty straightforward Motion. I do not think that much can be said to the contrary that it is something that we should adopt and we should be using. We need to keep pace with developments in technology. We need to keep pace with the developing world and we need to make sure, Madam Speaker, that the consumers of the businesses that we licence are getting good value for money and getting the benefit of the technology that should be available to them.

I hope that I have properly laid out some of the facts that should be considered as well as a lot of the benefits. I look forward, Madam Speaker, to hear-

ing from all Honourable Members of this House and hope that they will support this Motion.

Thank you.

The Speaker: Does any other Member wish to speak?

Does any other Member wish to speak?

Final call—does any other Member wish to speak?

The Honourable Minister responsible for Financial Services.

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

Madam Speaker, the Motion moved by the Fourth Elected Member from Bodden Town, No. 26/2015-2106, the Motion on Electronic Clearings, deals with an issue that the Government has certainly been in discussion with the banks for a couple of years now.

Madam Speaker, the mover has certainly laid out a lot of the benefits and the rationale behind electronic clearings. I think what he has outlined are really two distinct things. Perhaps he was not necessarily that clear in how he did it but we are talking about electronic funds transfers and then separately the clearing of checks through an automated electronic process.

Madam Speaker, as the Member moving the Motion noted in his contribution, the Government has been concerned about ensuring that the business environment is well supported and, in particular, small businesses are well supported in this country.

Madam Speaker, I think probably for the past two decades or so there have been attempts to set up some kind of electronic clearing platform. I remember quite well sometime within that sort of timeframe that I was asked to give some advice by a particular service provider that was seeking to do just that. I do recall that there were a lot of issues, there were technology driven challenges and there were significant cost elements involved at that time. No doubt economics has continued to be an issue.

Madam Speaker, it is necessary for us to be able to, as a modern country, modern economy, to be able to take advantage of solutions which are provided to us by technology based platforms for all the reasons the Member has noted. I do not think it is so much an issue of an opportunity cost in terms of returns on money that ends up in the banking system through the current sort of inefficient process, relatively speaking, but it definitely is an issue of cash flow restrictions. And anything we can do to help small businesses address that sort of issue, should be done. And that is precisely why we have been engaged with the banks through the Bankers Association in particular, Madam Speaker, in discussions on this point.

Madam Speaker, I note that the Member had commented in the press recently that those discussions had occurred and that I, in particular, had indicated that the system was supposed to be in place, I think he said, September last year. I do not remember the timeframe I had indicated to the Member, but certainly, Madam Speaker, these discussions had occurred previously, particularly over the last year or so. And I did indicate, based on the representations I had, that the banks were working on this issue collectively and were seeking to put in place the necessary mechanisms. Certainly, in my mind the, based on representations made to me at the time, I was thinking that it would be by the end of 2015 at the latest, Madam Speaker.

Madam Speaker, there are challenges in implementing this. Of course, one of the issues is that the Cayman Islands Dollar is not a tradable currency and I think the Member mentioned the electronic payment platforms through which much of the existing e-commerce occurs in the Cayman Islands today and, of course, those are US Dollar based transactions, so they do take advantage of the established international electronic payment platforms.

So, if we are talking about US Dollars, Madam Speaker, there are existing mechanisms and we can send money from one bank to another in Cayman as well, albeit we have to go a bit of a circuitous route of having to go through basically the New York banking system to get funds back in to Cayman.

Our challenge, Madam Speaker, is to make sure that we have a platform in place that can be dual currency, can both service CI Dollar transactions as well as US Dollar transactions. And those two facilities will give us the best possible advantages for our economy, for our businesses that are operating within it.

Madam Speaker, I should also say that you know businesses do need to be aware of the realities of the business world, the inefficiencies within the banking system, and the fact that they need to have sufficient capital available to be able to meet their needs. So, if a business is working on the position that it needs instant payment of its receivables in order to meet its payables, then that is a business that is in some difficulties. But Madam Speaker, be that as it may, the reality is that if we can put in place and we can have an electronic payment system and a clearing system in Cayman, then that adds that much more benefit to the operation of our businesses in this economy and growth in commerce. So, there is tremendous potential in that respect and we must continue to seek that. And Madam Speaker, as I said, that is why we have been engaged in discussions with the banks over the past couple of years on this particular issue.

Madam Speaker, I think it is fair to note that certainly there have been technology based improvements. I think even the mover of the Motion noted

that, for example, you can do bill payments within particular banks. All of our six clearing banks today, have an online presence, so you can do electronic funds transfers within that bank. You can do an intra-bank transfer from one account to another, or if they have a programme such as many of the banks do have today where vendors can register with them and set up trading accounts to receive payments, then you can do a lot of bill payments through your own particular bank and its online system. But that is only part of the solution. That is available, and, as I said, they have all got that facility now. I think there are varying degrees of penetration with the vendors' who sign up to the banks in respect to that, but certainly that is something that is available and it does make a big difference in terms of converting receivables into paid receivables. And that means a big difference in terms of cash flow for businesses generally.

Of course, Madam Speaker, we do have the debit card facility now as well, which allows banks to participate in this programme. I think it is run through the Visa payment mechanism, and I believe that is coordinated by one particular bank. All the other banks pay that particular bank to operate that system. But, again, that is something that allows electronic payments through the card at the point of sale.

So all of that, Madam Speaker, has actually significantly reduced the volumes of cash—sorry, of checks—that are in circulation which require to be cleared. And, of course, Madam Speaker, the more that happens, the greater the reduction is. So, if we were to have a full electronic payments platform today or tomorrow which allows you to go online on your bank system and make a payment to another bank, so your vendor's account in another bank, that has two benefits; one is, it means that there is almost instant payment or receipt of that money. And secondly, it is reducing the need for the checks and the manual processing of those.

Madam Speaker, in the context of an automatic check clearing as well, that requires all of the banks to have agreed on a consistent check format as well. They have got to have a consistent format—same size—they have got to have the codes set up in the right way so that the electronic system can read it.

So, I say all that, Madam Speaker, to say that that is the direction the banks here are moving in. I will say that at this point, both from my conversations with the Monetary Authority recently, that have been in discussions with the clearing banks and have been brought up to date by the clearing banks periodically on their progress with this project, and in my conversations with representatives from the Bankers Association, Madam Speaker, I can say that all six of the clearing banks, that is Royal Bank of Canada, Bank of Nova Scotia, Cayman National, Fidelity, Butterfield—did I miss any?

[Inaudible interjection]

Hon. G. Wayne Panton: First Caribbean, yes, thank you. They have now signed, I think as of last month, early last month, I think they have signed a Memorandum of Understanding (MOU) which has then led to that consortium appointing or entering into a contract with a Barbados based entity called Prism. And Madam Speaker, that entity actually runs the electronic funds transfer (EFT) platform for the banking system in Barbados and also does the automatic electronic check clearing. Madam Speaker, I think, that is a significant improvement on where they were in terms of trying to do things on their own. My understanding is that Prism will be making recommendations to the group of banks—the clearing banks—within the coming few months on the exact type of platform that they need with the particular type of software that they need. So it is acting essentially as a consultant at this point and I think the intention is that they become the managing entity to operate this electronic funds transfer and automatic check clearing platform.

Madam Speaker, my understanding is that they will be based—that entity will have an operation—in the Cayman Islands. It will hire everybody locally to operate the facility. So there will certainly be the added benefit of maybe a half dozen jobs at least created in the local economy with this platform being operated there.

As I said earlier, Madam Speaker, one of the challenges is that we needed to have a dual currency platform, dual currency software. Most countries do not operate a dual currency system, but we, of course, are a significant dual currency economy—both Cayman Islands Dollars and US Dollars. And, as I said earlier, of course, the Cayman Islands Dollar is not a tradable currency, so, that has to be unique to us here through this platform.

Madam Speaker, in terms of the timing, I am being told, again, by the representatives from the Bankers Association that with this platform they are seeking to have the EFT aspect of this platform in place by the first quarter of 2017. Three months, approximately, thereafter, Madam Speaker, they are seeking to have the automatic check clearing in place at that point.

As I said earlier, Madam Speaker, if we have an electronic funds transfer platform in place, that will, very significantly reduce the amount of checks that are required to be processed through the automatic check clearing system. And I think that is why . . . that is one of the reasons why the consortium of banks have agreed—the clearing banks, to be clear—have agreed that priority. They will—

[Inaudible interjection]

Hon. G. Wayne Panton:—they will go with the electronic funds transfer first.

There is already, as I said, Madam Speaker, platforms that that can work through in the sense that

each of the banks now have—they all now have—online systems where you can do intra-bank transfers and what this will put in place is a platform then through which you can do inter-bank transfers, so you can go from one bank to another. As I said, Madam Speaker, that will be extremely convenient, it certainly will address the issues that the Member very well described in his moving of the Motion.

Madam Speaker, that, is something we are very much looking forward to, and certainly, as the Minister for Financial Services and the Minister responsible for Commerce, that is an area and an issue that I will continue to be focused on. I will continue to push and get regular updates in respect of this project. I think, Madam Speaker, it is certainly one which is needed now. It is the right time. Perhaps it could have been done a year ago, but clearly given all the circumstances, given the fact that all of the six clearing banks now have this significant online presence and electronic platform to do their own internal transfers, now we can just extend that out with this new platform.

We will certainly ensure that there is ongoing progress, and I will try my best to ensure that that—the timelines that have been indicated to me—which I think are reasonable, I would not say that they are unreasonable, I would not say that they are aggressive, perhaps they could be a bit more aggressive, but I am more interested in actually getting something in place that works because the last thing we want is a system that creates issues and then has the kind of cash flow restrictions and dislocations, which could have an even bigger detrimental effect on our small businesses, Madam Speaker.

So Madam Speaker, the Motion calls for considering an amendment to the Banks and Trust Companies Law. As it stands, Madam Speaker, the Government is happy to accept the Motion in terms of a “consider.” The six clearing banks are working together to ensure that this mechanism and this platform is put in place. I do not think that, at this point, we have to be concerned to try to mandate this type of service.

Madam Speaker, typically the Banks and Trust Companies Law is going to regulate the activities of the bank, it is not going to dictate what activities and the types of services the banks have to provide. But Madam Speaker, if necessary—if necessary—we can do that and that is an option that we are willing to exercise if there is an unreasonable approach taken and this sort of mechanism is not put in place.

So, certainly, notwithstanding the fact that we have this activity going on, we can still accept the potential for mandating, if it becomes necessary to do this and if the timelines that they have indicated and the progress and the types of services that the clearing banks have indicated, Madam Speaker, do not for one reason or another come to fruition.

So, Madam Speaker, with that I will say to the Member that this Motion, as he knows, is one that

deals with an issue that the Government has been concerned with and I am thankful that he has brought the Motion to allow us to speak to it. And I am happy to have been able to outline what is being done at this point, but also to very clearly indicate that the Government’s position is [that] this is a service and this is a reality, that as a modern country, as a modern economy, our businesses, our economy and our people deserve to have as well. And as a Government we will ensure that that happens.

So, Madam Speaker, I thank you very much, again, and I am happy to indicate to the Member support for the Motion.

The Speaker: Does any other Member wish to speak?

Does any other Member wish to speak?

Final call—does any other Member wish to speak?

If not, I will call on the mover to exercise his right of reply.

Mr. Alva H. Suckoo, Jr.: Thank you, Madam Speaker.

Madam Speaker, I would like to thank the Minister for responding and indicating that he does support the Motion and for outlining his position on it.

I know he acknowledged that, as I think as I . . . well, I might not have stated it in original presentation, but he did acknowledge that this has been an ongoing discussion for quite a number of years now. And he did point out that I was combining two eventualities in my argument, which were electronic clearing of checks and electronic funds transfers, which the two, Madam Speaker, go hand in hand and one actually paves the way for the other.

As I stated in my original presentation, Madam Speaker, there is a significant investment required upfront. I know that compared to years ago, solutions that we will be looking for, have come down in cost, but there will still be some investment required. But I do know that the benefits will outweigh the costs over time.

The Minister, Madam Speaker, recalled where, I think we did have a discussion and he had been told that a solution . . . or from what I recall, the solution would be in place by September gone. And that was part of the reason why I decided to bring this Motion forward. I am not blaming the Minister, Madam Speaker, but I do not see the will to get this in place being displayed by the retail banks.

I must say, Madam Speaker, that, I am concerned because there seems to be a bit of a disparity in how banks float nowadays, currently. And that indicates to me that some of the banks may be playing games with this. I know an individual who will deposit checks into their business account, payments from their customers, and have to wait three or four days for those checks to clear. But that same individual will

pay his credit card at a bank with a personal check and it clears within 24 hours. So the bank is making sure they get their funds, but his business account, Madam Speaker, is not getting the benefit of his funds. So, I think, there are some games being played.

Now, Madam Speaker, the reality is that businesses do struggle. And I know the Minister said that, you know, a good . . . or a business that is operating properly should not have to struggle as much as I may have illustrated, but I do know quite a number of businesses who depend on these checks to clear to meet their operating costs and expenses. And these are the ones that we have to be concerned about, Madam Speaker, because it would be a shame to see some of them start to . . . or maybe some have failed, shut down operations because of liquidity issues that could have been prevented.

As the Minister stated, Madam Speaker, the entire solution will allow person to person transactions, business to business transactions, at different financial institutions and that is, probably, one of the biggest selling points of a solution such as this. We know that most people now have debit cards, but those come with limits and fees that are probably . . . the fees are probably going to be higher than in time what you would be paying for an electronic transaction, once the volumes pick up and the service is operating.

Madam Speaker, I know that the Bankers Association members seem to have indicated that they are willing to adopt electronic clearings, and I am happy to hear from the Minister that there is a MOU in place and that the banks are working together now. But I am not so confident, which is why I asked the Government to consider making this mandatory by amending the law. Because I am aware, Madam Speaker, that over 10 years ago, I think it was Cable & Wireless that actually created a payment gateway solution that was designed to—

[Inaudible interjection]

Mr. Alva H. Suckoo, Jr.: Fifteen years ago I am being told, and that fell by the way and was not adopted and was not used. So, the jurisdiction has suffered, Madam Speaker, I think unnecessarily. And when I think about the benefits that we have not been able to take advantage of, it really does worry me that if we allow the situation to persist we will continue to suffer the same fate.

So, I am all for making this mandatory. I think the time is now, as the Minister said, for our people to be able to take advantage of these services. Many of us here have businesses. Many of us have constituents who have businesses, Madam Speaker, and we all see the benefit. And we can compare to other jurisdictions and see where we have fallen far behind.

So, I am thankful to the Minister for agreeing to accept the Motion and I also want to encourage everyone else to support the Motion. I see this as a way of strengthening the jurisdiction and strengthening our banking infrastructure.

Madam Speaker, I think it has been a long way coming, and I think we need to press ahead as the Minister stated and ensure that this gets done. But I do still hold out that it is time to make it mandatory.

So Madam Speaker, with that, I thank you and I look forward to, hopefully, getting the support of this House.

The Speaker: The question is BE IT THEREFORE RESOLVED THAT the Government considers an amendment to the Banks and Trust Companies Law (2013 Revision) in order to require the use of electronic funds clearing and settlement by all Cayman Islands registered retail banks for the purpose of settling and clearing local inter-bank transactions.

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

Ayes.

The Speaker: The Ayes have it.

Agreed: Private Member's Motion No. 26/2015-2016—Motion on Electronic Clearings passed.

Private Member's Motion No. 27/2015-2016—Motion On National Workforce Development Agency (NWDA) Mandatory Job Registration
[Deferred to next Meeting]

The Speaker: I recognise the Honourable Fourth Elected Member for Bodden Town.

Mr. Alva H. Suckoo, Jr.: Madam Speaker, I would like to respectfully ask the leave of the House to actually move this Motion to the next Meeting.

The Speaker: The question is that Motion No. 27/2015-2016 be deferred until the next meeting of this honourable House.

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

Ayes.

The Speaker: The Ayes have it.

Agreed: Motion No. 27/2015-2016 deferred until the next Meeting of the House.

**Private Member's Motion No. 24/2015-2016—
Motion to Establish a National Energy Policy and
Sustainable Development Goals and to Reduce
Reliance on Fossil Fuel**

The Speaker: I recognise the Honourable Fifth Elected Member for the district of George Town.

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

I rise to serve a notice of an amendment to Private Member's Motion No. 24/2015-2016 entitled Motion to establish a National Energy Policy and Sustainable Development Goals and to reduce reliance on fossil fuel in accordance with the provisions of Standing Order 25(1).

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Oh, sorry. Okay, sorry. Madam Speaker, in line with Standing Orders I will move the original Motion first.

Madam Speaker, I rise to propose Private Member's Motion No. 24/2015-2016—Motion to establish a National Energy Policy and Sustainable Development Goals and to reduce reliance on fossil fuel.

WHEREAS there is no fixed or accepted National Energy Policy or Plan in the Cayman Islands;

AND WHEREAS the Cayman Islands has international and regional obligations to reduce its carbon footprint, decrease its reliance on fossil fuel and to increase its use of renewable energy;

AND WHEREAS renewable energy technologies promote human development by stimulating economic development, mitigating climate change, contributing to energy security and providing health benefits.

BE IT THEREFORE RESOLVED that Government considers as a matter of urgency:

- 1) the introduction and passage into law of the National Energy Policy which sets in place relevant Millennium Development Goals, Sustainable Development Goals and the climate change goals of the 2015 Paris Climate Conference;
- 2) setting a renewable energy target of 30 per cent by 2020; 50 per cent by 2025; 75 per cent by 2030; 100 per cent by 2035;
- 3) performing an independent energy audit on all government buildings to be tabled at the Legislative Assembly and consider replacing all lights with LED lights in each, such work to be carried out by local companies;
- 4) (a) installing the maximum number of solar panels on the Government Administration Building (GAB); (b) creating a solar covered parking structure to cover the majori-

ty of the parking area at the GAB; (c) installing a reasonable amount of electric charging stations at the GAB; and (d) utilising battery storage technology which proves to be economical and allows for emergency backup power while adding stability to the CUC grid;

- 5) aiming for 20 per cent of all registered vehicles on the Cayman roads to be electric vehicles or hybrids by 2020, reduce the import duty on (a) electric motor vehicles from 15 per cent to 5 per cent; and (b) hybrid motor vehicles to 7.5 per cent for an initial period of two years and thereafter consider the impact of such reductions and make adjustments up or down as per government policy and stated goals;
- 6) ensuring that appropriate solar power systems are provided to Caymanian households earning less than CI\$15,000 per annum to subsidise energy costs;
- 7) implementing a strategy on the importation and use of Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG), as an alternative to propane and introduction of CNG stations as an alternative to petrol stations;
- 8) creating further job opportunities and economic growth, by ensuring that those able bodied persons on social assistance and clients of the NWDA, students and other interested parties be given access to programmes such as the UCCI solar training programme in solar installation and ancillary services to support the renewable energy jobs created;
- 9) recognising one association as the professional association of the renewable energy industry, to set standards and liaise with Government, NGOs and Industry, whose membership should include a member of government and that any work done on government projects are done by members of the association;
- 10) signing up for the 10 Island Challenge by the Carbon War Room;
- 11) setting a long term strategy, advised by the ERA for the Consumer Owned Renewable Energy Programme (CORE) that is part of a sustainable development plan for the economic benefit of energy consumers which is communicated to all persons on the Cayman Islands but especially for new buildings; and
- 12) establishing a sustainable development policy for all new buildings in the Cayman Islands to be built in a more eco-friendly manner to ensure energy and costs savings and reduce greenhouse gas effects.

The Speaker: Is there a seconder to the Motion?

Mr. Alva H. Suckoo, Jr.: Yes, Madam Speaker, I rise to second the Motion.

The Speaker: The Motion has been duly moved. Does the mover wish to debate his Motion?

Mr. Winston C. Connolly, Jr.: Madam Speaker, I rise to give notice of amendment to Motion No. 24/2015-2016.

The Speaker: Could we take an afternoon break now so that I can have an opportunity to see the amendment? Because it has to be waived first before we can introduce it on the floor.

We should be able to reconvene by 7:00.

Proceedings suspended at 6:50 pm

Proceedings resumed at 7:36 pm

The Speaker: Proceedings are resumed.

I recognise the Honourable Fifth Elected Member for the district of George Town.

NOTICE OF AMENDMENT

Private Member's Motion No. 24 2015/2016— Motion to establish a National Energy Policy and Sustainable Development Goals and to reduce reliance on fossil fuel

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

I rise to serve a notice of amendment to Private Member's Motion No. 24/2015-2016 and I will not go through all of the amendments, by your leave, Madam Speaker, but I will highlight the changes that were made.

This Motion is entitled the "Motion to establish a National Energy Policy and Sustainable Development Goals and to reduce reliance on fossil fuel". In accordance with the provisions of Standing Order 25(1) I, the Fifth Elected Member for George Town, seek leave in accordance with Standing Order 25(2), to move the following amendment to Private Member's Motion No. 24/2015-2016 as follows:

To amend the first Whereas Section, which reads as follows:

"WHEREAS there is no fixed or accepted National Energy Policy or Plan in the Cayman Islands."

The Whereas Section will now read:

"WHEREAS there is no promulgated National Energy Policy or Plan in the Cayman Islands."

To amend the first Resolved Section, which read as follows, and I have changed No. 5 and No. 6, Madam Speaker, so I will go straight to No. 5, with your leave:

No. 5 says: "aiming for 20 per cent of all registered vehicles on the Cayman roads to be electric vehicles or hybrids by 2020, reduce the import duty on (a) electric motor vehicles from 15 per cent to 5 per cent; and (b) hybrid motor vehicles to 7.5 per cent for an initial period of two years and thereafter consider the impact of such reductions and make adjustments up or down as per government policy and stated goals."

Madam Speaker, that has been changed to (d) on the following page: "as part of a carbon emission reduction goal aiming for 20 per cent of all registered vehicles on the Cayman roads to be electric vehicles or hybrids by 2020 and to provide the necessary incentives to facilitate this goal, further reduce the import duty on each."

And (6) was also changed. The original (6) reads: "ensuring that appropriate solar power systems are provided to Caymanian households earning less than \$15,000 per annum to subsidise energy costs."

The new amendment is "(e) ensuring appropriate solar power systems are provided to Caymanian households whose combined income falls below the poverty level identified in the Minimum Wage Law and all government build homes by way of subsidy."

Madam Speaker, also amended was the BE IT THEREFORE RESOLVED at number (2) and basically what it reads for and I will read from the top, that:

BE IT THEREFORE RESOLVED that Government considers as a matter of urgency:

1) the introduction and passage into law of the National Energy Policy which sets in place relevant Millennium Development Goals, Sustainable Development Goals and the climate change goals of the 2015 Paris Climate Conference within six months; and (and this is where the change is, Madam Speaker)

2) in framing the objectives of the National Energy Policy, the Committee should consider the following non-exhaustive suggestions. (And I have already read in the original Motion the suggestions).

Madam Speaker, with your indulgence I will just go straight into my—

The Speaker: Is there a seconder to the Amendment?

Mr. Alva H. Suckoo, Jr.: Thank you, Madam Speaker.

I rise to second the Amended Motion.

The Speaker: The Amendment has been duly moved.

Does the Honourable Fifth Elected Member wish to speak to the Amendment?

Mr. Winston C. Connolly, Jr.: I do, Madam Speaker, thank you.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Okay, yes.

Madam Speaker, I made those changes after speaking with the Minister of Planning because I did recognise that, you know, trying to impose the duty percentage and other numbers, including the poverty line, I would leave that to the Government to use the appropriate legislation and also after doing the relevant kind of analysis to come up with something in the review. And the review will, as the Minister has said to me, be done by the Energy Policy Review Committee and they will consider those things in any event. So that is why those changes were made. And I recommend that the Members of the House accept them, Madam Speaker, as amended.

The Speaker: Does any other Member wish to speak to the Amendment?

Does any other Member wish to speak to the Amendment?

Final call—does any other Member wish to speak to the Amendment?

If not I will call on the Fifth Elected Member from George Town if he wishes to wind up on the Amendment.

Mr. Winston C. Connolly, Jr.: Madam Speaker, I just rise to thank the Members for their tacit support on the Amendment.

The Speaker: The question is: that the Amendment as put forward by the honourable Member be approved and accepted.

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

AYES.

The Speaker: The Ayes have it.

Agreed: Amendment to Motion No. 24/2015-2016 passed.

The Speaker: I recognise the Honourable Fifth Elected Member from George Town if he wishes to speak to the amended Motion.

Mr. Winston C. Connolly, Jr.: Thank you, Madam Speaker, I do.

Madam Speaker, this Motion is about setting plans. As most people know I am a stickler for a plan. It is also a Motion for the people of the Cayman Islands, Madam Speaker. And when the Fourth Elected Member from Bodden Town agreed to second this Motion, he and I embarked on canvassing the people of the Cayman Islands by way of social media and other outlets.

And Madam Speaker, the response was overwhelming. To date we had some 15,215 people review the call for action and some 377 “liked” the Mo-

tion and another 345 shared the Motion and also there were multiple “likes” on those shares. And Madam Speaker, I also did a video on social media and there were some 12,311 interactions.

Madam Speaker, this screams volumes in a small island like this. It means people are interested. It means that they want some energy security, they want lower costs, and they agree with the Motion, Madam Speaker.

And Madam Speaker, I promised those people that I would attempt to Table these “yeses” in the House just to show the level of support and I crave your indulgence to lay these on the Table of the House.

The Speaker: So ordered.

Sergeant, there is a pink piece of paper stuck in it and I am not sure whether he wishes to Table that as well.

Mr. Winston C. Connolly, Jr.: Sorry, Madam Speaker.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: That is just the efficiency of the staff of the Legislative Assembly demarcating the two items that I am passing. And if any Member wants to see the totals, I have copies for everyone here as well, Madam Speaker, not of all the “yeses” because that would just go against what we are trying to do here—sustainable development, renewable energy and all the rest of that. But just so people can see—

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: —absolutely.

But Madam Speaker, I would like to also acknowledge the other members of the public that have taken the time out to come to this debate at this late hour and some of them have been there since about 4:30. Some of them came last week, Madam Speaker, when we were first originally supposed to debate this Motion, so I thank the members of the public who have taken the time to come up.

They are not the only people, Madam Speaker, that have come forward to either the Fourth Elected Member from Bodden Town or me over the last few weeks. And I must say that the support has been overwhelming. We have also had people reaching out to us from as far away as Europe and California, Madam Speaker, so the world is watching.

Madam Speaker, as we try to move in this age of social media and to move this National Energy Policy forward, I would just like to take some time to reflect on some of the priorities that I as an Independent along with some of the other Members in this House promised. And in bringing this Motion, Madam

Speaker, I would like to think that I am keeping my promise in the priorities planned that the Independents circulated.

And one of the goals there was to ensure planned and managed growth and development which is in harmony with our natural environment, society and economy.

Sustainable development secures economic growth while ensuring equitable social development and a healthy environment for our people. Growth and development has to provide tangible and sustainable benefits to the country and, more importantly, to our people. Natural resources should be protected and managed responsibly to ensure that future generations inherit a healthy and viable environment.

Sustainable development ensures that decisions taken, achieve environmental, social, as well as economic outcomes through integrated participatory and transparent approaches to decision making.

Madam Speaker, I also talked about energy security and long term infrastructural development.

What I am trying to present here today, Madam Speaker, is that renewable energy is viable, reliable, and best of all affordable. Some opponents will say that renewable energy is too expensive. I say it is the most economical solution for new grid connected capacity where good resources are available.

Madam Speaker, if we look at just labelling renewable energy for the rich and not for the poor, we are not taking into consideration the hidden cost of fossil fuel power, including water pollution, health impacts, climate change.

As you can see, Madam Speaker, my Motion was quite comprehensive when we are talking about climate change, sustainable development goals, Millennium Development Goals, and also the goals that . . . the Climate Change Goals that came out of the 2015 Paris Climate Conference.

Madam Speaker, we have to look at all of the pros and cons and the benefits of solar versus diesel and we also need to look at other alternatives including wind, geothermal, SWAC and other things that will benefit us and generations to come.

There is also a myth that renewable energy cannot supply electricity 24/7. Not only can it do that, but it can meet all of our energy needs in a safe and reliable way.

Madam Speaker, the question that we have to answer in the Cayman Islands is actually about grid management, a smart integration. The key is to have a mix of sources spread over a wide area. We need to look at things like solar, the wind, biogas, geothermal and we can also look to the ocean.

Madam Speaker, the technology is here. The utility company has to keep up with the technology. We hear that we need to have studies to show that the electricity grid can handle renewable energy. I have been reliably informed by the experts, Madam

Speaker, that if designed to do so, it can handle large shares of variable renewable energy.

Madam Speaker, we only have to look at the headlines to see what the rest of the world is doing, both from a positive perspective and a not-so-positive perspective because we see the struggle between renewables and utilities worldwide. We also see that the first adapters are now making great strides in lowering costs, reducing their carbon emissions, and really setting up well for the future.

Madam Speaker, I also spoke about the Millennium Development Goals and Sustainable Development Goals, and I actually will not go through all of them. But it is something that as I studied more and more about renewable and the importance of having access to clean, affordable and reliable energy, these Millennium Development Goals and Sustainable Development Goals are worthy to look at and see which ones apply to us. And, like I said earlier, the Minister has said that we will be looking at these things in their totality under the National Energy Policy Committee, so I will not be further dilating in them. But these are words that the listening audience should look up because it is important, Madam Speaker.

We in the Cayman Islands should be especially concerned about the potential impacts of extreme weather conditions, increase in sea levels, and destruction of our ecosystems and habitats, because these are all things that result from climate change. And some people believe climate change is a myth. I pity those people, Madam Speaker.

Madam Speaker, because of what we do here, our product here, I say again that we should definitely be worried about things like sea level rise and coral bleaching because it makes up pretty much half of our GDP.

Madam Speaker, there are also those people that say that we are too small to make a dent in the world's carbon footprint, so why bother?

Madam Speaker, the reality of the situation is we, as a low-lying island at the mercy of the seas, we are going to be affected long before the big polluters and the big contributors to global warming and climate change are. We need to be a part of the solution. We need to partner with global entities and seek support from organisations like the UNEP, UNF, CCL, UNDP, and parliamentary focused organisations like Climate Parliament and GLOBE International.

Madam Speaker, societies unwilling or unable to adapt to meet the challenges of sustainable development will be left behind and, perhaps, face costly consequences. Those willing to meet the challenge head-on can rely on support and different tried and tested approaches to try to achieve desirable outcomes.

Madam Speaker, sustainable energy should be defined as the production and use of energy without compromising the abilities of future generations to meet their energy needs. Put simply, the diesel fuel

produced for powering combustion engines is a finite resource. It may meet present needs, but not future ones. Therefore, it is unsustainable energy. On the other hand, solar powered vehicles which rely on sunlight which is a perpetual source of energy, is a form of sustainable energy because it can meet present and future needs. And that is why I also referenced, Madam Speaker, that as a country our goal should be at least 20 per cent electric or hybrid vehicles by 2020.

Madam Speaker, I want to touch on a National Energy Plan. And I think you of all people, Madam Speaker, are intimately knowledgeable about the Draft that has been circulated for quite some time.

And Madam Speaker, with your indulgence, I will read from the *Official Hansard Report* of Friday, 15 March 2013 [page 716].

Thank you, Madam Speaker.

“Madam Speaker, the sustainable economic development of these Islands is tied to the availability and affordability of energy resources. The National Energy Policy Committee members both from the private and public sectors have been working arduously to develop a policy that will be a guideline for the future decisions these Islands take in relation to energy.

“The following topics were considered in the development of the NEP:

- 1. Construction, Buildings and Land Use.**
- 2. Electricity, Renewable Energy, Water and Wastewater.**
- 3. Petroleum Products and Transportation.**
- 4. Public Education.”**

Madam Speaker, I am going to skip a few lines and just read again from the Vision of the NEP as you stated it.

“The vision of the Cayman Islands’ energy sector to 2032 is to be an efficient, diversified energy sector, supported by informed public behaviour within the Cayman Islands, which provides secure, reliable and affordable energy in an environmentally sustainable manner.”

You went on to say the **“goals for the NEP: These state what the Cayman Islands wants to achieve for its energy sector: decrease costs of energy (as a priority), increase environmental sustainability, increase energy security, and contribute to economic development of the energy industry.”**

“Through the NEP, the Cayman Islands aim is achieving the following four Goals:” and you repeated them, Madam Speaker.

Madam Speaker, I quoted that to say that three years later all these things are still relevant and if they were a priority in 2013, I do not know what they are now, three years later.

Madam Speaker, I also want to table, with your indulgence, what some of our regional peers are doing.

This [Draft Bill](#) was proposed in Barbados on Tuesday, 10 December 2013. It was a Bill entitled **“An Act to revise the law relating to the supply and use of electricity, to promote the generation of electricity from renewable energy, to enhance the security and reliability of the supply of electricity and to provide for related matters.”**

This was the Barbados Parliament, Madam Speaker, and I will Table it with you—

The Speaker: So ordered.

Mr. Winston C. Connolly, Jr.: Madam Speaker, you having been intimately involved in that process, is an example of another long list of other such exercises that ended up in a pretty document on a shelf and lost for some three years. I give credit to the Minister and the Government for now bringing it back to light. But three years is a long time, Madam Speaker, especially, like I said, when it was deemed a priority as far back as 2011.

My goal is to make it less expensive for the average person to live in Cayman by looking at utilities, et cetera, and trying to get the best deal for this country. I campaigned on a platform of Independent leaders who put country first and I believe I have tried to carry this out throughout my career. That is why, Madam Speaker, over a year ago I felt so passionate about this topic and this area that I held my own energy summit when some of my cries were going on deaf ears.

Madam Speaker, I would like to thank the people that showed up. There were not many, but I see a few faces including the First Elected for West Bay, the Second Elected for West Bay, the Third Elected for West Bay, and—

[Inaudible interjection]

The Speaker: Order!

Mr. Winston C. Connolly, Jr.: —the Member for East End.

Madam Speaker, when I saw the response to that energy summit, both before, during and after, it made me realise that this is something that people want. And Madam Speaker, I understand the reluctance by the utility company. It is no different from what is happening the world over, both in the US and Europe. There is actually a name for the way solar is cutting into the utility business model. It is called a “Utility Death Spiral.” And do not quote me on that, it is something that I have read through my attendance at the various conferences. Yeah, do not say this is originated by Winston Connolly.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: The more customers that go solar, the more revenue the utilities lose. So then they have to raise the price to make it up.

So Madam Speaker, there is an argument that says that those that do not go into renewable energy end up paying more disproportionately than they did when others were on the grid. But Madam Speaker, in this phenomenon, utilities may need to consider a new business model. Instead of being power companies they could become electric grid companies where they do not actually bring electricity in, they just shuffle it around between one house and another, one business and another. Utilities will either change to match technology or like when the cell phone came and the land lines existed, they will get left out.

The price of solar has declined dramatically, Madam Speaker. Solar now poses what you may call a moral threat to mainline power utilities that have dominated energy distribution for over a century.

Madam Speaker, there are various arguments and this comes down to two things: the voice of the people and political will.

Madam Speaker, investor owned utilities are worried about the popularity of renewable energy. They have shares in utility companies and I dare say a number of us in this House will probably have shares in the utility company. Should I . . . I hear a lot of noes, but if I ask people to put up their hands if they do, I am sure I would see more “yeses” than “noes”, but I will not do that, Madam Speaker. But I will just point out that we cannot let that cloud our judgment if we are in that position because as legislators we are tasked not to look out for ourselves, we are tasked to look out for the masses.

Madam Speaker, we are asked constantly in this House—and this I know for a fact—I might not know who owns shares, but I know that we are asked to help customers on a monthly basis pay their electricity bills. Politicians purchase vouchers—energy vouchers—and they offset residents’ electricity bills. And I do not either, but I know that people are bombarded with these.

Madam Speaker, to do that month on month is actually just putting a Band-Aid on a gaping wound. We need an energy plan in place that helps these people in a holistic manner and one way that we can do that is solar, be it rooftop solar or solar farms. Because if we cut down one of their biggest expenses they are going to have money left over at the end of the month. We are going to work ourselves out of what a lot of people call charity.

Madam Speaker, I have heard various arguments by the utility company and the ERA, including widespread adoption of distributed solar which will cause great instability. There needs to be a huge investment in grid infrastructure upgrades to accommodate the increase in distributed solar, forcing them to

pass on the increased cost on non-solar customers. Right now, what we are hearing is that with the price of oil this low and the prices coming down it is actually more expensive to go solar than it is to use diesel.

Madam Speaker, we cannot live in the here and now, we have to have a plan to wean ourselves off of fossil fuel dependency. Every single Member in this House was elected to stand up for the people and the country, and, if after four years in here we go out and say, *Well we didn't do anything because we didn't feel the need*, people should not vote us back in because we have to have vision and we have to have leadership.

Madam Speaker, utilities, I would dare say and ask anyone to argue otherwise, do not have the customer’s best interests in mind when making some of the infrastructure and other decisions. Because if you have a regulated monopoly business model, you have to answer to your shareholders first and foremost, you do not want anything that reduces the demand for the electricity that you sell. Any plant improvements get passed on in your guaranteed rate of return.

So, Madam Speaker, if someone tells you that an investor owned utility is looking out for the best interests of your people and you buy it, you should go and do another job and not be a politician.

Madam Speaker, this should be about choice. We do the feed-in tariff in Cayman and I think we should also look at net energy metering.

Madam Speaker, again, I am not the expert and I am happy . . . well, up to today I am still a part of that National Energy Policy Committee and I have not been told otherwise. And I will gladly participate in that exercise, Madam Speaker, because, again, you need all views, you need all viewpoints and this is going to be about compromise, but it should still be about choice and it should be about planning for the future.

Madam Speaker, the lobbyists are from both ends and everyone has vested interests, obviously. But sometimes we need to try to emulate Solomon and argue to split the baby in half and see what comes out the other end.

Madam Speaker—

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: I will give Bible lessons after this session, Madam Speaker, but right now I will concentrate on energy.

Madam Speaker, it is time for Utility 2.0. It is time for the utility companies to change their business model and adapt. They need to take a bold and necessary step towards a business model that mirrors the changes in the scale and technology of electricity. The old model will prove inadequate if it remains indifferent to the flow of energy money out of the local community because, Madam Speaker, that is also what we are talking about—money back into the pockets of our

people, affordable existences. And when our people are sometimes balancing their mortgage versus their electricity bill, we know that it is too high.

Energy democracy is a step after this one that we need to take. It is daunting to many because it is not what we know, but for sustainable energy for future generations, we need to convert to a low carbon environment and we need to work with the local energy company to transition—CUC. Higher fixed fees, penalising companies for using renewable energy is not the way to go, Madam Speaker. There has to be a balance. I do not agree that there should not be a cost, but it should not be cost set by the monopoly and the Regulator should be only guided by the monopoly. We need to take in a lot more inputs before we come up with some of these costs.

Allowing customers to have a choice in managing their energy costs will strengthen the Caymanian economy, create jobs, and diversify the country's energy portfolio. And Madam Speaker, that is what I believe you were saying in your contribution back in 2013.

Madam Speaker, the goals have to be securing a reliable and affordable energy source or sources. It has to be reducing the country's carbon footprint. We have to have energy security and not be just reliant on outside fossil fuel, especially in a country that has an abundance—an overabundance—of sunshine. And we found that people are now using geothermal . . . they are talking about Salt Water Air Conditioning (SWAC)—these are things that we need to look at, including biogas, biomass and all the other types of things because we need to find out what fits the Cayman Islands. We know that cooling is the largest draw in our electricity bill. How we solve cooling is one of the important questions that we need to answer. Because if we reduce the cost of that, then, we know that we reduce the energy bill and that people will have more money to circulate into the economy and they will be less reliant on social services and politicians. And Madam Speaker, we also have to encourage and promote energy conservation and efficiency throughout the public and private sector.

Madam Speaker, these are the things that I am coming up with out of a hat, I just based a lot of this on what was there before. And that is what I would also like to applaud the Minister of Planning and the wider Government for doing—not throwing the baby out with the bath water—and actually starting from the Draft that was already there before. Because we cannot wait another four years, doing another study and doing all these things to push off the inevitable; we need to take this, dust it off and in quick order come up with a National Energy Plan that we know we are going to have to tweak as we go along, as costs come down, as sources become available, as we kind of figure out what works for the Cayman Islands.

In that way, Madam Speaker, the opportunities and the benefits—and I am quoting from the Summary of the National Energy Plan Draft—is that we will reduce the Cayman Island's dependence on imported fossil fuels, we will keep money in the local economy, we will smooth out the volatility caused by the international price of oil, we will create a vibrant new sector of the economy and we will reduce the Cayman Island's carbon footprint.

Again, these are not words from me, these are things that have gone through a process and come out the other end.

Madam Speaker, we talk about wanting our people to have liveable wages and jobs that pay a liveable wage. Renewable energy is labour intensive and it is expected to create jobs and additional income at a rate that potentially outweighs losses in existing fossil fuel energy facilities. Again, I quote that from the Summary.

Operations and maintenance of renewable energy plants create green jobs as well as a demand for products, services and jobs in other sectors.

Madam Speaker, there is part of our employment woes solved. And we will have a diversified economy if we start looking for other sources of employment.

Madam Speaker, some people say *how is Government going to recover if we lose fossil fuel?* We will still charge electricity, Madam Speaker, but duties, et cetera, the three cents that is quoted in CUC's . . . or this article about CUC. And it is an easy recovery, Madam Speaker, because the cost of renewable energy is going to start out a lot lower than the cost of fuel in the long run. We can still tax the production of energy and those amounts that our people pay will still be less, so government does not have to lose money in this regard. And I am sure that the same calculations that have been done by more informed people than me will be presented and reviewed by the National Energy Policy Committee, so I will not go into that. I will let that process work it out, but put it in writing and hope that very soon that will be tabled in this honourable House.

Madam Speaker, renewable energy also can provide valuable sources of funding for various government buildings, facilities, and even the airport. We want jet bridges, build solar farms. Not only could some of that totally reduce the operating cost now in the newly expanded airport, over time it could pay for all the improvements that we need and then some. And then, Madam Speaker, after whatever public private partnership that we have, we would hope that that reverts to the government or the Airports Authority and they can get revenue and offset their costs going forward.

Madam Speaker, it is about opportunities and seizing these opportunities. It is about being proactive and visionary. It is about balance. We do not want to put CUC out of business, we do not want them to af-

fect their shareholders negatively, but they also have to meet in the middle and like many other utilities worldwide, they have to adapt.

Madam Speaker, this is about energy revolution. This is about the people speaking and wanting change, wanting lower prices, wanting to be more environmentally conscious, wanting to do their part. We—elected by the people, for the people—need to listen and, most importantly, act.

Madam Speaker, we have not reached this stage yet, but if the world is any illustration, people are now taking to the streets. Just the other day in Nevada, within three days 55,000 petitions were signed when the government imposed fees on solar—55,000 was the magic number to get a referendum on those fees. People took to the streets, they marched.

Madam Speaker, when people have to worry about paying their electricity over their mortgage or worry about how their kids are going to be fed, it is only a matter of time. Let us be proactive, let us be leaders, and let us have the conversations to stem those types of actions because they are unnecessary, Madam Speaker. We need to ask the Caymanian people what they want.

Madam Speaker, customers are looking to be strategic with their limited resources. They are looking for cost savings. When you look at the analysis in both Europe and in the US when people tell you that renewable energy is only for the rich, the fastest growing number of solar panel owners are the middle class and below.

Madam Speaker, that goes to another point in my Motion. We need to look after the poorest in our country but we do not need to do it at \$50 at a time. Let us come up with a holistic solution that is put on government housing and those below the poverty level. We like to boast that we are a rich country; we like to boast that we have one of the highest per capita incomes in the world. Let us stop having our people beg us on a monthly basis. Let us put the power—all puns intended—back in their hands, Madam Speaker.

As I said in my studies and the two conferences that I recently attended—one a regional conference on Sustainable Development and Renewable Energy and another an international one in London—the poorest countries are turning to solar because it is the great equaliser. It knows no sex, no age, no economic status or race. The statistics there were that in the US most solar customers are fixed income customers, meaning they are retirees and those that are on Social Security, and they are looking for as little as \$25 a month savings because for some people that means a lot.

Madam Speaker, we cannot sit and use our condition to dictate what others' conditions are because until we live in their shoes and in their situation, we cannot take things like that for granted.

I know this is a regional profile and it does not reflect necessarily the Cayman Islands, but this is

from the International Parliamentary Conference on Sustainability Energy and Development that was held from the 14-17 March, 2016 at the Houses of Parliament in the UK, Madam Speaker, that the Third Elected Member from West Bay and I attended.

Madam Speaker, they grouped, the Caribbean and Latin America together and they said 28.8 million people live on less than \$1.90 a day; 37 million are undernourished; 5.3 per cent live on degraded land; and there has been a population increase from 611 million to 711 million between the years 2013 to 2030.

Madam Speaker, I use these and they are a little irrelevant for Cayman, all right? But these are the people now—the ones living on \$1.90 a day—that are accessing things like solar and other renewable energy and they are doing it with help from the industrialised countries, help with financing from the UNDP and other entities and the Caribbean Development Bank.

Madam Speaker, we have opportunities in Cayman to help our people and in this role that is what we should do.

CUC needs a better plan around distributed resources. And to be balanced, Madam Speaker, I understand CUC's position. Like I said there is anecdotal and real evidence around the world showing that utilities are struggling with the question of how to appropriately compensate for distributed solar. The fact is though, as long as they operate under the current business model, which is pretty much worldwide, of the regulated monopolies, solar will hurt them. What is needed is that deeper rethinking of the utility model, particularly the investor owned model.

Madam Speaker, we need to form strategic partnerships, but in this House, in this role, we need to ensure that the public is protected and that rates are fair. The Government has to be strategic and proactive with energy. In the US and Europe, solar customers are allowed to trade the power that their panels generate during the day for power they need during the night. That reduces the amount they pay to the utility and the amount they contribute to maintaining the grid even though they still use it.

The truth is, Madam Speaker, solar puts less stress on the grid, it pulls less power through the system and excess power from a home goes to the closest house that needs power and not through the whole system. Because when you have a central system, Madam Speaker, that then, distributes energy all over the island; that is where the breaks and the other outages happen more frequently. The question for all sides to resolve in this tripartite arrangement is how much, how much is reasonable?

Madam Speaker, I promised the Minister of Planning I would not be too long. Can you give me the time that I have gone so far, Madam Speaker?

The Speaker: You have one hour and three minutes remaining.

Mr. Winston C. Connolly, Jr.: All right. Thank you, Madam Speaker.

Mr. D. Ezzard Miller: All of those papers you made me read, you make them read every one of um.

[Laughter and inaudible interjection]

Mr. D. Ezzard Miller: That's absolutely . . . good information though, I will tell ya. I learnt a lot, I learnt a lot.

Mr. Winston C. Connolly, Jr.: Madam Speaker, we need to turn to the ERA (Electricity Regulatory Authority). And we need to look at the mandate that they have, the input that they have, and we need to again ensure fairness.

Madam Speaker, we just heard that there is another 2 megawatts added to the CORE [Consumed Owned Renewable Energy] Programme, but we also heard that the purchase cost for solar now is going down.

Madam Speaker, that will act as a disincentive for people to sign up for solar no matter what CUC says. And we, as a Government and the Regulator need to become more cognisant and ensure fairness.

Madam Speaker, the CORE Programme was designed to encourage renewable energy, in particular, solar. We have less than 1 per cent renewable energy adoption at this stage. Can we hand on heart say that this was the intent, that, we wanted to incentivise people to do 1 per cent? Madam Speaker, we as a Government need to do more.

When I attended two conferences, I was almost embarrassed, Madam Speaker, when the other countries started talking about their renewable energy plans and what they had achieved so far. When I got up and said 1 per cent I was instantly embarrassed, because, here we are in the region touting ourselves as first world in the Caribbean, the Jewel of the Caribbean, and every single country that spoke had multiple times what we had and, in fact, some of them are two years away from going 100 per cent renewable. And, Madam Speaker, to be fair I know that some of them do not have a choice. But still, even with a choice the cost of electricity, the long term future reliance on fossil fuel—all of these things we have to take into consideration when we are developing this plan.

Madam Speaker, I believe that Barbados Bill does a lot to answer and balance that and it was one of the examples that they used in the Regional Conference that we attended. And the feedback was that it strove to achieve balance and, again, I go back to that word "balance," Madam Speaker.

Madam Speaker, we have access through the CPA to various international bodies—NGOs, financing institutions, policy assistance . . . we just have to ask for it.

While I was waiting in the break today, Madam Speaker, Jamaica just announced that it is going after renewable sources of energy in a huge way. They are tapping in to the US for financing, policy advice. They want to be the preeminent island in the region and a gas hub for the Caribbean.

Mr. V. Arden McLean: What?

Mr. Winston C. Connolly, Jr.: LNG.

Mr. V. Arden McLean: And you want to put that up in East End.

Mr. Winston C. Connolly, Jr.: Madam Speaker, St. Kitts is trying to become carbon free and using geothermal to achieve this. We heard this in both of the conferences that we attended.

Madam Speaker, the time to do something about this is now, not in the next administration, but right now, so that we can present something to the people that is palatable, that is something that they can own in *vis-à-vis* a National Energy Plan. It affects their livelihoods, it creates jobs, and it creates opportunities.

Madam Speaker, again, just for a little historical journey, 5 August 2011, the *Cayman Compass*:

"An energy policy for the Cayman Islands being drafted by the Ministry of District Administration, Planning, Agriculture and Housing, along with the newly appointed National Energy Policy Committee, should be ready to be tabled before Cabinet in February 2012."

Madam Speaker, when you couple this with your presentation in 2013 to this honourable House and the telegraphing of the importance, again, in 2011 and probably before that, the time is now. Our people are looking to us to make those decisions, to have those conversations that they cannot have with CUC, and to work out what our policy is and our plan.

Madam Speaker, we have various renewable energy companies in the Cayman Islands and we need to bring them to the table. We need to have all hands on deck. So, I have been assured by the Minister of Planning that that is his recommendation as well—wide discourse, views from all aspects, and then let the Energy Policy Committee take that and put that into a report. So, I mentioned making one professional body the voice of solar and in my conversations with the Minister I have pulled that back a bit and I do agree that we need everybody at the table having a voice. Why I put CREA [Cayman Renewable Energy Association] on that pedestal was that they have been the loudest proponents, so they were the counterbalance, but I agree that there are more people involved, different inputs that are needed. But I would, again, suggest like in Barbados, that there is a recognised round table of sorts that government goes to in times of discussion and advancing of the plan. So, I will stop

short of saying that they should be the voice, but they definitely need to be at the table.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Absolutely.

I am a reasonable man, Madam Speaker, compromise is my middle name, but at the same time, Madam Speaker, there is a time for compromise and there is a time for action. And all 17 of us voting Members of this House, the people have spoken, it is that time. I have never had such a response in my three years as to when I did the Energy Summit and when I did this Energy Motion and the video accompanying it.

Madam Speaker, that means people are interested. And social media is one of these things—you get instant feedback. People will either tell you something positive or they will tell you something negative, there is no filter.

Madam Speaker, for those of us in this House that would ignore social media, you do so at your peril because people are watching, people that will not come out to rallies, people that will not come out to meetings, but they will interact in a lot of ways anonymously.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: Yeah, maybe I am giving away too many secrets for the next campaign, Madam Speaker, but I say it to say that it is the chosen medium of our people, especially our young people. And make no bones about it, that is the generation looking at us now, and I dare say that this will be one of the priority areas in the next campaign—*what have you done for me lately? Are you looking out for my future and my children's future?*

Madam Speaker, some people may say that I am an idiot for trying to take on this task, but I take my job seriously, Madam Speaker, and it is not about me. I have the luxury that I can afford my electricity bill. I do not have to worry about whether to pay my mortgage or my electricity bill at the end of the month or feed my kids. But this role has afforded me that voice to speak for the people and, in particular, the people of George Town. It is something that I do not take lightly and even when it is something that could detriment of me personally and my future, social acceptance or otherwise, it is something that needs to be done because it is time. And I think that others that might try to ignore this and stay on the fence, I just need to remind you that people are watching.

Madam Speaker, I will leave the rest in my wrap up and I will let the other Members speak.

Thank you.

The Speaker: The House will now take a break and resume at 9:00.

Proceedings suspended at 8:53 pm

Proceedings resumed at 9:20 pm

The Speaker: Please be seated.

Proceedings are resumed.

**Private Member's Motion No. 24/2015-2016—
Motion to Establish a National Energy Policy and
Sustainable Development Goals and to Reduce
Reliance on Fossil Fuel**

[Continuation of debate thereon]

The Speaker: I recognise the Honourable Minister responsible for Infrastructure.

Hon. D. Kurt Tibbetts, Minister of Planning, Lands, Agriculture, Housing and Infrastructure: Thank you, Madam Speaker.

Madam Speaker, first of all let me congratulate the mover and the Seconder of this Motion and to say that the mover's introduction of the Motion was, I guess, the quickest way to say it is, very thorough. I also want to say a very special thank you for this co-operation during our discussions so that we could get to the point where there did not have to be any differences in the discourse because, I believe, both of us agree that the end gain is the same. So we have no differences in that regard.

Madam Speaker, the Motion as it is now, is certainly one that the Government is quite happy to accept. And, as the Minister, let me say that it is a bit late so I will not talk about a lot of things that have transpired over the last few years, but suffice it to say that we have been at this for quite some while. Every so often a hurdle would get in the way and I think we are finally there to get the committee up and rolling.

The National Energy Policy Review Committee, Madam Speaker, we have been able to get the services of a consultant who we have been using to promulgate the formation of the Utilities Commission, Mr. J. P. Morgan, to chair it. I just speak about that first of all. Mr. J. P. Morgan is hired in the Ministry to get the legislation ready for the formation of the Public Utilities Commission.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: It is an individual, oh, yes. No, that is not J. P. Morgan, the . . . his name is J. Paul Morgan, forgive me.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: No, this is an individual. No, I do not have any connection with J. P. Morgan.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Yes, that is his name.

Madam Speaker, the Committee itself is with some of the membership who were there prior when the first . . . well, I should not say when the first review, but when the last review was done as per the dates that the Fifth Elected Member for George Town quoted and in quoting some of your remarks here in this honourable House. There are other members of the Committee, but we have certainly tried to involve as many stakeholders as possible to ensure that all views are able to be heard.

I believe, Madam Speaker, we have gotten a pretty good cross-section of individuals who will make up the review committee. But let me say this, which I really cannot remember whether I have said this to the Member or not before, but whenever that Committee meets first, the Committee will have the ability, if they so choose, to add any membership they so desire because the whole purpose of that exercise, Madam Speaker, is to get it to the point where we can get a report and a recommendation so that I can get it approved by the Cabinet and thence to legal drafting.

I notice in the Motion the timeline of six months is what the Member has asked for and I am more than in total agreement with that. However, I must warn—not warn, but I must say this: The Committee is going to need to act and I am hoping that they will be able to conclude their deliberations in three months so that the next three months we can get the legislation drafted. The Utilities Commission legislation is in drafting now. We had to accept some decisions with that taking a little longer because as Members can see there were 17 Bills in the House for this meeting—17 Government Bills—I think. So, they just could not get everything all done at the same time. So I believe they are now working at that so that we can have that legislation.

Madam Speaker, just so that everyone will understand the tie between that legislation and the National Energy Policy, the intention is to be able to have the Commission up and running so that the Commission itself will have oversight of an agreed Energy Policy and its implementation. Thereby, there will be no questions asked as to . . . should I say . . . anybody's ability to have the implementation done.

Madam Speaker, I do not want to be misunderstood with this, but I believe that it is going to take a creature of that nature for the implementation to be done, not only in a timely manner, but to get the results that are desired. I do not believe that it is something that should just be left to Ministry initiative because the truth is, Madam Speaker, the Ministry itself may be limited with the human resources that are required and I do not wish for that to happen. I have been struggling with this for quite some time trying to make the formula be the right one to make sure to get it done.

I want to thank the Member for what he said earlier, that he is quite happy to continue the participa-

tion. The Member knows, but just so that everybody will know, the Member has been in with various meetings with me and with individuals and organisations trying to move the process forward. And I dare say that once that Committee is up and running, that Committee will have access to whatever expertise it needs or whatever advice it needs to be able to develop the policies and to complete its exercise.

For example, Madam Speaker, I think Monday is the groundbreaking for the new 5 Megawatt Solar Farm out in Bodden Town. And the company that is dealing with that, or who won the bid, is a company called Entropy. And we have had meetings with some of the principals of that firm just basically trying to gather information and see where any help might be had in order for us to complete this policy.

The draft that was done, Madam Speaker, I hear the Member's terminology that *got to take it off and dust it off*. I kid you not, it has been taken off already; the dust is off of it. Actually we have done an initial in-house review of it, but when that was done in the discussions I had with the ERA and Ministry staff, my view is that it needed to get a much wider purview because of the length of time between when that was done and four years later, which is now. So, I am certain once the Committee is up and running that we should be able to achieve the objective.

Madam Speaker, the mover of the Motion spoke to a wide range of aspects which are to be considered by this review committee and the various points in his Motion which he has asked to be part of the review process of that Committee. He used the right terminology in the amended version, basically saying that all of those points which he raised in his Motion were not the sum total of what the review had to involve. The review has to involve other matters.

Madam Speaker, one of the things that there is a slight struggle with at present is the existing agreement with CUC and I really do not have the luxury to disregard it because it is an agreement that is in existence. So, I believe the Review Committee is going to have to look at that also and make specific recommendations to see if we can sit down with the company and how best we can work it out, because the Member is perfectly right, there has to be a plan and one that is sustainable. It makes no sense to hodgepodge and be pitchy-patchy about it because we are not going to get where we need to get unless there is not only a holistic look, but we have to take all matters into consideration.

There is also the . . . I do not want to say the saga, but I claim no great expertise, it has been a huge learning curve for me, but if I speak to five or six people I do not get any majority telling me which side of the coin is the correct side of what charges should be when it comes to, for instance, the CORE Programme and what the price of electricity is to be paid. The Member mentioned about it is only 1 per cent of

the entire amount of electricity consumed that is in . . . at peak?

[Inaudible interjection]

Hon. D. Kurt Tibbetts: —that is in the programme and some people have great fears that while you do not notice that right now, that if it continues and the price is too high . . . because these are 25 year agreements that are done, that it may begin to cause difficulty for the other consumers when the price is all balanced out.

So those are matters that I, for one, would like very much clear decisions . . . not only clear decisions, but decisions that are justified by reason and coming from the most informed position that we can get in order that we can say, *This is what it is, this is why it is and we're satisfied.*

The other matter that is unsettled, which we have discussed is: When the last agreement was done with Caribbean Utilities there was also an incentive programme for renewable energy and there was a general policy about duty waivers on the importation of certain equipment. Since that time, a lot of things have evolved and there are additional types of equipment which was not thought of at that time, such as batteries which store energy from solar. And there is the question of whether the right thing to do is to give duty waivers on the batteries. Some people are questioning, the more of this that you get . . . the mover of the Motion brought up the point about questioning whether that would destabilise the grid. I am not expert. I heard what the Member said. The Member may well be correct. But those are the things that we need to establish so that we know for sure because I certainly would not like to be the Minister responsible and even as much as I listen or I read, that we are not 100 per cent sure. It is just that you have people who claim certain expertise one way and the other, saying the opposite things from each other.

So, no complaints, but it is not just straight cut and dry. But we have to get it done, I agree, and I want to say to the Member that the Government, myself especially as the Minister, want for us to achieve that six month goal, without a shadow of a doubt, because that clears the way for other things that need to happen along those lines which are really not part of this Motion . . . just so that we will get it all clear.

In the Motion also, I want to point out, Madam Speaker, the Member speaks to the 10 Island Challenge. And just so that the Member will know that on the 19th January the Deputy Premier and myself signed a letter which was sent seeking confirmation for the Cayman Islands to join the 10 Island Challenge. We got a response on the 27th January and since then, the process has continued. The two principals—I cannot even remember the surnames now, but I know it is Justin and Steven—we spoke to them on a long distance call for about 45 minutes since

then. And they agreed, since they are coming to a conference . . . I think it is a CARILEC Conference here on the 15th of the month, that they were attending the conference and they would meet with us at that time. And we are hopeful that we can get that sorted out.

So, the Member and the other members of the Committee will know that we will certainly have access to their expertise and be able to follow up with them. I think although he may not have mentioned it in moving the Motion, perhaps it was just a sidebar between the Member and I, he mentioned IRENA [International Renewable Energy Agency]. We have also been in contact with them. They have sent us about a 15 page questionnaire which we have had to answer and send back. So, we are awaiting their response to that. So, we will have access to organisations such as those.

I believe that the Committee itself, once everybody is satisfied that the makeup of the Committee is sufficient and we get everybody that we think should be involved in the deliberations involved, that they will have access to the necessary expertise to be able to look to acquire data and do analysis. Because, for instance, the targets that are spoken about in the Motion, I believe even the mover himself will accept, that it will be a much clearer path if the Committee, during their review, got all of the data possible to ensure that those were not only realistic, but what they should be, when it comes to the aspirations. We would want to make sure of all of that.

The Member also mentioned about the Government Administration Building and other government buildings. Madam Speaker, just let me say that from the very . . . I would not be telling the truth if I said the first day, but within the first month of us going into office after the 2013 elections, I asked about the possibility of solar power on top of the building because I remembered distinctly when the design was being done for the building (God rest his soul), Jim Scott who was in charge of the steering committee for that project, we had discussions and the building was designed that its roof could accommodate solar power.

Unfortunately, and these are some of the things that I have to live with—unfortunately, the building is finished but they have not signed off with the contractor yet because there were a couple of things that were not done. To date it has not been signed off. The legal advice is, *You can't do that because you don't know what the end result is going to be if you have a major problem with the roof* and that kind of stuff. But I am hoping, with a lot of prayer, coaxing, that we can get that done very shortly. Because even though that building—and I am just speaking about that building itself—is LEED [Leadership in Energy and Environmental Design] Certified, and even though it is a very, very, comparatively speaking, energy efficient building, solar power on the roof could only do that much better. And we understand and we accept,

we agree with that, but I am just saying those are some of the little difficulties over which I have absolutely no control. And I hope somebody who is involved in that process is listening and will try to do something. I am not calling any names because that is not what this is all about, but I really hope that they can bring resolution to that, so that we can look at it.

Facilities Management has already looked at the possibilities, but they cannot send out an RFP because that is all they would be able to do at present and you never know, if it is six months afterwards before it is all settled down, then, the prices might not be the same. So those are some of the difficulties.

Madam Speaker, we are in the process of adopting the new building code and I must admit I had not thought of it prior, but on looking at the Motion where the Member is asking about houses being eco-friendly and that kind of stuff, I have no doubt that there are some considerations in that new building code regarding the footprint and that kind of stuff. But I have spoken to them to look at it and to see if there are any other recommendations because it is not hard to add that in. We just have to balance the act to make sure that when you do something like that it is not something that while we are looking to save money for everybody, we cannot do it in such a way that building costs are going to escalate. And I am not suggesting that is what would happen, but that is a balancing act that we cannot disregard because once that Code comes into play that is going to be there for another six, eight years before you get another code that you are looking at that you are able to develop.

So, Madam Speaker, it is . . . if I may just say it the way that I believe that I should, it is not where we should be three years into the administration, and it is no sense in me saying that it is. It also, at this point in time, especially on a night like tonight, makes absolutely no sense for me to run through a whole pile of things [as to] why we are not further ahead. The fact is we are not. But I agree with the Member, and I am sure the Government agrees with the Member, and I think everybody here is on board with it—*let's get it on, let's get it done*. So tempo is cool; that is fine. And I also hope that the others who are going to have to help to facilitate all of this—and I am not talking about the Committee now—I hope they are listening and they hear that it is not only me asking for certain things to be done in a timely fashion.

What I will dare say, Madam Speaker, is once we can . . . in fact, I will not wait until the findings of the Committee and the report are completed, but we will look, while the Committee will probably make specific recommendations, we will also look to get audits done of Government assets where, depending on where they are located and what they are being used for, where it might be suitable to look to provide solar energy to offset electricity costs. No problems with that.

The solar power systems, the business of homes below the poverty level, Madam Speaker, we just need to get everybody to agree on recommendation and course of action. And once we can get to that point we will act because I could not agree with you anymore in that regard.

The motor vehicles, I await that recommendation. When I say I await that recommendation, I see what the Motion says.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Let us see what recommendations come out; let us see what is practical. I do not have any problems at all, but . . . but we just want something that is—

[Inaudible interjection]

Hon. D. Kurt Tibbetts: What?

[Inaudible interjection]

Hon. D. Kurt Tibbetts: The what?

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Madam Speaker—

[Inaudible interjections]

Hon. D. Kurt Tibbetts: —I am not saying anything. Madam Speaker—

[Inaudible interjection]

Hon. D. Kurt Tibbetts:—I do the best I can, sir. I want you to believe that.

Madam Speaker, the business of the motor vehicles. What we really need is just some empirical data and to be able to say this . . . at least let us do so much and . . . I certainly do not have a problem with the Government spearheading—

[Inaudible interjection]

Hon. D. Kurt Tibbetts: We have done some, but it is not the way that you would like it. We have done some, we have done some. But I am just saying we will see exactly what those recommendations are.

Liquid natural gas and compressed natural gas will certainly, I expect, be included in the National Energy Policy Review under alternatives for fossil fuels. If you remember, we have had discussions and there have been logistical problems for here, for the Cayman Islands. Maybe within that time that those discussions took place and by the time you all have a look-see and you are through with it, you may be able to make some recommendations. I believe you also

know that we have had meetings with Caribbean Utilities about that, about the practicality of that, about how to change over the equipment they have from diesel to one of these. And I know that they have looked at it but there were some difficulties. If we can say, *Listen, don't tell us about any difficulties, this is what we know can be done*—that puts a whole different . . . then we are not listening to hear what you have to say, we are saying, *show us why this can't be done*. It makes a whole . . . you know, puts a different light to the discussion.

The Member in his explanation of some of the points of the Motion regarding the professional association, let me put to you what my mind says. My mind says when all of the stakeholders have opportunity for discussion, when you all make your recommendation, perhaps then you will be better suited to say *well, this is how we would recommend it*. I believe from the discussion, or from what the Member has said, that the driving force behind that is to ensure that stakeholders have a say in policy and as time goes on, when you have to do changes as you naturally expect will be the case because everything is evolving, that it is not something that is a unilateral decision and—

[Inaudible interjection]

Hon. D. Kurt Tibbetts: —and maintaining quality standards, yes, absolutely. But what we would not want to do is to tie our hands and not allow other entities to participate. That is really all I am saying.

I also agree that part of the terms of reference of the review committee would be the renewable energy strategy and including communications.

So, Madam Speaker, there are other matters that I could speak to, but I think my purpose is mainly to let the Member know that the Government is quite happy to accept the Motion in its present form. I am grateful the Member is quite willing to participate in the process. Now that we have finally got a Chairman, I can smile and you can smile and that is the only smile that we have to smile. Now that we have a Chairman, we can quickly move the process forward and it is not impossible that the first meeting might be called next week, if that is ample time to give members notice. Most members have already been notified, but what I said I mean, I will look at it, let people have an opportunity, and if they want to add to it we will just quickly do a Cabinet Paper if we think that is the best thing. Because it was by no means any intention not to or to say that was it, that was what was recommended at the beginning, so there we are.

Outside of that, Madam Speaker, I look forward to the very important work of that Review Committee and I believe that those who are involved, perhaps a fair comment is that this Motion will make it all happen a bit quicker, which is good for all concerned.

Madam Speaker, certainly the Government will be supporting the Motion and the Member can

look forward, as I do, to working closely with me to see how quickly we can get to the first end game and then onwards.

Thank you.

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

Hon. W. McKeever Bush, Leader of the Opposition: Madam Speaker, it is late in the night.

Madam Speaker, this is a good Motion and I think that the Member piloting the Motion did an excellent job in introducing it.

Renewable energy, Madam Speaker, must be, I think, a much more meaningful manner to the way our use of energy is mixed in the country. Certainly I believe there is much room for alternative energy to be used in the various divisions in our islands—water, electricity, and even transport. The lowering of the cost of oil, I think, has reduced costs somewhat, but not enough. And now it gives opportunity to really see how we can utilise the renewable energy programme, which I am satisfied should lower our exposure to the unpredictable world of oil.

There is a lot of talk, Madam Speaker, of sustainable development, about climate change, and various agencies throughout the world are grappling with it. The Commonwealth Parliamentary Association has been debating the Millennium Goals and all of this, Madam Speaker, strikes at the heart of how we get or make an energy policy work for the country, one that is holistic. There is a lot of knowledge base for the Ministry and its Committee to draw on.

Madam Speaker, the matter has been around for some years, not just now, not just 2011, but years before but there was not a lot of education on it, Madam Speaker. You could find documents, papers, magazines, but the truth is, since people here have taken an interest in it, there was not a lot of education. We did not know much about it.

Way back, I know when people were making . . . that is . . . possible, let us say, investors were making applications to Government, it is just that it was not that well known and people just did not—in Government at that time—or those who were leading Government—did not take it that seriously. The truth is that the only time it sort of raised its head was during the crises when we had various crises back in the wars in the 90's . . . and the strikes and those countries in the East and then we down here in the West and economies started to suffer because of the escalating oil prices and those agencies in those areas put on the pressure.

I have believed, and more so after I have been reading more and more about it, and more so even since the agency here, I cannot remember what that one is, but the local agency now—

[Inaudible interjection]

Hon. W. McKeeva Bush, Leader of the Opposition:—CREA. Ever since that has been put in place and begun to educate people on what should happen. I believed for some time, and I believe now, that solar energy, for instance, could have been utilised a long time ago.

Madam Speaker, I then saw the Conservative Government in the United Kingdom implement a solar energy programme for certain homes in the United Kingdom. So we ourselves back in 2011/12 sought to get permission to put funding in the budget—\$15 million—for the 2012/13 Budget and the Foreign and Commonwealth Office Minister, Mr. Bellingham agreed. But the then Governor, Taylor, did everything he could to disembowel the plan to convince Bellingham to withdraw support and he succeeded, so that effort on our part failed. And so, for that, our people suffered.

We had begun, through the Ministry of Works district administration, on the development of a National Energy Policy, which was completed and laid on the Table, I think, in 2013. And I do recall the efforts of the then Minister who sits in the Speaker's Chair today, of making real effort to get the policy. And that was not a small undertaking because most times . . . and it is such a fault of this country that when we want something new, that there are all those naysayers that cannot see the benefit and have to put some other connotations to it. If the administration of the day had listened, we would not be in this Chamber tonight. We would not have this Chamber to use. We would still be out there in the Town Hall because they could not see the need for that kind of development in the country. And that is a fault we have; too many people willing to jump on the bandwagon to say no. But I do recall the work of the then Minister and her efforts to get it, to get the Policy, to get the Cabinet agreed, as we did.

So, Madam Speaker, we are where we are. Renewable energy that was preferred was solar energy and we had reduced fees, if I remember the Ministry policy, with the reduction of some fees for residential use of solar panels. We wanted to allow solar panels on residential home roofs to assist residential consumers, especially those at the lower strata in our community, those in need. And they could . . . through a roundabout way, Government could recoup money for solar panels over time. And I thought they were saying that any energy or extra energy they could sell to CUC as they would in connecting to CUC's grid, but none of that, as I said, happened. The Policy of course is there and we hear the Minister saying that that is part of his plan.

What I am not sure about in this matter is how the electricity company put out an RFP for alternative energy and bid on it themselves and won it! So I would hope that the Member can shed some light because I just do not understand it. In his windup I would appreciate the understanding because the truth is I really do not understand. I perhaps did not get to read

the media releases, public releases, articles on that aspect, but I do know that that is a question because some of my constituents and some other people in the country have asked me about it. The truth is I could not explain it because I just did not understand it.

So, Madam Speaker, the debate rages on. But at some point, and certainly we want it to be sooner than later, and the Minister has said that he intends to push forward, we have to come to grips with costs, come to grips with the health aspect of the use of fossil fuels and the pollution of it. I am not the greatest conservationist, but I do want to live, I want to live . . . most of my family lived, one lived to 107, 109, 106. My mother just passed away, she was 92. I have got an Aunt that is 102 still living. I want to live a long time too. So I want a clean environment . . . I want a clean environment. And if we can harness the sun, if we can harness the sunshine that we have, if we can utilise the cool water of the depths of our ocean of which we have plenty, then Madam Speaker, it has to be safer, more-healthy, and hopefully less costly than CUC grid engines pounding away on our environment. So hopefully, we will not stop now and get to a position when our people can get the betterment of an enhanced environment and cleaner energy.

As I said a while ago, I appreciate the effort made by the local association and certainly by the Fifth Member for George Town who, and his Second-er of course, who has taken time out as we see this Motion is not a simple Motion. And they have written out specifics as to what we . . . if we vote on it, it is what they are expecting us to do. And so, I certainly want to thank them and readily offer our support on this matter.

Thank you, Madam Speaker.

The Speaker: I recognise the Honourable Member for East End.

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

I really was not going to speak, but since there seem to be so many questions being asked, I think it is time we clear some of them up.

Madam Speaker, contrary to what some people believe, I have been in the business long before anybody else inside these halls. When I was a Director of Power Smart Inc. of Canada in the mid-80's I do not think Cayman had even thought about renewable energy. I was the first one to introduce the concept through Power Smart.

[Inaudible interjection]

Mr. V. Arden McLean: The first person.

[Inaudible interjection]

Mr. V. Arden McLean: As an employee of CUC.

I was a Director of Power Smart Inc. for many, many years out of Canada. I would travel there to do testing of appliances and all manner of components to deal with renewable energies. But you know because I do not get up and thump my chest, people take me for a fool. The last one that did that is still regretting that.

Madam Speaker, I do not understand why for two administrations now, we have not properly utilised the licence that I agreed between the Cayman Islands and CUC. We talk about it but we do not look at it and we do not read it properly to understand what I insisted be put in it.

Madam Speaker, I was also the first person—the only person—to take duties entirely off of renewable components, the first person, in 2008. I do not know what they have done since, but duties were zero. I brought the Paper to Cabinet to do that.

[Inaudible interjection]

Mr. V. Arden McLean: Thank you.
Huh?

[Inaudible interjection]

Mr. V. Arden McLean: He did not do that. I promise you that one. He can claim anything, but he will not claim that. Oh, no.

Madam Speaker, let us for a minute look . . . Madam Speaker, I will and I should stop here and recognise your efforts to try and do the National Energy Policy (NEP) during your tenure between 2009 and 2013, I think that was. I should also stop and recognise your Heads of Agreement in 2004 (which I have too) on the licence. Remember to carry the paper with you, okay? I went in my storage this morning to get it, wherein you started the negotiations with CUC. And in 2005 I used those same Heads of Agreement to kick off my negotiations with CUC and I created my own Heads of Agreement using that for the platform—yours, Madam Speaker, for the platform.

Now, here we are today after I rewrote the entire Electricity Law—the entire Law rewritten and sponsored right here. It was I, under my Ministry, who put the RCAM [Rate Cap Adjustment Mechanism] formula in place. And the then Opposition ridiculed me and went to all manner of evil, set all manners against me about my conflict of interest. However, when they came into power in 2009 they were trying to use the same formula on the water. Hang on now, unna don't make me open up, I have kept quiet for enough years.

An Hon. Member: Until now.

Mr. V. Arden McLean: And then there are those who come to this country and get on the radio and ridicule me, too. I hope they are listening tonight. And then my

good friend (I tell you keep paper, Kurt) Cline Glidden in 2012 brought a ¹Motion. Let me read the resolve.

“BE IT THEREFORE RESOLVED THAT the Government take all necessary steps to:

“(i) Eliminate all utility imposed restrictions on a person’s (individual or business) right to use renewable energy systems to offset utility consumption thus reducing or eliminating utility cost; and

“(ii) Implement Net Metering using the Interstate Renewable Energy Commission Model Rules for both Net Metering and Grid Interconnection. “Moved by: Mr. Cline Glidden, Third Elected Member for West Bay.

“Seconded by Mr. Eugene Ebanks, Fourth Elected Member for West Bay.”

Capt. you forgot?

Madam Speaker, I hear the Leader of the Opposition wondering how the company, the supplier, could put out an RFP and win it for renewable? Madam Speaker, they cannot do that, except with the approval of the Government. And they cannot win it. They put out an RFP to fulfil their licence requirements and we will soon hear what that says because nobody looks at it and understands the language in it.

[Inaudible interjection]

Mr. V. Arden McLean: It is not renewed. It is renewed based on the engine, the length of the engine, the life of the engine and no automatic renewal. Someone else can get the power—

An Hon. Member: Right.

Mr. V. Arden McLean: —and then the longest life on the newest engine, which would have the longest life, which is 25 years, that keeps going down and down and down as more power is bought outside. I made sure. Trust me.

Madam Speaker, let us look at some points in the licence.

Obligation to supply consumers, and I submit, Madam Speaker, that in the absence of this provision, that is the greatest impediment to renewable being introduced in this country. Please listen to me.

I nah even got them Ezzard, give me one pair there.

“The Licensee shall”—there is no maybe or perhaps—*shall*—“provide backup electricity supply, stand by connection, and interconnection to any person requiring such service in accordance with the provisions of this Law. Such backup service shall be provided at rates proposed by the Licensee and approved by the Authority. Such rates shall be reviewed in connection with the Cost of Service Study to be

¹ [Private Member's Motion 13/2011-12](#)

conducted pursuant to condition 24.” [UNVERIFIED QUOTE]

Now, let me explain what that says and then connect it with it being, in the absence of that provision being in place, the greatest impediment to the introduction or promotion or development of renewables in the country.

The greatest problem we have with renewables the world over is there is no storage. Solar, we talk about solar, and we have the sun. True. But at night you are lost and you are feeling like Ray Charles in the dark. So, what needs to happen is that CUC must provide standby power for every person who requires it. But it must be the Authority that implements it and approves the rates.

What happens, Madam Speaker, is that every time the provider provides electricity connection on their T&D lines, the cost to do that goes into the rate base, which is currently somewhere between 9 and 11 cents. Prior to my negotiations with them over 15 cents, so we dropped it a little over 33 per cent, because it went down to like 9 cents or something.

So Madam Speaker, that goes into the rate base and then it kicks into the RCAM. So they cannot keep it within the 9 to 11 per cent, it goes below that because they did too much investment to put more people on, then the RCAM kicks in. I am not going to go into that because that is a little complicated . . . how that works.

Now, when someone else providing their own power . . . what the standby power does is provide them with power when their renewables are not working. Good. To pay for that capital investment that that provider had to do, you need a separate rate. In most developed countries we use what you call demand metering. So, that meter has two dials. It has the regular rate, which they charge you like they would charge you and I for the use of that electricity that you use—

[Inaudible interjection]

Mr. V. Arden McLean: —by kilowatt hour, yes. However, the other dial on that meter is a demand . . . what demand you placed on the system. And you have a rate for that to pay off the cost of the installation of that system based on the life you placed on that. So, that cost does not go into the rate base. And then I pay for you getting the benefit of only having it standby, and that has not been done.

The Authority has lagged in getting that done. I understand that they are working on it now, but it has taken too long and it is an impediment to those who want to put in their renewables in their entirety. Maybe there are people who do not want to sell it to CUC, who do not need to sell it to CUC. There are businesses who do not need to sell it to CUC, they use all they need . . . all of their needs off the renewables in the day, do not have anything left to sell back to CUC, but at night if they have got solar they still want air

conditioning in their offices and what have you and that is when the standby power comes in.

[Inaudible interjection]

Mr. V. Arden McLean: You cannot store it because batteries have not developed. I will never forget sitting down listening to Obama during his campaign and shortly thereafter winning the presidency of America, committing billions of dollars to the development of batteries for renewables and they still have not perfected it.

[Inaudible interjection]

Mr. V. Arden McLean: Well, that is the same thing now, but you need a rate instead of those people being—

[Inaudible interjection]

Mr. V. Arden McLean: Some of them have batteries but the batteries are not long life, you do not get that long a life out of them. I see where Tesla has developed some batteries now and some other people are developing them as well.

[Inaudible interjection]

Mr. V. Arden McLean: Yes. Yes, but they want standby power too.

Hon. D. Kurt Tibbetts: Security setups.

Mr. V. Arden McLean: They want standby power and they cannot get it. That is the problem.

Hon. D. Kurt Tibbetts: They are battling over it now.

Mr. V. Arden McLean: It is right in here. I foresaw that.

Hon. D. Kurt Tibbetts: Is that not net metering?

Mr. V. Arden McLean: No, that is not.

Hon. D. Kurt Tibbetts: Oh.

[Inaudible interjection]

Mr. V. Arden McLean: Because there is no system developed in accordance with the licence. The ERA Authority has not required CUC to provide the rates.

Hon. W. McKeever Bush, Leader of the Opposition: But it is not impossible to have it.

Mr. V. Arden McLean: Oh, no, no, absolutely not.

Hon. D. Kurt Tibbetts: CUC has given them rates and they refused saying they are too high.

Mr. V. Arden McLean: Oh, it is too high?

Hon. D. Kurt Tibbetts: So they are battling back and forth.

Mr. V. Arden McLean: Well, somebody has got to stop somebody sometime.

Hon. D. Kurt Tibbetts: I know, I agree with you.

Mr. V. Arden McLean: Well, okay.

[Inaudible interjection]

Mr. V. Arden McLean: Madam Speaker, obligation to dispatch generating capacity:

“The Licensee shall purchase the electricity output from any potential non-farm waste to energy facility on an energy only basis in accordance with the provisions for renewable resources described in condition 32.” [UNVERIFIED QUOTE]

I will read 32, too. Now what that was put in there for was we were going at—

Hon. D. Kurt Tibbetts: The garbage dump.

Mr. V. Arden McLean: —waste to energy at the garbage dump and I put it in here that they must purchase it.

Hon. D. Kurt Tibbetts: That is why whoever gets to that point does not have to worry about it in the future.

Mr. V. Arden McLean: Listen to this one:

“Except as authorised by the Authority in connection with purchase of renewable energies from consumer owned generation for self-supply, the Licensee shall not purchase electricity from any person other than a generation licensee and may not purchase electricity from a generation licensee except in accordance with the relevant BPA,” which is that the Authority must approve it. [UNVERIFIED QUOTE]

So if someone comes in and wants to set up a farm, like he was talking about, they cannot purchase it unless it goes through the Authority.

Hon. D. Kurt Tibbetts: Like the one they are doing the groundbreaking Monday.

Mr. V. Arden McLean: That is right.

Hon. D. Kurt Tibbetts: Put it out for RFP.

Mr. V. Arden McLean: Madam Speaker, the system is here, but everybody likes to chat and does not read. Let me read 32 for all and sundry, which is:

“Encouragement of Renewables.” Ten years ago, nearly, eight years ago.

Hon. D. Kurt Tibbetts: That’s when you were rowing with [INAUDIBLE].

Mr. V. Arden McLean: Yeah, when we had four stalemates. Do you remember that?

Hon. D. Kurt Tibbetts: Yes, very well.

Mr. V. Arden McLean: And I had to bring you in—

Hon. D. Kurt Tibbetts: Very well.

Mr. V. Arden McLean: —to save the day. Do you remember?

Hon. D. Kurt Tibbetts: Yeah.

Mr. V. Arden McLean: When I told the President of Fortis, he come to Cayman, I would write the licence without his presence. Do you remember that?

Hon. D. Kurt Tibbetts: Yes.

Mr. V. Arden McLean: Okay, good. I did not have to come out and say that. Time has come to lay it down now, too.

He said he did not have the time. I said well I have got the time to write the licence, so you can stay up in Canada; that’s up to you.

“In the event of any ‘renewable only’ solicitations by the Authority”—not by CUC—“the Licensee will support the solicitation process with technical information and advice to the Authority as requested by the Authority. Notwithstanding such renewable only solicitation by the Authority, the Licensee may consider projects on a case by case basis”—as in Bodden Town now—“and negotiation PPA’s with such projects subject”— [UNVERIFIED QUOTE]

Hon. D. Kurt Tibbetts: To the approval of the Authority.

Mr. V. Arden McLean: —“to the Authority’s approval.”

Hon. D. Kurt Tibbetts: Yeah.

Mr. V. Arden McLean: “All renewable generation secured by the Authority or the Licensee must be consistent with Government policy.” [UNVERIFIED QUOTE] We do not have one. And unna blaming me?

Hon. D. Kurt Tibbetts: Nobody nah blaming you.

Mr. V. Arden McLean: I left there . . . somebody had to carry the torch after I left. I made the provisions to secure my country. So, unna got to stop it.

“Government policy will determine the best means to encourage renewables, both at the whole-sale and consumer-owned on site levels. Government shall consider the licensee’s recommendations and best practices and other inputs in developing such policy. The Authority will implement Government policy in this area. As with firm power, the generation licensee will pay the cost of interconnection.”

Unna expecting me to do more? Really?

Hon. D. Kurt Tibbetts: I never said that.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Oh, that part . . . you are talking about.

[Inaudible interjection]

Hon. D. Kurt Tibbetts: Oh.

Mr. V. Arden McLean: “The cost of non-firm renewables provided by a generation licensee would be included in a direct pass through charge to consumers with no cost or financial benefit to the licensee. This assumes that the renewable project was not awarded a PPA as the result of a firm power solicitation pursuant to condition 31 above, in which case those provisions would apply.” [UNVERIFIED QUOTE]

So that means CUC cannot get anything off the homeowner—

Hon. D. Kurt Tibbetts: Right.

Mr. V. Arden McLean:—that does it. That is what that licence says.

Hon. D. Kurt Tibbetts: That is why you simply agree on a rate and that is it . . . that he gets paid, just like the homeowner.

Mr. V. Arden McLean: “Within three months after the effective date of this licence, the licensee will propose to the Authority the principles, prices and limits, if any, to be applied in the purchase of non-firm renewable power from independent generation licensees which either provide power exclusively for the licensee or for both the licensee and on-site usage.” [UNVERIFIED QUOTE]

Hon. D. Kurt Tibbetts: They use some and sell some.

Mr. V. Arden McLean: Right.

“To reduce dependence on fossil fuel and encourage renewables, the licensee may propose with justification that such purchases of power take place at prices at or above those of its most economic short

run alternative, the licensee’s avoided costs . . .” [UNVERIFIED QUOTE]

People do not understand what that is, you know. Okay.

Mr. V. Arden McLean: “. . . a cost that would be passed onto consumers.”

“If such purchases would increase consumers’ costs, the licensee proposal should recommend whether to impose a limit on such energy and whether such a limit would vary over time.” That is, if you put in too much, the cost would then be placed on CUC to get their stuff back up.

“If the licensee recommends such a limit, the licensee shall justify the proposed limit and identify the licensee’s current avoided cost and how it would be calculated in the future.

“After review and consultation with the licensee the Authority will recommend to Government an appropriate policy framework for purchase of non-firm power from renewable resources.” [UNVERIFIED QUOTES]

Madam Speaker, I have done my part for renewables. People need to enforce the licence. I did that. I made sure. I read every word when we were doing that and I changed plenty of it too.

Madam Speaker, they claim I was afraid of CUC.

[Inaudible interjection]

Mr. V. Arden McLean: And I was favouring CUC? Do you know what the Chairman looked at me and said? *You are the toughest we have ever had in this country.* Why? Because I worked there, I knew what the future held and where we needed to take this country in renewables. You do not want to hear the rest of it.

[Inaudible interjections]

Mr. V. Arden McLean: Madam Speaker, you see that young man in West Bay there call . . . what’s his name?

[Inaudible interjection]

Mr. V. Arden McLean: No. The one who was Deputy Chair of this, the tall one—Charlie.

Mr. D. Ezzard Miller: That’s Raymond boy.

Hon. D. Kurt Tibbetts: Charlie Farrington.

[Inaudible interjections]

Mr. V. Arden McLean: Madam Speaker, nobody should ever underestimate his capabilities in this. He is now your managing director, right?

Madam Speaker, I do know why we have not picked this licence back up and dusted it off and understand what it is.

Madam Speaker, the same one that I was crucified for called RCAM, it is all laid out in here in formulas, Madam Speaker, and I certainly do not want to go too far in it, but the RCAM—Rate Cap and Adjustment Mechanism—[it was] the first time ever introduced in this country.

“The RCAM is based on the formula that incorporates readily available external data to determine the price level index. The price level index is adjusted by an appropriate factor which may provide for a rate increase less than, equal to, or greater than the price level index or for no increase. The relationship of the level of adjustment to the price level index is based on the licensee’s return on rate base, which is to be calculated from the most recent audited financial statement.

“All of the provisions regarding RCAM described in this condition 5 will not be changed except by mutual agreement of the licensee and the Authority. However, it is the responsibility of the Authority to determine the value of the X-factor on an annual basis in accordance with condition 25(6) below to adjust the value of the X-factor at the time of the five year review and to estimate approximate Z-factors as the need arises in accordance with condition 25(5).” [UNVERIFIED QUOTES]

Madam Speaker, X-factor, you know how these go. Yes.

“The X-factor is the productivity factor which is the amount by which the effects of the inflation (b) will be reduced in determining the rate adjustment expressed as a percentage or a proportion of (p). A Z-factor may be added to the base rate in effect from time to time. The Z-factor is the amount expressed in cents per kilowatt hour approved by the Authority and estimated to cover the sum of those cost items deemed to be outside the constraints of that RCAM. The Z-factor shall include, but is not limited to, those things, items, that are described in condition 26.” [UNVERIFIED QUOTE]. And those are things like housing and the likes that would not be involved in it.

Madam Speaker, the formulas are too much for me to read so I am not going to get into that. But Madam Speaker, I was crucified for this thing called RCAM. Prior to that it was a rate base and it was increased based on the assets—

Hon. D. Kurt Tibbetts: That is why they bought plenty cars.

Mr. V. Arden McLean: —of the company. This is based on performance. But Madam Speaker, history will be kind to me, trust me. I am not worried about unna now. I am not worried about history [INAUDIBLE], because that’s going to be a long time coming.

Madam Speaker, I just wanted it to be understood the provisions are here that are needed to put renewables in place.

Madam Speaker, I hear these people talk about needing assistance to get renewables in the country. Walk down to that ERA office or go up to Kurt’s Ministry and get his Chief Officer to implement this. It is simple.

[Inaudible interjection]

Mr. V. Arden McLean: Madam Speaker, before I leave there is something I need to say and unna know I do not hold candles for anyone, eh? And this is what I want to say: there are some people in this country who want to implement renewables and have been here a little while doing it, but their only objective is making money. They are not worried about this country. They are not worried about this country. They avoid me like the plague because that they know I will tell them anywhere I meet them . . . say it, say it is not so.

Madam Speaker, a good friend of mine was approached about putting power—solar—on his house. And he brought me the proposal. I told him the day you get it for that and it produces what they say, I will come and buy your house from you. It cannot happen. And they come up with the excuse that they are off the grid. They are not off the grid, and they are running around this country falsely taking people’s money! They need to stop it. And I submit and I beg the Minister responsible to look into it.

Hon. D. Kurt Tibbetts: I am already checking . . . somebody—

Mr. V. Arden McLean: Somebody is already checking it?

Hon. D. Kurt Tibbetts: I did not forget what you said.

Mr. V. Arden McLean: Okay. They do not mean us any good.

And then there are young Caymanians who want to do it in the interest of their country and we chop their legs off. No, we prefer someone else come in, make them make a little money, and keep Caymanians—the young Caymanians—those ones that are entrepreneurs and risk everything and throw everything in one basket to try to make two dollars and at the same time do something in the interest of the country and we cut their legs off. That is what we are good at. We are very good at that. And then all those others are walking around with legs while our young Caymanians walk around with caulk legs. Madam Speaker, we have got to stop that.

In Turks do you know what they are doing? Rent a roof. The utility company, which is owned by the same—

Hon. D. Kurt Tibbetts: Fortis

Mr. V. Arden McLean: —Fortis. My good friend Powell is down there and he is renting people's roofs. There was a young Caymanian here who wanted to do that too and they are trying to kill him. But they are doing it down there. The utility is doing it, renting people's roofs. It is cheaper to rent people's roofs than go buy land and do it you know, because you are wasting people's land, you are wasting your resources. Now we have got one quarry up there where they are putting up 5 Megawatts.

Assist that young Caymanian, and yes, Madam Speaker, it has its dangers because if you do not attach it properly, we are in the hurricane belt and it is going to destroy people's roofs, you know, if it gets ripped up, but if you put it through the roof and tie it on to the rafters and fix it properly, it is going to hold up to hurricanes. But you know what?

[Inaudible interjection]

Mr. V. Arden McLean: We prefer listening to those who come here as accountants or managing some place and all of a sudden have this revelation that they can make money off Caymanians with renewables and went out there to try learning it in a couple of days.

Hon. D. Kurt Tibbetts: Because you got your way of saying who it is eh?

Mr. V. Arden McLean: And—

[Laughter]

Mr. V. Arden McLean: —I have been in this business too long.

Hon. D. Kurt Tibbetts: Me too. I know.

Mr. V. Arden McLean: I know you have been, but you know how to do it too.

—and then we listen to them with their forked tongues of trying to make their money. And then the young Caymanians try to go dig graves or something.

Hon. D. Kurt Tibbetts: Ten to eleven now man.

Mr. V. Arden McLean: I told unna I would keep unna here until 1:00. Unna had no business to start on me.

Hon. D. Kurt Tibbetts: I never started on you Arden.

Mr. V. Arden McLean: Madam Speaker, no I will not do that. I will have some respect for the Chair, Madam Speaker.

Let me congratulate these two young men because they saw the need for this and I believe the

mover said . . . and I may be paraphrasing, but he said *the time is now*. Was that what he said? Yes.

Madam Speaker, let us move on from the past. We made mistakes or omissions, the time has come. Yes, every one of us tends to rejoice now because of our electricity bill has gone down. Well the only reason it has gone down is because we cannot control fuel and the bottom dropped out of it. And that is the only reason I hope Trump gets in, so he can stop those people from up there throwing oil down here on us. But watch out! Watch out! If you think that OPEC does not control us, stand by and I guarantee you they are going to slow down the supply and the cost is going—

Hon. D. Kurt Tibbetts: Going to go up again.

Mr. V. Arden McLean: —to skyrocket again. And they are going to come up with some excuse that the pumps were not working or the sand up in Saudi Arabia, up in the Middle East, sucked it all up or something. And then, all of a sudden, they got it in storage and then they are going to kill us with it.

So Madam Speaker, it is not going to be long when the cost of electricity, not necessarily the rates, because the rates do not change, but the cost of electricity is going to skyrocket again. I think they are down to like, under 10 cents, under 11 cents, or something like that, per kilowatt hour per gallon. Coupled with the rate, which is somewhere around 9 cents, 9, 10; that is about 20 cents. Compare that with two years ago when it was 37 cents or 35 cents. It is going back. And the only choice we have is to find some other method of generation of electricity.

I do not subscribe to this thing about we can, in one fell swoop put in renewables, like some guy was saying put in 150, 200 Megawatts right now.

Hon. D. Kurt Tibbetts: You cannot do it.

Mr. V. Arden McLean: You cannot do that, Madam Speaker. We need to try and study this thing properly. We need the Energy Policy. A reasonable . . . take some of those young boys that in this country who want to get in this thing, who are in it, who want to do it for all the right reasons, and put them on the boards too. Make them . . . it is their future, mine and yours is nearly gone.

Hon. D. Kurt Tibbetts: Easy now.

Mr. V. Arden McLean: Speak for yourself nah. But the way life goes, they are going to be here longer than us. They may have more to lose than we do.

Hon. D. Kurt Tibbetts: Yeah, yeah.

Mr. V. Arden McLean: So let them deal with it. You know, but we want to talk to people who come in here,

who do not even know anything about it. They do not know anything about it. They see an opportunity and jump at it and then try to cut off the legs of the young Caymanians? You make me catch um.

Madam Speaker, I think I have said enough. This is not the 1:00 that I was hoping for, but thank you very much, Madam Speaker.

The Speaker: Does any other Member wish to speak?

Does any other Member wish to speak?

I recognise the Fourth Elected Member for Bodden Town.

Mr. Alva H. Suckoo, Jr., Fourth Elected Member for Bodden Town: Thank you, Madam Speaker, I promise I will not be long. I know the hour is late, but I will not be as long as the Member for East End.

Mr. V. Arden McLean: Oh, come on.

Mr. Alva H. Suckoo, Jr.: But I think it would be remiss of me to not just rise to congratulate the Fifth Elected Member for George Town for taking the lead on this Motion and bringing it forward.

I was the seconder of the Motion but he has done most of the upfront work and pushed this to where it is here tonight. So, with those few words I just want to thank him for his vision, again, and his service to his country in bringing this much needed Motion forward and to thank all Members who have spoken in support of the Motion. And I look forward to a unanimous vote.

Thank you.

The Speaker: Does any other Member wish to speak?

I recognise the Honourable Minister responsible for Finance.

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

Madam Speaker, it is late evening, we are all tired and, Madam Speaker, I honestly wish I had spoken earlier so that I would probably have more energy and perhaps clearer thoughts. But I was trying to complete something else for tomorrow, as was also trying to follow the debate.

Madam Speaker, first of all, again, I congratulate the mover of the Motion, the Fifth Elected Member for George Town, on bringing this Motion and the Fourth Elected Member for Bodden Town on seconding the Motion, Madam Speaker, because the whole concept and hopeful implementation of renewable energy, Madam Speaker, has significant advantages, benefits, to the country.

Madam Speaker, I was looking through my notebook, and while searching for something else I

came across this that I had written sometime around February 2014. And it says here- "The Progressives campaigned on a platform of economic diversification and reducing the cost of living and cost of doing business in the Cayman Islands. And transitioning the Cayman Islands away from dependence on fossil fuels for energy production to renewable energy does have the potential to reduce prices in the economy. The other benefits of transitioning to renewable energy sources include energy security, price stability through domestication of energy production." [UNVERIFIED QUOTE]

Madam Speaker, the Member for East End just alluded to that when he referred to the unpredictable nature of the price of oil.

So, price stability through domestication of energy production, improvement in the balance of payments, Madam Speaker, with the . . . forgive me because I do not know if it is fatigue or what, but—

[Inaudible interjection]

Hon. Marco S. Archer: So Madam Speaker, price stability through domestication of energy production, improvement in the balance of payments from reduced importation of fossil fuels, job creation, and increased economic growth, and striking a balance between the economy and the environment.

So, Madam Speaker, the Motion as presented by the Fifth Elected Member for George Town speaks to all of those.

Madam Speaker, I will say that there are not many things on here that I would question. And I had said to the Member earlier that I just wanted some clarification or for him to expound on some of these issues.

Madam Speaker, I especially like the idea in the Resolve section—"2(d) as part of a carbon emission reduction goal, aiming for 20 per cent of all registered vehicles on the Cayman roads to be electric vehicles or hybrids by 2020 and to provide the necessary incentives to facilitate this goal, further reduce the import duty on each."

Madam Speaker, sometimes when I am on the road early in the morning, you know, it is amazing some of the cars that will cross you by and it is fair to say that with the importation of such vehicles our carbon footprint increases significantly each day. So, creating the necessary framework for the importation of electric and hybrid vehicles is already in place, but improving the incentive is something to be considered. I think at the moment the duty rate on electric vehicles is 10 per cent and hybrids 15 per cent. So yes, we could look at the feasibility of the rates on those.

So, Madam Speaker, that one I agree with wholeheartedly.

"2(e), ensuring appropriate solar power systems are provided to Caymanian households whose combined income falls below the poverty level identi-

fied in the Minimum Wage Law and all government build homes by way of subsidy.”

Madam Speaker, I had mentioned to the Member before that I would seek, just for him to expand on that a bit more so that I could make sure that it is fully understood.

Skipping to—“(g) creating further job opportunities . . .” I agree with that absolutely. I think whatever we can do to encourage and incentivise our young people, be they skilled or unskilled (because sometimes even skilled people can want to change careers), whatever we can do to put them into good paying jobs should be encouraged and this Motion speaks to that, so that is excellent, Madam Speaker.

With respect to “(h), recognising one association as the professional association of the renewable energy industry, to set standards and liaise with Government, NGOs and Industry, whose membership should include a member of government and that any work done on government projects are done by members of the association.” I like the idea of the association to maintain quality standards and to ensure cohesive policy guidance and direction, but I would just ask the Member whether or not he sees any difficulty, any potential adverse consequences, of it being the case that any work done on government projects are done—and in this case *are done* means must be done—by members of the association. So just for him to elaborate on that, whether or not there is any potential there for not getting value for money because if it is a given that the work done, can only be done by a particular group, the question is, are we always going to get best value for money? So, just in the event that, perhaps, he has already applied his mind to it, just to elaborate on that some more, Madam Speaker.

Madam Speaker, “2(j), setting a long term strategy, advised by the ERA for the Consumer Owned Renewable Energy Programme (CORE) that is part of a sustainable development plan for the economic benefit of energy consumers which is communicated to all persons on the Cayman Islands, but especially for new buildings.” I agree with that entirely. I think for too long we have just allowed any old thing to be done. And if we are going to reduce our footprint—carbon footprint—then we have to put in place the necessary policies and guidelines to ensure that what is best for the country is what is allowed to be done.

Next, in “2(k) establishing a sustainable development policy for all new buildings in the Cayman Islands to be built in a more eco-friendly manner to ensure energy and costs savings and to reduce greenhouse gas effects.”

So Madam Speaker, these are all good. And I have no difficulty in supporting the Motion, because I do believe in us moving the country forward in a direction of making better use of renewable energy. And I want to say just that in a few weeks we will come with the budget to the House and, Madam Speaker, the

Government has already given consideration to some of the things that we will bring in that budget.

So, I thank you very much, Madam Speaker. I can see that we are all fading and there were other things I wanted to say, but in the interest of all of us being able to get home at a reasonable hour, I will end there and wait for the mover of the Motion to sum up.

Thank you, Madam Speaker.

The Speaker: Does any other Member wish to speak?

Does any other Member wish to speak?

Final call—I recognise the Honourable Minister of Education.

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

Madam Speaker, the hour is late and I am glad for that comic relief because I was starting to fade fast myself.

Madam Speaker, it certainly would be remiss of me not to get up and say a few words in support of this Motion. And also, Madam Speaker, to I guess reiterate what the mover of the Motion started with when he opened the Motion in tying this to certainly something that I know the mover is very passionate about, having worked very closely with him for the better part of our time here in this House and certainly having attended the Summit that he organised last year. And even prior to that, on the campaign trail and making reference to the National Priorities Plan and certainly, a strategy for success as it relates to developing a National Sustainable Development Policy, which protects our environment, enhances our economy, and promotes equitable and social development.

Madam Speaker, these are certainly principles that, as Minister of Education, I espouse as well. And I believe that looking at this as one aspect—as a critical aspect—of sustainable development, it is important. But Madam Speaker, I would like to focus on a few of the individual clauses as well as my colleague did before me to basically talk about how I think the Government, in addition to supporting this Motion in creating an environment where we look to focus on actually bringing action to fruition, to create the policy, the framework, which we heard from a number of speakers, Madam Speaker, who talked about what you attempted to do when you were in the position. And, of course, the Member for East End gave a very insightful overview of what the situation is as it relates to the law and what is available under the law currently and the licence.

And so Madam Speaker, the Minister of Finance talked about the fact that the Cabinet had reduced the duties on electric vehicles when we—

[Inaudible interjection]

Hon. Tara A. Rivers:—we brought it into effect, right, exactly. So that is the connection there.

Certainly, Madam Speaker, that is something that I think the question is we need to probably do an assessment and maybe that is something that the Customs Department can assist [with] in terms of providing those statistics to see if that in itself has been enough of an incentive to get action in that regard.

Because, Madam Speaker, I think the key that we need in terms of actually bringing this to any meaningful light is to not just set the policy, but look at finding ways to make sure that the impacts, the measurable impacts, that we are trying to achieve are actually bearing fruit. So in that regard, Madam Speaker, I certainly support this particular initiative, but certainly want to ensure that we actually try to incentivise, while seeing the actual fruit of those incentives in that regard.

So, I want to turn to (g), in particular, as it relates to creating job opportunities, Madam Speaker. We have heard time and time again about the need to put certain policies in place, certain provisions in place, and the expectation is that the jobs will follow.

Madam Speaker, we know and the research will show, the dynamics will show regionally as well as internationally that STEM [Science Technology Engineering Math] related jobs . . . and this is certainly falling squarely within that realm of science; technology, engineering and mathematics, the issues of renewable energy and the scientific basis that it has is certain the industry and industries of the future—from the financial perspective, from the ability to earn a liveable wage (as the mover mentioned).

Also, we need to make sure that the budding industry that we have here, and we have a number of people who are involved in the industry, who I know are listening, the companies that are looking to expand, looking to help us as a country create the kinds of situations where we can provide this type of renewable energy. It is incumbent upon these same companies to make sure that they identify local talent, local people, who are young, who are keen, who are hungry or who may not even know about the world of opportunities. This cannot become an exclusive club that is seen to just, as the Member for East End, I think, made in his contributions, this is not something about creating an environment where it become unattainable or inaccessible. We are trying to make renewable energy accessible to all.

I am certainly not an expert when it comes to the technology or how the technology should be applied or should not be applied, but I am certainly wise enough to know that it is about making renewable energy accessible to the masses, from the provision of the benefits, but also from the economic and job creation opportunities.

So, Madam Speaker, I am just lending support to the goal in this regard, but certainly as a Mem-

ber of the Government who will be supporting this Motion, we will be looking to work very closely with this association and with all those individuals and companies who are either in effect now or will be in train as a result of increased opportunities. They must work very closely and I think the Members that brought this Motion specifically referred to a programme that is offered through UCCI as a specific example. I am sure there may be other opportunities that, once other institutions, such as ICCI and other opportunities may become available, these companies need to make sure that they work along with our institutions that are training our people and also working along with the scholarship secretariat to try to identify students who are currently studying subjects that are relevant and related, either from the technical and vocational side or from the kind of pure science and mathematics side to find a way or any other . . . you know, career trajectory that is relevant to this industry.

It is absolutely essential that we try to make sure that our people benefit, our young people benefit, from these growing job opportunities. And, of course, people who may need to transition into this industry that may have similar experience, either in telecommunications or utilities and may need to necessarily be somehow retooled or retrained to utilise the skills that they have in this new and growing industry.

So, Madam Speaker, I just want to stress that because I think just leaving down to trickledown economics is not the way that we want to go because we have heard that time and time again for a number of new industries that we are looking to promote. So, I would just say that certainly from where I sit as a Member of the Government, I will certainly be looking to try to promote these types of policies as I have been doing and as the Government has been accepting. When we talk about making concessions for any developments going forward, the Government has adopted a policy, Madam Speaker, to ensure that those concessions are tied to targets—to local employment targets—that these companies now need to try to attain and report on a regular basis, trying to make sure that they locate and identify locally qualified persons first before they look outside.

Of course, Madam Speaker, I am under no illusions that in some of these industries we will always need the outside technical expertise. But it is supposed to be in such a way that you are looking to groom, as best as possible, our people to take on the roles that we know, the opportunities that we know, would be coming once there is greater emphasis on trying to grow this particular industry. But again, I just want to reiterate that the goal should be to ensure that the people of this country benefit in the long run and, of course, bringing down our carbon footprint in itself should achieve that particular goal.

Certainly, Madam Speaker, just turning very briefly to another one of the stipulated or suggested, I should say,—because it does say “consider using

these as a non-exhaustive list”—is establishing sustainable development policy for all new buildings and making it more eco-friendly. Madam Speaker, I agree with that as well, in particular, and to say that as it relates to the development of schools, I am certainly not here to say exactly what is going to come of that because I do not interfere with respect to the decisions about who is chosen, what, and what is done. But from a policy level I certainly have charged the team in the Ministry and the technocrats to look at seeing how they can find ways to integrate renewable energy and renewable energy strategies into the development of any of the new school facilities going forward in a way, of course, that would be sustainable, that would be economical, and again that is going to benefit the children, primarily, first and foremost, but then the country as a whole.

So, certainly, developing these kinds of policies and trying as best as possible to integrate them moving forward, it may be more difficult to do with existing buildings because of the nature of the age of the building and what not may be too cost prohibitive or too . . . you know, difficult to actually achieve. But certainly moving forward is something that I think as a Government we certainly should be supporting. And I think I will do what I can to try to move that agenda along as well.

So, with those few words, Madam Speaker, I would just like to, as I said, lend my support to what I think is a very timely Motion and certainly one that speaks to a number of the goals that we campaigned on and a number of the goals that I think that as a country, as a whole, we are all prepared and ready to see how we can bring to the forefront.

Thank you.

The Speaker: I recognise the Third Elected Member from West Bay.

Mr. Bernie A. Bush: Madam Speaker, thank you.

I too rise to congratulate, thank and whatever else, whatever accolades can be given to the mover of this Motion. He has worked hard and I am glad that he brought me on board with him. I am very honoured.

Madam Speaker, something else happened tonight that I am going to thank the Minister responsible because over four weeks ago, Madam Speaker, I sent a simple question down to this House to be answered—What is the Government doing to implement the Sustainable Development Goals relative to energy and sustainability in the Cayman Islands? And, (b) Is there an implementation strategy that the Government intends to pursue?

Four weeks later the Chief Officer or whoever is responsible has not given the Minister the answer for that yet.

Another thing that had me concerned and worried about what would happen about this Motion, Madam Speaker, was I got a kind of got second-

handed information and I have not been able to confirm that a company proposed to provide fully financed wind turbines on low income homes at no cost to the families that would offset 20 to 30 per cent of the bill for free. I heard that either the Government did not answer or would not waive the fees to help this out. I am not so sure about this, Madam Speaker, but I am hoping it is not so.

Tonight, listening to the Minister speak, I want to say thank you for trying to push this forward for the country and to say that it is good to see us all trying to work together for something that would definitely help the people in this country. Having been on two of the conferences, Madam Speaker, first to the regional and then to the international conference, the naysayers that keep saying this cannot be done, it is expensive, are not telling the truth.

Madam Speaker, in those few words I too, like I said, would like to say thank you very much to the mover of the Motion and to thank those that have said they are going to support this Motion.

Thank you.

The Speaker: I recognise the Second Elected Member from George Town.

Mr. Roy M. McTaggart, Second Elected Member for George Town: Thank you, Madam Speaker, just a few comments from me. Firstly, to really offer congratulations to the mover and the seconder of the Motion, my colleague, Winston. And, Madam Speaker, I know he is extremely passionate about the subject matter, very knowledgeable in fact. And I have spent a lot of time and had a number of conversations with him over the years with regard to this matter. So I appreciate him for bringing and highlighting the issues and the need for proper energy policy and for us to be looking at alternative energies. I do not appreciate all of the challenges and nuances with regard to alternative energy, but I do know that as a country it is something that we have to face. I do appreciate, too, the candid response from the Minister with what is taking place within the Ministry in dealing with this.

The Private Member's Motion listed a number of goals that we ought to be aiming for—suggestions. And Madam Speaker, my immediate thinking is that they are very ambitious, but I do realise, too, [that] as a country whatever we do if we do not challenge ourselves we will not achieve anything. And so I am really grateful for those specific goals that were suggested in this Member's Motion that will provide the focus and give us a goal to try and reach for . . . something to measure along the way.

So, Madam Speaker, I wholeheartedly support this Motion and congratulate, again, the Member for bringing it forward.

Thank you, Madam.

The Speaker: I recognise the Honourable Minister of Youth.

Hon. Osbourne V. Bodden, Minister of Community Affairs, Youth and Sports: Madam Speaker, thank you. I plan to do my best to get the mover to midnight; I cannot do much more than that.

But seriously, I want to thank the Fifth Elected Member for George Town for his efforts because I know that this is something that, long before I took any serious interest in this, he has been at this and pushing and dragging, as it were, many of us in that direction. And I guess he has looked into it a lot more than most of us have and he has to be credited for foreseeing the benefits and going on various trips and doing his presentation. So, I want to commend him for bringing this and for the Fourth Elected Member for Bodden Town, for seconding the Motion, and all of the presentations that we have had here this evening, some a lot more detailed than others.

I think, Madam Speaker, it is an important and it is, as it were, a landmark Motion and it will be one that will, I am sure, go down in annals as being a very important time in our history for us to look at this and to make the changes necessary as a small group of islands. We, as the mover said to me in the break, he was so embarrassed, and he said this is well during his contribution, when he has been on his conferences and when he is asked what is the Caymanian percentage in alternative energy, a measly 1 per cent up against 30, 40, 50, 75 per cent does not say much for us in terms of where we are. But as I said to him, of course, we have had it so good for so long with reliable power, we have not really saw it, although we have paid for that. There was a time when we could pay and now things are different in Cayman, people are screaming at bills and having electricity shut off is a regular thing.

So now, necessity is the mother of invention they say, and here we are looking, and certainly, at the right things because, again, as small islands I do not think we should continue to be heavily dependent on fossil fuels. We have to work in tandem with our power company, it has been here for a long time in tons of investment, of course, and they should be working along with the country and whoever it is that is in this area.

I am not technically minded, I consider myself more of a social engineer in terms of helping my people, but I see the value in this. I have taken a step of actually putting an electric charging station at my gas station, which is the first in region I am told. But people may laugh at that, but you know it is being used and I see a tide coming, a wave coming, that we will not stop. And certainly as legislators, as Government, we need to be aware of that and we need to get on board and we have to do what we have to do to incentivise and to make things that much easier for people to do.

[Inaudible interjection]

Hon. Osbourne V. Bodden: Well, there has to be a little perk to providing the current, I am not that foolish.

[Inaudible interjection]

Hon. Osbourne V. Bodden: No, no.

But I have no intention of going where the Member for East End went. He certainly shed some new light and some detail which was far beyond my gray matter. But I think the gist of what he was saying is that there is a certain framework in place with licence and with what Government has that can make this possible.

What I do know, Madam Speaker, is that we have a lot of sunshine in this country and we have a lot of deep water around this country. And those are two areas that provide what we are talking about—sunshine and cold water. I had the privilege of being in the Security Centre building yesterday evening for an event and I was pleased to see what they have done there with the new construction and how much self-dependency, I should say, that they have created with solar and a fantastic building for anyone who has not visited it. But they have, you know, all of their garage covered and the roof and everything else is solar panels.

So, it is the way of the future, Madam Speaker, and we have to guard against anything new. Of course, we are going to have the vultures and we are going to have the honest people and you are going to have the young people and you are going to have all those come out. But we have to protect our young people and make sure that they get the opportunities that are coming up in this. And certainly as the Member responsible for Social Services and knowing what we deal with on daily basis, we have heard it here recently how much we are putting into helping people, anything that can help us out of that, reduce bills, help people with opportunities job wise, certainly I am in favour of.

So I wanted to just put on record my support and, once again, to commend the Member for moving this along. I know he has a deep, deep passion for this and certainly it is something that I have always felt, without knowing the details and intricacies, I have always felt and said, *We've got a lot of sunshine, why aren't we using more of it?* We do not have the wind factor, but we certainly have the sunshine and the deep water.

Therefore, my support is here and I would like to just . . . I know it is late and everybody is probably on their last legs or, in my case, I got a second wind because I am a bit of late night person. So, thank you all and thank the staff for being here with us, and Madam Speaker, I know you suffer in that Chair long and hard with us. Thank you all for allowing me this small opportunity.

Thank you.

The Speaker: Does any other Member wish to speak?

Does any other Member wish to speak?

Final call—does any other Member wish to speak?

If not, I will call on the mover to wind up.

Mr. Winston C. Connolly, Jr.: Thank you, Madam Speaker. I will not be here that long.

Madam Speaker, first of all I would like to acknowledge, again, the members in the Gallery that stayed this long. I mean we get paid to do this and this is our job, and the fact that they are still there, thank you for being here.

Madam Speaker, what I am most proud about and grateful for, is the collegiate atmosphere that has been portrayed here tonight.

Madam Speaker, I always say that we are stronger together. The fact that we can go through and have a history lesson, basically, tonight and to show that within these hallowed halls we have had lots of interest, lots of resources and lots of answers for this issue that we are touting today. I am very grateful for both the seconder and also the Third Elected Member for West Bay, because we have had several conversations about this Motion and trying to bring it forward and trying to raise awareness, Madam Speaker. Honestly, I did know how it would be accepted. And we did go as far as trying to get as much social media and support as possible. And again I would like to thank the listening persons, the persons listening on radio and on TV for all of their support.

I look forward to sitting on this Committee, Madam Speaker, and although I will not be Chairman, I think that the Minister has chosen someone who is actually a lot better than I would have been in that position because there is a certain level of expertise that, you know, can lend to what we are doing and I am happy to bow to his expertise and I look forward to working with all the members on the Committee.

Madam Speaker, I even had a pleasant surprise because the Minister said that in three months we are looking for answers and everything else. So that was even ahead of my timeframe of six, so—

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: —I know, getting there and getting . . . but no, I mean, it is encouraging when everybody is on the same page, Madam Speaker.

When the CPA first presented the Parliamentary Conference on Sustainability and Energy and Development, I was very grateful to have been chosen to go. But Madam Speaker, you were wearing another hat as Chairman, you looked at this as a bipartisan opportunity. And on the Regional Committee, we were allowed three people and at the time I was a Back-

bencher on the Government side, and I went along with the Member for East End and the Third Elected Member for West Bay. And I truly think that that was a good building block for other things that we should be doing, especially in the most important things, Madam Speaker, the things that have long reaching and wide effects. If we can get bipartisan buy-in, then, the probability of that being thrown away if administrations change, et cetera, is going to be lessened.

And I think that is a model that we as a House should start looking at more often because in this history lesson tonight what we found out is that people have just been taking what somebody else has done before and furthering it. And that is how it should be, Madam Speaker, we should not be throwing everything out every four years. It does not make sense. And when somebody like the Member for East End can come and show, you know, in some cases some of the things that we did not know or we had forgotten, and talk about using those mechanisms, that is the power of us coming together, Madam Speaker.

Once we get in the 10 Island Challenge, I was just trying to ask the Minister if he was clarifying whether that was Little Cayman or Grand Cayman.

[Inaudible interjection]

Mr. Winston C. Connolly, Jr.: All three Islands, okay. Yes, all three.

All right, thank you.

I was saying, imagine if we looked at Little Cayman and Cayman Brac to a certain extent and made them the kind of jewel of the Caribbean where they are all electric and they are carbon neutral and all these things. I mean from a tourism perspective that is also something that the Minister of Tourism can sell and sell far and wide. But it is these things, these opportunities, it is us coming together and really just looking, again, out for the greater good.

Madam Speaker, I just wanted to address the fairness in this. This is not a beat up on CUC motion or anything else; this is us saying we need to come together as a Government, as a utility, as Regulator, and as representatives on our Committee from a wide cross-section of the islands and come up with something that is balanced. Because it is not fair for someone that is coming off the grid and having the ones stay on and pay disproportionate amounts. But also, people should not be penalised for going solar because they are actually providing a benefit to the grid. So we need to come up, you know, realistic, reasonable and fair, a kind of monetary amounts.

Madam Speaker, I do not have all the answers, all right? And that was highlighted to me more so tonight when some people got up and spoke about the technical aspects and other things. But I do know that I have a passion for this because it affects our people, Madam Speaker.

And just to talk to the Minister of Finance's questions in terms of what I was imagining with that subsidy, all right, and it was basically starting with all government housing. Instead of us doing all the things that we do through NAU with those things, with topping up and buying vouchers, let us do a cost/benefit analysis, let us see what the cost of putting solar on there and then, you know, compare it with what we are paying in terms of electricity vouchers, et cetera, and then see where we can offset that and how long it would take to recover our money.

So again, I leave that to the experts, like you, but that was my thinking, all right? Because it would go a long way to helping those persons as well in terms of making ends meet month to month and take away some of their stress, some of their burden and actually give them a kind of security blanket so to speak, because if you are putting solar on the roof you know it is going to be a steady return over time given the climate and everything else that we are on. And I believe over time we would end up saving money in that regard. And then, you know, talking about people that are below the poverty line, whatever that is, based on the Minister's minimum wage and just try to see if we can get some balance and figure out if we can do it, but at least consider it, all right?

In terms of any kind of potential difficulties or adverse consequences with the association, I was looking at that primarily for the quality control and I looked at it in terms of . . . I compare a CREA to like the Cayman Contractors' Association, all right? Those guys are not going to get in and set prices and have anti-competition type of thing where you have, if you go to every member they are going to have one fee, I think it is inclusive, it is made up of different bodies, mostly to share information, to set standards, and then to kind of hold their members accountable. So, I would think, and again, until proven wrong or until I can be shown otherwise, that they would operate in that same manner in that say you went to the Contractors' Association, you would get different people with competitive bids because they are there, I think, more so as networking, quality, continuing developments, that sort of thing. But what I was trying to do was basically look at if all the solar providers or renewable energies could join this group, (a) they would have a bigger voice, but what we would do then is probably get a better product in terms of if they are holding each other accountable.

Madam Speaker, I do not have much more to say, but to thank all Members who contributed. I thank the Government for accepting this Motion. And for you up there who is pretty silent because you are not able to speak on this, to say thank you as well, because I read the Draft Energy Policy, I have read a lot of the Hansards and everything about it, and again it shows that this is not something that is new, or that I brought up, or whatever, it shows that people have been thinking about it and putting effort into it and contributing.

But I think what we need to do now is take all that time and energy spent and implement it now, review, update it as necessary because it has been a period in between, but let us finish off that last bit of it that sometimes we get accused of not doing. Let us implement a plan because it is going to ultimately benefit our people.

So, I would just like to end on that note, Madam Speaker. Thank you, Honourable Members of the House.

The Speaker: The question is that Motion No. 24/2015-2016 as amended be passed.

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

Ayes.

The Speaker: The Ayes have it.

Mr. Alva H. Suckoo, Jr.: Madam Speaker, sorry, could we have a Division?

The Speaker: Madam Clerk, please call a Division.

The Clerk:

Division No. 19

Ayes: 16

Hon. Alden M. McLaughlin
 Hon. Moses I. Kirkconnell
 Hon. D. Kurt Tibbetts
 Hon. Osbourne V. Bodden
 Hon. Marco S. Archer
 Hon. Tara A. Rivers
 Mr. Roy M. McTaggart
 Mr. Joseph X. Hew
 Hon. W. McKeeva Bush
 Mr. Bernie A. Bush
 Capt. A. Eugene Ebanks
 Mr. Alva H. Suckoo, Jr.
 Mr. Winston C. Connolly, Jr.
 Mr. D. Ezzard Miller
 Mr. Arden McLean
 Mr. Anthony S. Eden

Noes: 0

Absent: 1

Hon. G. Wayne Panton

The Speaker: The Division is as follows: 16 Ayes, 1 Absentee.

The Motion is carried.

Agreed by majority on division: Private Member's Motion No. 24/2015-2016, as amended, passed.

The Speaker: I recognise the Honourable Premier.

ADJOURNMENT

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

Madam Speaker, I just want to thank all honourable Members of the House for agreeing to work so late to get through this agenda. And I just want to say to the mover and seconder of the Motion that the reason the rest of us on this side did not speak is not because we did have something to say, but because of the lateness of the hour.

And so at 13 minutes to the Witching hour I adjourn this honourable House until 10:00 am tomorrow.

The Speaker: The question is that this honourable House be adjourned until 10:00 am tomorrow.

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

Ayes.

The Speaker: The Ayes have it.

Accordingly the House now stands adjourned until 10:00 tomorrow morning.

At 11:47 pm the House stood adjourned until 10:00 am, Friday, 6 May 2016.

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